

Contract Summary Sheet

Contract (PO) Number: 15237

Specification Number: 59069

Name of Contractor: LIBERTY SQUARE APARTMENTS

City Department: DEPARTMENT OF HOUSING

Title of Contract: Multi/TIF Interest Subsidy

Dollar Amount of Contract (or maximum compensation if a Term Agreement) (DUR):

\$1,900,000.00

PO Start Date: 3/30/2007

PO End Date: 3/30/2039

Brief Description of Work: Multi/TIF Interest Subsidy

Procurement Services Contact Person: THOMAS DZIEDZIC

Vendor Number: 50665024

Submission Date:

JUL 27 2007

WHEREAS, The City of Chicago (the "City"), a home rule unit of government under Section 6(a); Article VII of the 1970 Constitution of the State of Illinois, has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing available to persons of low- and moderate-income; and

WHEREAS, The City has determined that the continuance of a shortage of affordable rental housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, Pursuant to an ordinance adopted by the City Council of the City (the "City Council") on May 17, 2000 and published at pages 30775 through 30925 in the *Journal of the Proceedings of the City Council of the City of Chicago* (the "Journal") of such date, a certain redevelopment plan and project (the "Plan") for the Midwest Redevelopment Project Area (the "Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "T.I.F. Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on May 17, 2000 and published at pages 30926 through 30939 in the *Journal* of such date, the Area was designated as a redevelopment project area pursuant to the T.I.F. Act; and

WHEREAS, Pursuant to an ordinance (the "T.I.F. Ordinance") adopted by the City Council on May 17, 2000 and published at pages 30940 through 30953 in the *Journal* of such date, tax increment allocation financing was adopted pursuant to the T.I.F. Act as a means of financing certain area redevelopment project costs (as defined in the T.I.F. Act) incurred pursuant to the Plan; and

WHEREAS, The City is the owner of the vacant parcels of property located within the Area and described on Exhibit A hereto (collectively, the "City Parcels"); and

WHEREAS, The Chicago Transit Authority, a municipal corporation of the State of Illinois (the "C.T.A."), is the owner of that certain vacant parcel of property located adjacent to certain of the City Parcels and also located within the Area, and described on Exhibit B hereto (the "C.T.A. Parcel"); and

WHEREAS, The C.T.A. is interested in conveying the C.T.A. Parcel to the City for One and no/100 Dollars (\$1.00) and anticipates receiving from the Board of Commissioners of the C.T.A. the authority to make the conveyance; and

WHEREAS, The City is interested in acquiring the C.T.A. Parcel and, once acquired, making both the City Parcels and the C.T.A. Parcel available for the

development of affordable rental housing (the City Parcels and, once acquired by the City, the C.T.A. Parcel, collectively, the "Property"); and

WHEREAS, Certain of the City Parcels, which are identified on Exhibit A hereto (the "Setback Parcels"), are or may be subject to front lot-line setback requirements that differ from the prevailing front lot-line setback requirements established for the same parcels by the City's zoning code ("Zoning Code"), Title 17 of the Municipal Code of Chicago, and the City wishes to conform the setback requirements only to those established by the Zoning Code; and

WHEREAS, H.I.C.A., Inc., an Illinois not-for-profit corporation (the "General Partner"), which is a co-general partner of Liberty Square Limited Partnership, an Illinois limited partnership (the "Developer"), is interested in acquiring the Property for a price of One and no/100 Dollars (\$1.00) per parcel, and the City is interested in conveying the Property to the General Partner for that price and donating the remaining appraised fair market value of the Property to the General Partner; and

WHEREAS, The Property has a fair market value estimated at approximately Eight Hundred Thousand Dollars (\$800,000); and

WHEREAS, Once it acquires the Property, the General Partner shall convey the Property to the Developer for purposes of the Developer's construction of sixty-six (66) dwelling units on the Property, to be collectively known as "Liberty Square Development", that will consist of twelve (12) three (3) story walk-up buildings (the "Project"); and

WHEREAS, The Illinois General Assembly, pursuant to Public Act 92-0491 and as codified in Section 7.28 of the Illinois Housing Development Act (20 ILCS 3805/7.28), as supplemented, amended and restated from time to time, has authorized the City and the Illinois Housing Development Authority ("I.H.D.A.") to reserve and allocate tax credits for donations in connection with affordable housing projects (the "Donation Tax Credits") which will help to address this shortage of affordable housing for persons of low- and moderate-income, and has authorized I.H.D.A. to establish regulations in connection with the Donation Tax Credits (the "Regulations"); and

WHEREAS, On January 16, 2002, the City Council of the City enacted an ordinance published in the *Journal* for such date at pages 77362 through 77366, as amended on September 4, 2003, which authorized the establishment of a program to be implemented by the City's Department of Housing ("D.O.H.") and pursuant to which the City may accept the allocation of Donation Tax Credits; and

WHEREAS, The General Partner and the Developer propose to undertake the redevelopment of the Property in accordance with the Plan and pursuant to the

terms and conditions of a proposed redevelopment agreement to be executed by the General Partner, the Developer and the City, including, but not limited to, the Developer's construction of the Project on the Property, to be financed in part by a portion of the incremental taxes, if any, deposited in the Midwest Redevelopment Project Area Special Tax Allocation Fund (as defined in the T.I.F. Ordinance) pursuant to Section 5/11-74.4-8(b) of the T.I.F. Act; and

WHEREAS, Pursuant to Resolution 04-CDC-33, adopted by the Community Development Commission of the City (the "Commission") on April 27, 2004, the Commission authorized the City's Department of Planning and Development ("D.P.D.") to publish notice pursuant to Section 5/11-74.4-4(c) of the T.I.F. Act of its intention to enter into a negotiated sale with the General Partner for the Property, to provide tax increment financing assistance and negotiate a redevelopment agreement with the General Partner for the Project, and to request alternative proposals for the sale and conveyance of the Property and for the redevelopment of the Property; and

WHEREAS, D.P.D. published the notice, requested alternative proposals for the sale of the Property and redevelopment of the Property and provided reasonable opportunity for other persons to submit alternative bids or proposals; and

WHEREAS, Since no other responsive proposals were received by D.P.D. for the sale and conveyance of the Property and the redevelopment of the Property within fourteen (14) days after such publication, pursuant to Resolution 04-CDC-33, the Commission has recommended that the City be authorized to sell and convey the Property to the General Partner and that the General Partner be designated as a developer for the Project and that the City be authorized to negotiate, execute and deliver a redevelopment agreement ("Redevelopment Agreement") with the General Partner and the Developer for the Project; and

WHEREAS, The conveyance of the Property by the City to the General Partner, and the execution of a Redevelopment Agreement among the City and the General Partner and the Developer, may qualify under the Regulations as eligible donations, and may generate certain additional transfer proceeds which D.O.H. would like to make available for the Project; now, therefore,

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

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. The Commissioner (the "Commissioner") of the City's Department of Housing ("D.O.H.") and a designee of the Commissioner are each hereby

authorized, subject to approval by the Corporation Counsel, to accept a deed to the C.T.A. Parcel from the C.T.A. on behalf of the City.

SECTION 3. Notwithstanding any other ordinance to the contrary, the Setback Parcels are subject to the front lot-line setback requirements set forth for them by the Zoning Code and no other.

SECTION 4. The City hereby approves the conveyance of the Property to the General Partner at a price of One and no/100 Dollars (\$1.00) per parcel. The Mayor of the City or his proxy is authorized, subject to approval by the Corporation Counsel, to execute, and the City Clerk is authorized to attest, one (1) or more quitclaim deeds conveying the Property to the General Partner. The City hereby approves the donation of the remaining appraised fair market value of the Property to the General Partner.

SECTION 5. The Commissioner, or a designee of the Commissioner, are each hereby authorized, subject to approval by the Corporation Counsel, to transfer the Donation Tax Credits which may be allocated to the City by I.H.D.A. pursuant to the Regulations in connection with the Project to an entity satisfactory to the Commissioner on such terms and conditions as are satisfactory to the Commissioner (the "Transfer"). The proceeds, if any, received by the City in connection with the Transfer are hereby appropriated, and the Commissioner is hereby authorized to use such proceeds, to make a grant to the General Partner or to the Developer, in his sole discretion, for use in connection with the Project (the "Grant"). The Commissioner, or a designee of the Commissioner, are each hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Transfer and the Grant. Upon the execution and receipt of proper documentation, the Commissioner is hereby authorized to disburse the proceeds of the Grant to the General Partner or to the Developer, in his sole discretion.

SECTION 6. The General Partner is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the T.I.F. Act. The Commissioner of D.P.D. or a designee of the Commissioner of D.P.D., and the Commissioner or a designee of the Commissioner, are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver the Redevelopment Agreement between the City and the General Partner and the Developer in substantially the form attached hereto as Exhibit C and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement. The agreement on the part of the City to pay specified tax increment revenues derived from the Area to the General Partner, as provided in Section 4 of the Redevelopment Agreement, pursuant to the T.I.F. Act, is hereby approved in all respects. The City hereby approves the donation to the General

Partner of the market value of the Redevelopment Agreement as of the date of its execution.

SECTION 7. The City shall waive those certain fees, if applicable, imposed by the City with respect to the Project and as more fully described in Exhibit D attached hereto and made a part hereof. The Project is deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago. Given the applicable restrictions with respect to maximum rent and maximum income for the residents of the Property as described in the Redevelopment Agreement, Section 2-44-090 of the Municipal Code of Chicago shall not apply to the Project or the Property.

SECTION 8. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 9. This ordinance shall be effective as of the date of its passage.

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

Exhibit "A".
(To Ordinance)

City Parcels For The Liberty Square Development.

Building Site	Street Address	Permanent Index Number
Site 1	701 South Independence Boulevard	16-14-307-001*
Site 1	711 South Independence Boulevard	16-14-307-002*

* Setback Parcel

Building Site	Street Address	Permanent Index Number
Site 1	3727 West Flournoy Street	16-14-307-007*
Site 2	3727 West Flournoy Street	16-14-307-014*
Site 2	715 -- 717 South Independence Boulevard	16-14-307-003*
Site 2	715 -- 717 South Independence Boulevard	16-14-307-015*
Site 3	719 South Independence Boulevard	16-14-307-004*
Site 3	725 South Independence Boulevard	16-14-307-005*
Site 4	3715 West Flournoy Street	16-14-307-010
Site 4	3713 West Flournoy Street	16-14-307-011
Site 5	3714 West Lexington Street	16-14-307-021
Site 5	3710 West Lexington Street	16-14-307-022
Site 6	3707 West Lexington Street	16-14-311-015
Site 6	3703 West Lexington Street	16-14-311-016
Site 7	3636 West Lexington Street	16-14-308-021

* Setback Parcel

6/23/2004

REPORTS OF COMMITTEES

26685

Building Site	Street Address	Permanent Index Number
Site 8	3645 West Flournoy Street	16-14-308-003
Site 8	3643 West Flournoy Street	16-14-308-004
Site 9	3637 West Flournoy Street	16-14-308-007
Site 9	3633 West Flournoy Street	16-14-308-008
Site 10	3631 West Flournoy Street	16-14-308-009
Site 10	3629 West Flournoy Street	16-14-308-010
Site 11	3610 West Flournoy Street	16-14-304-030
Site 11	3608 West Flournoy Street	16-14-304-031
Site 11	3606 West Flournoy Street	16-14-304-032
Site 12	700 South Central Park Avenue	16-14-308-041

Exhibit "B".
(To Ordinance)

*Chicago Transit Authority Parcel For The
Liberty Square Development.*

Building Site	Street Address	Permanent Index Number
Site 11	3606 -- 3610 West Flournoy Street	16-14-500-074

*Exhibit "C".
(To Ordinance)*

Redevelopment Agreement

By And Among

The City Of Chicago,

H.I.C.A., Inc.

And

Liberty Square Limited Partnership.

This Redevelopment Agreement (the "Agreement") is made as of _____, 2004, by and between the City of Chicago, an Illinois municipal corporation (the "City"), acting through its Department of Planning and Development ("DPD") and its Department of Housing ("DOH"), H.I.C.A., Inc., an Illinois not-for-profit corporation (the "General Partner"), and Liberty Square Limited Partnership (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 authority to promote the health, safety and welfare of the City and its inhabitants, 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 (the "Act"), to finance the redevelopment of conservation and blighted areas .

