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This agreement was prepared by and
after recording return to:

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Chicago, IL 60602

212169

**SHOPS AND LOFTS AT 47 .
REDEVELOPMENT AGREEMENT**

This Shops and Lofts at 47 Redevelopment Agreement (the "Agreement") is made as of this 1st day of February, 2013, by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Housing and Economic Development ("HED"), Mahogany Chicago 47, LLC, an Ohio limited liability company ("Mahogany Chicago 47"), Mahogany Shops 47, LLC, an Ohio limited liability company ("Commercial Master Landlord"), with Mahogany Chicago 47 and the Commercial Master Landlord collectively referred to herein as the "Commercial Developer"), TCB Development Services LLC, an Illinois limited liability company ("TCB LLC"), and Lofts 47 Phase I Limited Partnership, an Illinois limited partnership ("Lofts 47") (TCB LLC and Lofts 47 being collectively referred to as the "Residential Developers" and the Commercial Developer and the Residential Developers being collectively referred to as the "Developer Parties" or each developer party, individually, as the "Developer").

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on July 8, 1998: (1) "Approval of 43rd Street/Cottage Grove Avenue Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project;" (2) "Designation of 43rd Street/Cottage

Grove Avenue Redevelopment Project Area as a Redevelopment Project Area pursuant to Tax Increment Allocation Redevelopment Act;" and (3) "Adoption of Tax Increment Allocation Financing for the 43rd Street/Cottage Grove Redevelopment Project Area" (the "Original TIF Adoption Ordinance"); and to induce redevelopment of areas located adjacent to the 43rd Street/Cottage Grove Redevelopment Project Area, the City Council adopted the following ordinances on September 29, 2004: (1) "An Ordinance of the City of Chicago, Illinois expanding the boundaries of the 43rd Street/Cottage Grove Redevelopment Project Area and designating the additional areas described in Section 2 of such ordinance as a redevelopment project area under the Act, thereby creating an expanded redevelopment project area to be known as the "Amended 43rd Street/Cottage Grove Redevelopment Project Area," (2) "An Ordinance of the City of Chicago, Illinois Designating the Amended, 43rd Street/Cottage Grove Redevelopment Project Area as a Tax Increment Financing District," and (3) "An Ordinance Adopting Tax Increment Allocation Financing for the Amended 43rd Street/Cottage Grove Redevelopment Project Area" (the "Amended TIF Adoption Ordinance," which, together with the "Original TIF Adoption Ordinance," is referred to herein as the "TIF Adoption Ordinance") (collectively referred to herein as the "TIF Ordinances"). The Amended 43rd Street/Cottage Grove Redevelopment Project Area (the "Redevelopment Area") is legally described on Exhibit A hereto.

D. The Project: The project site is within the Redevelopment Area and occupies the southwest corner of the intersection of South Cottage Grove Avenue and East 47th Street (the "Property") as legally described on Exhibit B hereto. The City intends to purchase (or has purchased) that portion of the Property not currently owned by one or more Developer Parties (the "City Property"). The City, pursuant to an ordinance ("Vacation and Opening Ordinance") adopted by the City Council on June 27, 2012, and published at pages 30506 through 30510 of the Journal for such date, vacated and opened certain public alleys to accommodate the assemblage of properties to be included in the Project. Those vacated public ways shall increase the square footage of the City Property to be conveyed to the respective Developer entities. The Developer Parties shall maintain the approximate four (4) foot remainder of PIN 20-10-206-011 that lies south of opened public alley that was not included in the Vacation and Opening Ordinance and continues to be owned by the City. The City and the Developer Parties may enter into a maintenance agreement over the remainder area to be maintained by the Developer Parties. The portion of the Property that will be conveyed by the City to TCB LLC in connection with the Residential Component, and to Mahogany Shops 47, LLC in connection with the Commercial Component shall be conveyed with legal descriptions of said City Property as acquired by the City and is as follows:

Parcels conveyed to TCB LLC	Parcels conveyed to Mahogany Shops 47, LLC
20-10-206-001 (increased by alley vacation)	20-10-206-026 (increased by alley vacation)
20-10-206-002 (increased by alley vacation)	20-10-206-027
20-10-206-003 (increased by alley vacation)	20-10-206-028
20-10-206-004 (increased by alley vacation)	20-10-206-030
20-10-206-005 (increased by alley vacation)	
20-10-206-006 (increased by alley vacation)	
20-10-206-007 (increased by alley vacation)	

20-10-206-009 (increased by alley vacation)	
20-10-206-010 (increased by alley vacation)	
20-10-206-013	
20-10-206-014	
20-10-206-016	
20-10-206-017	
20-10-206-020	
20-10-206-021 (increased by alley vacation)	
20-10-206-024 (increased by alley vacation)	
20-10-206-025 (increased by alley vacation, will be split between residential and commercial)	
20-10-206-031 (increased by alley vacation)	
20-10-206-033 (increased by alley vacation)	

The Project will consist of three components (each, a “Component”), the first two of which will be located in a five (5) story mixed-use building: (i) approximately seventy-two (72) residential rental units (the “Main Residential Component”), (ii) approximately 55,000 square feet of ground floor commercial space (the “Commercial Component”), and (iii) three new buildings along South Evans Avenue and East 48th Street containing a total of twenty-one (21) residential rental units and the renovation of 4749 South Evans Avenue into three (3) residential units, for a total of twenty-four (24) residential units (the “Evans Residential Component”) (the Main Residential Component and the Evans Residential Component are collectively referred to herein as the “Residential Component”). A portion of the Commercial Component will contain an approximately 41,000 square foot Wal-Mart grocery store or other regional or national grocery retailer (the “Full Service Grocery Store”). At least seventy five percent (75%) of the rental residential units in the Residential Component will be leased to households whose incomes are at or below sixty percent (60%) of area median income (the “Affordable Housing Units”). The permanent index numbers for the portion of the Property on which the Project will be constructed are as follows: 20-10-206-001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 013, 014, 016, 017, 019, 020, 021, 024, 025, 026, 027, 028, 029, 030, 031 and 033 (the “PINs”).

The Developer Parties will complete their respective Component within the time frames set forth in Section 3.01 hereof. The Residential Component and the Commercial Component (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C hereto), together with the Developer Parties’ other obligations under this Agreement, are collectively referred to herein as the “Project.” The completion of the Project would not reasonably be anticipated without the financing contemplated by this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the Amended 43rd/Cottage Grove Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project (the “Redevelopment Plan”) attached hereto as Exhibit D.

F. City Financing: The City agrees to make available, in the amounts set forth in Section 4.03 hereof, the City Funds as described herein, to finance a portion of the costs of the

Project to pay for or reimburse the Developer Parties for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement. The City has agreed to make available the City Funds in consideration of the Developer Parties' incurring the costs of the TIF-Funded Improvements and the other costs of the Project.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to the TIF bond ordinance (the "TIF Bond Ordinance") at a later date as described in Section 4.03(b) hereof, the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Available Incremental Taxes (including any such payment made pursuant to any City Note or any Cash Payment), to make payments of principal and interest on any City Note or any Cash Payment, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

"43rd/Cottage Grove TIF Fund" shall mean the 43rd Street/Cottage Grove Avenue Tax Increment Financing Redevelopment Project Area Special Tax Allocation Fund (as defined in the Original TIF Adoption Ordinance), the special tax allocation fund created by the City in connection with the Redevelopment Area (as defined below) into which the Incremental Taxes (as defined below) will initially be deposited.

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

"Annual Compliance Reports" shall mean a signed report from (i) the Commercial Developer to the City (a) itemizing each of the Commercial Developer's obligations under the Agreement during the preceding calendar year, (b) certifying the Commercial Developer's 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 Commercial Developer is not in default with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) delivery of Financial Statements (Section 8.13); (2) delivery of updated insurance certificates, if applicable (Section 8.14); (3) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); and (4) delivery of evidence of compliance with the Minimum Occupancy (Section 8.21); and (5) compliance with all other executory provisions of the Agreement; and

(ii) the Residential Developers to the City (a) itemizing each of the Residential Developers' obligations under the Agreement during the preceding calendar year, (b) certifying the Residential Developers' 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 Residential Developers' are not in default with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) delivery of Financial Statements (Section 8.13); (2) delivery of updated insurance certificates, if applicable (Section 8.14); (3) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (4) delivery of evidence of compliance with Affordable Housing Covenant (Section 8.20); and (5) compliance with all other executory provisions of the Agreement.

"Available Incremental Taxes" shall mean for

(A) the Cash Payments (as defined below), the Commercial Tax-Exempt Note (as defined below) and the Residential Tax-Exempt Note (as defined below) an amount equal to the Incremental Taxes (as defined below) in the 43rd/Cottage Grove TIF Fund and not pledged to the following HED projects which are prior obligations in the Redevelopment Area ("Prior Existing Liens"): (i) Hearts United Phases I, II and III, (ii) the City's Small Business Improvement Fund and (iii) the City's Broadband Initiative, and

(B) the Commercial Taxable Note (as defined below) and the Residential Taxable Note (as defined below) shall mean an amount equal to the Incremental Taxes deposited after the Closing Date in the 43rd/Cottage Grove TIF Fund attributable to the taxes levied on the Property and not pledged to the (i) Prior Existing Liens, (ii) Commercial Tax-Exempt Note or (iii) Residential Tax-Exempt Note, and at any time such increment described above is not sufficient to make payments due under the terms of the Commercial Taxable Note or the Residential Taxable Note, then the Available Incremental Taxes, if any is available, described in (A) above shall be used to make such payment, after any required payments have been made on the Commercial Tax-Exempt Note, Residential Tax-Exempt Note and Prior Liens as described in (A) above.

"Cash Payments" shall mean, collectively, Cash Payment A (as defined below) and Cash Payment B (as defined below), and individually, a "Cash Payment". The maximum amount of the Cash Payments in the aggregate shall not exceed \$4,364,000.

"Cash Payment A" shall mean the cash payment made by the City from Available Incremental Taxes to one of the Residential Developers designated by the Developer Parties upon the issuance of the Residential Component Certificate for the reimbursement of TIF-Funded Improvements related to the Residential Component. The Developer Parties will designate the amount of Cash Payment A no later than 15 business days prior to the expected Residential Component Certificate issuance date as determined by HED.

"Cash Payment B" shall mean the cash payment made by the City from Available Incremental Taxes to Mahogany Chicago 47 upon the issuance of the Commercial Component Certificate for the reimbursement of TIF-Funded Improvements related to the Commercial Component. The amount of Cash Payment B shall be the difference between Cash Payment A and \$4,364,000 (unless

the Commercial Component Certificate is issued first, in which event the Developer Parties will designate the amount of Cash Payment B no later than 15 business days prior to the expected Commercial Component Certificate issuance date as determined by HED).

"CDE Lender" shall mean CDF Suballocatee XVII, LLC, an Illinois limited liability company.

"CDE Loan" shall mean the loan made by the CDE Lender to the Commercial Master Landlord constituting part of the Commercial Lender Financing.

"Certificate of Expenditure" shall mean any Certificate of Expenditure referenced in the City Notes (as defined below) pursuant to which the principal amount of the City Note (as defined below) will be established.

"Certificates" shall mean, collectively, the Commercial Component Certificate and the Residential Component Certificate described in Section 7.01, and individually, as the "Certificate."

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

"City Funds" shall mean the funds described in Section 4.03(b) hereof.

"City Notes" shall mean, collectively, the Commercial Tax-Exempt Note (as defined below), the Commercial Taxable Note (as defined below), the Residential Tax-Exempt Note (as defined below) and the Residential Taxable Note (as defined below), and individually as the "City Note." The maximum principal amount of the City Notes in the aggregate shall not exceed \$8,486,000.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto, and, subject to the terms and conditions herein contained, the execution of the City Notes by the City and delivery thereof to the Developer Parties.

"Commercial Construction Contract" shall mean and refer to that certain construction contract, substantially in the form attached hereto as Exhibit E-1, to be entered into by the Commercial Developer with the contractor to be engaged to provide for construction of the Commercial Component, which contract shall be subject to HED's reasonable review and approval.

"Commercial Component Certificate" shall mean the Commercial Component Certificate of Completion described in Section 7.01.

"Commercial Lender Financing" shall mean funds borrowed by the Commercial Developer from lenders and irrevocably available to pay for costs of Commercial Component, in the amount set forth in Section 4.01 hereof. The Commercial Lender Financing includes the CDE Loan and the Senior Lender Commercial Loans.

"Commercial Property" shall mean that portion of the Property containing the Commercial Component.

"Commercial Taxable Note" shall mean the City of Chicago Tax Increment Allocation Revenue Note (Shops and Lofts at 47 Redevelopment Project) Taxable Series A-1 to be in the form attached hereto as Exhibit K-1 and in accordance with an amortization schedule to be attached upon issuance, in the maximum principal amount of approximately \$228,271, as evidenced by a Certificate of Expenditure, and subject to adjustment as set forth generally in Section 4.03, to be issued by the City to Mahogany Chicago 47 upon the issuance of the Commercial Component Certificate. The Commercial Taxable Note shall bear interest at an annual rate not to exceed the Maximum Taxable Interest Rate (as defined below). The maximum amount of the Commercial Taxable Note is also subject to ratable reduction in accordance with Section 4.03(b). The payment of the amounts due under the Commercial Taxable Note will be secured only with Available Incremental Taxes, on a parity basis with the Residential Taxable Note and on a subordinate basis with respect to the Commercial Tax-Exempt Note and the Residential Tax-Exempt Note, such that in each year all scheduled payments and any delinquent payments, if any, owed on the Commercial Tax-Exempt Note and the Residential Tax-Exempt Note should be paid prior to a scheduled payment or a delinquent payment, if any, owed on the Commercial Taxable Note and the Residential Taxable Note.

"Commercial Tax-Exempt Note" shall mean the City of Chicago Tax Increment Allocation Revenue Note (Shops and Lofts at 47 Redevelopment Project) Tax-Exempt Series B-1 to be in the form attached hereto as Exhibit K-3 and in accordance with an amortization schedule to be attached upon issuance, in the initial maximum principal amount of approximately \$722,689, as evidenced by a Certificate of Expenditure, and subject to adjustment generally as set forth in Section 4.03, to be issued by the City to Mahogany Chicago 47 upon the issuance of the Commercial Component Certificate. The Commercial Tax-Exempt Note shall bear interest at an annual rate not to exceed the Maximum Tax-Exempt Interest Rate (as defined below). The maximum amount of the Commercial Tax-Exempt Note is also subject to ratable reduction in accordance with Section 4.03(b). The payment of the amounts due under the Commercial Tax-Exempt Note will be secured only with Available Incremental Taxes, on a parity basis with the Residential Tax-Exempt Note. The City may not prepay the Commercial Tax-Exempt Note without the consent of the Commercial Developer or the registered owner of the Commercial Tax-Exempt Note for a period of three years from the date which is six (6) months following the date of issuance of the Commercial Completion Certificate. The Commercial Developer may sell the Commercial Tax-Exempt Note at any time after the issuance of the Commercial Completion Certificate, but only to a Qualified Investor with no view to resale and pursuant to an acceptable investment letter and in a manner and on terms, otherwise reasonably acceptable to the City.

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

"Commissioner" shall mean the Commissioner of the Department of Housing and Economic Development of the City.

"Corporation Counsel" shall mean the City's Office of Corporation Counsel.

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

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

"Escrow" shall mean the applicable construction escrow established pursuant to any applicable Escrow Agreement.

"Escrow Agreement" collectively, shall mean each Escrow Agreement establishing a construction escrow, entered into by the Title Company (or an affiliate of the Title Company), the Commercial Developer (for the Escrow Agreement relating to the Commercial Component), one or more of the Residential Developers (for the Escrow Agreement relating to the Residential Component), and the applicable Developer Parties' lender(s), in form and content reasonably acceptable to HED.

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

"Financial Statements" shall mean complete certified (by a duly authorized representative of Developer Parties) and renewed financial statements of each of the Developer Parties prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"General Contractor" shall mean, shall mean a general contractor to be designated by one or more of the Developer Parties, subject to the review and approval of HED.

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

"HED" shall mean the Department of Housing and Economic Development of the City.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into a special tax allocation fund, being 43rd/Cottage Grove TIF Fund, established to pay Redevelopment Project Costs and certain other redevelopment project costs incurred in the Redevelopment Area and obligations incurred in the payment thereof.

"Lender Financing" shall mean, collectively, the Commercial Lender Financing and the Residential Lender Financing.

"Maximum Taxable Interest Rate" shall mean shall mean an annual interest rate equal to the median value of the Corporate BBB Bond Index Rate (20-year) as published by Bloomberg on the last business day prior to the date of issuance of the Commercial Taxable Note or the Residential Taxable Note, as applicable, plus 200 basis points, but in no event exceeding eight and one-half percent (8.5%) per annum.

