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RHSP Fee:\$10.00 Affidavit Fee:
Karen A.Yarbrough
Cook County Recorder of Deeds
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This agreement was prepared by and after recording return to Adam R. Walker, Esq. City of Chicago Law Department 121 North LaSalle Street, Room 600 Chicago, IL 60602

Hope Manor II Redevelopment Agreement

This Hope Manor II Redevelopment Agreement (this "**Agreement**") is made as of this 30th day of April, 2013, by and between the City of Chicago, an Illinois municipal corporation (the "**City**"), through its Department of Housing and Economic Development ("**HED**"), Hope Manor II Veterans Housing, L.P., an Illinois limited partnership ("**Hope Manor II L.P.**"), and Hope Manor II VOA Veterans Housing LLC, an Illinois limited liability company ("**Hope Manor II LLC**" and collectively with Hope Manor II L.P., the "**Developer**").

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "**City Council**") adopted the following ordinances on June 27, 2001: (1)

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“Approval of Tax Increment Redevelopment Plan for Englewood Neighborhood Redevelopment Project Area;” (2) “Designation of Englewood Neighborhood Redevelopment Area as Tax Increment Financing District;” and (3) “Adoption of Tax Increment Allocation Financing for Englewood Neighborhood Redevelopment Project Area” (the “TIF Adoption Ordinance”) (all such ordinances collectively are referred to herein as the “TIF Ordinances”). The redevelopment project area referred to above (the “**Redevelopment Area**”) is legally described in **Exhibit A** hereto.

D. The Project: Hope Manor II LLC is acquiring via a bargain sale donation from the City (the “Acquisition”) on the Closing Date (as defined hereinafter) certain property generally located at 6000-6018 S. Halsted Street, 6000-6036 S. Green Street, 6001-6025 S. Green Street and 801-845 W. 60th Street within the Redevelopment Area as legally described on **Exhibit B** hereto (the “**Property**”). Hope Manor II LLC will convey such Property and existing improvements to Hope Manor II L.P. immediately following the City’s conveyance of the Property to Hope Manor II LLC, and, within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete the following activities: construction thereon of several buildings (the “**Facility**”) located on the Property containing approximately 73 studio, one-, two-, three- and four-bedroom dwelling units (the “**Units**”) to serve individuals and households with incomes at or below 60% of Area Median Income (“**AMI**”), and also containing ground-floor offices and common areas for the provision of supportive social services, and approximately 59 spaces of on-site parking. The Facility shall have an Energy Star-rated reflective roof membrane, high-efficiency heating and cooling systems, Energy Star-rated appliances, low VOC interior paints, environmentally sensitive flooring and low-E / argon-filled insulated windows. Permeable concrete shall be used for the surface parking lot, and permeable pavers used for the outdoor patios. Rain barrels shall be used to capture storm water runoff. A community garden shall also be constructed on the Property. The Facility and related improvements described herein (including but not limited to those TIF-Funded Improvements as defined below and set forth on **Exhibit C**) are collectively referred to herein as the “**Project**.” The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

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

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

G. Prior TIF Financing: Pursuant to prior ordinances adopted by the City Council and redevelopment agreements entered into by HED, the following matters are collectively referred to herein as the “Prior TIF Financings.” The Developer acknowledges that the Prior TIF Financings listed below are prior liens on the Englewood Neighborhood TIF Fund and that the Developer has no claim on any monies except for monies which are Available Incremental Taxes:

- Intergovernmental agreements with the Chicago Public Schools for ADA renovations to Holmes, Mays, Nicholson and Banneker Schools
- The City’s Home Purchase Rehab Program
- The City’s Neighborhood Improvement Program

- The City's TIF Works Program

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

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

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

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

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

“**Available Incremental Taxes**” shall mean the Incremental Taxes then on deposit in the Englewood Neighborhood TIF Fund after reduction of amounts to reflect the Prior TIF Financings and the City Fee.

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

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

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

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

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

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

“**Closing Date**” shall mean April 30, 2013.

“Construction Contract” shall mean that those certain contracts, substantially in the forms attached hereto as **Exhibit E**, to be entered into among Hope Manor II LLC, Hope Manor II L.P. and the General Contractor providing for construction of the Project.

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

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

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

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

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

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

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

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

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

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

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

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

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

General Contractor shall mean the general contractors hired by the Developer pursuant to **Section 6.01**.