C. **City Council Authority:** To induce redevelopment pursuant to the Act, the City Council of City (the "City Council") adopted the following ordinances on May 17, 2000: (1) "An Ordinance of the City of Chicago, Illinois, Approving a Redevelopment Plan for the Midwest Tax Increment Redevelopment Project Area;" (2) "An Ordinance of the City of Chicago, Illinois, Designating the Midwest Tax Increment Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act;" and (3) "An Ordinance of the City of Chicago, Illinois, Adopting Tax Increment Allocation Financing for the Midwest Tax Increment Redevelopment Project Area." Collectively, these ordinances shall be referred to herein as the "TIF Ordinances." The redevelopment project area (the "Redevelopment Area") is legally described in Exhibit A hereto.

On _____, 2004, the City Council adopted an ordinance published in the Journal of Proceedings of the City Council for said date at pages _____ to _____ authorizing the execution of this Agreement; and

D. **The Project:** On the Closing Date, the City shall sell, for \$1.00 each, 26 parcels of real property to the General Partner, all of which are located within the Redevelopment Area and are further described on Exhibit B hereto (such parcels referred to herein as the "City Parcels" or the "Property"). All of the Property is vacant. Also on the Closing Date, the General Partner shall convey the City Parcels to the Developer as a capital contribution.

Within the time frames set forth in Section 3.01 hereof, the Developer will commence and complete construction of 66 dwelling units on the Property, to be collectively known as "Liberty Square," that will consist of twelve, three-story walk-up buildings on twelve scattered sites in a several-block area including South Central Park Avenue, West Flournoy Street, South Independence Boulevard and West Lexington Street (the "Project"). The 66 dwelling units will consist of 5 one-bedroom apartments, 40 two-bedroom apartments, 16 three-bedroom apartments and 5 four-bedroom apartments.

The Project buildings will be brick and masonry construction. The Project also will include a total of 66 parking spaces.

A maximum of seven units will be rented at market rate (the "Market-Rate Units"). A minimum of 59 units will be affordable to households earning 60% or less of the median income for the City of Chicago (the "Affordable-Rate Units"). Approximately 25% of the Project units will be available for rental to households holding project-based vouchers under a HAP contract with the Chicago Housing Authority for use by households earning 40% or less of the median income for the City of Chicago. Approximately 20% of the Project units will be adaptable, all of which can be made fully accessible to accommodate people with disabilities.

All affordability and adaptability requirements set forth above will be maintained for the entire 40-year term of the loan on the Property.

The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement. But for the General Partner's and Developer's execution of this Agreement, the City would be unwilling to convey any portion of the Property or provide any City Funds or other City financing for the Project.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago's Midwest Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan") attached hereto as Exhibit C, as amended from time to time.

F. Lender Financing: The City acknowledges that other financing for the Project is to be provided as set forth in Exhibit D attached hereto (collectively, the "Lender Financing"). The terms of certain portions of the Lender Financing include requiring the Developer to enter into various occupancy and use restrictions including, but not limited to, the Regulatory Agreement (as defined below).

G. City Financing: Pursuant to the terms and conditions of this Agreement, the City will pay or reimburse the Developer for the TIF-Funded Interest Costs (as defined below) from Available Incremental Revenues (the "City Funds") in the manner set forth in the TIF Ordinances (as defined below).

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

"Act" shall have the meaning set forth in Paragraph B of the Recitals hereto.

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

“Available Incremental Revenues” shall mean those Incremental Taxes deposited in the Incremental Taxes Fund attributable to the taxes levied on the Property, to the extent available, allocated by the City in each fiscal year and in the amounts set forth in Exhibit E hereto for payment of the TIF-Funded Interest Costs.

“Certificate” shall mean the Certificate of Completion described in Section 8 hereof.

“City Funds” shall have the meaning set forth in Paragraph G of the Recitals hereto.

“City Parcels” shall have the meaning set forth in Paragraph D of the Recitals hereto.

“Closing Date” shall mean the date of execution and delivery of this Agreement by all parties hereto.

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

“Employer(s)” shall have the meaning set forth in Section 11 hereof.

“Environmental Laws” shall mean the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended, any so-called “Superfund” or “Superlien” law, the Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree now or hereafter in force regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Material, as now or at any time hereafter in effect.

“Event of Default” shall have the meaning set forth in Section 16 hereof.

“FHA-Insured Loan” shall have the meaning set forth in Paragraph A.1 of Exhibit D hereto.

“Financial Statements” shall mean complete audited financial statements of the General Partner and the Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices.

“First Mortgagee” shall mean Prairie Mortgage Company or the then holder of the FHA-Insured Loan if Prairie Mortgage Company is not then such holder.

“General Contractor” shall mean Linn-Mathes, Inc., an Illinois corporation.

“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.

“HUD” shall mean the United States Department of Housing and Urban Development.

“Incremental Taxes” shall mean such ad valorem taxes which, pursuant to the TIF Ordinances 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 Treasurer into the Incremental Taxes Fund.

“Incremental Taxes Fund” shall mean the Midwest Tax Increment Redevelopment Project Area Special Tax Allocation Fund created pursuant to the TIF Ordinances.

“Lender Financing” shall have the meaning set forth in Paragraph F of the Recitals hereto.

“Lender” shall mean the provider of the Lender Financing.

“MBE(s)” or minority-owned business enterprise shall mean a business enterprise 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 business enterprise.

“Other Funds” shall mean those funds set forth in Paragraph B of Exhibit D.

“Plans and Specifications” shall mean final construction documents containing a site plan and working drawings and specifications for the Project prepared by Lisec & Biederman Architects.

“Project” shall have the meaning set forth in Paragraph D of the Recitals hereto.

“Project Budget” shall mean the budget for the Project attached hereto as Exhibit F-1.

“Project Costs” shall mean all of the costs incurred in connection with the Project.

“Property” shall have the meaning set forth in Paragraph D of the Recitals hereto.

“Regulatory Agreement” shall mean that certain Regulatory Agreement for Multifamily Housing Projects dated as of the date hereof and amendments thereto, if any, entered into between the Developer and HUD with respect to the Property.

“Surplus Cash” shall have the meaning ascribed to it in the Regulatory Agreement.

“Survey” shall mean a plat of an ALTA survey of the Property acceptable in form and content to the City and the Title Company.

“Term of the Agreement” shall mean the term commencing on the date of execution of this Agreement and ending the date on which the Redevelopment Area is no longer in effect.

“TIF-Funded Interest Costs” shall mean those costs which (i) are included within the definition of redevelopment project costs in Section 5/11-74.4-3(q) of the Act and are included in the Plan, and (ii) have the meaning set forth in Section 4.02 hereof.

“TIF Ordinances” shall have the meaning set forth in Paragraph C of the Recitals hereto.

“Title Company” shall mean a title insurance company qualified in Illinois and serviced by Title Services, Inc.

“Title Policy” shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer as the insured, issued by the Title Company.

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

SECTION 3. THE PROJECT

3.01 The Project.

(a) On the Closing Date, the City will convey the City Parcels to the General Partner at a price of \$1.00 each. Also on the Closing Date, the General Partner shall convey the City Parcels to the Developer as a capital contribution to the Project. The Developer shall thereafter: (i) commence construction of the Project no later than twenty business days after the Closing Date; and (ii) complete construction of the Project no later than 20 months after the Closing Date, subject to the provisions of Section 18.16 of this Agreement. The Project shall be carried out in accordance with the Plans and Specifications for the Project. In the event that HUD grants an extension of time for commencement or completion of construction of the Project, the Developer shall notify the City within five business days after receipt of notice of such extension and the foregoing dates shall be automatically extended accordingly.

(b) The City will convey the City Parcels to the General Partner by quitclaim deed, and the General Partner shall convey the City Parcels to the Developer by quitclaim, in all cases subject to (i) standard exceptions in an ALTA title insurance policy, (ii) all general real estate taxes (provided, however, that the City agrees to use reasonable efforts to obtain the waiver of any delinquent or forfeited real estate tax liens on the Property, which, if not reasonably obtained by the City, shall entitle the City, the General Partner or the Developer to decline to close this Agreement), (iii) all easements, encroachments, covenants and restrictions of record and not

shown of record, and (iv) such other title defects and encumbrances as may exist (provided, however, that in the event the Title Company is unable or unwilling to remove or insure over said title defects and/or encumbrances at a cost which is reasonable and acceptable to the General Partner or Developer, and provided further that it can be reasonably determined that said title defects and/or encumbrances will affect the intended use or marketability of the City Parcels by the Developer, then the General Partner or the Developer shall be entitled to decline to close this Agreement).

3.02 Plans and Specifications. The Plans and Specifications shall conform to the Redevelopment Plan as amended from time to time and shall comply with all applicable state and local laws, ordinances and regulations. As of the date hereof, the Developer has delivered to DOH, and DOH has approved, the Plans and Specifications, a list of which are attached hereto as Exhibit G. The Developer has submitted also all such 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.

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

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, the Project Budget. The Developer hereby certifies to the City that (a) Lender Financing and Other Funds shall be sufficient to pay all Project Costs (including, initially, the TIF-Funded Interest Costs) and (b) to the best of the Developer's knowledge after diligent inquiry, the Project Budget is true, correct and complete in all material respects. The Developer hereby represents to the City that the Lender Financing is (a) along with Other Funds and the City Funds, necessary to pay for all Project Costs and (b) available to be drawn upon to pay for certain Project Costs in accordance with the terms of the documents securing the Lender Financing.

3.04 Other Approvals. Construction of the Project and purchase of materials shall not commence until the Developer has obtained all permits and approvals required by state, federal or local statute, ordinance or regulation and the General Contractor has delivered to the Developer performance and payment bonds in the full amount of the construction contract.

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

3.06 Architect's Certificates and Periodic Reports. The Developer has contracted with Lisec and Biederman Architects (the "Developer's Architect") to act as its architect on the Project. The Developer's Architect shall provide the following documents to DOH:

(a) at the time of execution of this Agreement, an original executed Architect's Opening Certificate in the form attached hereto as Exhibit H-1;

(b) during construction of the Project on a monthly basis, a copy of AIA Form G-703, or a comparable form containing the same information as AIA Form G-703, and inspection reports; and

(c) upon completion of the Project, an original executed Architect's Completion Certificate in the form attached hereto as Exhibit H-2.

SECTION 4. FINANCING FOR THE PROJECT COSTS

4.01 Initial Financing for the Project. The Developer shall pay for all of the Project Costs, except the TIF-Funded Interest Costs, using the proceeds of the Lender Financing and Other Funds.

4.02 Reimbursement for TIF-Funded Interest Costs.

(a) The City hereby agrees to pay or reimburse to or on behalf of the General Partner, from Available Incremental Revenues, if any, a portion of the interest costs incurred by the Developer that will accrue on the FHA-Insured Loan (the "TIF-Funded Interest Costs") in each year and in the amounts set forth in Exhibit E hereto; provided, however, that in no event shall the amount payable by the City for TIF-Funded Interest Costs exceed the lesser of (x) the maximum amount specified in Section 4.04 hereof, or (y) the lesser of:

(i) the sum of: (A) 30 percent of the annual interest costs on the Lender Financing incurred by the Developer in connection with the construction of the Market-Rate Units during that year, plus (B) 75 percent of the annual interest costs on the Lender Financing incurred by the Developer in connection with the construction of the Affordable-Rate Units during that year, provided that, if there are not sufficient Available Incremental Revenues to make the payments pursuant to this subparagraph, then the amounts so due shall accrue and be payable when Available Incremental Revenues are available; or

(ii) the sum of: (A) 30 percent of the total costs paid or incurred by the Developer in connection with the construction of the Market-Rate Units, (B) 75 percent of the total costs paid or incurred by the Developer in connection with the construction of the Affordable-Rate Units, plus (C) 75 percent of the total redevelopment project costs (excluding any property assembly costs and relocation costs) incurred by the City pursuant to the Act.