"Maximum Tax-Exempt Interest Rate" shall mean an annual rate equal to the median value of the Baa (municipal market data) G.O. Bond rate (20 year) as published by Thompson-Reuters Municipal Market Data ("MMD") on the date which is 15 business days before the Commercial Tax-Exempt Note or the Residential Tax-Exempt Note, as applicable, is issued plus 200 basis points, but in no event exceeding eight percent (8.00%) per annum.

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

"MBE/WBE Budget" shall mean the budget attached hereto as Exhibit G-2, as described in Section 10.

"MBE/WBE Program" shall have the meaning set forth in Section 10.03 hereof.

"Minimum Occupancy" shall mean that a Full Service Grocery Store is constructed, occupied and open for business as part of the Commercial Component.

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

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

"PD Ordinance" shall mean Residential Business Planned Development No. 1095 that governs the Property, approved by the City Council and amended on July 25, 2012, as the same may be amended from time to time.

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

"PINs" has the meaning set forth in Recital D hereof.

"Plans and Specifications" shall mean construction documents containing an initial site plan and initial working drawings and specifications for the Project.

"Prior Expenditure(s)" shall have the meaning set forth in Section 4.04(a) hereof.

"Prohibited Uses" means for the Commercial Component of the Project, the following: an automobile body and fender shop; an automobile repairs shop (mechanical or otherwise) or any business servicing motor vehicles, including, without limitation, any quick lube oil change services, tire centers, or any business storing or selling gasoline or diesel fuel at retail or wholesale; a shooting gallery; a pawn shop; a massage parlor; an off-track betting establishment; a church or other house of worship (except if such restriction would violate applicable laws); a night club; a flea market; mortuaries or funeral homes; a currency exchange; a resale shop; the manufacture, storage, distribution, production, sale of or any use involving pornographic materials or items, or any establishment featuring nude, topless or partially-clad dancing; and any other uses prohibited by the PD Ordinance.

"Project Budget" shall mean the budget attached hereto as Exhibit G-1, showing the total cost of the Project by line item, furnished by the Developer Parties to HED, in accordance with Section 3.04 hereof.

"Property" shall mean the property legally described in Exhibit B.

"Qualified Investor" shall mean a qualified institutional buyer ("QIB") or a registered investment company.

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

"Reimbursable Funds" shall mean, as applicable, disbursement of Cash Payments, as well as payments on the Commercial Taxable Note and on the Residential Taxable Note.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit J, to be delivered by any of the Developer Parties to HED pursuant to Section 4.04 hereof in connection with the Cash Payments.

"Residential Component Certificate" shall mean the Residential Component Certificate described in Section 7.01.

"Residential Construction Contract" shall mean and refer to that certain construction contract, substantially in the form attached hereto as Exhibit E-2, to be entered into by one or more of the Residential Developers with the contractors to be engaged to provide for

construction of the Residential Component, which contracts shall be subject to HED's reasonable review and approval.

"Residential Lender Financing" shall mean funds borrowed by the any of the Residential Developers from lenders and irrevocably available to pay for costs of Residential Component, in the amount set forth in Section 4.01 hereto. The Residential Lender Financing includes, but is not limited to, the Senior Lender Residential Loans.

"Residential Property" shall mean that portion of the Property containing the Residential Component.

"Residential Taxable Note" shall mean the City of Chicago Tax Increment Allocation Revenue Note (Shops and Lofts at 47 Redevelopment Project) Taxable Series A-2 to be in the form attached hereto as Exhibit K-2 and in accordance with an amortization schedule to be attached upon issuance, in the maximum principal amount of approximately \$1,808,729, as evidenced by a Certificate of Expenditure, and subject to adjustment generally as set forth in Section 4.03, to be issued by the City to any of the Residential Developers, as directed by the Residential Developers to the City, upon the issuance of the Residential Component Certificate. The Residential Taxable Note shall bear interest at an annual rate not to exceed the Maximum Taxable Interest Rate. The maximum amount of the Residential Taxable Note is also subject to ratable reduction in accordance with Section 4.03(b). The payment of the amounts due under the Residential Taxable Note will be secured only with Available Incremental Taxes, on a parity basis with the Commercial Taxable Note and on a subordinate basis with respect to the Commercial Tax-Exempt Note and the Residential Tax-Exempt Note, such that in each year all scheduled payments and any delinquent payments, if any, owed on the Commercial Tax-Exempt Note and the Residential Tax-Exempt Note should be paid prior to a scheduled payment or a delinquent payment, if any, owed on the Residential Taxable Note and Commercial Taxable Note.

"Residential Tax-Exempt Note" shall mean the City of Chicago Tax Increment Allocation Revenue Note (Shops and Lofts at 47 Redevelopment Project) Tax-Exempt Series B-2 to be in the form attached hereto as Exhibit K-4 and in accordance with an amortization schedule to be attached upon issuance, in the initial maximum principal amount of approximately \$5,726,311, as evidenced by a Certificate of Expenditure, and subject to adjustment generally as set forth in Section 4.03, to be issued by the City to any of the Residential Developers, as requested by the Residential Developers to the City upon the issuance of the Residential Tax-Exempt Certificate. The Residential Tax-Exempt Note shall bear interest at an annual rate not to exceed the Maximum Tax-Exempt Interest Rate. The maximum amount of the Residential Tax-Exempt Note is also subject to ratable reduction in accordance with Section 4.03(b). The payment of the amounts due under the Residential Tax-Exempt Note will be secured only with Available Incremental Taxes, on a parity basis with the Commercial Tax-Exempt Note. The City may not prepay the Residential Tax-Exempt Note without the consent of the Residential Developers or the registered owner of the Residential Tax-Exempt Note for a period of three years from the date which is six (6) months following the date of issuance of the Residential Completion Certificate. The Residential Developers may sell the Residential Tax-Exempt Note at any time after the issuance of the Residential Completion Certificate, but only to a Qualified Investor with no view to resale and pursuant to an acceptable investment letter and in a manner and on terms otherwise reasonably acceptable to the City

"Residential Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing Lofts 47 as the insured, noting the recording of this Agreement as an encumbrance against the Residential Property (as defined below), and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Residential Lender Financing issued by the Title Company.

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

"Senior Lender" means JPMorgan Chase Bank, N.A., or another entity acceptable to the City, or its respective successor or assigns.

"Senior Lender Commercial Loans" means the loans made by Senior Lender to Mahogany Chicago 47 in connection with the development of the Commercial Component.

"Senior Lender Residential Loans" means the loans made by Senior Lender to Lofts 47 in connection with the development of the Residential Component.

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

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on December 31, 2022, the year following the date on which the Redevelopment Area is no longer in effect.

"TIF-Funded Improvements" shall mean those improvements of the Project, the costs of which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Plan and (iii) the City has agreed to reimburse Developer Parties for pursuant to the City Notes and Cash Payments, subject to the terms of this Agreement.

"Title Company" shall mean a title company selected by the Developer Parties and approved by the City.

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

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

SECTION 3. THE PROJECT

3.01 The Project. Subject to Section 18.17 hereof, and pursuant to the Plans and Specifications, (i) the Commercial Developer shall commence construction of the Commercial Component no later than six (6) months after the Closing Date and shall complete construction of the Commercial Component within twenty four (24) months of the commencement of construction and (ii) Lofts 47 shall commence construction of the Residential Component no later than six (6) months after the Closing Date and shall complete construction of the Residential Component within twenty four (24) months of the commencement of construction.

3.02 City Property.

(a) Acquisition of City Property. The following provisions shall apply to the City's acquisition of the City Property:

(i) Acknowledgment. The Developer Parties acknowledge that the City has undertaken the acquisition of City Property pursuant to the Redevelopment Plan and as authorized and approved by the City Council, including but not limited to the vacation and opening of certain City public ways pursuant to the Vacation and Opening Ordinance.

(ii) Agreement. The City has acquired the City Property and agrees to separately sell the City Property to TCB LLC and to Mahogany Shops 47, LLC, respectively, as noted in Section D of the Recitals for One Dollar (\$1.00) per parcel. TCB LLC shall immediately make a subsequent conveyance of the City Property to Lofts 47 for use to develop the Residential Component, including the Affordable Housing Units. Lofts 47 shall immediately make a second subsequent conveyance to Mahogany Shops 47, LLC by a vertical subdivision of certain subterranean and air rights under and above those certain parcels of City Property and/or Developer Parties' property, associated with PINs 20-10-206-001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 021, 024, 025, 031 and 033, as such subterranean and air rights, as legally described on Exhibit B-3 attached hereto and made a part hereof. Lofts 47 may also make another immediate subsequent conveyance of a portion of PIN 20-10-206-025, not previously conveyed, to Mahogany Shops 47, LLC, as legally described on Exhibit B-4 attached hereto and made a part hereof. Mahogany Shops 47, LLC may make a conveyance of PIN 20-10-206-008 to TCB LLC, and TCB LLC may make a subsequent conveyance to Lofts 47. The Developer Parties shall maintain the approximate four (4) foot remainder of PIN 20-10-206-011 that lies south of opened public alley that was not included in the Vacation and Opening Ordinance and continues to be owned by the City. The City and the Developer Parties may enter into a maintenance agreement over the remainder area to be maintained by the Developer Parties.

The City used \$2,992,825 of Incremental Taxes (the "City's Acquisition Payment") then on deposit in the 43rd/Cottage Grove TIF Fund to acquire the City Property. The City's Acquisition Payment is not part of the Project Budget; and

(b) Conveyance of City Property. The following provisions shall govern the City's conveyances of the City Property:

(i) Form of Quitclaim Deed. Subject to the City's review and sole discretionary approval of any "reciprocal easement agreement," or similar document governing the use, sharing of costs and other operational issues arising from the Project and its ownership by more than one entity; and "joint construction management agreement," the City shall convey title to twenty (20) parcels of the City Property, associated with PINs 20-10-206-001, 002, 003, 004, 005, 006, 007, 009, 010, 013, 014, 016, 017, 019, 020, 021, 024, 025, 031 and 033, as legally described on **Exhibit B-1**, attached hereto and made a part hereof, by quitclaim deed to TCB LLC in connection with the Residential Component and shall also convey four (4) parcels of the City Property, associated with PINs 20-10-206-026, 027, 028, and 030, as legally described on **Exhibit B-2**, attached hereto and made a part hereof, by a separate quitclaim deed to Mahogany Shops 47, LLC in connection with the Commercial Component. The separate conveyances by the City of the City Property to TCB LLC and Mahogany Shops 47, LLC, respectively, the subsequent conveyance by TCB LLC of the City Property for the Residential Component to Lofts 47, a second subsequent conveyance by Lofts 47 to Mahogany Shops 47, LLC of certain subterranean and air rights under and above those certain parcels of City Property, associated with PINs 20-10-206-001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 021, 024, 025, 031 and 033, as such subterranean and air rights are legally described on Exhibit B-3, attached hereto and made a part hereof, and another subsequent conveyance of a portion of PIN 20-10-206-025, not previously conveyed, to Mahogany Shops 47, LLC, as legally described on Exhibit B-4 attached hereto and made a part hereof, and title for each of those conveyances and subsequent conveyances shall, in addition to the provisions of this Agreement, be subject to:

- (A) the Redevelopment Plan;
- (B) the standard exceptions in an ALTA insurance policy;
- (C) all general real estate taxes;
- (D) easements, encroachments, covenants and restrictions of record and not shown of record;
- (E) such other title defects as may exist; and
- (F) any and all exceptions caused by acts of any of the Developer Parties.

All other deeds made in relation to the subsequent transfers of the Property to the respective Developer Parties shall be made subject to the terms of the Agreement, and the Permitted Liens, except those certain mortgages executed by any of the Developers in connection with Lender Financing provided to the Project.

(ii) The City Property Closing. The City Property closing shall take place on such date and at such place as the parties may mutually agree to in writing, but in no event earlier than the Closing Date.

(iii) Recordation of Quitclaim Deeds. The Developer Parties shall promptly record the respective quitclaim deeds for the City Property in the Recorder's Office of Cook County. The Developer Parties shall pay all costs for so recording the quitclaim deed.

(iv) Escrow. In the event that the Developer Parties require conveyance through an escrow, the Developer Parties shall pay all escrow fees.

3.03 Scope Drawings and Plans and Specifications. The Developer Parties have delivered the Scope Drawings and Plans and Specifications to HED and HED has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to HED as a Change Order pursuant to Section 3.05 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer Parties shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.04 Project Budget. The Developer Parties have furnished to HED, and HED has approved, a Project Budget showing total costs for the Project in the approximate amount of not less than \$45,631,627. The Commercial Developer hereby certifies with respect to the Commercial Component and the Residential Developers hereby certify with respect to the Residential Component that, together with the City Funds, the respective party (a) has the necessary Lender Financing and Equity in an amount sufficient to pay for all costs associated with the applicable Component; and (b) with respect to the applicable Component, the Project Budget is true, correct and complete in all material respects. The Developer Parties, as necessary and whenever applicable, shall promptly deliver to HED certified copies of any Change Orders with respect to the Project Budget for the applicable Component for approval pursuant to Section 3.05 hereof.

3.05 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the applicable Component of the Project must be delivered by the applicable Developer to HED concurrently with the progress reports described in Section 3.08 hereof; provided, that any Change Orders that would authorize or cause any of the following to occur must be submitted by the applicable Developer to HED for HED's prior written approval: (a) a reduction in the total square footage of a Component of the Project by more than 5%, (b) a change of the proposed uses of a Component of the Project, (c) an increase in the applicable portion of the Project Budget with respect to a particular Component by more than 10%, or (d) an extension in the construction schedule for the applicable Component of the Project of more than 6 months. The Developer Parties shall not authorize or permit the performance of any work relating to such Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer Parties of HED's written approval. The Commercial Construction Contract and the Residential Construction Contract, and each contract between the General Contractor and any subcontractor in excess of \$500,000, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of Available Incremental Taxes or proceeds of any City Note, the Cash Payments or provide any other additional assistance to the applicable Developer.

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

3.07 Other Approvals. Any HED, City Department of Transportation, City Department of Buildings, or other City departmental approval under the Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer Parties' obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer Parties shall not commence construction of a Component of the Project until the Developer Parties have obtained all necessary permits and approvals (including but not limited to HED's approval of the Scope Drawings and Plans and Specifications) and, to the extent required, proof of the General Contractor's and each subcontractor's bonding.

3.08 Progress Reports and Survey Updates. After commencement of construction, the Developer Parties shall provide HED with written monthly progress reports detailing the status of the Project, including the amount of TIF-Funded Improvements incurred and revised completion dates if necessary (with any change in completion date being considered a Change Order, requiring HED's written approval pursuant to Section 3.05). The Developer Parties shall provide three (3) copies of an updated Survey to HED if the same is required by any lender providing Lender Financing, reflecting improvements made to the applicable Component of the Property.

3.09 Inspecting Agent or Architect. An independent agent or architect (other than any Developer Parties' architect) approved by HED shall be selected to act as the inspecting agent or architect, at the Developer Parties' expense, for the Project.

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

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

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

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$45,631,627, to be applied in the manner stated in the Project Budget and funded from sources identified in Exhibit G-1.

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

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to reimburse the Developer Parties (excluding the Commercial Master Landlord) for costs of, or to directly pay the costs of, TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, contingent upon receipt by the City of documentation satisfactory in form and substance to HED evidencing such cost and its eligibility as a Redevelopment Project Cost.

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

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available Incremental Taxes and/or TIF Bond Proceeds	\$12,850,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of \$12,850,000 or 28.2% of the actual total Project costs; and provided further, that the \$12,850,000 to be derived from Available Incremental Taxes and/or TIF Bond proceeds, if any, shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of the Available Incremental Taxes deposited into the 43rd/Cottage Grove TIF Fund shall be sufficient to pay for such costs.