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

HOME Loan shall mean that certain Loan provided to Hope Manor II L.P. by the City.

IEPA shall mean the Illinois Environmental Protection Agency.

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

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

Lender shall mean any provider of Lender Financing.

Lender Financing shall mean funds, if any, borrowed by either one of the Developer from any lender to fund costs of, and available to pay for, the Project.

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

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

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

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

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

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

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

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

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

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

"Project Budget" shall mean the budget attached hereto as **Exhibit G-1**, showing the total cost of the Project by line item, furnished by the Developer to HED, in accordance with **Section 3.03** hereof.

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

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

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

"RAP" shall mean the Remedial Action Plan submitted by the Developer to the IEPA as amended or supplemented from time to time.

"ROR" means the Remediation Objectives Report submitted by the Developer to the IEPA as amended or supplemented from time to time.

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

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

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

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

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

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

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

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

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

“State” shall mean the State of Illinois.

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

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

“Term of the Agreement” shall mean the period of time commencing on the Closing Date and ending on December 31, 2025, the date on which the Redevelopment Area is no longer in effect.

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

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

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

“Title Company” shall mean Greater Illinois Title Company, Inc., an Illinois corporation.

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

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

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

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of **Sections 11.03 and 18.17** hereof: (i) commence construction no later than June 1, 2013 and (ii) complete construction no later than December 31, 2014.

3.02 Scope Drawings and Plans and Specifications. The Developer has delivered the Scope Drawings and Plans and Specifications to HED, and HED has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to HED as a Change Order pursuant to **Section 3.04** hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan as in effect on the date of this Agreement and all applicable Laws. The Developer shall submit all necessary documents to the City’s Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to HED, and HED has approved, a Project Budget showing total costs for the Project in an amount not less than \$23,491,185. The Developer hereby certifies to the City that (a) the Lender Financing and Equity described in **Section 4.01** hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to HED certified copies of any Change Orders with respect to the Project Budget for approval pursuant to **Section 3.04** hereof.

3.04 Change Orders. All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) that individually or in the aggregate (a) reduce the square footage of the Facility, (b) result in a delay in completing the Project, (c) changes the basic use of the Project, (d) increase or decrease any line item in the Project Budget, or (e) change the use of the Project to a use other than multi-family affordable rental units, must be submitted by the Developer to HED for HED’s prior written approval. The Developer shall not authorize or permit the performance of any work relating to any Change Order described in (a), (b), (c), (d) or (e) above, or the furnishing of materials in connection therewith, prior to the receipt by the Developer of HED’s written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

3.05 HED Approval. Any approval granted by HED of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only and does not

affect or constitute any approval required by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by HED pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

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

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

3.08 Inspecting Agent or Architect. An independent agent or an architect with Worn Jerabek Architects, P.C. shall be the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to HED, prior to requests for disbursement for costs related to the Project. With the written consent of HED, the inspecting architect may be the inspecting architect engaged by or on behalf of any Lender, provided that said architect is an independent architect licensed by the State of Illinois, or an inspecting agent of HED.

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

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

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

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

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

(a) Purchase Price. The City hereby agrees to sell, and Hope Manor II LLC hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement, the Property, for the amount of Thirty-Three and no/100 Dollars (\$33.00) (the "Purchase Price"), which is to be paid to the City on the Closing Date in cash or by certified or cashier's check or wire transfer of immediately available funds. Developer shall pay all escrow fees and other title insurance fees, premiums and closing costs. The Developer acknowledges and agrees that (i) the appraised fair market value of the Property based on an appraisal prepared in March 2011 was approximately \$520,000, which valuation was based on the assumption that there are no adverse environmental conditions affecting the Property, and (ii) the City has only agreed to sell the Property to Hope Manor II LLC for the Purchase Price because the Developer has agreed to execute this Agreement and comply with the respective terms and conditions, including Section 8.19 hereof.

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

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

(c) Title and Survey. The Developer acknowledges that it has obtained title insurance commitments for the Property, showing the City in title to the Property. The Developer shall be solely responsible for and shall pay all costs associated with updating such title commitments (including all search, continuation and later-date fees), and obtaining the Title Policy.