(b) The amounts payable pursuant to Section 4.02(a) shall be paid by the City in accordance with this Agreement while the Lender Financing remains outstanding and so long as the TIF-Funded Interest Costs may, under the Act, be legally paid out of Available Incremental Revenues. The City acknowledges that the General Partner intends to assign its right to receive the amounts payable under this Agreement to the Developer, and that Developer may in turn re-

assign said right to the First Mortgagee. Unless otherwise directed by the General Partner, the amounts payable pursuant to Section 4.02(a) shall be paid annually by the City to the First Mortgagee for distribution to the appropriate parties. The City will pay the First Mortgagee for the TIF-Funded Interest Costs for the Project upon submission by the First Mortgagee to DOH of an executed Requisition Form for TIF-Funded Interest Costs in the form attached hereto as Exhibit I. The Requisition Form for TIF-Funded Interest Costs shall be sent to DOH on or after November 1 of each year that payment is requested, and shall set forth the date for payment which shall be not less than 60 days from the date of its receipt by DOH. The City Comptroller shall pay, to the extent of any Available Incremental Revenues then available in the Incremental Taxes Fund, the amount requested in the Requisition Form for TIF-Funded Interest Costs within 60 days of its receipt; provided, that the amount so requested shall not exceed the maximum amount payable for such year as shown on Exhibit J attached hereto, plus any portion of such maximum amount for prior years that has not been paid as a result of insufficient funds. The First Mortgagee shall submit to DOH and the Department of Finance at the addresses specified in Section 17 copies of monthly invoices sent to the Developer by the First Mortgagee based on the Developer's most recent Financial Statements (or such other substantiating evidence as the City may accept) to evidence the accrual of such amounts for TIF-Funded Interest Costs. Upon the City's request, the First Mortgagee will provide any additional supporting documentation. Attached as Exhibit J is a schedule of maximum amounts which may be reimbursed as interest cost incurred by the Developer in accordance with the Redevelopment Plan and the limitations provided in Section 11-74.4-3(q)(11) of the Act.

(c) The present dollar value of the TIF-Funded Interest Costs as of the Closing Date, if any, is eligible to be deemed a donation of the City's personal property to the General Partner pursuant to the Illinois Affordable Housing Tax Credit Development Program, 20 ILCS 3805/7.28.

4.03 Sufficiency of Available Incremental Revenues for TIF-Funded Interest Costs. It is hereby understood and agreed to by the General Partner and the Developer that the City does not make any representations that the amount of the Available Incremental Revenues will be sufficient to pay for or reimburse the Developer for any or all of the TIF-Funded Interest Costs.

4.04 Source of City Funds to Pay TIF-Funded Interest Costs. Subject to the terms and conditions of this Agreement, the City hereby agrees to reserve City Funds from the sources and in the amounts described directly below to pay TIF-Funded Interest Costs:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Incremental Taxes Attributable to the Tax Parcels Comprising the Property	\$1,900,000

The General Partner and Developer acknowledges and agrees that the City has committed to reserve only the Incremental Taxes attributable to the tax parcels comprising the Property and that the General Partner and Developer have no right or claim to, and the City shall be free to otherwise reserve, pledge and commit to other redevelopment projects or financing, the Incremental Taxes attributable to the other tax parcels in the Redevelopment Area. The City acknowledges and agrees that the Developer, as assignee of the right to receive payments under this Agreement, shall have a first priority claim to the Available Incremental Taxes committed and reserved under this Section 4.04.

SECTION 5. GENERAL PROVISIONS

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

5.02 Other Approvals. Any DPD or DOH approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Sections 3.02 and 3.04 hereof.

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

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

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

SECTION 6. CONDITIONS

The following conditions shall be complied with to the City's satisfaction within the time periods set forth below:

6.01 Title Policy. On the Closing Date, the Developer shall provide the City with a copy of the Title Policy showing the Developer in the title to (or holding a leasehold interest in, as applicable) each site comprising the Property.

6.02 Survey. The Developer has furnished the City with a Survey of each site comprising the Property prior to the execution of this Agreement.

6.03 Insurance. The Developer, at its own expense, shall insure each site comprising the Property in accordance with Section 13 hereof.

6.04 Opinion of Developer's Counsel. The Developer shall furnish the City with an opinion of counsel upon the execution of this Agreement in the form as may be reasonably required by or acceptable to Corporation Counsel.

SECTION 7. AGREEMENTS WITH CONTRACTORS

7.01 City Resident Employment Requirement. The Developer agrees for itself and its successors and assigns, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (individually an "Employer" and collectively, "Employers"), as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City of Chicago 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 construction of the Project shall be performed by actual residents of the City of Chicago); provided, however, that in addition to complying with this percentage, the Developer and the other Employers shall be required to make good faith efforts to utilize qualified residents of the City of Chicago in both skilled and unskilled labor positions.

The Developer and the other Employers may request a reduction or waiver of this minimum percentage level of total worker hours performed by actual residents of the City of Chicago 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 of Chicago.

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

The Developer and the other Employers shall provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed on the Project.

The Developer and the other Employers shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

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

The Developer and the other Employers shall provide full access to their employment records to the Purchasing Agent, the Commissioners of DPD and of DOH, the Superintendent of the Chicago Police Department, the Inspector General, or any duly authorized representative thereof. The Developer and the other Employers 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 as evidenced by the (final) Certificate.

At the direction of DOH, affidavits and other supporting documentation will be required of the Developer and the other Employers to verify or clarify an employee's actual address when in doubt or lack of clarity has arisen.

Good faith efforts on the part of the Developer and the other Employers 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 at the Project is completed, in the event that the City has determined that the Developer and the other Employers failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or has 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 Chicago to the degree stipulated in this Section. Therefore, in such case of non-compliance it is agreed that 1/20 of 1 percent (.05%) of the aggregate hard construction costs set forth in the Project Budget (as the same shall be evidenced by approved contract value for the actual contracts), shall be surrendered by the Developer and/or the other Employers 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 and/or the other Employers or employee to prosecution. Any retainage to cover contract performance that may become due to the Developer and the other Employers pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Purchasing Agent's determination whether the Developer and the other Employers must surrender damages as

provided in this paragraph. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only. In addition, the Developer shall make good faith efforts that all other contracts entered into in connection with the Project for work done, services provided or materials supplied shall be let to persons or entities whose main office and place of business are located within the City, subject to applicable HUD regulations.

Nothing herein provided shall be construed to be a limitation upon the "Notice of 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.

The Developer shall cause or require the provisions of this Section 7.01 to be included in all construction contracts and subcontracts related to the Project.

7.02 Maintaining Records. On a monthly basis until completion of construction of the Project, the Developer shall provide to DOH reports in a form satisfactory to DOH evidencing its compliance with Section 7.01.

7.03 Other Provisions. Photocopies of all contracts or subcontracts entered into by the Developer in connection with the Project shall be made available to DOH and DPD upon request. The Developer has the right to delete proprietary information from such contracts or subcontracts, provided, however, that upon DOH's or DPD's request, the Developer shall make available such proprietary information for review by any authorized City representative.

SECTION 8. COMPLETION OF CONSTRUCTION

8.01 Certificate of Completion. Upon completion of the construction of the Project and related redevelopment activities constituting the Project in accordance with the terms of this Agreement, and upon the Developer's written request, DPD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Certificate by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

8.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the construction of the Project and related redevelopment activities constituting the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all

representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 9.02 and 9.12 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) other than the General Partner and the Developer throughout the Term of the Agreement notwithstanding the issuance of a Certificate. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the General Partner and the Developer or a permitted assignee of the Developer who, pursuant to Section 18.14 of this Agreement, has contracted to take an assignment of both the General Partner's and the Developer's rights under this Agreement and assume both the General Partner's and the Developer's liabilities hereunder.

8.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of the Agreement, or if the General Partner fails to ensure that the Developer has so completed the Project, then the City shall have, but shall not be limited to, any of the following rights and remedies:

(a) subject to the provisions of Section 16.02, the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant hereto;

(b) the right (but not the obligation) to complete the Project and to pay for its costs out of City Funds or other City monies. In the event that the aggregate cost of completing the Project exceeds the amount of City Funds available, the General Partner and the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such work in excess of the available City Funds; and

(c) the right to seek reimbursement of the City Funds from the General Partner or the Developer, or from both of them.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER

The General Partner and the Developer each represent, warrant and covenant to the City as follows:

9.01 General. The General Partner represents, warrants and covenants that:

(a) the General Partner is an Illinois not for profit corporation duly organized, validly existing, and qualified to do business in Illinois, and licensed to do business in every other state where, due to the nature of its activities or properties, such qualification or license is required;

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

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

(d) unless otherwise permitted pursuant to the terms of this Agreement, including Section 18.14 hereof, the General Partner shall acquire good, indefeasible and merchantable fee simple title to the Property, subject to those matters shown in the Title Policy, and shall promptly thereafter convey the same to the Developer;

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

(f) the General Partner is not aware of any 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 General Partner is a party or by which the General Partner is bound which would materially affect its ability to perform hereunder;

(g) the Financial Statements when submitted will be, complete and correct in all material respects and will accurately present the assets, liabilities, results of operations and financial condition of the General Partner; and

(h) the General Partner is satisfied that it has taken any measures required to be taken to bring the Property and the Project into compliance with Environmental Laws and that the Property is suitable for its intended use.

9.01A General. The Developer represents, warrants and covenants that:

(a) the Developer is an Illinois limited partnership duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in every 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 partnership action and will not violate its partnership agreement as amended and supplemented, any applicable provision of law, or constitute a material breach of, default under or require any consent under, any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted pursuant to the terms of this Agreement, including Section 18.14 hereof, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property, subject to those matters shown in the Title Policy. The Developer may make application to HUD for a Transfer of Physical Assets in accordance with paragraph R-9 of the HUD-Required Provisions Rider attached hereto;

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

(f) the Developer shall obtain and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to construct, complete and operate its business at the Property;

(g) the Developer is not aware of any 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 which would materially affect its ability to perform hereunder;

(h) the Financial Statements when submitted will be, complete and correct in all material respects and will accurately present the assets, liabilities, results of operations and financial condition of the Developer; and

(i) the Developer is satisfied that it has taken any measures required to be taken to bring the Property and the Project into compliance with Environmental Laws and that the Property is suitable for its intended use.

9.02 Covenant to Redevelop. The General Partner shall take all steps within its power to cause the Developer to, and the Developer shall, redevelop the Property substantially in accordance with the Agreement and all Exhibits attached hereto, the TIF Ordinances, the Plans and Specifications, the Project Budget and all amendments thereto, and all federal, state and local

laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer, including specifically, but without limitation, the affordability requirements set forth in Recital D. The covenants set forth in this Section 9.02 shall run with the land and be binding upon any transferee of the Property other than the General Partner and the Developer.

9.03 Redevelopment Plan. The General Partner and the Developer represents that the Project shall be in compliance with all of the terms of the Redevelopment Plan.

9.04 Use of Available Incremental Revenues. Available Incremental Revenues disbursed to, or on behalf of, the General Partner or the Developer shall be used solely to pay or reimburse the General Partner or the Developer for the TIF-Funded Interest Costs as provided in this Agreement.

9.05 Arms-Length Transactions. Unless DPD and DOH shall have given its prior written consent with respect thereto, no Affiliate of the General Partner or the Developer (other than the Developer or the General Partner) may receive any part of the City Funds, directly or indirectly, through reimbursement of the General Partner or Developer pursuant to Section 4 or otherwise, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Interest Costs. The Developer shall provide information with respect to any entity to receive the City Funds (by reimbursement or otherwise), upon DPD's request, prior to any such disbursement.

9.06 Conflict of Interest. The General Partner and the Developer represent and warrant that no member, official or employee of the City, or member of any commission or committee exercising authority over the Project or the Redevelopment Plan, or any consultant hired by the City in connection with the Project, owns or controls (or has owned or controlled) any interest, direct or indirect, in the Developer's business or the Property.

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

9.08 Financial Statements. The Developer shall maintain and provide to DPD its Financial Statements at the earliest practicable date but no later than 120 days following the end of the Developer's fiscal year, each year for the Term of the Agreement.

9.09 General Partner's and Developer's Liabilities. The General Partner and the Developer shall not enter into any transaction that would materially and adversely affect their ability to perform their obligations hereunder. The General Partner and the Developer shall immediately notify DPD of any and all events or actions which may materially affect the General Partner's or Developer's ability to perform their obligations under this Agreement.

9.10 Compliance with Laws. To the best of the Developer's knowledge, after diligent

inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes. Upon the City's request, the Developer shall provide copies of any documentary evidence of compliance of such laws which may exist, such as, by way of illustration and not limitation, permits and licenses.