The City shall issue the City Notes and make the Cash Payments subject to the terms and conditions of this Agreement. Upon the issuance of the applicable Certificate for the applicable Component and the receipt of a Requisition Form, the City shall make the applicable Cash Payment. Cash Payment A will be made to the Residential Developer and Cash Payment B will

be made to Mahogany Chicago 47. The Residential Developer shall be required to use Cash Payment A and the proceeds of the Residential Taxable Note and the Residential Tax-Exempt Note either to directly pay for (or reimburse for the payment of) the costs of the TIF-Funded Improvements, or, if TCB LLC is the recipient of the Cash Payment A and/or the Residential Taxable Note and the Residential Tax-Exempt Note, to loan or contribute Cash Payment A and the proceeds of such City Notes to Lofts 47 to reimburse Lofts 47 for the costs of TIF-Funded Improvements or for Lofts 47 to use to pay costs of the Residential Component. In addition, if TCB LLC is the recipient of the Cash Payment A and/or the Residential Tax-Exempt Note and the Residential Taxable Note, TCB LLC may loan or contribute the accrued interest on the Residential Taxable Note and the Residential Tax-Exempt Note to Lofts 47. Upon the issuance of the applicable Certificate for the applicable Component, the City shall issue the applicable City Note. The applicable City Note will start to accrue interest upon issuance of the applicable Certificate. Each of the City Notes shall mature on December 31, 2022, the year following the date on which the Redevelopment Area is no longer in effect. The Residential Tax-Exempt Note and the Commercial Tax-Exempt Note shall be repayable on a parity basis with one another and the Residential Taxable Note and the Commercial Taxable Note shall be subordinate to the Residential Tax-Exempt Note and the Commercial Tax-Exempt Note and be repayable on a parity basis with one another. Nonpayment of a Cash Payment and/or the principal or interest on a City Note due to the insufficiency of Available Incremental Taxes shall not be deemed an event of default by the City.

Notwithstanding anything to the contrary contained herein, if there are insufficient Redevelopment Project Costs with respect to either the Residential Component or the Commercial Component such that the Developer Parties cannot certify sufficient Redevelopment Project Costs for such Component in order to be eligible to receive the maximum amount of the Commercial Taxable Note and the Residential Taxable Note, the Developer Parties may request and the City shall issue more than one series of such taxable notes to one or more Developer Parties as identified by the Developer Parties to allow the Developer Parties to fully realize the maximum amount of City Funds. By way of illustration, if the Mahogany Chicago 47, LLC incurs \$500,000 in Redevelopment Project Costs over and above the total Cash Payment and City Notes to be paid to the Mahogany Chicago 47, LLC and the Residential Developer incurs \$500,000 in Redevelopment Project Costs less than the total Cash Payment and City Notes to be paid to the Residential Developer, then the Developer Parties may direct that the Residential Taxable Note attributable to the Residential Component be issued in two series such that a taxable note of \$500,000 would be issued to the Mahogany Chicago 47, LLC and thereafter immediately assigned to the Residential Developer and a taxable note in the principal amount representing the difference between \$500,000 and the original maximum principal amount of the Residential Taxable Note would be issued to the Residential Developer. For purposes of this Section 4.03(b), the City hereby consents in this event to the assignment of such taxable note by the Mahogany Chicago 47, LLC to the Residential Developer. Notwithstanding anything to the contrary contained in this Section 4.03(b), the Developer Parties shall have the right to make the election contemplated in this Section 4.03(b) only so long as (i) the total amount of City Funds does not increase, (ii) the recipient (not the assignee) of the applicable taxable note has incurred sufficient Redevelopment Project Costs, and (iii) the proportion of taxable City Notes to tax-exempt City Notes does not decrease from the current ratio of 1.4 (taxable) to 4.432 (tax-exempt); nor in any way shall the tax-exempt City Notes ratio increase above 4.432 (tax-exempt) to 1.4 (taxable).

4.04 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by the Developer Parties with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to HED and approved by HED as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). HED shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit H hereto sets forth the prior expenditures approved by HED as of the Closing Date as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to the Developer Parties, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer Parties pursuant to Section 4.02 hereof.

(b) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, including from, for example, the Residential Component to the Commercial Component (or vice versa), with transfers of costs and expenses from one line item to another (or from one Project Component to another), without the prior written consent of HED, being prohibited; provided, however, that such transfers among line items and Components, in an amount not to exceed \$100,000 individually or in an amount not to exceed \$300,000 in the aggregate, may be made without the prior written consent of HED.

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

4.06 Pledge of City Notes. The Developer Parties may pledge, assign or sell the City Notes, subject to the following conditions precedent:

(a) unless permitted under Section 18.15 or otherwise under this Agreement, the prior written consent of HED shall be obtained;

(b) the pledge, assignment or sale of the City Note must be to (i) an Affiliate, (ii) a lender providing Lender Financing which is disbursed through the Escrow Agreement to fund TIF-Funded Improvements, or (iii) a Qualified Investor; and

(c) the holder of the City Note shall deliver to the City a completed and executed form of anti-scofflaw affidavit and otherwise shall not be in breach or violation of applicable City ordinances.

4.07 Preconditions of Disbursement and Execution of Certificate of Expenditure. Prior to the Cash Payment or an execution of a Certificate of Expenditure in connection with the City Notes with respect to each Component, the applicable Developer Parties shall submit documentation regarding the applicable expenditures on TIF-Funded Improvements to HED, which shall be satisfactory to HED in its sole discretion. Delivery by such Developer to HED of any request for disbursement of a Cash Payment or execution by the City of a Certificate of Expenditure hereunder shall, in addition to the items therein expressly set forth, constitute a

certification to the City, as of the date of such request for disbursement of a Cash Payment or request for execution of a Certificate of Expenditure, that:

(a) the total amount of the disbursement request in connection with a Cash Payment and request for Certificate of Expenditure in connection with a City Note represents the actual cost of the acquisition or the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the applicable Component, and/or their payees;

(b) all amounts shown as previous payments on the current disbursement request in connection with a Cash Payment or request for Certificate of Expenditure in connection with a City Note have been paid to the parties entitled to such payment;

(c) the applicable Developer has approved all work and materials for the current disbursement request in connection with a Cash Payment or request for Certificate of Expenditure in connection with a City Note, and such work and materials conform to the Plans and Specifications;

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

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

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

(g) the applicable Component of the Project is In Balance. The Component shall be deemed to be in balance ("In Balance") only if the total of the Available Funds, as defined below, relating to the Component of the Project equals or exceeds the aggregate of the amount necessary to pay all unpaid costs incurred or to be incurred in the completion of the Component. "Available Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by the applicable Developer pursuant to this Agreement. The Developer Parties hereby agree that, if the applicable Component of the Project is not In Balance, the applicable Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or otherwise make available (in a manner acceptable to the City) cash in an amount that will place the Component In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require the applicable Developer Parties to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement in connection with a Cash Payment or execution of a Certificate of Expenditure in connection with a City Note by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by such Developer. In addition,

the applicable Developer Parties shall have satisfied all other preconditions of disbursement of a Cash Payment and execution of a Certificate of Expenditure, including but not limited to requirements set forth in TIF Bond Ordinance, if any, the TIF Bonds, if any, the TIF Ordinances, the Escrow Agreement and this Agreement.

4.08 Conditional Grant. The Cash Payments, proceeds paid from the Commercial Taxable Note and Residential Taxable Note being provided hereunder are being granted on a conditional basis, subject to the Developer Parties' compliance with the provisions of this Agreement.

4.09 Cost of Issuance. The Developer Parties shall be responsible for paying all costs relating to the issuance of the Commercial Tax-Exempt Note and the Residential Tax-Exempt Note, including costs relating to the opinion described in Section 5.09 hereof.

SECTION 5. CONDITIONS PRECEDENT/SUBSEQUENT

The following conditions shall 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. The Developer Parties shall have submitted to HED, and HED shall have approved, the Project Budget in accordance with the provisions of Section 3.04 hereof.

5.02 Scope Drawings and Plans and Specifications. The Developer Parties have submitted to HED, and HED has approved, the Scope Drawings and Plans and Specifications accordance with the provisions of Section 3.03 hereof.

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

5.04 Financing. The Developer Parties have furnished proof reasonably acceptable to the City that the Developer Parties have Equity and Lender Financing in the amounts set forth in Exhibit G-1 hereto to complete the Project and satisfy its obligations under this Agreement. The Developer Parties have furnished proof as of the Closing Date that the proceeds of Lender Financing are available to be drawn upon by the Developer Parties as needed and are sufficient as set forth in Exhibit G-1 hereto to complete the Project. The Developer Parties have delivered to HED a copy of the Escrow Agreement. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a subordination agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer Parties, with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. On the Closing Date, the Commercial Developer shall furnish the City with a copy of the Commercial Title Policy for the Commercial Component, certified by the Title Company, showing the Commercial Master Landlord as the named insured with respect to the Commercial Property. In addition, on the Closing Date, Lofts 47 shall furnish the City with a copy of the Residential Title Policy for the Residential Component,

certified by the Title Company, showing Lofts 47 as the named insured with respect the Residential Property. Both the Commercial Title Policy and the Residential Title Policy shall be dated as of the Closing Date and shall contain only those title exceptions listed as Permitted Liens on Exhibit F hereto and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Developer Parties shall provide to HED, prior to the Closing Date, documentation related to the purchase or lease of the various portions of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to HED's satisfaction, by the Commercial Title Policy and the Residential Title Policy and any endorsements thereto, as applicable.

5.06 Evidence of Clean Title. Not less than five (5) business days prior to the Closing Date, the Developer Parties, at their own expense, shall have provided the City with current searches under the names of each Developer Party:

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

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

5.07 Surveys. Not less than five (5) business days prior to the Closing Date, the Developer Parties shall have furnished the City with three (3) copies of the Survey, such Survey being certified to the City.

5.08 Insurance. The Developer Parties, at their own expense, shall have insured their respective portions of the Property in accordance with Section 12 hereof. At least five (5) business days prior to the Closing Date, certificates required pursuant to Section 12 hereof evidencing the required coverages shall have been delivered to HED.

5.09 Opinion of the Developer Parties' Counsel. On the Closing Date, the Developer Parties shall furnish the City with opinions of their respective counsel, substantially in the form attached hereto as Exhibit I, with such changes as may be required by or acceptable to Corporation Counsel.

5.10 Evidence of Prior Expenditures. Not less than twenty (20) business days prior to the Closing Date, the Developer Parties shall have provided evidence satisfactory to HED in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.04(a) hereof.

5.11 Financial Statements. Not less than thirty (30) days prior to the Closing Date, the Developer Parties shall have provided Financial Statements to HED for its most recent three fiscal years, and audited or unaudited interim financial statements.

5.12 Documentation. The Developer Parties shall have provided documentation to HED, satisfactory in form and substance to HED, with respect to current employment matters.

5.13 Environmental. The Developer Parties have provided HED with copies of that certain phase I environmental audit completed with respect to the Property and any phase II environmental audit with respect to the Property required by the City. The Developer Parties have provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.14 Corporate Documents. Each Developer Party shall provide a copy of its limited partnership agreement, articles of organization or articles of incorporation, as applicable, containing the original certification of the Secretary of State of Illinois; a certificate of good standing or existence from the Secretary of State of Illinois and all other states in which such Developer Parties are qualified to do business; a general partner's certificate or corporate resolutions in such form and substance as the Corporation Counsel may reasonably require; and such other organizational and authority documentation as the City may reasonably request for the Developer Parties or their owners. Each Developer Party and all required owners of each Developer Parties have provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

5.15 Litigation. Each Developer Party shall provide to Corporation Counsel and HED, at least ten (10) business days prior to the Closing Date, a description of all pending or threatened litigation or administrative proceedings involving the Developer Party, 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 Developers Parties' Agreements and Perpetual Easement. The Developer Parties shall have delivered to the City (i) the reciprocal easement agreement or similar document governing the use, sharing of costs and other operational issues arising from the Project and its ownership by more than one entity; (ii) a joint construction management or similar agreement governing the construction of the Project; or (iii) similar agreement dealing with funding assurances by the providers of the Developer Parties' financing of funding for completion of the Project and also dealing with issues such as lender cure rights, protection of lien priority and funding procedures. All such agreements in (i), (ii), and (iii) shall be subject to review and approval by the City, which approval shall be in the City's sole discretion.

5.17 Real Estate Taxes. The City shall use reasonable efforts to obtain the waiver of any delinquent real estate tax liens on the Property prior to the Closing Date. If the City is unable to obtain the waiver of any such tax liens, either party may terminate the Agreement. If the City is unable to obtain the waiver of such taxes and the Developer Parties elect to close, the Developer Parties shall assume the responsibility for any such delinquent real estate taxes. The Developer Parties shall also be responsible for all taxes accruing after the Closing Date. Until a Certificate

of Completion (as described in Section 7.01) is issued by the City, the Developer Parties shall notify the City that either the Property is certified as exempt from taxation or that the real estate taxes have been paid in full within ten (10) days of such payments.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement. Except as set forth in Section 6.01(b) below, or as otherwise agreed to by HED in writing, prior to entering into an agreement with any subcontractor for construction of the Project, the Commercial Developer and Residential Developer, as applicable, shall solicit, or shall cause the respective General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and shall submit all bids received to HED for its inspection and written approval. For the TIF-Funded Improvements, the Commercial Developer and Residential Developer, as applicable, shall select the respective General Contractor (or shall cause the respective General Contractor to select the subcontractor) submitting the lowest responsible bid (as reasonably determined by the respective Commercial Developer and Residential Developer, as applicable) who can complete that Component of the Project in a timely manner. The Commercial Developer and Residential Developer, as applicable, shall submit copies of the Construction Contracts to HED in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to HED within five (5) business days of the execution thereof. The Commercial Developer and Residential Developer, as applicable, shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the respective Component of the Project until the Plans and Specifications have been approved by HED and all permits required for commencement of construction have been obtained.

(b) If, prior to entering into an agreement with a subcontractor for construction of a Component of the Project, the respective Developer does not solicit bids or otherwise obtain HED's approval pursuant to Section 6.01(a) hereof, then the fee of the respective General Contractor proposed to be paid out of City Funds shall be limited to 10% of the total amount of the Construction Contract. HED acknowledges that this Section 6.01(b) shall be applicable to the respective Developer's retention of subcontractors. Except as explicitly stated in this paragraph, all other provisions of Section 6.01(a) shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids for all subcontracts and select the lowest responsible bids (as reasonably determined by the Developer Parties).

6.02 Construction Contract. Prior to the execution thereof, Developer Parties shall deliver to HED a copy of both the proposed Commercial Construction Contract with the Commercial General Contractor and the proposed Residential Construction Contract with the Residential General Contractor selected to handle the Project in accordance with Section 6.01. Within ten (10) business days after execution of such contract by such Developer, the respective General Contractor and any other parties thereto, such Developer shall deliver to HED 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 for any work for the Project relating to construction in the public way, the Developer Parties shall

require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. The City shall be named as obligee or co-obligee on such bond.

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

6.05 Multi-Project Labor Agreement. The Developer Parties shall cause the General Contractor to comply with that certain Settlement Agreement dated November 3, 2011, by and among the City, Chicago Regional Council of Carpenters, the Metropolitan Pier and Exposition Authority, the Public Building Commission of the City of Chicago, and the State of Illinois, because the Project budget is in excess of \$25,000,000, and, therefore, is subject to the provisions of that certain City of Chicago Multi-Project Labor Agreement (the "MPLA") dated February 9, 2011, by and among the City and the labor organizations comprising the Chicago & Cook County Building & Construction Trades Council. The Developer Parties shall cause the General Contractor to comply with the MPLA to the fullest extent legally permissible without violating other requirements applicable to the construction of the Project, including, without limitation, the requirements of the MBE/WBE Program, the City resident employment provisions, Housing Act Section 3, Davis-Bacon Act, the Contract Work Hours and Safety Standards Act and the Labor Standards Deposit Agreement. At the direction of HED, affidavits and other supporting documentation shall be required of the Developer Parties, the General Contractor and the subcontractors to verify or clarify compliance with the MPLA.

6.06 Other Provisions. In addition to the requirements of this Section 6, the Commercial Construction Contract, the Residential Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.05 (Change Orders), Section 6.05 (Multi-Project Labor Agreement), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to HED within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificates of Completion of Construction.

(a) Upon completion of the construction of the Commercial Component in accordance with the terms of this Agreement, and upon the Commercial Developer's written request, HED shall issue to the Commercial Developer the Commercial Component Certificate in recordable form certifying that the Commercial Developer has fulfilled its obligation to complete Commercial Component in accordance with the terms of this Agreement.

(b) Upon completion of the construction of Residential Component in accordance with the terms of this Agreement, and upon the Residential Developers' written request, HED shall issue to the Residential Developers' the Residential Component Certificate in recordable form certifying that Residential Developers have fulfilled their obligation to complete the Residential Component in accordance with the terms of this Agreement.

(d) HED shall respond to each the Commercial Developer's and the Residential Developers' written request for the applicable Certificate within thirty (30) days by issuing either the applicable Certificate or a written statement detailing the ways in which the respective Component of the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by such respective Developer in order to obtain the applicable Certificate. The Commercial Developer and the Residential Developers may resubmit a written request for the applicable Certificate upon completion of such measures. HED shall respond to any such further written request by the respective Developer for the applicable Certificate within thirty (30) days by issuing either a Certificate or a written statement detailing the ways in which the respective Component of the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the respective Developer in order to obtain the applicable Certificate.