The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate tax liens which accrued prior to the Closing Date with respect to the Property, the City shall file a petition to vacate the tax sale in the Circuit Court of Cook County if the tax liens have been sold and/or seek to abate the tax liens by filing a tax abatement letter with the appropriate Cook County authorities or filing a tax injunction proceeding in the Circuit Court of Cook County, but shall have no further obligation with respect to any such taxes.

The Developer shall furnish the City with three (3) copies of the survey at Developer's sole cost and expense.

(d) The Land Closing. The conveyance of the Property shall take place on the Closing Date at the downtown offices of the Title Company or such other place as the parties may mutually agree upon in writing; provided, however, in no event shall the closing of the land sale occur unless the Developer has satisfied all conditions precedent set forth in this Agreement, unless HED, in its

sole discretion, waives such conditions. On or before the Closing Date, the City shall deliver to the Title Company the Deed, all necessary state, county and municipal real estate transfer tax declarations, and an ALTA statement. The City will not provide a gap undertaking.

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$23,491,185, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

TIF	\$ 3,000,000*
Lender Financing	
Chase Construction Loan	\$ 11,900,000
HOME Loan	\$ 1,913,000
IHDA Trust Fund Loan	\$ 800,000
Loan derived from DCEO Energy Efficiency Grant	\$ 189,785
Loan derived from FHLB Grant	\$ 500,000
Equity (subject to Sections 4.03(b) and 4.06)	
Hope Manor II L.P. LIHTC Equity	\$ 4,788,300
Deferred Developer Fee	\$ 400,000
General Partner Capital	\$ 100
ESTIMATED TOTAL	\$23,491,185

*City Funds reimbursed to Hope Manor II LLC for TIF Eligible Expenses will be loaned to Hope Manor II L.P. in accordance with the terms and conditions of the Hope Manor II L.P. amended and restated limited partnership agreement.

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

4.03 City Funds.

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

(b) Payment of City Funds.

- i. Subject to the terms and conditions of this Agreement, including but not limited to this **Section 4.03** and **Section 5** hereof, the City hereby agrees to provide City funds in an amount not to exceed Three Million and 00/100 (\$3,000,000) (the "**City Funds**") from Available Incremental Taxes to pay for and/or reimburse

Hope Manor II LLC for the costs of the TIF-Funded Improvements in the amounts determined under **Section 4.03(c)**.

- ii. The City's financial commitment to provide Available Incremental Taxes for such purposes is subject to the Prior TIF Financings. The City retains the right to fund other projects within the Redevelopment Area using Available Incremental Taxes so long as such funding would not, based upon the City's projections and uses of Available Incremental Taxes at the time the City agrees to provide such funding, result in the amount of Available Incremental Taxes being insufficient to fund the City's obligations under this Agreement.
- iii. Subject to the terms and conditions of this Agreement, payments of the City Funds shall be made to Hope Manor II LLC in installments (each, an "Installment") in accordance with the terms of the Escrow Agreement and upon Hope Manor II LLC's submission of a draw request (the "Requisition Form") in accordance with **Section 4.03(c)**. Such Installments shall be in the amount set for in **Section 4.03(c)**; provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed \$3,000,000.
- iv. City Funds derived from Incremental Taxes and available to pay such costs and allocated for such purposes shall be paid in accordance with the terms of this Agreement and the Escrow Agreement only so long as no Event of Default or condition for which the giving of notice or the passage of time, or both, would constitute an Event of Default exists under this Agreement or the Escrow Agreement.

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

(c) **Payment Amount.**

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

<u>Installment</u>	<u>Payment Trigger</u>	<u>Payment Amount</u>
One	On the Closing Date	Not to Exceed \$1,000,000
Two	Upon 50% completion	\$1,000,000*
Three	Certificate of Completion Issued Pursuant to <u>Section 7.01</u> herein	\$ 1,000,000

* Installment Two shall be increased to include any amount less than \$1,000,000 not paid in Installment One.

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

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

4.04 Construction Escrow. The City, the Developer, the Title Company, the General Contractor and Lenders, if any, shall enter into an Escrow Agreement. All disbursements of City Funds shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement with respect to the payment of City Funds hereunder, the terms of this Agreement shall control. The City shall receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement and disbursements shall be approved in accordance with **Section 4.07** hereof, and in accordance with the Escrow Agreement.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

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

(b) **Subsequent Disbursements.** Disbursements of City Funds for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of HED, being prohibited, subject to the terms of **Section 3.04**. HED shall not unreasonably withhold its consent to such transfers so long as the Corporation Counsel has advised HED that an expenditure qualifies as an eligible cost under the Act.