9.11 Recording and Filing. The General Partner and the Developer 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 any Lender Financing. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

9.12 Real Estate Provisions.

(a) Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project, including but not limited to real estate taxes. The 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. The Developer shall have the right to challenge real estate taxes applicable to the Property provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DPD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option, (i) the Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by the Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent a lien against or the sale or forfeiture of all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings and/or (ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all

interest and penalties upon the adverse determination of such contest. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly paid to DPD by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, City, in its sole discretion, may require the Developer to submit to City audited Financial Statements at the Developer's own expense. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 9.12(b) below.

(b) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. The Developer agrees that (A) for the purpose of this Agreement, the total projected minimum equalized assessed value of the Property ("Minimum Equalized Assessed Value") anticipated to be necessary to generate Incremental Taxes sufficient to pay the TIF-Funded Interest Costs is shown on Exhibit K attached hereto for the years noted on Exhibit K and (B) the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately indicated in Exhibit K.

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

(iii) No Reduction in Equalized Assessed Value. Unless DPD shall have given its prior written consent thereto, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of the Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the equalized assessed value of all or any portion of the Property or the Project below the amount of the Minimum Equalized Assessed Value as shown in Exhibit K.

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook

County Assessor or with the Cook County Board of Appeals, by either City or by any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean a complaint seeking to increase the assessed value of the Project to an amount not greater than the Minimum Equalized Assessed Value.

(c) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 9.12 are covenants running with the land and this Agreement shall be recorded by Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the date of execution of the Agreement. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferee from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made subject to such covenants and restrictions.

9.13 Affordable and Adaptable Housing. A maximum of seven units will be Market-Rate Units. A minimum of 59 units will be Affordable-Rate Units. Approximately 25% of the Project units will be available for rental to households holding project-based vouchers under a HAP contract with the Chicago Housing Authority for use by households earning 40% or less of the median income for the City of Chicago. Approximately 20% of the Project units will be adaptable, all of which can be made fully accessible to accommodate people with disabilities. All affordability and adaptability requirements will be maintained for the entire 40-year term of the senior loan on the Property.

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

SECTION 10. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

10.01 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, and covenants that: (a) the Incremental Taxes Fund has been established, (b) the Incremental Taxes will be deposited therein, and (c) such funds shall remain available to pay the City's obligations under Sections 4.02 and 4.04 as the same become due, as long as the TIF-Funded Interest Costs continue to be payable from Available Incremental Revenues under the Act. The City agrees not to amend the Redevelopment Plan so as to materially impair its ability to pay in full any amounts due from the City under this Agreement without the written consent of the General Partner, the Developer and the Lender.

10.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 10 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 11. EMPLOYMENT OPPORTUNITY

The Developer and its successors and assigns hereby agree, and shall contractually obligate its or their contractors or any Affiliate of the Developer operating on the Property (individually an "Employer" and collectively, "Employers") to agree, that for the Term of the Agreement with respect to the Developer and during the period of any other such party's provision of services hereunder or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment on the basis of race, color, sex, age, religion, mental or physical disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income, as defined in the City of Chicago Human Rights Ordinance adopted December 21, 1988, Municipal Code of Chicago, ch. 2-160, Section 2-160-010 et seq., as amended from time to time (the "Human Rights Ordinance"). Each Employer will take affirmative action to insure that applicants are employed and employees are treated during employment without regard to their race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income. Such action shall include, but not be limited to the following: 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.

(b) All solicitation or advertisement for employees placed by or on behalf of any Employer shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income.

(c) Each Employer shall comply with federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1992), and any subsequent amendments and regulations promulgated pursuant thereto.

(d) 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 11, during the course of construction of the Project, at least the following percentages of the MBE/WBE Project Budget attached hereto as Exhibit F-2 shall be expended for contract participation by minority-owned businesses ("MBEs") and by women-owned businesses ("WBEs"):

- a. at least 25 percent by MBEs;
- b. at least 5 percent by WBEs.

Consistent with Section 2-92-440, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials 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 11.

The Developer shall deliver monthly reports to DPD 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 DPD in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and DPD shall have access to all such records maintained by the Developer, on five Business Days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

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

Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Section 11 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

Prior to the commencement of the Project, the Developer shall be required to meet with the monitoring staff of DOH with regard to the Developer's compliance with its obligations under this Section 11. The General Contractor and all major Subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this Section 11, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall submit the documentation required by this Section 11 to the monitoring staff of DOH. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 11, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided hereunder, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payments to, or on behalf of, the Developer, or (3) seek any other remedies against the Developer available at law or in equity.

(e) The Developer will include the foregoing provisions in every contract entered into in connection with the Project and every agreement with any Affiliate operating on the Property so that such provision will be binding upon each contractor or Affiliate, as the case may be.

SECTION 12. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, and the Redevelopment Plan.

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold 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 City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by

any Environmental Laws, or any actual or asserted liability or obligation of City or Developer or any of its subsidiaries under any Environmental Laws relating to the Property. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only.

SECTION 13. INSURANCE

The Developer shall procure and maintain, or cause to be maintained, at its sole cost and expense, at all times throughout the Term of the Agreement, and until each and every obligation of the 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, any contractor or subcontractor:

- (a) Prior to Execution and Delivery of this Agreement: At least 10 business days prior to the execution of this Agreement, the Developer shall procure and maintain the following kinds and amounts of insurance:

(i) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide a service under this Agreement. Employer's liability coverage with limits of not less than \$100,000.00 for each accident or illness shall be included.

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$1,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operations, independent contractors, broad form property damage and contractual liability coverages are to be included.

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

(i) Workers' Compensation and Occupational Disease Insurance

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide a service under or in connection with this Agreement. Employer's liability coverage with limits of not less than \$100,000.00 for each accident or illness shall be included.

(ii) Commercial Liability Insurance (Primary and Umbrella)

Commercial Liability Insurance or equivalent with limits of not less than \$2,000,000.00 per occurrence, combined single limit, for bodily injury, personal injury and property damage liability. Products/completed operations, explosion, collapse, underground, independent contractors, broad form property damage and contractual liability coverages are to be included.

(iii) Automobile Liability Insurance

When any motor vehicles are used in connection with work to be performed in connection with this Agreement, the Developer shall provide Automobile Liability Insurance with limits of not less than \$1,000,000.00 per occurrence combined single limit, for bodily injury and property damage.

(iv) All Risk Builders Risk Insurance

When the Developer, any contractor or subcontractor undertakes any construction, including improvements, betterments, and/or repairs, Developer, such contractor or subcontractor shall provide All Risk Blanket Builder's Risk Insurance to cover the materials, equipment, machinery and fixtures that are or will be part of the permanent facilities. Coverage extensions shall include boiler and machinery, and flood.

(v) Professional Liability

When any architects, engineers or consulting firms perform work in connection with this Agreement, Professional Liability insurance shall be maintained with limits of \$1,000,000.00. The policy shall have an extended reporting period of two years. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Project.

(c) Other Provisions

Upon DPD's request, the Developer shall provide DPD with copies of insurance policies or certificates evidencing the coverage specified above. If the Developer fails to obtain or maintain any of the insurance policies required under this Agreement or to pay any insurance policies required under this Agreement, or to pay any premium in whole or in part when due, the City may (without waiving or releasing any obligation or Event of Default by the Developer hereunder) obtain

and maintain such insurance policies and take any other action which the City deems advisable to protect its interest in the Property and/or the Project. All sums so disbursed by the City including reasonable attorneys' fees, court costs and expenses, shall be reimbursed by the Developer upon demand by the City. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only.

The Developer agrees, and shall cause each contractor and subcontractor to agree, that any insurance coverages and limits furnished by the Developer and such contractors or subcontractors shall in no way limit the Developer's liabilities and responsibilities specified under this Agreement or any related documents or by law, or such contractor's or subcontractor's liabilities and responsibilities specified under any related documents or by law. The Developer shall require all contractors and subcontractors to carry the insurance required herein, or the Developer may provide the coverage for any or all contractors and subcontractors, and if so, the evidence of insurance submitted shall so stipulate.

The Developer agrees, and shall cause its insurers and the insurers of each contractor and 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.

The Developer shall comply with any additional insurance requirements that are stipulated by the Interstate Commerce Commission's Regulations, Title 49 of the Code of Federal Regulations, Department of Transportation; Title 40 of the Code of Federal Regulations, Protection of the Environment and any other federal, state or local regulations concerning the removal and transport of Hazardous Materials.

The City maintains the right to modify, delete, alter or change the provisions of this Section 13 upon receipt of HUD's prior written consent and so long as such action does not, without the Developer's prior written consent, increase the requirements set forth in this Section 13 beyond that which is reasonably customary at such time.

SECTION 14. INDEMNIFICATION

The Developer agrees 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) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) the Developer's or any contractor's failure to pay contractors or materialmen in connection with the Project, or (iii) the existence of any material misrepresentation or omission in the Redevelopment Plan or any other document related to this Agreement and executed by the Developer that is the result of information supplied or omitted by the Developer or its agents, employees, contractors or persons

acting under the control or at the request of the Developer or (iv) the Developer's failure to cure its misrepresentation in this Agreement or any other agreement relating thereto within the cure period provided. Any monetary obligations of the Developer hereunder shall be satisfied from distributable Surplus Cash only.

SECTION 15. MAINTAINING RECORDS/RIGHT TO INSPECT

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

15.02 Inspection Rights. 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 16. DEFAULT AND REMEDIES

16.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Sections 16.03 and 18.16, shall constitute an "Event of Default" by the Developer hereunder:

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

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

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

material respect;

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

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

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

(g) the entry of any judgment or order against the General Partner or the Developer which remains unsatisfied or undischarged and in effect for 30 days after such entry without a stay of enforcement or execution;

(h) a change in the Developer's general partner or co-general partner, addition of a general partner (other than Bonheur Corporation), or sale or other transfer of all or a controlling interest in the ownership of the General Partner without DOH's prior written consent; or

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

16.02 Remedies. (a) Subject to the provisions of paragraph (b) of this section, upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of the City Funds. 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. Any monetary remedies, including but not limited to judgments, are payable from

distributable Surplus Cash only.

(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 unless (i) foreclosure proceedings have been commenced under the mortgage securing the FHA-Insured Loan or a deed in lieu of such foreclosure has been executed and delivered or (ii) HUD consents to such termination or suspension of disbursement.

16.03 Curative Period. In the event the General Partner or the Developer, respectively, shall fail to perform a covenant which General Partner or the Developer, respectively, is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the General Partner or the Developer, as may be, shall have failed to perform such covenant within 30 days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those defaults which are not reasonably capable of being cured within such 30-day period, if the General Partner or the Developer in default has commenced to cure the alleged default within such 30-day period and thereafter continues diligently to effect such cure, then said 30-day period shall be extended to 60 days upon written request from the General Partner or the Developer to the City delivered during such 30-day period, and upon further written request from the General Partner or the Developer to the City delivered during such 60-day period, said 60-day period shall be extended to 90 days; provided, further, that such default is cured in any event within 120 days of the date of the General Partner's or the Developer's receipt of a written default notice.

16.04 Right to Cure by Lender. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in 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 Lender and the Lender 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, the Lender may cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the General Partner or the Developer with respect to such monetary default; or (ii) receipt by the Lender of such notice from the City; and

(b) if the Event of Default is of a non-monetary nature, the Lender shall have the right to cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the General Partner or the Developer with respect to such non-monetary default; or (ii) receipt by the Lender of such notice from the City; provided, however, that if such non-monetary default is not reasonably capable of being cured by the Lender 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 Lender continue

diligently to pursue the cure of such default and, if possession of the Project is necessary to effect such cure, the Lender have instituted appropriate legal proceedings to obtain possession.

SECTION 17. NOTICE

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

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

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

and: Department of Finance
City of Chicago
33 North LaSalle Street
Chicago, Illinois 60602
Attn: City Comptroller

If to Developer
or General Partner Liberty Square Limited Partnership
c/o Bonheur Development Corporation

Chicago, Illinois 606_____

and: Prairie Mortgage Company
819 S. Wabash, Suite 508
Chicago, Illinois 60605
Attention: Kenneth B. Marshall

and: U.S. Department of Housing and Urban Development

Chicago Regional Office, Region V
77 West Jackson Boulevard
Chicago, Illinois 60604
Attn: Director of Multifamily Housing
HUD Project No: _____

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

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended without the prior written consent of the City, the General Partner and the Developer.