(e) The Developer Parties acknowledge that the City will not issue the Certificates until the following conditions have been met:

- (i) For the Commercial Component Certificate, the Commercial Developer has (i) completed construction of the Commercial Component (including required parking), (ii) obtained all applicable City permits and (iii) provided documentation that Minimum Occupancy has been attained.
- (ii) For the Residential Component Certificate, the Residential Developers have (i) completed construction of the Residential Component (including required parking), (ii) received certificates of occupancy for all ninety-six (96) residential housing units in the Residential Component, (iii) initially leased 40% of the market-rate housing units and (iv) initially leased all of the Affordable Housing Units.
- (iii) For each Certificate, the Residential Developers and the Commercial Developer, as applicable, have satisfied the City's environmental requirements as to the applicable Component of the Project as referenced in "Chicago Builds Green Form" that is part of the PD Ordinance.
- (iv) For both the Residential Component Certificate and the Commercial Component Certificate, the Residential Developers and the Commercial Developer, as applicable, have submitted adequate documentation of total project costs respective to each Component of the Project.
- (v) the City's monitoring unit has determined in writing that the respective Developer is in complete compliance with all requirements of Section 10 with respect to such Component.

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

Those covenants specifically described at Sections 8.01(d), 8.01(e), 8.02, 8.06, 8.19 and 8.20, 8.21 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer Parties or a permitted assignee of the Developer Parties who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer Parties' rights under this Agreement and assume the Developer Parties' liabilities hereunder.

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

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

8.01 General. Each Developer individually and severally and in no case jointly represents, warrants and covenants as of the date of this Agreement and as of the date of the disbursement of a Cash Payment or issuance and delivery of the respective City Note and each increase in the principal amount of the respective City Note or payment thereunder, and only with respect to the Component of the Project in which such Developer has an economic interest, that:

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

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

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary corporate action, and does not and will not violate, as appropriate, its Articles of Organization or Articles of Incorporation or bylaws or operating

agreement 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 Developer is now a party or by which the Developer is now or may become bound;

(d) the Commercial Master Landlord will possess and shall maintain good, indefeasible and merchantable fee simple or leasehold title to the Commercial Property free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that the Commercial Master Landlord is contesting in good faith pursuant to Section 8.15 hereof);

(e) Lofts 47 will possess and shall maintain good, indefeasible and merchantable fee simple or leasehold title to the Residential Property free and clear of all liens (except for the Permitted Liens, Lender Financing as disclosed in the Project Budget and non-governmental charges that the Lofts 47 is contesting in good faith pursuant to Section 8.15 hereof);

(f) the applicable Developer is now and until the earlier to occur of (i) the expiration of the Term of the Agreement, and (ii) the date, if any, on which Developer has no further economic interest in the Project, shall remain solvent and able to pay its debts as they mature;

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

(h) the applicable Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Developer's Component of the Project, and shall submit evidence thereof to HED prior to the issuance of a Certificate by HED;

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

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

(k) prior to the issuance of the Certificates and except as contemplated hereby, the applicable Developer shall not do any of the following without the prior written consent of HED: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease (except the master lease between the Commercial Master Landlord and Mahogany Chicago 47 and leases entered into in the ordinary course of the Developer's business, or otherwise dispose of all or substantially all of its assets or any portion of the Property; (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (other than

guarantees among the Developer Parties) in connection with the Project; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's ability to undertake its obligations under this Agreement;

(l) the applicable Developer has not incurred, and, prior to the issuance of the applicable Completion Certificate, shall not, without the prior written consent of the Commissioner of HED, allow the existence of any liens against the applicable Component of the Project other than the Permitted Liens or Non-Governmental Charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof; or incur any indebtedness, secured or to be secured by the Component of the Project or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the respective Project Budget, except easements, recordable interests and liens in the Property that are necessary for the redevelopment of the Property;

(m) None of Developer Parties, or any affiliate thereof are 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 HED's approval of the applicable Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.04 and 3.05 hereof, and the applicable Developer's receipt of all required building permits and governmental approvals, the Residential Developers shall deliver the Residential Component and the Commercial Developer shall develop the Commercial Component in accordance with this Agreement and all Exhibits attached hereto and in accordance with each Developer's respective obligations related to the such Developer's respective Component, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to such Component and Developer Party. The covenants set forth in this Section shall run with the land and the improvements thereon and be binding upon any transferee.

8.03 Redevelopment Plan. Each Developer represents that its respective Component of the Project is and shall be in compliance with all of the terms of the Redevelopment Plan.

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

8.05 Bonds. Subject to the three-year lock-out periods on the City Notes, the Developer Parties shall, at the request of the City, agree to any reasonable amendments to this Agreement

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

8.06 Use of the Project.

(a) The Developer Parties agree that the types of uses permitted in the Project shall be of a retail and/or commercial nature found in first class shopping, retail and office centers, of a similar size and location in the City, as well as affordable housing and market-rate housing, and that, without the prior written consent of HED, the Project shall not be used for any other use. The Commercial Component of the Project shall not be used for any Prohibited Use during the Term of the Agreement without HED's prior written consent. Upon seeking HED's consent to a different use for the Project other than as described above, the Developer Parties shall provide a rationale for such change. Notwithstanding the foregoing to the contrary, permitted uses of the Property shall only be as allowed by this Agreement, the Redevelopment Plan and the PD Ordinance and any approved amendment thereof. The PD Ordinance provisions shall control over any discrepancy concerning the permitted uses of the Property contemplated by this Agreement, the Redevelopment Plan and the PD Ordinance.

(b) The City may also declare an Event of Default if any of the following events occur: (i) the sale by the applicable Developer of its Component of the Project or a transfer of any interest of such Developer in the Component of the Project not permitted under this Agreement (and further excluding leasehold interests granted to commercial and residential tenants and transfers of limited partner interests in Lofts 47 to an affiliate of Hudson Shops and Lofts LLC, a Delaware limited liability company); and (ii) the destruction of the Component such that the Component can no longer be used as contemplated by this Agreement, if the Component is not rebuilt by the applicable Developer within a reasonable time period (subject to the availability of insurance and provided the City shall cooperate with such Developer as may be necessary to pursue and process insurance claims related to such destruction).

The covenants set forth in this Section 8.06 shall run with the land and the improvements thereon and be binding upon any transferee of the applicable Developer Party.

8.07 Employment Opportunity. The Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component covenant and agree to abide by, and contractually obligate and use reasonable efforts to cause their respective General Contractor and each subcontractor to abide by, the terms set forth in Section 10 hereof; 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 by Component 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 by Component.

8.08 Employment Profile. The Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component shall submit, and contractually obligate and cause their respective General Contractor or any subcontractor to submit, to HED, from time to time, statements of its employment profile, including the number of jobs created and retained at the applicable Component.

8.09 [Intentionally Deleted]

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

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component represent, warrant and covenant 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 such Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, direct or indirect, in such Developer's business, the applicable Component or any other property in the Redevelopment Area.

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

8.13 Financial Statements. The Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component shall obtain and provide to HED Financial Statements for each fiscal year of such Developer after the Closing Date for the Term of the Agreement so long as such Developer owns an economic interest in the applicable Component Project. In addition, each Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as HED may request.

8.14 Insurance. The Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component, at their own expense, shall comply with all provisions of Section 12 hereof.

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

(b) Right to Contest. The Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component shall have the right, before any delinquency occurs:

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

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

8.16 Developer Parties' Liabilities. The Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of such Developer to any other person or entity. Each Developer shall immediately notify HED of any and all events or actions which may materially affect such Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. To the best of each Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in material compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes

pertaining to or affecting the Project and the Property, 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, whether or not in the performance of this Agreement. Upon the City's request, the Developer Parties shall provide evidence satisfactory to the City of such compliance.

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

8.19 Real Estate Provisions.

(a) Governmental Charges. (i) Payment of Governmental Charges. The Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component agree to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon such Developer or Component of the Project, or become due and payable, and which create, may create, or appear to create a lien upon such Developer or all or any portion of the applicable Component of the Property. Until such time as the applicable Completion Certificate has been issued, the respective Developer of each Component shall notify the City that the real estate taxes have been paid in full within ten (10) days of such payment. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Property, including but not limited to real estate taxes.

(ii) Right to Contest. With respect to the applicable Component of the Project, the applicable Developer shall 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 forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending such Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless such Developer has given prior written notice to HED of its intent to contest or object to a Governmental Charge and, unless, at HED's sole option,

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

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

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

(c) Insurance. In addition to the insurance required pursuant to Section 12 hereof, the Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component shall procure and maintain the following insurance:

- (i) Prior to the execution and delivery of this Agreement and during construction of the applicable Component of the Project, All Risk Property Insurance in the amount of the full replacement value of the Property.
- (ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the applicable Component of the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable.

8.20 Affordable Housing Covenant.

(a) The Residential Developers agree and covenant to the City that the provisions of that certain Regulatory Agreement executed by Lofts 47 and HED as of the date hereof in connection with HED's allocation of low income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended, in connection with the Residential Component of the Project shall govern the terms of the Residential Developers' obligation to provide the Affordable Housing Units.

(c) The covenants set forth in this Section 8.20 shall run with the land and be binding upon any transferee.

8.21 Commercial Component Minimum Occupancy. Upon the issuance of the Commercial Component Certificate, the Commercial Developer shall maintain for the 12 months preceding Commercial Developer's delivery of the Annual Compliance Report, the Minimum Occupancy in order to receive payments on the Commercial Taxable Note. The covenants set forth in the Section 8.21 shall run with the land and be binding upon any transferee.

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

8.23 Prohibition on Certain Contributions – Mayoral Executive Order No. 2011-4.

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

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

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

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

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

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

For purposes of this provision:

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

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

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

Individuals are “Domestic Partners” if they satisfy the following criteria:

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

“Political fundraising committee” means a “political fundraising committee” as

defined in Chapter 2-156 of the Municipal Code of Chicago, as amended

8.24 Annual Compliance Report. Beginning with the issuance of the Commercial Component Certificate to the Commercial Developer and the Residential Component Certificate to the Residential Developers and continuing throughout the Term of the Agreement, the Commercial Developer and the Residential Developers, each and respectively, shall submit to HED the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.25 FOIA and Local Records Act Compliance

- (a) FOIA. Each of the Developer Parties acknowledge that the City is subject to the Illinois Freedom of Information Act, 5ILCS 140/1 *et. seq.*, as amended (“FOIA”). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Residential Developers or the Commercial Developers receive a request from the City to produce records within the scope of FOIA, then such Developer Parties covenant to comply with such request within 48 hours of the date of such request. Failure by the Developer Parties to timely comply with such request will be a breach of the Agreement.
- (b) Exempt Information. Documents that the Developer Parties submit to the City under Section 8.24 (Annual Compliance Report) or otherwise during the term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer Parties to be treated as a trade secret or information that would cause competitive harm, FOIA requires that the Developer Parties mark any such documents as “proprietary, privileged or confidential.” If the Developer Parties mark a document as “proprietary, privileged and confidential”, then HED will evaluate whether such document may be withheld under the FOIA. HED, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General’s Office and/or the courts.
- (c) Local Records Act. The Developer Parties each acknowledge that the City is subject to the Local Records Act, 50 ILCS 205/1 *et. seq.*, as amended (the “Local Records Act”). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer Parties each covenant to use their best efforts consistently applied to assist the City in its compliance with the Local Records Act concerning records arising under or in connection with the Agreement and the transactions contemplated in the Agreement.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

9.01 General Covenants. The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement is, and upon delivery, the City Notes will be, the valid and binding obligations of the City, enforceable against the City in accordance with their respective terms.

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

SECTION 10. DEVELOPER PARTIES' EMPLOYMENT OBLIGATIONS

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

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

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

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

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

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

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

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

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

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

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

The Commercial Developer shall submit reports to the Commissioner evidencing compliance with this Section 10.02 after the following periods: (1) upon expenditure of 50 percent of the total costs of the Commercial Component; (2) upon expenditure of 70 percent of the total costs of the Commercial Component; and (3) upon completion of the Commercial Component. Such reports shall include weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) which clearly identify the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on

a payroll, the date that the Employer hired the employee should be written in after the employee's name.

The Residential Developers shall submit reports to the Commissioner evidencing compliance with this Section 10.02 after the following periods: (1) upon expenditure of 50 percent of the total costs of the Residential Component; (2) upon expenditure of 70 percent of the total costs of the Residential Component; and (3) upon completion of the Residential Component. Such reports shall include weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) which clearly identify the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

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

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

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

When work on the Project is completed, in the event that the City has determined that the Residential Developers with respect to the Residential Component and/or the Commercial Developer with respect to the Commercial Component have failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the respective Project Budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by such Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer Parties, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to the Developer Parties pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City

pending the Purchasing Agent's determination as to whether the Developer Parties must surrender damages as provided in this paragraph.

With respect to compliance with the requirements of this Section, if one Component is requesting a Completion Certificate under Section 7.01 prior to the time that compliance information for both Components is available, such Component may receive a compliance determination at the time of its request as long as it pays any liquidated damages due hereunder with respect to non-compliance under its Component.

For purposes of determining compliance with this Section in connection with the issuance of a Commercial Component Certificate or a Residential Component Certificate under Section 7.01 hereof, each Component will be measured separately, but any shortfall on one Component may be remedied by an overage on the other Component.

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

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

10.03 The Developer Parties' MBE/WBE Commitment. The Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component agree for themselves and their successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate its respective General Contractor to agree that, during the Project:

a. Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Project Budget as set forth in Exhibit G-2 hereto (as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBEs or WBEs:

- i. At least 24 percent by MBEs.
- ii. At least 4 percent by WBEs.

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

c. Consistent with Section 2-92-440, Municipal Code of Chicago, each Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer), or by a

joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as a 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 used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

d. Each Developer shall deliver quarterly reports to HED during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include inter alia the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist HED in determining the Developer's compliance with this MBE/WBE commitment. HED has access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with Section 14 of this Agreement, on five (5) business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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

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

g. Prior to the commencement of the Project, the Developer Parties, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of HED with regard to each Developer's compliance with its obligations under this Section 10.03. During this meeting, each Developer shall demonstrate to HED its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by HED. During the Project, each Developer shall submit the documentation required by this Section 10.03 to the monitoring staff of HED, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards 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 HED, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

h. For purposes of determining compliance with this Section in connection with the issuance of a Commercial Component Certificate or a Residential Component Certificate under Section 7.01 hereof, each Component will be measured separately, but any shortfall on one Component may be remedied by an overage on the other Component.

SECTION 11. ENVIRONMENTAL MATTERS

(a) The Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component hereby represent and warrant to the City that such Developer has conducted environmental studies sufficient to conclude that the applicable Component of the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, and the Redevelopment Plan.

(b) Without limiting any other provisions hereof, the Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component agree to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of the Developer Parties: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage; spillage, emission, discharge or release of any Hazardous Material from 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 the Developer Parties or any of their respective Affiliates under any Environmental Laws relating to the Property.

(c) The City makes no covenant, representation or warranty as to the environmental condition of the City Property or its suitability for any purpose whatsoever, and the Developer Parties agree to accept the City Property "as is".

It shall be the responsibility of the Developer Parties, at their sole cost and expense, to investigate and determine the soil and environmental condition of the City Property. Prior to the Closing Date, the Developer Parties shall have been given the right to conduct such environmental tests on the City Property as they deem necessary or appropriate.

The Developer Parties agree to carefully inspect the City Property prior to the commencement of any activity thereon to make sure that such activity shall not damage surrounding property, structures, rail lines, utility lines or any subsurface lines or cables. The Developer Parties shall be solely responsible for the safety and protection of the public. The City reserves the right to inspect any work being done on the City Property. Prior to the conveyance of the City Property, and except as may be expressly consented to by the City, the Developer Parties' activities on the City Property shall be limited to those reasonably necessary to perform the environmental testing. The Developer Parties shall keep the City Property free from any and all liens and encumbrances arising out of any environmental remediation work performed, materials supplied or obligations incurred by or for the Developer Parties, and agrees to indemnify and hold the City harmless against any such liens.

The Developer Parties agree to deliver to the City a copy of each report prepared by or for the Developer Parties regarding the environmental condition of the City Property.

If, after the Closing, the environmental condition of the City Property is not in all respects entirely suitable for the use to which it is to be utilized pursuant to the terms of this Agreement, it shall be the sole responsibility and obligation of the Developer Parties to take such action as may be necessary to put the City Property in a condition entirely suitable for such intended use. The Developer Parties agree to release and indemnify the City from any claims and liabilities relating to or arising from the environmental condition of the City Property and to undertake and discharge all liabilities of the City arising from any environmental condition which existed on the City Property prior to the Closing.