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

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

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

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

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

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

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

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

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

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

4.08 Conditional Payment of City Funds. The City Funds being provided hereunder are being provided to Hope Manor II LLC on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed if number of Units at the Facility ceases to be utilized as affordable rental housing in accordance with **Section 8.19** hereof during the Term of the Agreement. The payment of City Funds is subject to being terminated and/or reimbursed, as provided for in **Section 15**.

SECTION 5. CONDITIONS PRECEDENT

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

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

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

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

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

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

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

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

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

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

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

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

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

5.11 Financial Statements. As a recently formed entity, Hope Manor II LLC has not yet prepared Financial Statements, but will prepare and submit Financial Statements to HED following completion of its fiscal year. Hope Manor II LLC will provide to HED prior to the Closing Date audited, if any, or unaudited interim financial statements through January 31, 2013. Hope Manor II L.P. has provided or shall provide a balance sheet through January 31, 2013 reviewed by a certified public accountant to HED on or before the Closing Date. Following receipt of the Certificate, Hope Manor II L.P. shall provide to HED complete, audited financial statements prepared by a certified public accountant in accordance with generally accepted accounting principles.

5.12 Documentation. Developer will have provided documentation to HED, satisfactory in form and substance to HED concerning Developer's employment profile and copies of any ground leases or operating leases and other tenant leases executed by Developer for leaseholds in the Project. The Developer does not need to submit copies of executed tenant leases for all Units where the Developer has executed a lease that conforms to the model form lease approved by HED prior to Closing (as such model form lease may be subsequently revised with HED's consent).

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

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

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

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. The City has approved the Developer's selection of Joseph J. Duffy Co., an Illinois corporation, and Ujamaa Construction, Inc., an Illinois corporation, as the General Contractor for the Project. The Developer shall submit copies of the Construction Contracts to HED in accordance with **Section 6.02** below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to HED within five (5) business days of the execution thereof. The Developer shall ensure that each General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by HED and all requisite permits have been obtained.

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

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that each General Contractor either (1) be bonded for its payment by sureties having an A rating or better using a bond (American Institute of Architect's Form No. A311 or its equivalent) or (2) provide a 25% letter of credit. The City shall be named as obligee or co-obligee on any such bonds and as a beneficiary on any letter of credit.

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

6.05 Other Provisions. In addition to the requirements of this **Section 6**, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to **Section 3.04** (Change Orders), **Section 8.07** (Employment Profile), **Section 8.08** (Prevailing Wage), **Section 10.01(e)** (Employment Opportunity), **Section 10.02** (City Resident Employment Requirement), **Section 10.03** (MBE/WBE Requirements, as applicable), **Section 12** (Insurance) and **Section 14.01** (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to HED within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion.

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

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

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

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

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

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

(iv) the Developer has provided documentation satisfactory to the City (including written verification from the Developer's architect) that it has (A) satisfied the environmental requirements of the Project, and (B) submitted evidence that the Facility has been constructed with an Energy Star-rated reflective roof membrane, high-efficiency heating and cooling systems, Energy Star-rated appliances, low VOC interior paints, environmentally sensitive flooring and low-E / argon-filled insulated windows. Permeable concrete shall be used for the surface parking lot, and permeable pavers used for the outdoor patios. Rain barrels shall be used to capture storm water runoff. A community garden shall also be constructed on the Property.

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

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

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

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

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

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

(c) the right to seek reimbursement of the City Funds from the Developer.

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

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

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

(a) Hope Manor II L.P. is an Illinois limited partnership and Hope Manor II LLC is an Illinois limited liability company, each duly organized, validly existing, qualified to do business in Illinois, and each licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) each of Hope Manor II L.P. and Hope Manor II LLC has the right, power and authority to enter into, execute, deliver and perform this Agreement, as applicable hereto;

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

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, Hope Manor II L.P. (following the sale and conveyance of the Property by Hope Manor II LLC to Hope Manor II L.P.) shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company, Lender Financing as disclosed in the Project Budget and Non-Governmental Charges that the Developer is contesting in good faith pursuant to **Section 8.14(b)** hereof);

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

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

(g) the Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and, following the City's issuance of all applicable certificates of occupancy, operate the Project;