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 General Partner or the Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the General Partner or the Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

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

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

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 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.

18.12 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.

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

18.14 Assignment. Except for the General Partner's assignment to Developer of the right to receive payments under this Agreement, which consent is set forth in Section 4.02(b) herein, the General Partner and the Developer may assign this Agreement at any time during the term of the Agreement, with the City's prior written consent, to an entity which acquires the Property pursuant to paragraph R-9 of the HUD-Required Provisions Rider attached hereto or to the Lender provided that such assignee continues to operate the Property and the Project for the same purpose for which it is currently used and operated. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all terms of this Agreement for the Term of the Agreement, and shall execute an affidavit to the effect that it is in compliance with all applicable City ordinances and is otherwise qualified to do business with the City.

18.15 Binding Effect. This Agreement shall be binding upon the Developer and its successors and permitted assigns and shall inure to the benefit of the City, its successors and assigns. The provisions of this Agreement pertaining to the obligations of the City shall be binding upon the City.

18.16 Force Majeure. For the purposes of any of the provisions of this Agreement, neither the City nor the Developer, as the case may be, nor any successor in interest, shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or quantity 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 respective obligations hereunder.

18.17 HUD Rider. The document entitled "HUD-Required Provisions Rider" attached hereto is hereby incorporated into this Agreement as if fully set forth herein and shall remain a part of this Agreement so long as the Secretary of HUD or his/her successors or assigns, are the insurers or holders of the Mortgage Note (as defined in the HUD-Required Provisions Rider). Upon such time as HUD is no longer the insurer or holder of the Mortgage Note or such time as the Mortgage Note is paid in full, the parties hereto agree that the HUD-Required Provisions Rider shall no longer be a part of this Agreement.

18.18. No Business Relationship with City Elected Officials. Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 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. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to any of the Loan Documents, or in connection with the transactions contemplated thereby, shall be grounds for termination of the Redevelopment Agreement and the transactions contemplated thereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to the Redevelopment Agreement or the transactions contemplated thereby.

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

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

LIBERTY SQUARE LIMITED PARTNERSHIP,
an Illinois limited partnership

By: Bonheur Corporation, an Illinois corporation and its
managing general partner

By: Fred L. Bonheur
Its: President
Name: Fred L. Bonheur

H.I.C.A., Inc., an Illinois ~~not-for-profit~~ corporation

By: [Signature]
Its: President
Name: Leo B. Baker

CITY OF CHICAGO, ILLINOIS, acting by and through its
Department of Planning and Development

By: _____
Denise Casalino, P.E.
Commissioner

CITY OF CHICAGO, ILLINOIS, acting by and through its
Department of Housing

By: _____
John F. Markowski
Commissioner

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

LIBERTY SQUARE LIMITED PARTNERSHIP,
an Illinois limited partnership

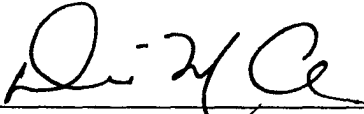

By: Bonheur Corporation, an Illinois corporation and its
managing general partner

By: _____
Its: _____
Name: _____

H.I.C.A., INC., an Illinois not-for-profit corporation

By: _____
Its: _____
Name: _____

CITY OF CHICAGO, acting by and through its Department of
Planning and Development

By:  _____
Denise Casalino, P.E. 
Commissioner

CITY OF CHICAGO, acting by and through its Department of
Housing

By: _____
John G. Markowski
Commissioner

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

LIBERTY SQUARE LIMITED PARTNERSHIP,
an Illinois limited partnership

By: Bonheur Corporation, an Illinois corporation and its
managing general partner

By: _____
Its: _____
Name: _____

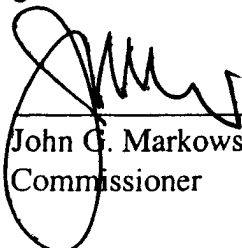
H.I.C.A., INC., an Illinois not-for-profit corporation

By: _____
Its: _____
Name: _____

CITY OF CHICAGO, acting by and through its Department of
Planning and Development

By: _____
Denise Casalino, P.E.
Commissioner

CITY OF CHICAGO, acting by and through its Department of
Housing

By:  _____
John G. Markowski
Commissioner

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Janice Brongel, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Fred L Bowyer, personally known to me to be the President of Bonheur Corporation, an Illinois corporation (the "Corporation") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this 30th day of JUNE, 2004 in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of the Corporation as his/her free and voluntary act and as the free and voluntary act of the Corporation, as managing general partner of Liberty Square Limited Partnership, for the uses and purposes therein set forth.

Janice Brongel
Notary Public

My commission expires 9-17-2005
(SEAL)



STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, Janice Brongel, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Lee E Baker, personally known to me to be the President of H.I.C.A., Inc., an Illinois not-for-profit corporation (the "Corporation") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this 30th day of June, 200 in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of the Corporation as his/her free and voluntary act and as the free and voluntary act of the Corporation, as majority co-general partner of Liberty Square Limited Partnership, for the uses and purposes therein set forth.

Janice Brongel
Notary Public

My commission expires 9-17-2005
(SEAL)



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Yolanda Quesada, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Denise Casalino, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this 1 day of JULY, 2004 in person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

Yolanda Quesada
Notary Public

My commission expires Aug. 17, 2005

(SEAL)



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Digna Castro, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that John Markowski, personally known to me to be the _____ Commissioner of the Department of Housing of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this 2 day of July, 2004 in person and acknowledged that he signed, sealed, and delivered said instrument pursuant to the authority given to him by the City, as his free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

Digna Castro
Notary Public

My commission expires _____

(SEAL)



(Sub)Exhibit "D".
(To Redevelopment Agreement With H.I.C.A., Inc.
And Liberty Square Limited Partnership).

Financing For The Project.

A. Lender Financing:

1. Amount: \$3,962,100 (F.H.A.-insured)

Source: Prairie Mortgage Company, or a financial institution acceptable to the Commissioner of the City's Department of Housing

Term: Not to exceed 43 years

Interest: A fixed rate not to exceed 6.5% per annum

Security: First mortgage on the Property

B. Other Funds:

1. Approximately \$3,338,070 to be derived from the syndication of \$409,995 of Low-Income Housing Tax Credits expected to be allocated by the City.
2. Approximately \$6,106,388 to be derived from the syndication of \$750,000 of Low-Income Housing Tax Credits expected to be allocated by the Illinois Housing Development Authority ("I.H.D.A.").
3. Approximately \$1,000,000 to be derived from Donation Tax Credits, expected to be allocated by I.H.D.A.
4. The general partner of the Developer will also contribute \$100.

(Sub)Exhibit "E".
(To Redevelopment Agreement With H.I.C.A. Inc.
And Liberty Square Limited Partnership).

*Estimated Schedule Of Maximum Annual
Interest Reimbursement.*

[to be completed]

Tax Year	Year Paid	Amount
2004	2005	
2005	2006	
2006	2007	
2007	2008	
2008	2009	
2009	2010	
2010	2011	
2011	2012	
2012	2013	
2013	2014	
2014	2015	
2015	2016	
2016	2017	
2017	2018	
2018	2019	

Tax Year	Year Paid	Amount
2019	2020	
2020	2021	
2021	2022	
Total Increment:		\$1,900,000

(Sub)Exhibit "F-1".
 (To Redevelopment Agreement With H.I.C.A. Inc.
 And Liberty Square Limited Partnership).

Project Budget.

Private Acquisition	\$
City Land Acquisition	\$
Construction	
Site Preparation	\$
Construction	\$
Construction Contingency (5%)	\$
Construction Period Taxes	\$
Construction Period Insurance	\$
Construction Period Interest	\$
Title and Recording	\$
Security	\$
ALTA Survey	\$
Tax Escrow	\$

Insurance Escrow	\$
Subtotal	\$
Marketing	\$
Architectural Services	\$
Developer Fee	\$
Other Fees	\$
Other Soft Costs	\$
Total	\$

(Sub)Exhibit "F-2".
(To Redevelopment Agreement With H.I.C.A. Inc.
And Liberty Square Limited Partnership).

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

Construction	
Site Preparation	\$
Construction	\$
Construction Contingency (5%)	\$
Subtotal:	\$
Architectural Services	\$
M.B.E/W.B.E. Budget	\$
M.B.E. Dollar Value Requirement (25%)	\$
W.B.E. Dollar Value Requirement (5%)	\$

(Sub)Exhibit "H-1".
(To Redevelopment Agreement With H.I.C.A., Inc.
And Liberty Square Limited Partnership).

Architect's Opening Certificate.

Date: _____

The undersigned, [Insert Name] ("Architect"), hereby certifies to the City of Chicago, Illinois ("City") as follows (any term which is capitalized but not specifically defined herein shall have the same meaning as set forth in that certain Redevelopment Agreement ("Agreement") dated _____, 200 __, by and between the City and Liberty Square Limited Partnership ("Developer")):

1. Architect is an architect licensed and in good standing in the State of Illinois.
2. Architect has prepared the Plans and Specifications, to the best of the Architect's professional knowledge, the same are, and the Project will be when completed in accordance therewith, in full compliance with all applicable building, zoning and other laws, statutes, codes, regulations and ordinances (collectively, "Laws"), including, without limitation, all applicable pollution control and environmental protection regulations.
3. The Project, when completed in accordance with the Plans and Specifications, will not encroach upon any recorded or visible easement in effect with respect to the Property.
4. The Plans and Specifications are complete in all respects and were prepared in accordance with accepted architectural practices, containing all detail requisite for the Project which, when built and equipped in accordance therewith, shall be ready for occupancy.
5. In the aggregate, the construction contract and the existing subcontracts contain all detail necessary to provide for all labor, material and equipment required by the Plans and Specifications.
6. All permits and other governmental approvals necessary for the construction of the Project and the intended occupancy, use and operation thereof have been obtained as of the date of this Certificate or, if not so obtained, the Architect has no reason to believe same will not be obtained as and when so required. Such permits and other necessary governmental approvals are described in (Sub)Exhibit 1 attached to this Certificate.

7. To our knowledge, there are no petitions, actions or proceedings pending or threatened to revoke, rescind, alter or declare invalid (in any manner adverse to the Project), any Laws, permits or other necessary governmental approvals relating to the Property or the Project.

Adequate ingress and egress to the Project over public streets and rights-of-way will be available during the period of construction of the Project and thereafter.

8. All existing foundation and subsurface work conforms to the Plans and Specifications and all portions of the Project consisting of the subsurface work has been completed.

9. This Certificate is made with the intent that it may be relied upon by the City as a condition to payment under the Redevelopment Agreement.

10. The Architect has executed and delivered to the City the Statement of Compliance in the form attached hereto as Exhibit 2.

Architect:

[Insert Name]

By: _____

Its: _____

[(Sub)Exhibits 1 and 2 referred to in this Architect's Opening Certificate unavailable at time of printing.]

(Sub)Exhibit "H-2".

(To Redevelopment Agreement With H.I.C.A., Inc.
And Liberty Square Limited Partnership)

Architect's Completion Certificate.

Date: _____

The undersigned, [Insert Name] ("Architect"), hereby certifies to the City of

Chicago, Illinois ("City") as follows (any term which is capitalized but not specifically defined herein shall have the same meaning as set forth in that certain Redevelopment Agreement ("Agreement") dated _____, 200__, by and between the City and Liberty Square Limited Partnership ("Developer")):

- 1. Architect is an architect licensed and in good standing in the State of Illinois.
- 2. The construction of the Project has been "substantially completed" as of the date of this Certificate in accordance with the approved Plans and Specifications. For purposes hereof, the Project being "substantially completed" means that the Project is usable in its present condition for its intended purpose. The Architect's determination of the total cost to complete the construction of such portion of the Project as may be unfinished is \$_____.
- 3. Neither the Property nor the construction of the Project violates or will violate any existing applicable zoning, building, environmental protection or other statutes, ordinances, laws or regulations (collectively, "Laws").
- 4. All permits and other governmental approvals necessary for the construction of the Project and the intended occupancy, use and operation thereof have been obtained as of the date of this Certificate. Such permits and other necessary governmental approvals are described in Exhibit I attached to this Certificate.
- 5. To our knowledge, there are no petitions, actions or proceedings pending or threatened to revoke, rescind, alter or declare invalid (in any manner adverse to the Project), any Laws, permits or other necessary governmental approvals relating to the Property or the Project.
- 6. This Certificate is made with the intent that it may be relied upon by the City as a condition to payment under the Redevelopment Agreement.