SECTION 12. INSURANCE

The Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component shall procure and maintain, or cause to be procured and maintained, at their sole cost and expense, at all times throughout the Term of this Agreement (or during the construction period as specified at (b) below) and until each and every obligation of such Developer contained in the Agreement has been fully performed, the types of insurance specified below, with insurance companies authorized to do business in the State of Illinois covering all operations under this Agreement, whether performed by the Developer, the General Contractor or any subcontractor:

(a) Prior to Execution and Delivery of this Agreement:

(i) Workers' Compensation and Employers Liability Insurance

Workers' Compensation and Employers Liability Insurance, as prescribed by applicable law, covering all employees who are to provide a service under or in connection with this Agreement, and employer's liability coverage, with limits of not less than \$100,000.00 for each accident or illness.

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

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000.00 per occurrence for bodily injury, personal injury and property damage liability. Coverage extensions shall include the following: all premises and operations, products/ completed operations, independent contractors, separation of insureds, defense and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with this Agreement.

(b) Construction: Prior to the construction of any portion of the Project, the Developer Parties shall procure and maintain, or cause to be procured and maintained, the following kinds and amounts of insurance:

(i) Workers' Compensation and Employers Liability Insurance

Workers' Compensation and Employers Liability Insurance, as prescribed by applicable law, covering all employees who are to provide a service under or in connection with this Agreement and employer's liability coverage with limits of not less than \$500,000.00 for each accident or illness.

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

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000.00 per occurrence, for bodily injury, personal injury and property damage liability. Coverage extensions shall include the following: all premises and operations, products/completed operations (for a minimum of two (2) years following completion of construction of the Project) explosion, collapse, underground, independent contractors, separation of insureds, defense and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly under or in connection with this Agreement.

(iii) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed in connection with this Agreement, the Developer Parties shall provide, or cause to be provided, Automobile Liability Insurance with limits of not less than \$2,000,000.00 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 Insurance

When, in connection with this Agreement, any work is to be done adjacent to or on property owned by a railroad or public transit entity, the

Developer Parties shall provide, or cause to be provided, with respect to the operations that the Developer Parties perform, Railroad Protective Liability Insurance in the name of such railroad or public transit entity. The policy shall 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 Insurance

When the General Contractor undertakes any construction, including improvements, betterments, and/or repairs, the General Contractor shall provide, or cause to be provided, All Risk Builder's Risk Insurance at replacement cost for materials, equipment, machinery and fixtures that are or will be part of the permanent facilities. Coverage extensions shall include but are not limited to the following: boiler and machinery (if applicable) and collapse. The City of Chicago shall be named as additional loss payee.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors or omissions shall be maintained with limits of not less than \$1,000,000.00. Coverage extensions shall include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers Insurance

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

(viii) Contractors' Pollution Liability Insurance

When any remediation work is performed in connection with this Agreement which may cause a pollution exposure, Contractors' Pollution Liability Insurance shall be provided with limits of not less than \$1,000,000 insuring bodily injury, property damage and environmental remediation, clean-up costs and disposal. When policies are renewed, the policy retroactive date must coincide with or precede start of work in connection with this Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of one (1)

year. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(c) Other Provisions

(i) The Developer Parties shall furnish the following certificates to HED at City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 60602:

--Original certificates of insurance evidencing the required coverage, showing the City as a certificate holder and, if applicable, loss payee or additional insured, to be in force on the date of execution of this Agreement, and renewal certificates of insurance or other evidence of renewal, if the coverages have an expiration or renewal date occurring during the Term of the Agreement. Each certificate of insurance shall provide that the City is to be given sixty (60) days prior written notice in the event coverage is substantially changed, canceled or not renewed; and

--Original City of Chicago Insurance Certificate of Coverage Form (blank form to be obtained from HED) or its equivalent.

The receipt of the required certificates by HED does not constitute an agreement by the City that the insurance requirements of this Agreement have been fully met or that the insurance policies indicated on the certificates are in compliance with all requirements hereunder. The failure of the City to receive such certificates or to receive certificates that fully conform to the requirements of this Agreement shall not be deemed to be a waiver by the City of any of the insurance requirements set forth herein.

(ii) Receipt by the Developer Parties of policies or certificates: The Developer Parties shall advise all insurers of the insurance requirements set forth in this Agreement, and the receipt by the Developer Parties of policies or certificates that do not conform to these requirements shall not relieve the Developer Parties of their obligation to provide the insurance as set forth in this Agreement or required by law. Failure to comply with the insurance provisions of this Agreement constitutes an Event of Default hereunder, and the City is entitled to exercise all remedies with respect thereto. Each Developer expressly understands and agrees that any coverages and limits furnished by Developer Parties shall in no way limit the Developer Parties' liability and responsibilities specified within this Agreement or as required by law.

(iii) The Developer Parties shall require the General Contractor and all subcontractors to carry the insurance required herein, or alternatively, the Developer Parties may provide the coverage on behalf of the General Contractor or any subcontractor. All General Contractor and subcontractors shall be subject to the same requirements of the Developer Parties in this subsection (c) unless specified herein.

(iv) Each Developer agrees, and shall cause its insurers and the insurers of its General Contractor and each subcontractor engaged after the date hereof in connection with the Project to agree, that all such insurers shall waive their rights of subrogation against the City.

(v) The limitations set forth in the indemnification provisions in Section 13 hereof, or any limitations on indemnities that may apply as a matter of law, shall in no way limit, reduce or otherwise affect the amounts or types of insurance required under this Agreement.

(vi) The Developer Parties and not the City are responsible for meeting all of the insurance requirements under this Agreement and for the Project. Any insurance or self insurance programs maintained by the City shall apply in excess of and not contribute with insurance required to be provided by the Developer Parties, General Contractor or any subcontractor under this Agreement.

Any and all deductibles or self-insured retentions on the required insurance coverages shall be borne by the Developer Parties, General Contractor or subcontractor who is the insured under such policy, and shall not be borne by the City.

If the Developer Parties, the General Contractor or any subcontractor desires additional coverage, higher limits of liability or other modifications for its own protection, such person or entity shall be responsible for the acquisition and cost of such additional protection.

(vii) The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change the insurance requirements set forth in this Agreement so long as such action does not, without the Developer Parties' prior written consent, increase such requirements.

SECTION 13. INDEMNIFICATION

The Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component agree, individually and severally and in no cases jointly or with respect to the obligation of any other Developer Party hereunder, to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) such Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) such Developer's or any contractor's failure to pay General Contractor, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other improvement for the Project, 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 or its agents, employees, contractors or persons acting under the control or at the request of such Developer or (iv) such Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto, or

(v) any actions resulting from any action undertaken by such Developer on the City Property prior to or after the conveyance of the City Property to TCB LLC by the City.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Sections 15.03 and 15.05, shall constitute an "Event of Default" by the Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component hereunder:

(a) the failure of the applicable Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of such Developer under (i) this Agreement or (ii) any related agreement, if such failure with respect to any related agreement materially adversely affects such Developer's ability to perform its obligations under this Agreement;

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

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

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

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

(f) the appointment of a receiver or trustee for such Developer, for any substantial part of such Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of such Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within ninety (90) days after the commencement thereof;

(g) the entry of any judgment or order against the applicable Developer which remains unsatisfied or undischarged and in effect for ninety (90) days after such entry without a stay of enforcement or execution;

(h) a change in the general partner or managing member of a Developer (except for a "for cause" replacement of the general partner of Lofts 47 by the limited partner of Lofts 47 in accordance with the limited partnership agreement of Lofts 47 and the Senior Lender's loan documents), addition of a managing member or general partner or sale or other transfer of all or a controlling interest in the ownership of such a general partner or managing member without HED's prior written consent; or

(i) a change in the ownership of the Project without HED's prior written consent.

15.02 Remedies. (a) Subject to the provisions of paragraph (b) of this Section, upon the occurrence of an Event of Default with respect to a particular Component of the Project, the City may terminate this Agreement as to that Component and any other agreements to which the City and the Developer Parties are or shall be parties, and suspend disbursement of the Reimbursable Funds to be paid with respect to that Component. Notwithstanding any conflicting provisions herein, in no event shall the City have the right to suspend or terminate payments under the Commercial Tax-Exempt Note or the Residential Tax-Exempt Note issued with respect to the Project nor shall the City have the right to exercise remedies against any portion or Component of the Project except with respect to those portions or that Component to which the Event of Default relates (it being understood that the City's remedies shall be limited to the Developer and the Component of the Project on which the Event of Default shall have occurred). Subject to the foregoing, the City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, secure the specific performance of the agreements contained herein, or may be

awarded damages for failure of performance, or both, provided, however that the City shall not obtain a lien against the Property.

(b) Notwithstanding any other provision in this Agreement, the City shall not terminate this Agreement or suspend disbursement of the City Funds upon the occurrence of an Event of Default with respect to any Component unless foreclosure proceedings have been commenced under the fee mortgage securing the applicable Senior Lender Commercial Loans or the Senior Lender Residential Loans or a deed in lieu of such foreclosure has been executed and delivered and provided that Senior Lender has not cured the Event of Default within the curative time period provided allowed under Section 15.04(b).

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

Notwithstanding any other provision of this Agreement to the contrary, an Event of Default with respect to the Commercial Developer's obligation to maintain the Minimum Occupancy (an "**Occupancy Default**"), shall not be deemed to have occurred, unless the Commercial Developer: (i) has failed to cure the Occupancy Default within one (1) year of the date the City receives an Occupancy Report specifying such default (the "**Receipt Date**"), such period to be defined as the "**Minimum Cure Period**," or (ii) has cured a previous Occupancy Default within the Maximum Cure Period (defined herein); provided, however, if an Occupancy Default described in this Section is not cured within the Minimum Cure Period, the Commercial Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within the Minimum Cure Period and thereafter cures such default within one (1) year of the related Receipt Date; provided, further, that the Commercial Developer will be allowed a maximum of two Minimum Cure Periods to cure an Occupancy Default or such other longer time period as approved by the Commissioner of HED (the "**Maximum Cure Period**"). The Commercial Developer shall be deemed to have cured the Occupancy Default so long as there is a full service grocery store, operated by a regional or a national grocery retailer, operating as part of at least 30,000 square feet of the Commercial Component or such lesser number of square feet as may be approved in writing in the sole discretion of the Commissioner.

15.04 Lender and Investor Notice and Cure Right. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in the termination of this Agreement or the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to the parties identified in Section 16, and the lenders and the limited partner and non-managing member investor(s) in the applicable Developer shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

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

(b) if the Event of Default is of a non-monetary nature, any party entitled to cure such default shall have the right to cure it within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such non-monetary default; or (ii) receipt of such notice from the City; provided, however, that if such non-monetary default is not reasonably capable of being cured by the lenders or investors within such 30-day period, such period shall be extended for such reasonable period of time as may be necessary to cure such default, provided that the party seeking such cure must continue diligently to pursue such cure and, if possession of the Project is necessary to effect such cure, the party seeking such cure must have instituted appropriate legal proceedings to obtain possession.

SECTION 16. MORTGAGING OF THE PROPERTY

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

(a) In the event that a mortgagee or any other party shall succeed to the Commercial Developer's interest with respect to the Commercial Property, or Lofts 47's interest with respect to the Residential Property, or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the respective Developer's interest hereunder in accordance with Section 18.15 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to the respective Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement,

c/o Skilken Properties
4270 Morse Road
Columbus, Ohio 43230

With Copies to:

Bricker & Eckler LLP
100 South Third Street
Columbus, Ohio 43215-4291
Attention: Kevin Kinross

And To:

DLA Piper LLP (US)
203 North LaSalle Street, Suite 1900
Chicago, Illinois 60601-1293
Attention: Richard Klawiter

And To:

Applegate & Thorne-Thomsen, P.C.
626 West Jackson, Suite 400
Chicago, Illinois 60661
Attention: Ben Applegate and Paul Davis

If to the Residential
Developers:

Lofts 47 Phase I Limited Partnership
c/o The Community Builders, Inc.
135 N. LaSalle, Suite 3350
Chicago, Illinois 60603
Attention: Jacques Sandberg and David Block

TCB Development Services LLC
c/o The Community Builders, Inc.
135 N. LaSalle, Suite 3350
Chicago, Illinois 60603
Attention: Jacques Sandberg and David Block

With Copies To:

The Community Builders, Inc.
95 Berkeley Street, Suite 500
Boston, Massachusetts 02116
Attention: General Counsel

And To:

DLA Piper LLP (US)
203 North LaSalle Street, Suite 1900
Chicago, Illinois 60601-1293
Attention: Richard Klawiter

And To:

Applegate & Thorne-Thomsen, P.C.
626 West Jackson, Suite 400

Chicago, Illinois 60661
Attention: Ben Applegate and Paul Davis

And To: Hudson SLP LLC
c/o Hudson Housing Capital LLC
630 Fifth Avenue, Suite 2850
New York, New York 10111
Attention: Joseph A. Macari

And To: Bocarsly Emden Cowan Esmail & Arndt LLP
7200 Wisconsin Avenue, Suite 900
Bethesda, MD 20814
Attention: Craig Emden

To Senior Lender: JPMorgan Chase Bank, N.A
Community Development Real Estate
Chase Tower
10 South Dearborn Street
Mail Code IL1-0953
Chicago, Illinois 60603
Attention: Paul Vlamis

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

If to CDE Lender: CDF Suballocatee XVII, LLC
c/o Department of Housing and Economic Development
City of Chicago
121 N LaSalle, Room 1000
Chicago, Illinois 60602
Attention: Commissioner and Deputy Commissioner for
Development Finance

with copies to: S.B. Friedman & Company
221 N. LaSalle Street, Suite 820
Chicago, Illinois 60601
Attention: Tony Q. Smith

And to: Perkins Coie LLP
131 S. Dearborn Street, Suite 1700
Chicago, Illinois 60603
Attention: Robert Stephan

Notice to CDE Lender
shall include a copy to: Chase Community Equity, LLC
c/o JPMorgan Chase Bank, N.A.
10 S. Dearborn, 19th Floor
Mail Code: IL1-0953
Chicago, Illinois 60603-5506
Attention: NMTC Asset Manager

Chase Community Equity, LLC
c/o JPMorgan Chase Bank, N.A.
10 S. Dearborn, 19th Floor
Mail Code: IL1-0953
Chicago, Illinois 60603-5506
Attention: Kevin Goldsmith, Vice President

and a copy to: SNR Denton US LLP
233 South Wacker Drive, Suite 7800
Chicago, Illinois 60606
Attention: Todd Stennes

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 clause (a) shall be deemed received upon such personal service. Any notice, demand or request sent pursuant to clause (b) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (c) shall be deemed received two (2) business days following deposit in the mail.

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement Exhibit D hereto without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental or construction obligations of the Developer Parties (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the character of the Project or any activities undertaken by Developer Parties affecting the Project, or increases any time agreed for performance by the Developer Parties by more than one hundred eighty (180) days.

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

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

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

18.05 Waiver. Waiver by the City or the Developer Parties with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer Parties in writing.

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

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

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

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

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

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

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

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

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, HED or the Commissioner, or any matter is to be to the City's, HED'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, HED or the Commissioner in writing and in the reasonable discretion thereof and without unreasonable delay. The Commissioner or other person designated by the Mayor of the City shall act for the City or HED in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City. In furtherance of the foregoing, the terms of this Agreement may be modified administratively by the Commissioner of HED without the same being deemed an amendment to this Agreement provided that the Commissioner of HED and Corporation Counsel have determined that such modification is appropriate and consistent with the terms and conditions of this Agreement and the purposes underlying the provisions hereof.

18.15 Assignment. The Residential Developers with respect to the Residential Component and the Commercial Developer with respect to the Commercial Component may not sell, assign or otherwise transfer their respective interest in this Agreement in whole or in part without the written consent of the City; provided, however, any collateral assignment of this Agreement and any assignment, pledge or sale by a Developer Party of City Notes in connection with obtaining Lender Financing is permitted in accordance with the terms of Section 4.06 of this Agreement and/or any transfer of investor member interests in the limited partner of Lofts 47 to an affiliate of Hudson Shops and Lofts LLC, a Delaware limited liability company is permitted. Any successor in interest to the Developer Parties under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 (Real Estate Provisions) and 8.22 (Survival of Covenants) hereof, for the Term of the Agreement. The Developer Parties consent to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect. This Agreement shall be binding upon the Developer Parties, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer Parties, the City and their respective successors and permitted assigns (as provided herein).

18.17 Force Majeure. Neither the City nor the Developer Parties nor any successor in interest to any of them shall be considered in breach of or in default of their respective obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. Notice of such delay for any such reason shall be given by the party seeking to excuse its performance by virtue thereof to the other party within twenty (20) days of commencement of such delay, and excuse from performance of obligations shall be limited to the actual number of days involved in such delay.

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

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

18.20 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.