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

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

(j) prior to the issuance of the Certificate pursuant to **Section 7.01**, the Developer shall not do any of the following without the prior written consent of HED, which consent shall be in HED's sole discretion: (1) be a party to any merger, liquidation or consolidation; (2) sell (including, without limitation, any sale and leaseback), transfer, convey, lease (except the lease of the Facility's Units to tenants in accordance with **Section 8.19** herein in the ordinary course of Hope Manor II L.P.'s operation of the Project) or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto); (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (excluding any guaranty or other liability undertaken by Hope Manor II LLC on its own behalf or on behalf of its affiliates relating to the development and operation of affordable housing in the Chicago/Naperville/Joliet metropolitan area so long as such guaranty or liability does not materially adversely affect completion of the Project); or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) the Developer has not incurred, and, prior to the issuance of the Certificate pursuant to **Section 7.01**, shall not, without the prior written consent of the Commissioner of HED, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company; or incur any

indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

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

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

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

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

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

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

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

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

For purposes of this provision:

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

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

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

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

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

supplies, equipment or services which are approved or authorized by the City Council of the City of Chicago.

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

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

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

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

8.05 Reserved.

8.06 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor, and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in **Sections 8.08** and **10** hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of **Sections 8.08, 10.02** and **10.03** of this Agreement. Such reports shall be delivered to the City monthly. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to HED which shall outline, to HED’s satisfaction, the manner in which the Developer shall correct any shortfall.

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

8.08 Prevailing Wage. Unless required to pay federal “Davis-Bacon” wages pursuant to the terms of the Lender Financing or project-based section 8 federal rental subsidy for the Project, the Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the “**Department**”), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City’s request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this **Section 8.08**.

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

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

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

8.12 Financial Statements. Developer shall comply with the requirements of Section 5.11 and Article XIV hereof.

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

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

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

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

(ii) at HED's sole option, to furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED shall require, or a good and sufficient

undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

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

8.16 Compliance with Laws.

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

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

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

8.18 Real Estate Provisions.

(a) Governmental Charges.

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

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

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

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

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

(c) Real Estate Taxes. The City acknowledges that Hope Manor II L.P. will pursue a charitable property tax exemption pursuant to 35 ILCS Section 200/15-65 and its administrative regulations published at 86 Ill. Admin. Code Part 110.116.

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

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

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

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

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

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

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

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

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

8.20 Occupancy; Permitted Uses.

For each Reporting Period, the Developer shall deliver as part of its Annual Report, documentation regarding occupancy of the Units, to the satisfaction of the City, which shall include a certified tenant rent roll along with such other information as the City shall request (the "Occupancy Report"), demonstrating, among other things, compliance with **Section 8.19** hereof. Developer shall cause the Facility to be used in accordance with **Section 8.19** hereof and the Redevelopment Plan. The covenants contained in this **Section 8.20** shall run with the land and be binding upon any transferee for the term of this Agreement.

8.21 Annual Report. Developer shall provide to HED an Annual Report consisting of (a) a letter from the Developer itemizing all ongoing requirements including references to all the relevant Sections of this Agreement, and (b) sufficient documentation and certifications to evidence that all ongoing requirements have been satisfied during the preceding reporting period. The Annual Report shall be submitted each year, for ten (10) years, on the yearly anniversary of the issuance of the Certificate of Completion (each such year being a "**Reporting Period**"). Failure by the Developer to submit the Annual Report shall constitute an Event of Default under **Section 15.01** hereof, if Developer fails to submit the Annual Report within the cure period permitted under **Section 15.03** hereof. The covenants contained in this **Section 8.21** shall run with the land and be binding upon any transferee for the term of this Agreement.

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of

the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal

Code of Chicago (the “**Procurement Program**”), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 *et seq.*, Municipal Code of Chicago (the “Construction Program,” and collectively with the Procurement Program, the “**MBE/WBE Program**”), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this **Section 10.03**, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as set forth in **Exhibit G-2** hereto) shall be expended for contract participation by MBEs and by WBEs

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

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer’s MBE/WBE commitment may be achieved in part by the Developer’s status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer’s MBE/WBE commitment as described in this **Section 10.03**. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor with a non MBE/WBE General Contractor or subcontractor without the prior written approval of HED.