Architect:

[Insert Name]

By: _____

Its: _____

[(Sub)Exhibit 1 referred to in this Redevelopment Agreement
With H.I.C.A. Inc. And Liberty Square Limited
Partnership unavailable at time of printing.]

(Sub)Exhibit "I".

(To Redevelopment Agreement With H.I.C.A. Inc.
And Liberty Square Limited Partnership).

Requisition Form For T.I.F.-Funded Interest Costs.

The undersigned, [Name] , [Title] of Prairie Mortgage Company, an Illinois corporation (the "First Mortgagee"), does hereby certify to the City of Chicago, Illinois (the "City") as follows (any term which is capitalized but not specifically defined herein shall have the same meaning as set forth in that certain Redevelopment Agreement ("Agreement") dated _____, 200__, by and between the City and Liberty Square Limited Partnership ("Developer")):

1. That the Developer has incurred, accrued and/or paid the following parties for the listed items, each of which constitutes interest related to the construction of the Project:

A. First Mortgagee

\$ _____

2. That none of the items listed in paragraph 1, above, has been the subject of any other requisition for payment;

3. That including the payment requested hereunder, the payments from the City during this year for interest costs do not exceed thirty percent (30%) of the interest costs incurred by the Developer with regard to Project during this year [,plus accruals];

4. That including the payment requested hereunder, the total of interest payments to date from the City does not exceed thirty percent (30%) of the total Project Costs actually incurred by the Developer;

5. That the remaining balance of the T.I.F.-Funded Interest Costs which are eligible for reimbursement under the Redevelopment Agreement taking this requisition into account are as follows:

Maximum Amount	Current Annual Amount Accrued	Accrued and Unpaid Prior Requisitions ⁽¹⁾	Balance Accrued and Unpaid ⁽²⁾	Amount Paid To Date ⁽³⁾
----------------	-------------------------------	--	---	------------------------------------

6. That attached as (Sub)Exhibit 1 are true and correct copies of monthly invoices for the H.U.D. Insured Loan sent to the Developer by the First Mortgage;

7. That attached as (Sub)Exhibit 2 is a true and correct statement of interest accrued to date on the City Loan based on the Developer's most recent financial statements.

In Witness Whereof, I have hereunto affixed my signature this ____ day of _____, _____.

Prairie Mortgage Company,
an Illinois corporation

By: _____

Its: _____

cc: Liberty Square Limited Partnership

⁽¹⁾ Represents the sum of the following unpaid amounts for the specified years: \$____ for 200____; \$____ for 200____; \$____ for 200____.

⁽²⁾ Sum of columns 2 and 3.

⁽³⁾ After giving effect to the payment covered by this Requisition Form.

[(Sub)Exhibits 1 and 2 referred to in this Requisition
Form for T.I.F.-Funded Interest Costs
unavailable at time of printing.]

Exhibit "D".
(To Ordinance)

Fee Waivers.

Department Of Construction And Permits.

Plan Review, Permit and Inspection Fees:

A. Building Permit:

Zoning.

Construction/Architectural/Structural.

Internal Plumbing.

H.V.A.C.

Water for Construction.

Smoke Abatement.

B. Electrical Permit:

Service and Wiring.

C. Elevator Permit (if applicable).

D. Wrecking Permit (if applicable).

E. Fencing Permit (if applicable).

F. Fees for the review of building plans for compliance with accessibility codes by the Mayor's Office for People with Disabilities imposed by Section 13-32-310(2) of the Municipal Code of Chicago.

Department Of Water Management.

Tap Fees.

Cut and Seal Fees (fees to purchase B-boxes and remote readouts are not waived).

Permit (connection) and Inspection Fees.

Sealing Permit Fees.

Department Of Transportation.

Street Opening Fees.

Driveway Permit Fees.

Use of Public Way Fees.

Department Of Housing.

Low-Income Housing Tax Credit 3% Departmental Administrative Service Fee.

COURT 1

FOR CITY USE
AFFIDAVIT NO. _____

**CITY OF CHICAGO
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT**

The City of Chicago (the "City") requires disclosure of the information requested in this Economic Disclosure Statement and Affidavit ("EDS") before any City agency, department or City Council action regarding the matter that is the subject of this EDS. Please fully complete each statement, with all information current as of the date this EDS is signed. If a question is not applicable, answer with "N.A." **An incomplete EDS will be returned and any City action will be interrupted.**

Please **print or type** all responses clearly and legibly. Add additional pages if needed, being careful to identify the portion of the EDS to which each additional page refers.

WHO MUST SUBMIT AN EDS:

1. **Applicants:** Any individual or entity (the "**Applicant**") making an application to the City for action requiring City Council or other City agency approval must file this EDS.
2. **Entities holding an interest in the Applicant:** Generally, whenever an ownership interest in the Applicant (for example, shares of stock of the Applicant or a limited partnership interest in the Applicant) is held or owned by a legal entity (for example, a corporation or partnership, rather than an individual) each such legal entity must also file an EDS on its own behalf, and any parent of that legal entity must do so until individual owners are disclosed. **However**, if an entity filing an EDS is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, only those shareholders that own 10% or more of that filing entity's stock must file EDSs on their own behalf.

ACKNOWLEDGMENT OF POSSIBLE CREDIT AND OTHER CHECKS: By completing and filing this EDS, the Undersigned acknowledges and agrees, on behalf of itself and the entities or individuals named in this EDS, that the City may investigate the creditworthiness of some or all of the entities or individuals named in this EDS.

CERTIFYING THIS EDS: Execute the certification on the date of the initial submission of this EDS. You may be asked to re-certify this EDS on the last page as of the date of submission of any related ordinance to the City Council, or as of the date of the closing of your transaction.

PUBLIC DISCLOSURE: It is the City's policy to make this document available to the public on its Internet site and/or upon request.

GENERAL INFORMATION

Date this EDS is completed: May 17, 2004

A. Who is submitting this EDS? That individual or entity will be the "Undersigned" throughout this EDS. National Equity Fund, Inc.

NOTE: The Undersigned is the individual or entity submitting this EDS, whether the Undersigned is an Applicant or is an entity holding an interest in the Applicant. This EDS requires certain disclosures and certifications from Applicants that are not required from entities holding an interest in the Applicant. When completing this EDS, please observe whether the section you are completing applies only to Applicants.

Check here if the Undersigned is filing this EDS as an Applicant.

Check here if the Undersigned is filing as an entity holding an interest in an Applicant.

Also, please identify the Applicant in which this entity holds an interest: Liberty Square Limited Partnership

B. Business address of the Undersigned: 120 S. Riverside Plaza
15th Floor
Chicago, IL 60606

C. Telephone: [REDACTED] Fax: [REDACTED] Email: [REDACTED]

D. Name of contact person: [REDACTED]

E. Tax identification number (optional): _____

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location if applicable):

See Attached

G. Is the Matter a procurement? Yes No

H. If a procurement, Specification # N/A and Contract # _____.

I. If not a procurement:

1. City Agency requesting EDS: Department of Housing

2. City action requested (e.g. loan, grant, sale of property):

See Attached

3. If property involved, list property location:

See Attached

SECTION ONE: DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF ENTITY

1. Indicate whether the Undersigned is an individual or legal entity:

Individual

Limited Liability Company

Business corporation

Joint venture

Sole proprietorship

Not-for-profit corporation

(Is the not-for-profit corporation also a 501(c)(3))?

Yes

No

General partnership

Other entity (please specify)

Limited partnership

2. State of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Is the organization authorized to do business in the State of Illinois as a foreign entity?

Yes

No

N/A

B. ORGANIZATION INFORMATION

1. IF THE UNDERSIGNED IS A CORPORATION:

a. List below the names and titles of all executive officers and all directors of the corporation. For not-for-profit corporations, also list below any executive director of the corporation, and indicate all members, if any, who are legal entities. If there are no such members, write "no members."

Name	Title
<u>See Attached Exhibit "A"</u>	

b(1). If the Matter is a procurement and the Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 7.5% of the corporation's outstanding shares.

Name	Business Address	Percentage Interest
<u>N/A</u>		

b(2). If the Matter is not a procurement, and the Undersigned is a corporation whose shares are registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, please provide the following information concerning shareholders who own shares equal to or in excess of 10% of the corporation's outstanding shares.

Name	Business Address	Percentage Interest
<u>N/A</u>		

c. For corporations that are not registered on a national securities exchange pursuant to the Securities Exchange Act of 1934, list below the name, business address and percentage of ownership interest of each shareholder.

Name	Business Address	Percentage Interest
N/A		

2. IF THE UNDERSIGNED IS A PARTNERSHIP OR JOINT VENTURE:
For general or limited partnerships or joint ventures: list below the name, business address and percentage of ownership interest of each partner. For limited partnerships, indicate whether each partner is a general partner or a limited partner.

Name	Business Address	Percentage Interest
N/A		

3. IF THE UNDERSIGNED IS A LIMITED LIABILITY COMPANY:
a. List below the name, business address and percentage of ownership interest of each (i) member and (ii) manager. If there are no managers, write "no managers," and indicate how the company is managed.

Name	Business Address	Percentage Interest
N/A		

b. List below the names and titles of all officers, if any. If there are no officers, write "no officers."

Name	Title
N/A	

4. IF THE UNDERSIGNED IS A LAND TRUST, BUSINESS TRUST, ESTATE OR OTHER SIMILAR ENTITY:

a. List below the name and business address of each individual or legal entity holding legal title to the property that is the subject of the trust.

Name	Business Address
N/A	

b. List below the name, business address and percentage of beneficial interest of each beneficiary on whose behalf title is held.

Name	Business Address	Percentage Interest
N/A		

5. IF THE UNDERSIGNED IS ANY OTHER LEGAL ENTITY, first describe the entity, then provide the name, business address, and the percentage of interest of all individuals or legal entities having an ownership or other beneficial interest in the entity.

Describe the entity:

N/A

Name	Business Address	Percentage Interest
N/A		

SECTION TWO: BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

A. DEFINITIONS AND DISCLOSURE REQUIREMENT

1. The Undersigned must indicate whether it had a "business relationship" with a City elected official in the 12 months before the date this EDS is signed.
2. Pursuant to Chapter 2-156 of the Municipal Code of Chicago (the "Municipal Code"), a "business relationship" means any "contractual or other private business dealing" of an official, or his or her spouse, or of any entity in which an official or his or her spouse has a "financial interest," with a person or entity which entitles an official to compensation or payment in the amount of \$2,500 or more in a calendar year; but a "financial interest" does not include: (i) any ownership through purchase at fair market value or inheritance of less than 1% of the shares of a corporation, or any corporate subsidiary, parent or affiliate thereof, regardless of the value of or dividends on such shares, if such shares are registered on a securities exchange pursuant to the Securities Exchange Act of 1934, as amended, (ii) the authorized compensation paid to an official or employee for his office or employment; (iii) any economic benefit provided equally to all residents of the City; (iv) a time or demand deposit in a financial institution; or (v) an endowment or insurance policy or annuity contract purchased from an insurance company. A "contractual or other private business dealing" does not include any employment relationship of an official's spouse with an entity when such spouse has no discretion concerning or input relating to the relationship between that entity and the City.

B. CERTIFICATION

1. Has the Undersigned had a "business relationship" with any City elected official in the 12 months before the date this EDS is signed?
 Yes No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION THREE: DISCLOSURE OF RETAINED PARTIES

A. DEFINITIONS AND DISCLOSURE REQUIREMENTS

1. The Undersigned must disclose certain information about attorneys, lobbyists, accountants, consultants, subcontractors, and any other person whom the Undersigned has retained or expects to retain in connection with the Matter. In particular, the Undersigned must disclose the name of each such person, his/her business address, the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Undersigned is not required to disclose employees who are paid solely through the Undersigned's regular payroll.

"Lobbyist" means any person (i) who, for compensation or on behalf of any person other than himself, undertakes to influence any legislative or administrative action, or (ii) any part of whose duty as an employee of another includes undertaking to influence any legislative or administrative action.

2. If the Undersigned is uncertain whether a disclosure is required under this Section, the Undersigned must either ask the City whether disclosure is required or make the disclosure.