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

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

18.23 Debarment Certification. Failure by the Developer Parties or any controlling person of any of the Developer Parties, as defined in Section 1-23-010 of the Municipal Code, thereof to maintain eligibility to do business with the City as required by Section 1-23-030 of the

Municipal Code shall be grounds for termination of this Agreement and the transactions contemplated thereby.

18.25 Inspector General and Legislative Inspector General. It is the duty of the Developer Parties, any subgrantee, bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners, and employees of any such Subgrantee, bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. The Developer Parties represent that they understand and will abide by all provisions of Chapter 2-56 of the Municipal Code and that the Developer Parties will inform subcontractors of this provision and require their compliance.

It is the duty of the Developer Parties, any subgrantee, bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners, and employees of the Developer Parties, any such subgrantee, bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Legislative Inspector General in any investigation undertaken pursuant to Chapter 2-55 of the Municipal Code. The Developer Parties represent that they understand and will abide by all provisions of Chapter 2-55 of the Municipal Code and that the Developer Parties will inform subcontractors of this provision and require their compliance.

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LIST OF EXHIBITS

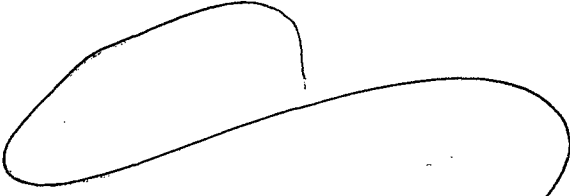
Exhibit A	Redevelopment Area
Exhibit B	*Property
Exhibit B-1	*City Property to be conveyed to TCB, LLC
Exhibit B-2	*City Property to be conveyed to Mahogany Shops 47, LLC
Exhibit B-3	*Subterranean and Air Rights Interest to be conveyed by Lofts 47 to Mahogany Shops 47, LLC
Exhibit B-4	*Lofts 47 to Mahogany Shops 47, LLC (20-10-206-025 [part])
Exhibit C	*TIF-Funded Improvements
Exhibit D	Redevelopment Plan
Exhibit E-1	Commercial Construction Contract
Exhibit E-2	Residential Construction Contract
Exhibit F	*Permitted Liens
Exhibit G-1	*Project Budget
Exhibit G-2	*MBE/WBE Project Budget
Exhibit H	Approved Prior Expenditures
Exhibit I	Opinion of Developer's Counsel
Exhibit J	Requisition Form
Exhibit K-1	*Form of Commercial Taxable Note
Exhibit K-2	*Form of Residential Taxable Note
Exhibit K-3	*Form of Commercial Tax-Exempt Note
Exhibit K-4	*Form of Residential Tax-Exempt Note

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


EXHIBIT A

LEGAL DESCRIPTION OF THE REDEVELOPMENT AREA

[THIS EXHIBIT IS NOT TO BE RECORDED]



COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____



COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____




EXHIBIT B

LEGAL DESCRIPTION OF THE PROPERTY

(Subject to Final Title and Survey)

LOTS 1 THROUGH 20, BOTH INCLUSIVE, LOTS 21 THROUGH 27, BOTH INCLUSIVE, AND LOTS 29, 30, 32, 33, and 43 THROUGH 47 IN SUBDIVISION OF LOTS 1 AND 2 OF STONE AND MC GLASHAN'S SUBDIVISION OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN (LYING EAST OF VINCENNES AVE.), IN COOK COUNTY, ILLINOIS.

LOTS 1 THROUGH 4 IN GEORGE B. UPP'S SUBDIVISION OF LOTS 35, 36, 37 AND 38 IN THE SUBDIVISION OF LOTS 1 AND 2 IN STONE AND MC GLASHAN'S SUBDIVISION OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN (LYING EAST OF VINCENNES AVE.), IN COOK COUNTY, ILLINOIS.

LOTS 1 THROUGH 5 IN GEORGE B. UPP'S SUBDIVISION OF SUBLOTS 39, 40, 41 AND 42 IN THE SUBDIVISION OF LOTS 1 AND 2 IN STONE AND MC GLASHAN'S SUBDIVISION OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN (LYING EAST OF VINCENNES AVE.), IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NO. 20-10-206-001, Vol. 253
PERMANENT INDEX NO. 20-10-206-002, Vol. 253
PERMANENT INDEX NO. 20-10-206-003, Vol. 253
PERMANENT INDEX NO. 20-10-206-004, Vol. 253
PERMANENT INDEX NO. 20-10-206-005, Vol. 253
PERMANENT INDEX NO. 20-10-206-006, Vol. 253
PERMANENT INDEX NO. 20-10-206-007, Vol. 253
PERMANENT INDEX NO. 20-10-206-008, Vol. 253
PERMANENT INDEX NO. 20-10-206-009, Vol. 253
PERMANENT INDEX NO. 20-10-206-010, Vol. 253
PERMANENT INDEX NO. 20-10-206-013, Vol. 253
PERMANENT INDEX NO. 20-10-206-014, Vol. 253
PERMANENT INDEX NO. 20-10-206-016, Vol. 253
PERMANENT INDEX NO. 20-10-206-017, Vol. 253
PERMANENT INDEX NO. 20-10-206-019, Vol. 253
PERMANENT INDEX NO. 20-10-206-020, Vol. 253
PERMANENT INDEX NO. 20-10-206-021, Vol. 253
PERMANENT INDEX NO. 20-10-206-024, Vol. 253
PERMANENT INDEX NO. 20-10-206-025, Vol. 253
PERMANENT INDEX NO. 20-10-206-026, Vol. 253
PERMANENT INDEX NO. 20-10-206-027, Vol. 253
PERMANENT INDEX NO. 20-10-206-028, Vol. 253
PERMANENT INDEX NO. 20-10-206-029, Vol. 253
PERMANENT INDEX NO. 20-10-206-030, Vol. 253
PERMANENT INDEX NO. 20-10-206-031, Vol. 253
PERMANENT INDEX NO. 20-10-206-033, Vol. 253

EXHIBIT B-1
CITY PROPERTY TO BE CONVEYED TO TCB, LLC
LEGAL DESCRIPTION

LOTS 1 THROUGH 12, 25, 26, 29, 30, 32, 33, 43, 44, 45, 46, AND 47 IN SUBDIVISION OF LOTS 1 AND 2 OF STONE AND MC GLASHAN'S SUBDIVISION OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN (LYING EAST OF VINCENNES AVE.), IN COOK COUNTY, ILLINOIS.

LOTS 1 THROUGH 5 (BOTH INCLUSIVE) IN GEORGE B. UPP'S SUBDIVISION OF SUBLOTS 39, 40, 41 AND 42 IN THE SUBDIVISION OF LOTS 1 AND 2 (EXCEPT THE PART TAKEN FOR WIDENING COTTAGE GROVE AVENUE) IN STONE AND MCGLASHAN'S SUBDIVISION OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN.

LOTS 1, 3 AND 4 IN GEORGE B. UPP'S SUBDIVISION OF SUBLOTS 35, 36, 37 AND 38 IN THE SUBDIVISION OF LOTS 1 AND 2 (EXCEPT THE PART TAKEN FOR WIDENING COTTAGE GROVE AVENUE) IN STONE AND MCGLASHAN'S SUBDIVISION OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN.

PINS: 20-10-206-001
20-10-206-002
20-10-206-003
20-10-206-004
20-10-206-005
20-10-206-006
20-10-206-007
20-10-206-009
20-10-206-010

20-10-206-013
20-10-206-014
20-10-206-016
20-10-206-017
20-10-206-020
20-10-206-021
20-10-206-024
20-10-206-025
20-10-206-031
20-10-206-033

EXHIBIT B-2

CITY PROPERTY TO BE CONVEYED TO MAHOGANY SHOPS 47, LLC

LEGAL DESCRIPTION

LOTS 13 THROUGH 18 AND LOTS 21 THROUGH 24 IN SUBDIVISION OF LOTS 1 AND 2 OF STONE AND MC GLASHAN'S SUBDIVISION OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN (LYING EAST OF VINCENNES AVE.), IN COOK COUNTY, ILLINOIS.

PINS: 20-10-206-026
20-10-206-027
20-10-206-028
20-10-206-030

EXHIBIT B-3
SUBTERRANEAN AND AIR RIGHTS INTERESTS
TO BE CONVEYED BY LOFTS 47 TO MAHOGANY SHOPS 47, LLC

Portions of the following tract, but only such portions as are set forth as Parcels 2, 3, 4, 5A and 5B below:

LOTS 1 THROUGH 24 (BOTH INCLUSIVE) AND LOTS 43 THROUGH 47 (BOTH INCLUSIVE) IN THE SUBDIVISION OF LOTS 1 AND 2 (EXCEPT THE PART TAKEN FOR WIDENING COTTAGE GROVE AVENUE) IN STONE AND MCGLASHAN'S SUBDIVISION OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN;

TOGETHER WITH

LOTS 1 THROUGH 5 (BOTH INCLUSIVE) IN GEORGE B. UPP'S SUBDIVISION OF SUBLOTS 39, 40, 41 AND 42 IN THE SUBDIVISION OF LOTS 1 AND 2 (EXCEPT THE PART TAKEN FOR WIDENING COTTAGE GROVE AVENUE) IN STONE AND MCGLASHAN'S SUBDIVISION OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN;

TOGETHER WITH

LOTS 1, 2 AND 3 TOGETHER WITH THAT PART OF LOT 4 LYING NORTH OF A LINE DRAWN FROM A POINT ON THE EAST LINE OF SAID LOT 4, SAID POINT BEING 1.05 FEET (AS MEASURED ALONG SAID EAST LINE) NORTH OF THE SOUTHEAST CORNER OF SAID LOT 4 TO A POINT ON THE WEST LINE OF SAID LOT 4 SAID POINT BEING 21.54 FEET (AS MEASURED ALONG THE WEST LINE OF LOTS 4 AND 5) NORTH OF THE SOUTHWEST CORNER OF LOT 5 IN GEORGE B. UPP'S SUBDIVISION OF SUBLOTS 35, 36, 37 AND 38 IN THE SUBDIVISION OF LOTS 1 AND 2 (EXCEPT THE PART TAKEN FOR WIDENING COTTAGE GROVE AVENUE) IN STONE AND MCGLASHAN'S SUBDIVISION OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN;

TOGETHER WITH

THAT PART OF THE NORTH/SOUTH 16 FOOT PUBLIC ALLEY LYING WEST OF AND ADJOINING SAID LOTS 1 THROUGH 13 (BOTH INCLUSIVE) IN THE SUBDIVISION OF LOTS 1 AND 2 (EXCEPT THE PART TAKEN FOR WIDENING COTTAGE GROVE AVENUE) IN STONE AND MCGLASHAN'S SUBDIVISION OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN AND LYING NORTH OF LINE DRAWN FROM A POINT 1.05 FEET NORTH OF THE SOUTHEAST CORNER OF LOT 4 (AS MEASURED ALONG THE EAST LINE THEREOF) IN GEORGE B. UPP'S SUBDIVISION OF SUBLOTS 35, 36, 37 AND 38 IN THE SUBDIVISION OF LOTS 1 AND 2 (EXCEPT THE PART TAKEN FOR WIDENING COTTAGE GROVE AVENUE) IN STONE AND MCGLASHAN'S SUBDIVISION AFORESAID TO A POINT 10.03 FEET NORTH OF THE SOUTHWEST CORNER OF SAID LOT 13 (AS MEASURED ALONG THE WEST LINE THEREOF);

TOGETHER WITH
THAT PART OF THE EAST/WEST 16 FOOT PUBLIC ALLEY LYING NORTH OF AND
ADJOINING TO SAID LOT 1 IN GEORGE B. UPP'S SUBDIVISION OF SUBLOTS 39, 40, 41
AND 42 IN THE SUBDIVISION OF LOTS 1 AND 2 (EXCEPT THE PART TAKEN FOR
WIDENING COTTAGE GROVE AVENUE) IN STONE AND MCGLASHAN'S SUBDIVISION
OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF
SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL
MERIDIAN, ALL TAKEN AS A TRACT,

Parcel 2

THAT PART OF THE ABOVE DESCRIBED TRACT LYING ABOVE A HORIZONTAL PLANE
HAVING AN ELEVATION OF +7.00 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS
HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS:
BEGINNING AT THE SOUTHWEST CORNER OF SAID TRACT SAID SOUTHWEST CORNER
BEING A POINT ON THE WEST LINE OF LOT 4 IN GEORGE B. UPP'S SUBDIVISION OF
SUBLOTS 35, 36, 37 AND 38, AFORESAID, SAID POINT BEING 21.54 FEET (AS MEASURED
ALONG THE WEST LINE OF LOTS 4 AND 5) NORTH OF THE SOUTHWEST CORNER OF LOT
5 IN GEORGE B. UPP'S SUBDIVISION OF SUBLOTS 35, 36, 37 AND 38, AFORESAID; THENCE
SOUTH 90°00'00" EAST ALONG A SOUTH LINE OF SAID TRACT 117.37 FEET; THENCE
NORTH 00°00'29" WEST 41.33 FEET; THENCE SOUTH 90°00'00" EAST 136.03 FEET TO A
POINT ON THE EAST LINE OF SAID TRACT SAID POINT BEING 274.43 FEET SOUTH OF THE
NORTHEAST CORNER OF SAID TRACT (AS MEASURED ALONG THE EAST LINE THEREOF);
THENCE NORTH 00°00'00" EAST ALONG THE EAST LINE OF SAID TRACT 53.58 FEET;
THENCE NORTH 90°00'00" WEST 67.67 FEET; THENCE NORTH 00°00'00" EAST 26.25 FEET;
THENCE NORTH 90°00'00" WEST 7.41 FEET; THENCE NORTH 00°00'00" EAST 99.69 FEET;
THENCE NORTH 90°00'00" WEST 158.18 FEET; THENCE SOUTH 00°00'00" WEST 20.95 FEET;
THENCE NORTH 90°00'00" WEST 7.78 FEET; THENCE SOUTH 00°00'00" WEST 23.06 FEET;
THENCE NORTH 90°00'00" WEST 12.40 FEET TO THE WEST LINE OF SAID TRACT; THENCE
SOUTH 00°00'48" EAST ALONG THE WEST LINE OF SAID TRACT 176.85 FEET TO THE POINT
OF BEGINNING;

Parcel 3

THAT PART OF THE ABOVE DESCRIBED TRACT LYING BELOW A HORIZONTAL PLANE
HAVING AN ELEVATION OF +35.40 FEET CHICAGO CITY DATUM AND LYING ABOVE A
HORIZONTAL PLANE HAVING AN ELEVATION OF +7.00 FEET CHICAGO CITY DATUM AND
LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED
AS FOLLOWS: COMMENCING AT A POINT ON THE EAST LINE OF SAID TRACT 274.43 FEET
SOUTH OF THE NORTHEAST CORNER THEREOF (AS MEASURED ALONG SAID EAST LINE);
THENCE NORTH 00°00'00" EAST ALONG THE EAST LINE OF SAID TRACT 53.58 FEET TO THE
POINT OF BEGINNING; THENCE NORTH 90°00'00" WEST 67.67 FEET; THENCE NORTH
00°00'00" EAST 26.25 FEET; THENCE NORTH 90°00'00" WEST 7.41 FEET; THENCE NORTH
00°00'00" EAST 97.88 FEET; THENCE SOUTH 90°00'00" EAST 8.00 FEET; THENCE SOUTH
00°00'00" WEST 5.29 FEET; THENCE SOUTH 90°00'00" EAST 67.08 FEET TO THE EAST LINE
OF SAID TRACT; THENCE SOUTH 00°00'00" WEST ALONG SAID EAST LINE 118.84 FEET TO
THE POINT OF BEGINNING;

Parcel 4

THAT PART OF THE ABOVE DESCRIBED TRACT LYING BELOW AN INCLINED PLANE
DEFINED BY THE HEREINAFTER DESCRIBED POINT 'A', HAVING AN ELEVATION OF
+20.92 FEET CHICAGO CITY DATUM AND THE HEREINAFTER DESCRIBED POINT 'B'
HAVING AN ELEVATION OF +35.40 FEET CHICAGO CITY DATUM AND THE HEREINAFTER
DESCRIBED POINT 'C' HAVING AN ELEVATION OF +20.92 FEET CHICAGO CITY DATUM,
AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +7.00 FEET

CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID TRACT; THENCE SOUTH 00°00'48" EAST ALONG THE WEST LINE OF SAID TRACT 73.89 FEET; THENCE SOUTH 90°00'00" EAST 57.04 FEET TO THE POINT OF BEGINNING SAID POINT BEING ALSO THE HEREINABOVE MENTIONED POINT 'A'; THENCE SOUTH 90°00'00" EAST 109.83 FEET; THENCE NORTH 00°00'00" EAST 0.85 FEET; THENCE SOUTH 90°00'00" EAST 11.51 FEET; THENCE SOUTH 00°00'00" WEST 21.08 FEET TO A POINT SAID POINT BEING ALSO THE HEREINABOVE MENTIONED POINT 'B'; THENCE NORTH 90°00'00" WEST 121.34 FEET TO A POINT SAID POINT BEING ALSO THE HEREINABOVE MENTIONED POINT 'C'; THENCE NORTH 00°00'00" EAST 20.22 FEET TO THE POINT OF BEGINNING;

Parcel 5A

THAT PART OF THE ABOVE DESCRIBED TRACT LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +35.40 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +7.00 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: **BEGINNING** AT THE NORTHWEST CORNER OF SAID TRACT; THENCE SOUTH 00°00'48" EAST ALONG THE WEST LINE OF SAID TRACT 53.05 FEET; THENCE SOUTH 90°00'00" EAST 32.62 FEET; THENCE SOUTH 00°00'00" WEST 4.57 FEET; THENCE NORTH 90°00'00" WEST 25.18 FEET; THENCE SOUTH 00°00'00" WEST 1.17 FEET; THENCE NORTH 90°00'00" WEST 7.44 FEET TO THE WEST LINE OF SAID TRACT; THENCE SOUTH 00°00'48" EAST ALONG THE WEST LINE OF SAID TRACT 15.10 FEET; THENCE SOUTH 90°00'00" EAST 166.86 FEET; THENCE NORTH 00°00'00" EAST 8.57 FEET; THENCE NORTH 90°00'00" WEST 30.40 FEET; THENCE NORTH 00°00'00" EAST 11.70 FEET; THENCE SOUTH 90°00'00" EAST 16.96 FEET; THENCE NORTH 00°00'00" EAST 5.77 FEET; THENCE SOUTH 90°00'00" EAST 13.51 FEET; THENCE NORTH 00°00'00" EAST 48.37 FEET TO THE NORTH LINE OF SAID TRACT; THENCE SOUTH 89°49'16" WEST ALONG THE NORTH LINE OF SAID TRACT 166.95 FEET TO THE POINT OF BEGINNING;

Parcel 5B

THAT PART OF THE ABOVE DESCRIBED TRACT LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +35.40 FEET CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +7.00 FEET CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY PROJECTED VERTICALLY AND DESCRIBED AS FOLLOWS: **BEGINNING** AT THE NORTHEAST CORNER OF SAID TRACT; THENCE SOUTH 89°49'16" WEST ALONG THE NORTH LINE OF SAID TRACT 73.92 FEET; THENCE SOUTH 00°00'00" WEST 47.95 FEET; THENCE SOUTH 90°00'00" EAST 7.38 FEET; THENCE SOUTH 00°00'00" WEST 0.37 FEET; THENCE SOUTH 90°00'00" EAST 18.25 FEET; THENCE SOUTH 00°00'00" WEST 7.58 FEET; THENCE SOUTH 90°00'00" EAST 3.17 FEET; THENCE SOUTH 00°00'00" WEST 17.17 FEET; THENCE NORTH 90°00'00" WEST 21.51 FEET; THENCE SOUTH 00°00'00" WEST 0.52 FEET; THENCE NORTH 90°00'00" WEST 8.44 FEET; THENCE SOUTH 00°00'00" WEST 22.89 FEET; THENCE SOUTH 90°00'00" EAST 60.62 FEET; THENCE NORTH 00°00'00" EAST 4.25 FEET; THENCE SOUTH 90°00'00" EAST 14.45 FEET TO THE EAST LINE OF SAID TRACT; THENCE NORTH 00°00'00" EAST ALONG THE EAST LINE OF SAID TRACT 92.47 FEET TO THE POINT OF BEGINNING;

EXHIBIT B-4
LOFTS 47 CONVEYANCE TO MAHOGANY SHOPS 47, LLC
LEGAL DESCRIPTION

THE SOUTH 1.26 FEET OF LOT 11 AND LOT 12 IN SUBDIVISION OF LOTS 1 AND 2 OF STONE AND MCGLASHAN'S SUBDIVISION OF THE NORTH HALF OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN (LYING EAST OF VINCENNES AVE.) IN COOK COUNTY, IL

TOGETHER WITH THE VACATED ALLEY ADJOINING THE WEST LINE OF SUCH PORTION OF LOT 11 AND ALL OF LOT 12.

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

<u>DEVELOPMENT BUDGET ITEM</u>	<u>TOTAL TIF ELIGIBLE COSTS</u>
Acquisition	\$ 831,922
Site Preparation	\$3,445,729
Construction Contract	\$7,836,674
Construction Contingency	\$ 491,052
<u>Soft Costs</u>	<u>\$ 1,064,343</u>
Total TIF Eligible Costs	\$13,669,720*

*Notwithstanding the total amount referenced above, the City Funds for the TIF-Funded Improvements shall not exceed the lesser of \$12,850,000 or 28.2% of the Project Budget.

EXHIBIT D

REDEVELOPMENT PLAN

[THIS EXHIBIT IS NOT TO BE RECORDED]

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT E-1

COMMERCIAL CONTRUCTION CONTRACT

[THIS EXHIBIT IS NOT TO BE RECORDED]

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT E-2

RESIDENTIAL CONTRUCTION CONTRACT

[THIS EXHIBIT IS NOT TO BE RECORDED]

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

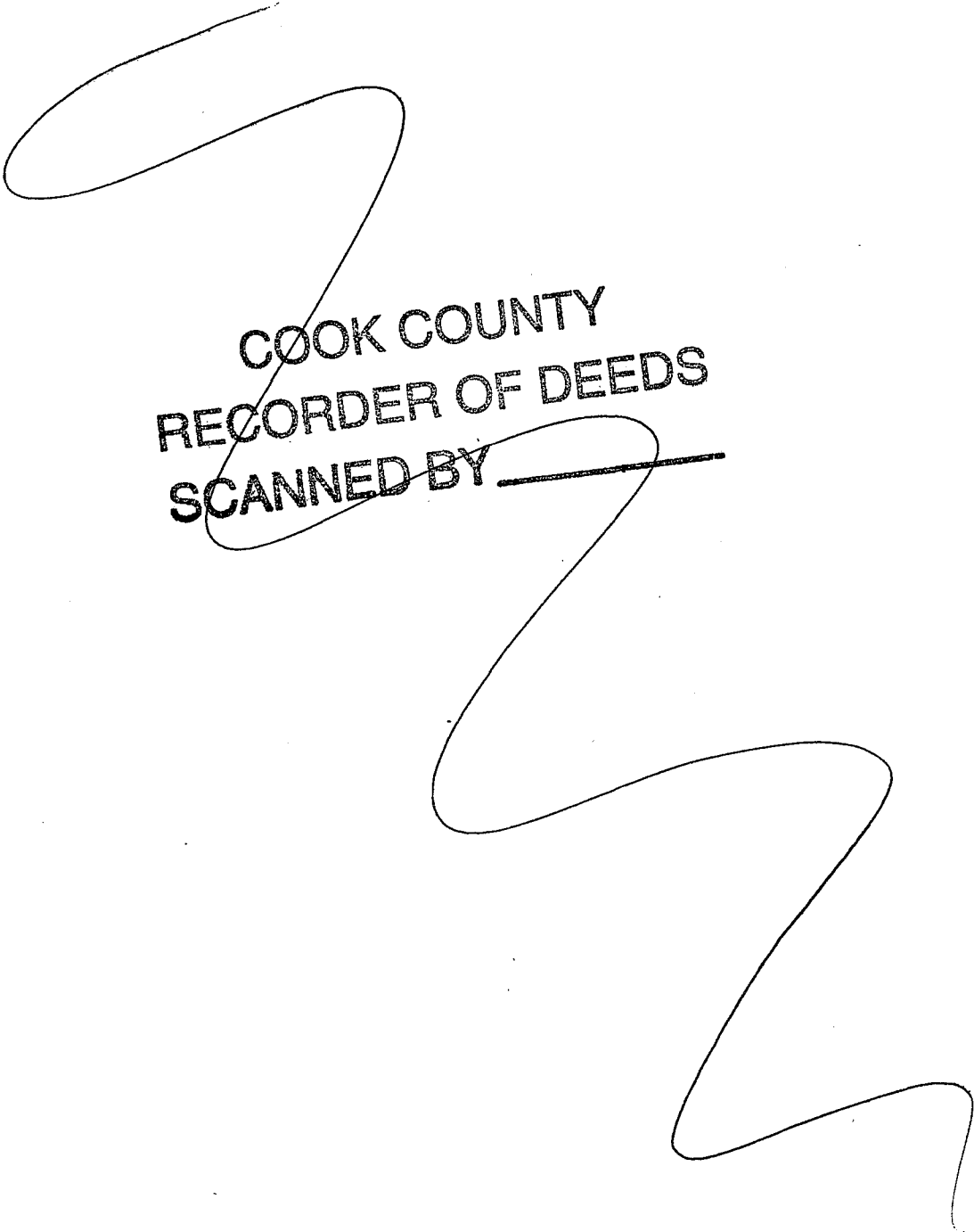
COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT F

PERMITTED LIENS

Liens or encumbrances against the Property:

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



**COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____**

EXHIBIT G-1

PROJECT BUDGET

	Residential Total	Retail Total	Total
I. DEVELOPMENT BUDGET			
Acquisition Costs	\$231,922	\$600,000	\$831,922
Site Preparation Costs	\$2,172,337	\$1,273,392	\$3,445,729
Construction Contract	\$20,897,798	\$5,601,853	\$26,499,651
Construction Contingency	\$1,069,929	\$485,000	\$1,554,929
Soft Costs	\$2,657,460	\$2,064,238	\$4,720,697
Financing Costs	\$1,871,934	\$684,525	\$2,567,298
Reserves	\$2,040,262	\$637,160	\$2,678,423
Developer's Fee	\$2,588,000	\$755,817	\$3,332,978
Total Project Costs	\$33,529,642	\$12,101,985	\$45,631,627

SOURCES OF FUNDS			
Subtotal: Debt Financing	\$8,685,040	\$11,136,135	\$19,821,175
Subtotal: Soft Loans	\$16,434,119	\$489,040	\$16,923,160
Subtotal: Equity	\$8,410,483	\$476,810	\$8,887,293
Total Sources of Funds	\$33,529,642	\$12,101,985	\$45,631,627

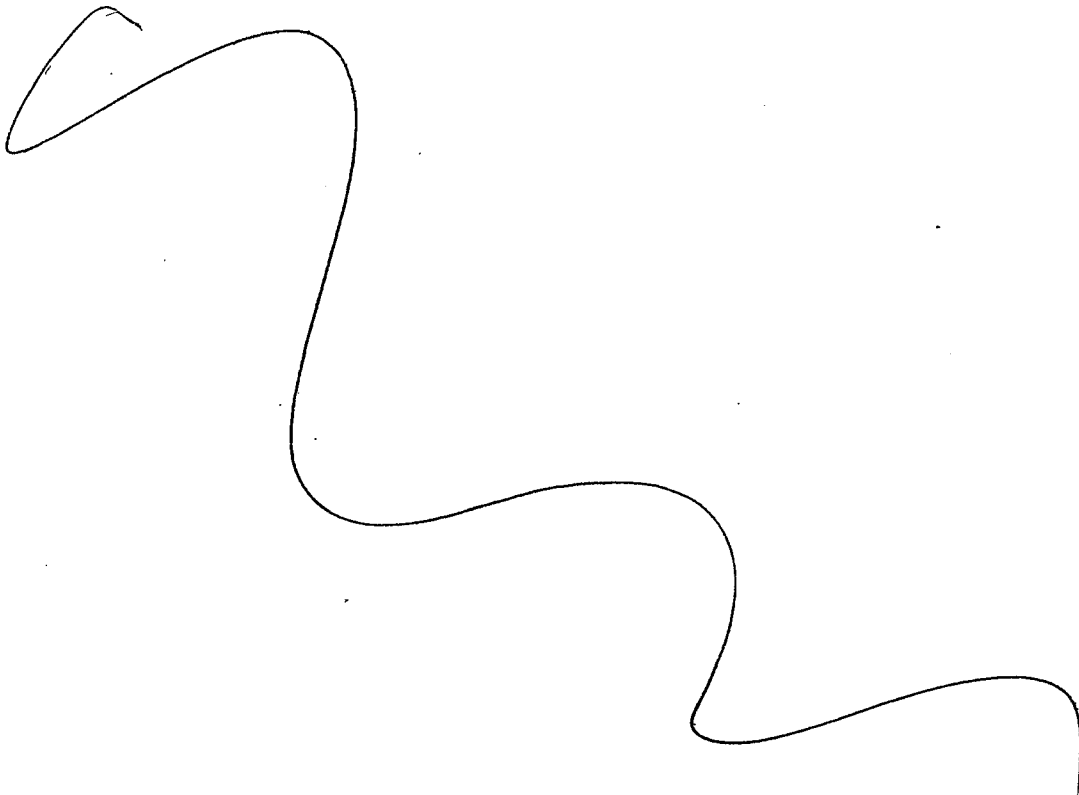


EXHIBIT G-2

MBE/WBE PROJECT BUDGET

MBE-WBE DEVELOPMENT BUDGET	
Site Work	\$1,974,864
Environmental Remediation	\$909,556
Construction - Residential	\$18,205,252
Construction - Commercial	\$4,913,907
Construction - 5-Yr Property	\$126,150
Contractor's General Requirements	\$1,394,718
Contractor's Overhead	\$464,906
Contractor's Profit	\$1,394,718
Architect-Design	\$1,110,422
Architect-Supervision	\$287,250
Engineering Fees	\$130,141
Environmental Audit & Testing	\$170,761
Total MBE-WBE Project Costs	\$31,082,645*
*MBE Budget (24%)	\$7,459,835
*WBE Budget (4%)	\$1,243,306

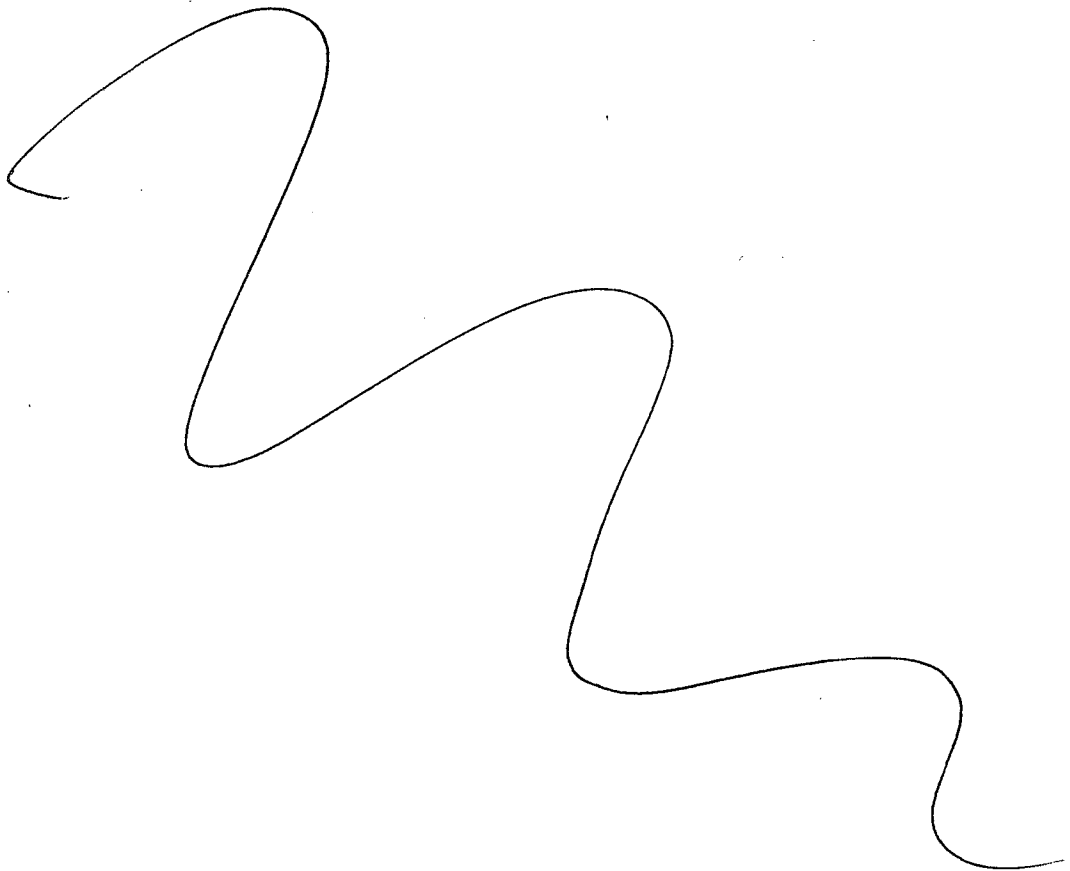


EXHIBIT H

APPROVED PRIOR EXPENDITURES

[THIS EXHIBIT IS NOT TO BE RECORDED]

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT I

OPINION OF DEVELOPER'S COUNSEL

[THIS EXHIBIT IS NOT TO BE RECORDED]

**COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____**

**COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____**

EXHIBIT J

REQUISITION FORM

[THIS EXHIBIT IS NOT TO BE RECORDED]

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

EXHIBIT K-1

COMMERCIAL TAXABLE NOTE

REGISTERED

MAXIMUM

NO. R-1

AMOUNT

\$228,271*

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF COOK

CITY OF CHICAGO

**TAX INCREMENT ALLOCATION REVENUE NOTE
(SHOPS AND LOFTS AT 47 PROJECT), TAXABLE SERIES A-1**

Registered Owner:

Mahogany Chicago 47, LLC, an Ohio limited liability company or an Affiliate, as approved by HED

Interest Rate:

[__%] [shall mean an annual interest rate equal to the median value of the Corporate BBB Bond Index Rate (20-year) as published by Bloomberg on the last business day prior to the date of issuance of Commercial Taxable Note Series A-1 plus 200 basis points, but in no event exceeding eight and one-half percent (8.5%) per annum]

Maturity Date:

December 31, 2022

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 \$228,271* and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of issuance.