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

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if

possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

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

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

SECTION 11. ENVIRONMENTAL MATTERS

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

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

11.03 Environmental Remediation. Notwithstanding the foregoing or any other provision to the contrary contained in this Agreement, DOE shall have the right to review and approve the Phase I and any other reports prepared for the Property. Upon DOE's request, the Developer shall perform additional studies and tests for the purpose of determining whether any environmental or health risks would be associated with the development of the Project, including, without limitation, updating or expanding the Phase I and performing initial or additional Phase II testing. The Developer has enrolled the Property in the IEPA's SRP Program and, will take all necessary steps to obtain a Final NFR Letter. The City has approved a Remedial Action Plan (RAP) for the Property. After the IEPA approves the Developer's RAP, the Developer covenants and agrees to complete all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final NFR Letter for the Property in accordance with the requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws ("Environmental Remediation"). If Environmental Remediation is required on the Property, the Developer acknowledges and agrees that the City will not issue a Certificate until the IEPA has issued, and the City has approved, a Final NFR Letter for the Property, which approval shall not be unreasonably withheld. The Developer shall bear sole responsibility for all aspects of the Environmental Remediation and any other investigative and cleanup costs associated with the Property and any improvements, facilities or operations located or formerly located thereon, including, without limitation, the removal and disposal of all Hazardous Materials, debris and other materials excavated during the performance of the Environmental Remediation. The Developer shall promptly transmit to the City copies of any written communications received from the IEPA or other regulatory agencies with respect to the Environmental Remediation.

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

City harmless from and against any and all Losses which may be made or asserted by any third parties arising out of or in any way connected with, directly or indirectly, any of the Released Claims.

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

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

SECTION 12. INSURANCE

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Automobile Liability Insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

(c) Post Construction:

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

(d) Other Requirements:

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

proper evidence of insurance is provided.

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

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

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

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

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

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

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

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

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

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

SECTION 13. INDEMNIFICATION

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

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

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

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

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

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

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION 15. DEFAULT AND REMEDIES

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

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

(b) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under any other agreement with any person or entity (after any applicable notice and cure period) if such failure may have a material adverse effect on the Developers' ability to perform, keep or observe any of its conditions, promises or obligations hereunder;

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

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

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

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

(g) the entry of any judgment or order against the Developer that impacts the Developers' ability to perform, keep or observe any of its conditions, promises or obligations hereunder which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

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

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

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer or any natural person who owns a material interest in the Developer, which is not

dismissed within thirty (30) days, or the indictment of the Developer or any natural person who owns a material interest in the Developer, for any crime (other than a misdemeanor); or

(k) the sale or transfer of a majority of the ownership interests of Hope Manor II L.P. or any member interest of Hope Manor II LLC without the prior written consent of the City; provided however, transfers of partnership interests of the limited partner in accordance with Hope Manor II L.P.'s partnership agreement to any affiliate of NHT Equity LLC or National Affordable Housing Trust, Inc., shall require only notice to the City.

For purposes of **Sections 15.01(i)** and **15.01(j)** hereof, a natural person with a material interest in the Developer shall be one owning in excess of ten percent (10%) of Hope Manor II L.P.'s partnership interests.

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

15.03 Curative Period. In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, except as set forth elsewhere in this Agreement, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant. In the event the Developer shall fail to perform a non-monetary covenant which the Developer is required to perform under this Agreement, except as set forth elsewhere in this Agreement, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within sixty (60) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such sixty (60) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such sixty (60) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, notwithstanding anything to the contrary contained herein, the City hereby agrees that any cure of any default made or tendered by one of Hope Manor II L.P.'s limited partners shall be deemed to be a cure by the Developer and shall be accepted or rejected on the same basis as if made or tendered by Developer.

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

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

(b) if any Event of Default is of a non-monetary nature, the Lender shall have the right to cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted

to the Developer with respect to such non-monetary default; or (ii) receipt by the Lender of such notice from the City; and

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

SECTION 16. MORTGAGING OF THE PROJECT

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

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

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with **Section 18.15** hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing

Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

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

SECTION 17. NOTICE

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

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

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

If to the Developer: Hope Manor II L.P.
and Hope Manor II LLC
c/o Volunteers of America of Illinois
47 W. Polk Street – Suite 250-2
Chicago, Illinois 60605
Attention: President and CEO

And

Hope Manor II L.P.
and Hope Manor II LLC
c/o Volunteers of America National Services
1660 Duke Street
Alexandria, VA 22314
Attention: President

With Copies To: Applegate & Thorne-Thomsen, P.C.
626 W. Jackson Blvd. Suite 400
Chicago, IL 60661
Attention: Ben Applegate

and to: NHT Equity LLC and NHT XXI Tax Credit Fund, L.P.
c/o National Affordable Housing Trust, Inc.