B. CERTIFICATION

Each and every attorney, lobbyist, accountant, consultant, subcontractor, or other person retained or anticipated to be retained directly by the Undersigned with respect to or in connection with the Matter is listed below [begin list here, add sheets as necessary]:

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Undersigned (attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated)
---	---------------------	---	--

CHECK HERE IF NO SUCH INDIVIDUALS HAVE BEEN RETAINED BY THE UNDERSIGNED OR ARE ANTICIPATED TO BE RETAINED BY THE UNDERSIGNED.

SECTION FOUR: CERTIFICATIONS

I. CERTIFICATION OF COMPLIANCE

For purposes of the certifications in A, B, and C below, the term "affiliate" means any individual or entity that, directly or indirectly: controls the Undersigned, is controlled by the Undersigned, or is, with the Undersigned, under common control of another individual or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members; shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with the federal government or a state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity.

A. The Undersigned is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Undersigned or its affiliates delinquent in paying any fine, fee, tax or other charge owed to the City. This includes all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes. If there are any such delinquencies, note them below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

B. The Undersigned and its affiliates have not, in the past five years, been found in violation of any City, state or federal environmental law or regulation. If there have been any such violations, note them below:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

C. If the Undersigned is the Applicant, the Undersigned and its affiliates will not use, nor permit their subcontractors to use, any facility on the U.S. EPA's List of Violating Facilities in connection with the Matter for the duration of time that such facility remains on the list.

D. If the Undersigned is the Applicant, the Undersigned will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in Section Four, I, (A-C) above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Undersigned has reason to believe has not provided or cannot provide truthful certifications.

If the Undersigned is unable to make the certifications required in Section Four, paragraph I (C) and (D) above, provide an explanation:

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

II. CHILD SUPPORT OBLIGATIONS - CERTIFICATION REGARDING COURT-ORDERED CHILD SUPPORT COMPLIANCE

For purposes of this part, "Substantial Owner" means any individual who, directly or indirectly, owns or holds a 10% or more interest in the Undersigned. *Note: This may include individuals disclosed in Section One (Disclosure of Ownership Interests), and individuals disclosed in an EDS filed by an entity holding an interest in the Applicant.*

If the Undersigned's response below is #1 or #2, then all of the Undersigned's Substantial Owners must remain in compliance with any such child support obligations until the Matter is completed. Failure of the Undersigned's Substantial Owners to remain in compliance with their child support obligations in the manner set forth in either #1 or #2 constitutes an event of default.

Check one:

- 1. No Substantial Owner has been declared in arrearage on any child support obligations by the Circuit Court of Cook County, Illinois or by another Illinois court of competent jurisdiction.
- 2. The Circuit Court of Cook County, Illinois or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations. All such Substantial Owners, however, have entered into court-approved agreements for the payment of all such child support owed, and all such Substantial Owners are in compliance with such agreements.
- 3. The Circuit Court of Cook County, Illinois or another Illinois court of competent jurisdiction has issued an order declaring one or more Substantial Owners in arrearage on child support obligations and (a) at least one such Substantial Owner has not entered into a court-approved agreement for the payment of all such child support owed; or (b) at least one such Substantial Owner is not in compliance with a court-approved agreement for the payment of all such child support owed; or both (a) and (b).
- 4. There are no Substantial Owners.

III. FURTHER CERTIFICATIONS

A. The Undersigned and, if the Undersigned is a legal entity, its principals (officers, directors, partners, members, managers, executive director):

- 1. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- 2. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;

3. are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (A)(2) of this section;
4. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
5. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, in any criminal or civil action instituted by the City or by the federal government, any state, or any other unit of local government.

B. The certifications in subparts B and D concern:

- the Undersigned;
- any party participating in the performance of the Matter ("an **Applicable Party**");
- any "**Affiliated Entity**" (meaning an individual or entity that, directly or indirectly: controls the Undersigned, is controlled by the Undersigned, or is, with the Undersigned, under common control of another individual or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Applicable Parties, the term **Affiliated Entity** means an individual or entity that directly or indirectly controls the Applicable Party, is controlled by it, or, with the Applicable Party, is under common control of another individual or entity;
- any responsible official of the Undersigned, any Applicable Party or any Affiliated Entity or any other official, agent or employee of the Undersigned, any Applicable Party or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Undersigned, any Applicable Party or any Affiliated Entity (collectively "Agents").

Neither the Undersigned, nor any Applicable Party, nor any Affiliated Entity of either the Undersigned or any Applicable Party nor any Agents have, during the five years before the date this EDS is signed, or, with respect to an Applicable Party, an Affiliated Entity, or an Affiliated Entity of an Applicable Party during the five years before the date of such Applicable Party's or Affiliated Entity's contract or engagement in connection with the Matter:

1. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
2. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
3. made an admission of such conduct described in (1) or (2) above that is a matter of record, but have not been prosecuted for such conduct; or
4. violated the provisions of Section 2-92-610 of the Municipal Code (**Living Wage Ordinance**).

C. The Undersigned understands and shall comply with (1) the applicable requirements of the Governmental Ethics Ordinance of the City, Title 2, Chapter 2-156 of the Municipal Code; and (2) all the applicable provisions of Chapter 2-56 of the Municipal Code (Office of the Inspector General).

D. Neither the Undersigned, Affiliated Entity or Applicable Party, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

E. If the Undersigned is unable to certify to any of the above statements in this Part III, the Undersigned must explain below:

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

IV. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

For purposes of this Part IV, under Section 2-32-455(b) of the Municipal Code, the term "financial institution" means a bank, savings and loan association, thrift, credit union, mortgage banker, mortgage broker, trust company, savings bank, investment bank, securities broker, municipal securities broker, securities dealer, municipal securities dealer, securities underwriter, municipal securities underwriter, investment trust, venture capital company, bank holding company, financial services holding company, or any licensee under the Consumer Installment Loan Act, the Sales Finance Agency Act, or the Residential Mortgage Licensing Act. However, "financial institution" specifically shall not include any entity whose predominant business is the providing of tax deferred, defined contribution, pension plans to public employees in accordance with Sections 403(b) and 457 of the Internal Revenue Code. [Additional definitions may be found in Section 2-32-455(b) of the Municipal Code.]

A. CERTIFICATION

The Undersigned certifies that the Undersigned [check one]

is
 is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

B. If the Undersigned IS a financial institution, then the Undersigned pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Undersigned is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Undersigned certified to the above statements.

V. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part V.

1. In accordance with Section 2-156-110 of the Municipal Code:
Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person in the Matter?
 Yes No

NOTE: If you answered "No" to Item V(1), you are not required to answer Items V(2) or (3) below. Instead, review the certification in Item V(4) and then proceed to Part VI. If you answered "Yes" to Item V(1), you must first respond to Item V(2) and provide the information requested in Item V(3). After responding to those items, review the certification in Item V(4) and proceed to Part VI.

2. Unless sold pursuant to a process of competitive bidding, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part V.

Does the Matter involve a City Property Sale?
 Yes No

3. If you answered "yes" to Item V(1), provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____

4. The Undersigned further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

VI. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

The Undersigned has searched any and all records of the Undersigned and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies from the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves) and has disclosed in this EDS any and all such records to the City. In addition, the Undersigned must disclose the names of any and all slaves or slaveholders described in those records. Failure to comply with these disclosure requirements may make the Matter to which this EDS pertains voidable by the City.

Please check either (1) or (2) below. If the Undersigned checks (2), the Undersigned must disclose below or in an attachment to this EDS all requisite information as set forth in that paragraph (2).

1. The Undersigned verifies that (a) the Undersigned has searched any and all records of the Undersigned and any and all predecessor entities for records of investments or profits from slavery, the slave industry, or slaveholder insurance policies, and (b) the Undersigned has found no records of investments or profits from slavery, the slave industry, or slaveholder insurance policies and no records of names of any slaves or slaveholders.

___ 2. The Undersigned verifies that, as a result of conducting the search in step (1)(a) above, the Undersigned has found records relating to investments or profits from slavery, the slave industry, or slaveholder insurance policies and/or the names of any slaves or slaveholders. The Undersigned verifies that the following constitutes full disclosure of all such records:

SECTION FIVE: CERTIFICATIONS FOR FEDERALLY-FUNDED MATTERS

I. CERTIFICATION REGARDING LOBBYING

A. List below the names of all individuals registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Undersigned with respect to the Matter: [Begin list here, add sheets as necessary]:

N/A

[If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Undersigned means that NO individuals registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Undersigned with respect to the Matter.]

B. The Undersigned has not spent and will not expend any federally appropriated funds to pay any individual listed in Paragraph (A) above for his or her lobbying activities or to pay any individual to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

C. The Undersigned will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs I(A) and I(B) above.

If the Matter is federally funded and any funds other than federally appropriated funds have been or will be paid to any individual for influencing or attempting to influence an officer or employee of any agency (as defined by applicable federal law), a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the Matter, the Undersigned must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. The form may be obtained online from the federal Office of Management and Budget (OMB) web site at <http://www.whitehouse.gov/omb/grants/sfillin.pdf>, linked on the page http://www.whitehouse.gov/omb/grants/grants_forms.html.

D. The Undersigned certifies that either (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

E. If the Undersigned is the Applicant, the Undersigned must obtain certifications equal in form and substance to paragraphs I(A) through I(D) above from all subcontractors before it awards any subcontract and the Undersigned must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

II. CERTIFICATION REGARDING NONSEGREGATED FACILITIES

A. If the Undersigned is the Applicant, the Undersigned does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained.

"Segregated facilities," as used in this provision, means any waiting rooms, work areas, restrooms, washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of habit, local or employee custom, or otherwise.

However, separated or single-user restrooms and necessary dressing or sleeping areas must be provided to assure privacy between the sexes.

B. If the Undersigned is the Applicant and the Matter is federally funded, the Undersigned will, before the award of subcontracts (if any), obtain identical certifications from proposed subcontractors under which the subcontractor will be subject to the Equal Opportunity Clause. Contracts and subcontracts exceeding \$10,000, or having an aggregate value exceeding \$10,000 in any 12-month period, are generally subject to the Equal Opportunity Clause. See 41 CFR Part 60 for further information regarding the Equal Opportunity Clause. The Undersigned must retain the certifications required by this paragraph (B) for the duration of the contract (if any) and must make such certifications promptly available to the City upon request.

C. If the Undersigned is the Applicant and the Matter is federally funded, the Applicant will forward the notice set forth below to proposed subcontractors:

NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES

Subcontractors must submit to the Contractor a Certification of Nonsegregated Facilities before the award of any subcontract under which the subcontractor will be subject to the federal Equal Opportunity Clause. The subcontractor may submit such certifications either for each subcontract or for all subcontracts during a period (e.g., quarterly, semiannually, or annually).

III. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

Federal regulations require prospective contractors for federally funded Matters (e.g., the Applicant) and proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations. **(NOTE: This Part III is to be completed only if the Undersigned is the Applicant.)**

- A. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)
 Yes No N/A
- B. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?
 Yes No N/A
- C. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?
 Yes No N/A

SECTION SIX: NOTICE AND ACKNOWLEDGMENT REGARDING CITY GOVERNMENTAL ETHICS AND CAMPAIGN FINANCE ORDINANCES

The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on individuals or entities seeking City contracts, work, business, or transactions. The Board of Ethics has developed an ethics training program for such individuals and entities. The full text of these ordinances and the training program is available on line at www.cityofchicago.org/Ethics/, and may also be obtained from the City's Board of Ethics, 740 N. Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The following is descriptive only and does not purport to cover every

aspect of Chapters 2-156 and 2-164 of the Municipal Code. The Undersigned must comply fully with the applicable ordinances.