This Note is one of a series of notes issued or to be issued in accordance with that certain Redevelopment Agreement dated as of February 1, 2013 between, *inter alia*, the City and the Registered Owner (the "Redevelopment Agreement"), and this Note shall be paid *pari passu*

with the Residential Taxable Note (as defined in the Redevelopment Agreement) but is subordinate in payment to the Commercial Tax-Exempt Note and the Residential Tax-Exempt Note (each as defined in the Redevelopment Agreement) as set forth in the Redevelopment Agreement.

Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest is due March 1 of each year commencing in the first year following the issuance of the Commercial Component Certificate (as defined in the Redevelopment Agreement) until the earlier of Maturity or until this note is paid in full. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year until paid.

Principal of this Note shall be payable until the earlier of Maturity or until this Note is paid in full in installments on March 1 of each year in the amount necessary to amortize the outstanding principal balance of this Note in level payments over the remaining term to Maturity at the interest rate payable hereon. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in fully registered form in the principal amount of advances made from time to time by the Registered Owner up to \$228,271* for the purpose of

paying the costs of certain eligible redevelopment project costs incurred by Commercial Developer in connection with the Commercial Component of the Project (as such terms are defined in the Redevelopment Agreement) located in the Amended 43rd Street/Cottage Grove Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act") , the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on October 31, 2012 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENTAL TAXES (AS DEFINED IN THE REDEVELOPMENT AGREEMENT AND AS PROVIDED IN THE ORDINANCE), AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE.**

The principal of this Note is subject to redemption on any date following the Closing Date (as defined in the Redevelopment Agreement), as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed plus accrued interest to the date of redemption. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

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

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

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

Pursuant to the Redevelopment Agreement, the Registered Owner has agreed to acquire and construct the Commercial Component of the Project and to advance funds for the construction of certain facilities related to the Project on behalf of the City. The cost of such

acquisition and construction in an amount not to exceed \$228,271* shall be deemed to be a disbursement of the proceeds of this Note. The principal amount outstanding of this Note shall be the sum of advances made pursuant to the certificates of expenditure (the "Certificates of Expenditure") executed by the City in accordance with the Redevelopment Agreement and in the form attached to this Note, 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 \$228,271*.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend and/or terminate payments of principal and of interest on this Note upon the occurrence of certain conditions. Such rights shall survive any transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

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

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

Mayor

(SEAL)

Attest:

City Clerk

**CERTIFICATE
OF
AUTHENTICATION**

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

This Note is described in the within mentioned Ordinance and is the \$228,271* Tax Increment Allocation Revenue Note Shops and Lofts Redevelopment Project), Taxable Series A-1, of the City of Chicago, Cook County, Illinois.

Comptroller

Date:

*subject to adjustment generally as set forth in Section 4.03 of the Redevelopment Agreement

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

(ASSIGNMENT)

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

Dated:

Registered Owner

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

Signature Guaranteed:

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

Consented to by:

CITY OF CHICAGO
DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT
BY:

ITS:

CERTIFICATION OF EXPENDITURE

[_____, 20__]

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$_____ Tax Increment Allocation Revenue Note
(Shops and Lofts at 47 Redevelopment Project, Taxable Series A-1)

This Certification is submitted to you, 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 October 31, 2012 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$_____ is advanced as principal under the 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 principal payments made on the City Note.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of [_____, 20__].

CITY OF CHICAGO

By: _____
Andrew J. Mooney
Commissioner
Department of Housing and Economic
Development

AUTHENTICATED BY:

REGISTRAR

EXHIBIT K-2

RESIDENTIAL TAXABLE NOTE

REGISTERED

MAXIMUM
AMOUNT

NO. R-2

\$1,808,729*

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO**

**TAX INCREMENT ALLOCATION REVENUE NOTE
(SHOPS AND LOFTS AT 47 PROJECT), TAXABLE SERIES A-2**

Registered Owner: [Residential Developer] or an Affiliate, as approved by
HED

Interest Rate: []% [shall mean an annual interest rate equal to the
median value of the Corporate BBB Bond Index Rate (20-
year) as published by Bloomberg on the last business day
prior to the date of issuance of Residential Taxable Note
Series A-1 plus 200 basis points, but in no event exceeding
eight and one-half percent (8.5%) per annum]

Maturity Date: December 31, 2022

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 \$1,808,729* and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of issuance.

This Note is one of a series of notes issued or to be issued in accordance with that certain Redevelopment Agreement dated as of February 1, 2013 between, *inter alia*, the City and the Registered Owner (the "Redevelopment Agreement"), and this Note shall be paid *pari passu*

with the Commercial Taxable Note (as defined in the Redevelopment Agreement) but is subordinate in payment to the Commercial Tax-Exempt Note and the Residential Tax-Exempt Note (each as defined in the Redevelopment Agreement) as set forth in the Redevelopment Agreement.

Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest is due March 1 of each year commencing in the first year following the issuance of the Residential Component Certificate (as defined in the Redevelopment Agreement) until the earlier of Maturity or until this note is paid in full. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year until paid.

Principal of this Note shall be payable until the earlier of Maturity or until this Note is paid in full in installments on March 1 of each year in the amount necessary to amortize the outstanding principal balance of this Note in level payments over the remaining term to Maturity at the interest rate payable hereon. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in fully registered form in the principal amount of advances made from time to time by the Registered Owner up to \$1,808,729* for the purpose of

paying the costs of certain eligible redevelopment project costs incurred by Residential Developer in connection with the Residential Component of the Project (as such terms are defined in the Redevelopment Agreement) located in the Amended 43rd Street/Cottage Grove Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and an Ordinance adopted by the City Council of the City on October 31, 2012 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE INCREMENTAL TAXES (AS DEFINED IN THE REDEVELOPMENT AGREEMENT AND AS PROVIDED IN THE ORDINANCE), AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE.**

The principal of this Note is subject to redemption on any date following the Closing Date (as defined in the Redevelopment Agreement), as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed plus accrued interest to the date of redemption. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

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

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

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

Pursuant to the Redevelopment Agreement, the Registered Owner has agreed to acquire and construct the Residential Component of the Project and to advance funds for the construction of certain facilities related to the Project on behalf of the City. The cost of such acquisition and

construction in an amount not to exceed \$1,808,729* shall be deemed to be a disbursement of the proceeds of this Note. The principal amount outstanding of this Note shall be the sum of advances made pursuant to the certificates of expenditure (the "Certificates of Expenditure") executed by the City in accordance with the Redevelopment Agreement and in the form attached to this Note, 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 \$1,808,729*.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend and/or terminate payments of principal and of interest on this Note upon the occurrence of certain conditions. Such rights shall survive any transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

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

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

Mayor

(SEAL)

Attest:

City Clerk

**CERTIFICATE
OF
AUTHENTICATION**

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

This Note is described in the within mentioned Ordinance and is the \$1,808,729* Tax Increment Allocation Revenue Note Shops and Lofts Redevelopment Project), Taxable Series A-2, of the City of Chicago, Cook County, Illinois.

Comptroller

Date:

*subject to adjustment generally as set forth in Section 4.03 of the Redevelopment Agreement

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

(ASSIGNMENT)

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

Dated:

Registered Owner

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

Signature Guaranteed:

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

Consented to by:

CITY OF CHICAGO
DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT
BY:

ITS:

CERTIFICATION OF EXPENDITURE

[_____, 20__]

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$_____ Tax Increment Allocation Revenue Note
(Shops and Lofts at 47 Redevelopment Project, Taxable Series A-2)

This Certification is submitted to you, 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 October 31, 2012 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$_____ is advanced as principal under the 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 principal payments made on the City Note.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of [_____, 20__].

CITY OF CHICAGO

By: _____
Andrew J. Mooney
Commissioner
Department of Housing and Economic
Development

AUTHENTICATED BY:

REGISTRAR

EXHIBIT K-3

COMMERCIAL TAX-EXEMPT NOTE

REGISTERED
NO. R-1

MAXIMUM AMOUNT
NOT TO EXCEED
\$722,689*

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO
TAX INCREMENT ALLOCATION REVENUE NOTE
(SHOPS AND LOFTS AT 47 REDEVELOPMENT PROJECT)
TAX-EXEMPT SERIES B-1**

Registered Owner: Mahogany Chicago 47, LLC, an Illinois limited liability company or an Affiliate, as approved by HED

Interest Rate: []% [shall mean an annual rate equal to the median value of the Baa (municipal market data) G.O. Bond rate (20 year) as published by Thompson-Reuters Municipal Market Data ("MMD") on the date which is 15 business days before the Commercial Tax-Exempt Note Series B-1 is issued plus 200 basis points, but in no event exceeding eight percent (8.00%) per annum]

Maturity Date: December 31, 2022

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 \$722,689* 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 in accordance with the amortization schedule annually on March 1st of each year from "Available Incremental Taxes" as defined in the Redevelopment Agreement (hereinafter defined), to be applied first to accrued and unpaid interest and the balance to principal.

This Note is one of a series of notes issued or to be issued in accordance with that certain Redevelopment Agreement dated as of February 1, 2013 between, *inter alia*, the City and the Registered Owner (the "Redevelopment Agreement"), and this Note shall be paid *pari passu* with the Residential Tax-Exempt Note (as defined in the Redevelopment Agreement).

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. The Registered Owner of this Note shall note on the payment record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in fully registered form in the aggregate principal amount of advances made from time to time by Mahogany Chicago 47, LLC, an Illinois limited liability company (the "Commercial Developer") of up to \$722,689* for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Commercial Developer in connection

with the redevelopment of property (the "Property") in the Amended 43rd Street/Cottage Grove 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 October 31, 2012 (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 Ordinance and 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 AS DESCRIBED IN THE REDEVELOPMENT AGREEMENT AND IN THE ORDINANCE, 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 on any date on or after the date which is three years following the issuance of the Commercial Completion Certificate, as defined in the Redevelopment Agreement, in whole or in part at a redemption price of 100% of the outstanding principal amount thereof being redeemed plus accrued interest.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance and the Redevelopment Agreement, 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, the Commercial Developer has agreed to construct the Commercial Component of the Project (as defined in the Redevelopment Agreement) 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 \$722,689* 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, and in the form attached to this Note, 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 \$722,689*.

The City shall have no right to suspend and/or terminate payments of principal and of interest on this Note. The City shall be obligated to make payments under this Note notwithstanding that an Event of Default (as defined in the Redevelopment Agreement) has occurred. Subject to the foregoing, the City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, secure the specific performance of the agreements contained in the Redevelopment Agreement, or may be awarded damages for failure of performance, or both, provided, however that the City shall not obtain a lien against the Property.

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 \$722,689* Tax Increment
Allocation Revenue Note
(Shops and Lofts at 47 Redevelopment
Project), Series B-1, of the
City of Chicago, Cook County, Illinois.

Comptroller

Date: _____

*subject to adjustment generally as set forth in Section 4.03 of the Redevelopment Agreement

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

(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 Housing and Economic Development

CERTIFICATION OF EXPENDITURE

[_____, 20__]

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$_____ Tax Increment Allocation Revenue Note
(Shops and Lofts at 47 Redevelopment Project, Tax-Exempt Series A-1)

This Certification is submitted to you, 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 October 31, 2012 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$_____ is advanced as principal under the 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 principal payments made on the City Note.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of [_____, 20__].

CITY OF CHICAGO

By: _____
Andrew J. Mooney
Commissioner
Department of Housing and Economic
Development

AUTHENTICATED BY:

REGISTRAR

EXHIBIT K-4

RESIDENTIAL TAX-EXEMPT NOTE

REGISTERED
NO. R-2

MAXIMUM AMOUNT
NOT TO EXCEED
\$5,726,311*

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO
TAX INCREMENT ALLOCATION REVENUE NOTE
(SHOPS AND LOFTS AT 47 REDEVELOPMENT PROJECT)
TAX-EXEMPT SERIES B-2**

Registered Owner: [Residential Developer] or an Affiliate, as approved by HED

Interest Rate: [__%] [shall mean an annual rate equal to the median value of the Baa (municipal market data) G.O. Bond rate (20 year) as published by Thompson-Reuters Municipal Market Data ("MMD") on the date which is 15 business days before the Residential Tax-Exempt Note Series B-2 is issued plus 200 basis points, but in no event exceeding eight percent (8.00%) per annum]

Maturity Date: December 31, 2022

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 \$5,726,311* 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 in accordance with the amortization schedule annually on March 1st of each year from "Available Incremental Taxes" as defined in the Redevelopment Agreement (hereinafter defined), to be applied first to accrued and unpaid interest and the balance to principal.

This Note is one of a series of notes issued or to be issued in accordance with that certain Redevelopment Agreement dated as of February 1, 2013 between, *inter alia*, the City and the Registered Owner (the "Redevelopment Agreement"), and this Note shall be paid *pari passu* with the Commercial Tax-Exempt Note (as defined in the Redevelopment Agreement).

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. The Registered Owner of this Note shall note on the payment record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in fully registered form in the aggregate principal amount of advances made from time to time by the Residential Developer of up to \$5,726,311* for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Residential Developer in connection with the redevelopment of property (the "Property") in the Amended 43rd Street/Cottage Grove 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 October 31, 2012 (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 Ordinance and 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 AS DESCRIBED IN THE REDEVELOPMENT AGREEMENT AND IN THE ORDINANCE, 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 on any date on or after the date which is three years following the issuance of the Residential Completion Certificate, as defined in the Redevelopment Agreement, in whole or in part at a redemption price of 100% of the outstanding principal amount thereof being redeemed plus accrued interest.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance and the Redevelopment Agreement, 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, the Residential Developer has agreed to construct the Residential Component of the Project (as defined in the Redevelopment Agreement) 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 \$5,726,311* 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, and in the form attached to this Note, 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 \$5,726,311*.

The City shall have no right to suspend and/or terminate payments of principal and of interest on this Note. The City shall be obligated to make payments under this Note notwithstanding that an Event of Default (as defined in the Redevelopment Agreement) has occurred. Subject to the foregoing, the City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, secure the specific performance of the agreements contained in the Redevelopment Agreement, or may be awarded damages for failure of performance, or both, provided, however that the City shall not obtain a lien against the Property.

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 \$5,726,311* Tax Increment Allocation Revenue Note (Shops and Lofts at 47 Redevelopment Project), Series B-2, of the City of Chicago, Cook County, Illinois.

Comptroller

Date: _____

*subject to adjustment generally as set forth in Section 4.03 of the Redevelopment Agreement

PRINCIPAL PAYMENT RECORD

DATE OF PAYMENT

PRINCIPAL PAYMENT

PRINCIPAL BALANCE DUE

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

(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 Housing and Economic Development

CERTIFICATION OF EXPENDITURE

[_____, 20__]

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$_____ Tax Increment Allocation Revenue Note
(Shops and Lofts at 47 Redevelopment Project, Tax-Exempt Series A-2)

This Certification is submitted to you, 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 October 31, 2012 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that \$_____ is advanced as principal under the 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 principal payments made on the City Note.

IN WITNESS WHEREOF, the City has caused this Certification to be signed on its behalf as of [_____, 20__].

CITY OF CHICAGO

By: _____
Andrew J. Mooney
Commissioner
Department of Housing and Economic
Development

AUTHENTICATED BY:

REGISTRAR