2335 N. Bank Drive
Columbus, Ohio 43220
Attention: President

Illinois Housing Development Authority
401 N. Michigan Avenue, Suite 700
Chicago, Illinois 60611
Attention: Executive Director

JPMorgan Chase Bank, N.A.
712 Main Street, 6th Floor
Houston, TX 77022
Attention: Ken Overshiner

MB Financial Bank, N.A.
Community Development Department
800 W. Madison Street
Chicago, IL 60607
Attention: Lesly Flores

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

SECTION 18. MISCELLANEOUS

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

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

18.03 Limitation of Liability. No member, elected or appointed official or employee or agent of the City shall be individually, collectively or personally liable to Developer or any successor

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

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

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

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

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

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

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

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

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

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

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

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, HED or the Commissioner, or any matter is to be to the City's, HED's or the Commissioner's

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

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

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

18.17 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall within ten (10) business days after the date of the occurrence of the event causing such delay, give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

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

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

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

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

18.22 Business Relationships That Create Financial Interests. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a business relationship that creates a "**Financial Interest**" (as defined in Section 2-156-010 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 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 that creates a Financial Interest, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

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

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

18.25 No Merger. The terms of this Agreement shall not be merged with the Deed, and the delivery of the Deed shall not be deemed to affect or impair the terms of this Agreement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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

HOPE MANOR II VETERANS HOUSING, L.P.,
an Illinois limited partnership

By: Hope Manor II VOA Veterans Housing LLC,
An Illinois limited liability company, its sole general partner

By: Volunteers of America of Illinois, a member

By: _____
Nancy Hughes Moyer, President and Chief Executive Officer

By: Volunteers of America National Services, a member

By: _____
Michael Seltz, Designated Signer

HOPE MANOR II VOA VETERANS HOUSING LLC,
an Illinois limited liability company

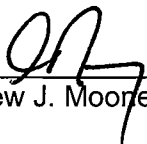
By: Volunteers of America of Illinois, a member

By: _____
Nancy Hughes Moyer, President and Chief Executive Officer

By: Volunteers of America National Services, a member

By: _____
Michael Seltz, Designated Signer

CITY OF CHICAGO, by and through its Department of Housing and Economic Development

By:  _____
Andrew J. Rooney, Commissioner

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an Illinois limited partnership

By: Hope Manor II VOA Veterans Housing LLC,
An Illinois limited liability company, its sole general partner

By: Volunteers of America of Illinois, a member

By: 
Nancy Hughes Moyer, President and Chief Executive Officer

By: Volunteers of America National Services, a member

By: _____
Michael Seltz, Designated Signer

HOPE MANOR II VOA VETERANS HOUSING LLC,
an Illinois limited liability company

By: Volunteers of America of Illinois, a member

By: 
Nancy Hughes Moyer, President and Chief Executive Officer

By: Volunteers of America National Services, a member

By: _____
Michael Seltz, Designated Signer

CITY OF CHICAGO, by and through its Department of Housing and Economic Development

By: _____
Andrew J. Mooney, 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.

HOPE MANOR II VETERANS HOUSING, L.P.,
an Illinois limited partnership

By: Hope Manor II VOA Veterans Housing LLC,
An Illinois limited liability company, its sole general partner

By: Volunteers of America of Illinois, a member

By: _____
Nancy Hughes Moyer, President and Chief Executive Officer

By: Volunteers of America National Services, a member

By:  _____
Michael Seltz, Designated Signer

HOPE MANOR II VOA VETERANS HOUSING LLC,
an Illinois limited liability company

By: Volunteers of America of Illinois, a member

By: _____
Nancy Hughes Moyer, President and Chief Executive Officer

By: Volunteers of America National Services, a member

By:  _____
Michael Seltz, Designated Signer

CITY OF CHICAGO, by and through its Department of Housing and Economic Development