BY CHECKING THIS BOX THE UNDERSIGNED ACKNOWLEDGES THAT THE UNDERSIGNED UNDERSTANDS THAT THE CITY'S GOVERNMENTAL ETHICS AND CAMPAIGN FINANCING ORDINANCES, AMONG OTHER THINGS:

- 1) Provide that any contract negotiated, entered into or performed in violation of the City's ethics laws can be voided by the City.
- 2) Limit the gifts and favors any individual or entity can give, or offer to give, to any City official, employee, contractor or candidate for elected City office or the spouse or minor child of any of them, including:
 - a. any cash gift or any anonymous gift; and
 - b. any gift based on a mutual understanding that the City official's or employee's or City contractor's actions or decisions will be influenced in any way by the gift.
- 3) Prohibit any City elected official or City employee from having a financial interest, directly or indirectly, in any contract, work, transaction or business of the City, if that interest has a cost or present value of \$5,000 or more, or if that interest entitles the owner to receive more than \$2,500 per year.
- 4) Prohibit any appointed City official from engaging in any contract, work, transaction or business of the City, unless the matter is wholly unrelated to the appointed official's duties or responsibilities.
- 5) Provide that City employees and officials, or their spouses or minor children, cannot receive compensation or anything of value in return for advice or assistance on matters concerning the operation or business of the City, unless their services are wholly unrelated to their City duties and responsibilities.
- 6) Provide that former City employees and officials cannot, for a period of one year after their City employment ceases, assist or represent another on any matter involving the City if, while with the City, they were personally and substantially involved in the same matter.

- 7) Provide that former City employees and officials cannot ever assist or represent another on a City contract if, while with the City, they were personally involved in or directly supervised the formulation, negotiation or execution of that contract.

SECTION SEVEN: CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Undersigned understands and agrees that:


- A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Undersigned understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.
- B. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded, void or voidable), at law, or in equity, including terminating the Undersigned's participation in the Matter and/or declining to allow the Undersigned to participate in other transactions with the City.
- C. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Undersigned waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.
- D. The Undersigned has not withheld or reserved any disclosures as to economic interests in the Undersigned, or as to the Matter, or any information, data or plan as to the intended use or purpose for which the Applicant seeks City Council or other City agency action.
- E. The information provided in this EDS must be kept current. In the event of changes, the Undersigned must supplement this EDS up to the time the City takes action on the Matter.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS on behalf of the Undersigned, and (2) warrants that all certifications and statements contained in this EDS are true, accurate and complete as of the date furnished to the City.

National Equity Fund, Inc.
(Print or type name of individual or legal entity submitting this EDS)

Date: May 17, 2004

By: 
(sign here)

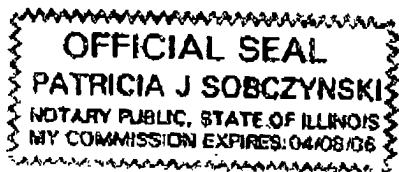
Print or type name of signatory:
James F. Rice

Title of signatory:
Vice President

Subscribed to before me on [date] May 17, 2004, at Cook County,
Illinois [state].

Patricia J. Sobczynski Notary Public.

Commission expires: April 18, 2006



**ATTACHMENT
TO
ECONOMIC DISCLOSURE STATEMENT
OF
LIBERTY SQUARE LIMITED PARTNERSHIP**

TYPE OF ACTION REQUESTED:

Approval by City Council for low income housing tax credits, purchase of City owned parcels and developer designation under the Midwest TIF.

Project Location:

See attached legal description which lists addresses.

Brief Project Description:

77 units of affordable housing units for families contained in one, two, three and four bedroom units. Most of the units are two bedrooms or larger. 68.8% of the units are set aside for households at or below 60% of area median income, 20.7% are set aside for households at or below 40% of area median income, and the remaining 10.5% are have no income restrictions.

MAY-17-2004 03:21PM

FROM-PRAIRIE MORTGAGE COMPANY

T-690 P.006

F-514

2/14/01 AMENDED LIBERTY SQUARE DEVELOPMENT

(STREET ADDRESS NUMBERS SHOWN PER SITE PLAN AND ARE SUBJECT TO CHANGE)

SITE 1 *

LOTS 7 AND 8 IN THE SUBDIVISION OF THE WEST 1/2 OF THE NORTH 1/2 OF THE WEST 1/2 OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(COMMONLY KNOWN AS 701-705 S. INDEPENDENCE AVE.)

P.I.N. 16-14-307-001, 16-14-307-002 AND 16-14-307-007

SITE 2 *

LOTS 9 AND 10 IN THE SUBDIVISION OF THE WEST 1/2 OF THE NORTH 1/2 OF THE WEST 1/2 OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN,

ALSO,

THE SOUTH 50 FEET OF LOT 33 IN GOLDY'S ADDITION TO CHICAGO IN THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(COMMONLY KNOWN AS 709-713 S. INDEPENDENCE AVE.)

P.I.N. 16-14-307-003 AND 16-14-307-015

SITE 3 *

LOTS 11 AND 12 IN THE SUBDIVISION OF THE WEST 1/2 OF THE NORTH 1/2 OF THE WEST 1/2 OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN,

ALSO,

LOT 11, EXCEPT THE SOUTH 83.91 FEET THEREOF, IN GOLDY'S ADDITION TO CHICAGO IN THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(COMMONLY KNOWN AS 719-725 S. INDEPENDENCE AVE.)

P.I.N. 16-14-307-004 AND 16-14-307-005

SITE 4 *

THE WEST 1/2 OF LOT 27, LOT 28 AND THE EAST 1/2 OF LOT 29 IN GOLDY'S SECOND ADDITION TO CHICAGO IN THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

MAY-17-2004 03:21PM

FROM-PRAIRIE MORTGAGE COMPANY

T-690 P.007

F-514

(COMMONLY KNOWN AS 3713-3715 W. FLOURNOY AVE.)

P.I.N. 16-14-307-010 AND 16-14-307-C11

SITE 5

LOTS 5 AND 6 IN GOLDY'S ADDITION TO CHICAGO IN THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

(COMMONLY KNOWN AS 3710 W. LEXINGTON AVE.)

P.I.N. 16-14-307-021 AND 16-14-307-022

SITE 6

LOTS 19, EXCEPT THE WEST 1/2 THEREOF, 20 AND 21 IN GOLDY'S ADDITION TO CHICAGO IN THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(COMMONLY KNOWN AS 3703-3707 W. LEXINGTON AVE.)

P.I.N. 16-14-311-015 AND 16-14-311-016

SITE 7

LOT 1 IN RESUBDIVISION OF LOTS 25 TO 28 IN BLOCK 1 IN BETSY BOLVIN'S SUBDIVISION OF THE NORTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(COMMONLY KNOWN AS 715-723 S. LAWDALE AVE.)

P.I.N. 16-14-308-021

SITE 8

LOTS 18, 19 AND 20 IN BETSY BOLVIN'S SUBDIVISION OF 10 ACRES SOUTH AND ADJOINING THE NORTH 5 ACRES OF THE EAST 1/2 OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(COMMONLY KNOWN AS 3645-3647 W. FLOURNOY AVE.)

P.I.N. 16-14-308-003 AND 16-14-308-004

SITE 9

LOTS 14 AND 15 IN BETSY BOLVIN'S SUBDIVISION OF 10 ACRES SOUTH AND ADJOINING THE NORTH 5 ACRES OF THE EAST 1/2 OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(COMMONLY KNOWN AS 3633-3637 W. FLOURNOY AVE.)

P.I.N 15-14-308-007 AND 15-14-308-008

SITE 10

LOTS 12 AND 13 IN BETSY BOLVIN'S SUBDIVISION OF 10 ACRES SOUTH AND ADJOINING THE NORTH 5 ACRES OF THE EAST 1/2 OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(COMMONLY KNOWN AS 3629-3631 W. FLOURNOY AVE)

P.I.N. 16-14-308-009 AND 16-14-308-010

SITE 11 *

LOTS 44, 45 AND 46 IN BETSY BOILVIN'S SUBDIVISION OF THE NORTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(COMMONLY KNOWN AS 3604-3610 W. FLOURNOY AVE.)

P.I.N. 16-14-304-030, 16-14-304-031 AND 16-14-304-032

SITE 12

LOTS 1, 2 AND 3 IN SUBDIVISION OF LOTS 1 TO 5 IN BETSY BOLVIN'S SUBDIVISION OF 10 ACRES SOUTH AND ADJOINING THE NORTH 5 ACRES OF THE EAST 1/2 OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(COMMONLY KNOWN AS 700-704 S. CENTRAL PARK AVE.)

P.I.N. 16-14-308-041

SITE 13 *

LOTS 26, EXCEPT THE NORTH 20 FEET THEREOF, 27 AND 28 IN GEORGE K. SCHOENBERGER'S SUBDIVISION OF THE WEST 3/4 OF THE NORTH 40 RODS OF THE SOUTHEAST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(COMMONLY KNOWN AS 721-725 S. CENTRAL PARK AVE.)

P.I.N. 16-14-404-008 AND 16-14-404-009

SITE 14

LOTS A AND B IN SUBDIVISION OF LOT 1 IN HENRY E. VANCE'S SUBDIVISION OF LOTS 25 TO 48, INCLUSIVE, IN BLOCK 16 OF E. A. CUMMINGS & COMPANIES CENTRAL PARK AVENUE ADDITION, ALSO OF LOT 1 IN HENRY E. VANCE'S SUBDIVISION OF LOTS 25 TO 30 AND LOTS 32 TO 48, ALL INCLUSIVE, IN BLOCK 15 OF E. A. CUMMINGS & COMPANIES CENTRAL PARK AVENUE ADDITION, A SUBDIVISION OF THAT PART OF THE SOUTHEAST 1/4 OF SECTION 14, TOWNSHIP 39, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE NORTH 40 RODS THEREOF AND NORTH OF THE NORTH LINE OF THE RIGHT OF WAY OF THE CHICAGO & GREAT WESTERN RAILROAD COMPANY, IN COOK COUNTY, ILLINOIS.

MAY-17-2004 03:21PM FROM-PRAIRIE MORTGAGE COMPANY

+

T-690 P.009

F-514

(COMMONLY KNOWN AS 749-751 S. CENTRAL PARK AVE.)

P.I.N. 16-14-408-023

Exhibit A
NEF ASSIGNMENT CORPORATION
LIST OF OFFICERS, DIRECTORS AND MEMBERS
CHICAGO ECONOMIC DISCLOSURE STATEMENT

Names And Addresses	Title
Directors & Officers:	
Joseph S. Hagan 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	President and Chief Executive Officer
Richard Gentry 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Director and Senior Vice President
Darrell R. Hubbard 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Director
Karen Przypyszny 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Director and Senior Vice President
Judy Schneider 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Vice President
Jeff Mudrick 1055 Wilshire Boulevard, Suite 1600 Los Angeles, CA 90017	Vice President
Edward Barnett 1835 K. Street, Suite 1100 Washington, D.C. 60606-3908	Vice President
Deborah Burkart 1055 Wilshire Boulevard, Suite 1600 Los Angeles, CA 90017	Vice President
M.A. Leonard 2133 3 rd Avenue, Suite 116 Seattle, WA 98121	Vice President
Anthony Lyons 900 Chapel Street, 10 th Floor New Haven, CT 06510	Vice President
James Rice 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Vice President
Mark Siranovic 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Vice President and Treasurer
David Sliwicki 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Vice President
Charles Williams 1835 K. Street, Suite 1100 Washington, D.C. 60606-3908	Vice President

William E. Papaj 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Secretary
Members:	
National Equity Fund, Inc. 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Sole Voting Member

Last update April 28, 2004

Exhibit A
NEF ASSIGNMENT CORPORATION
LIST OF OFFICERS, DIRECTORS AND MEMBERS
CHICAGO ECONOMIC DISCLOSURE STATEMENT

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Karen Przepyszny 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Director and Senior Vice President
Judy Schneider 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Vice President
Jeff Mudrick 1055 Wilshire Boulevard, Suite 1600 Los Angeles, CA 90017	Vice President
Edward Barnett 1835 K. Street, Suite 1100 Washington, D.C. 60606-3908	Vice President
Deborah Burkart 1055 Wilshire Boulevard, Suite 1600 Los Angeles, CA 90017	Vice President
M.A. Leonard 2133 3 rd Avenue, Suite 116 Seattle, WA 98121	Vice President
Anthony Lyons 900 Chapel Street, 10 th Floor New Haven, CT 06510	Vice President
James Rice 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Vice President
Mark Siranovic 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Vice President and Treasurer
David Sliwicki 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Vice President
Charles Williams 1835 K. Street, Suite 1100 Washington, D.C. 60606-3908	Vice President

William E. Papaj 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Secretary
Members:	
National Equity Fund, Inc. 120 South Riverside Plaza, 15 th Floor Chicago, Illinois 60606-3908	Sole Voting Member

Last update. April 28, 2004