By: _____
Andrew J. Mooney, Commissioner

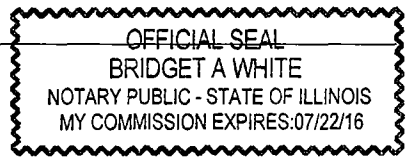
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said County in the State aforesaid, does hereby certify that Nancy Hughes Moyer, the President and Chief Executive Officer of Volunteers of America of Illinois ("VOAIL"), a member of Hope Manor II VOA Veterans Housing LLC, an Illinois limited liability company that is also the general partner ("General Partner") of Hope Manor II Veterans Housing, L.P., an Illinois limited partnership (the "Partnership"), personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that she signed and delivered such instrument as hers own free and voluntary act, and as the free and voluntary act of VOAIL, as a member of the General Partner on behalf of the Partnership, all for the uses and purposes set forth therein.

Given under my hand and notarial seal on April 30, 2013.

Bridget A. White
Notary Public

My Commission Expires: _____



[SEAL]

COMMONWEALTH OF VIRGINIA)
City Alexandria) SS.
COUNTY OF ARLINGTON)

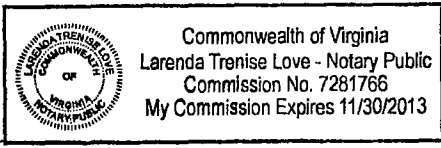
City

The undersigned, a Notary Public in and for said County in the Commonwealth aforesaid, does hereby certify that Michael Seltz, Designated Signer of Volunteers of America National Services ("VOANS"), a member of Hope Manor II VOA Veterans Housing LLC, an Illinois limited liability company that is also the general partner ("General Partner") of Hope Manor II Veterans Housing, L.P., an Illinois limited partnership (the "Partnership"), personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act, and as the free and voluntary act of VOANS, as a member of the General Partner on behalf of the Partnership, all for the uses and purposes set forth therein.

Given under my hand and notarial seal on April 30, 2013.

Notary Public *Larenda T. Love*

My Commission Expires: Nov. 30, 2013



[SEAL]

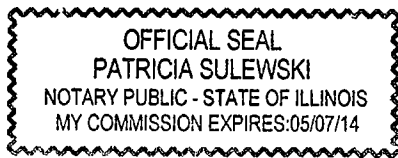
STATE OF ILLINOIS)

) SS

COUNTY OF COOK)

I, Patricia Sulewski, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Andrew J. Mooney, personally known to me to be the Commissioner of the Department of Housing and Economic Development of the City of Chicago (the ACity@), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed, and delivered said instrument pursuant to the authority given to him by the 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.

GIVEN under my hand and official seal this 30th day of April,
2013.



Patricia Sulewski
Notary Public

My Commission Expires 5/7/14

HOPE MANOR II
REDEVELOPMENT AGREEMENT

EXHIBIT A

REDEVELOPMENT AREA LEGAL DESCRIPTION

[see attached]



*Exhibit "A".**Englewood Neighborhood T.I.F.*

All that part of Sections 8, 16, 17, 20 and 21 in Township 38 North, Range 14 East of the Third Principal Meridian bounded and described as follows:

beginning at the northeast corner of the east half of the northeast quarter of Section 17, Township 38 North, Range 14 East of the Third Principal Meridian; thence south along the east line of said east half of the northeast quarter of Section 17, said east line of the east half of the northeast quarter of Section 17 being also the centerline of South Halsted Street, to the westerly extension of the south line of Lot 24 in Block 2 of Sidwell's Addition to Englewood, being a

subdivision of the south half of the west half of Outlot 39 of School Trustee's Subdivision of Section 16, Township 38 North, Range 14 East of the Third Principal Meridian, said south line of Lot 24 being also the north line of West 59th Street; thence east along said westerly extension and the north line of West 59th Street to the northerly extension of the west line of Lot 30 in Block 1 of Michael Reich's Subdivision of the north half of the northeast quarter of the northwest quarter of the southeast quarter of Section 16, Township 38 North, Range 14 East of the Third Principal Meridian; thence south along said northerly extension and the west line of Lot 30 in Block 1 of Michael Reich's Subdivision and along the southerly extension thereof and along the west line of Lot 18 in said Block 1 of Michael Reich's Subdivision to the south line of said Lot 18, said south line of Lot 18 being also the north line of West 59th Place; thence east along said north line of West 59th Place to the northerly extension of the east line of the West 50 feet of Lot 11 in the County Clerk's Division of that part of Block 5 in the Assessor's Division of Outlots 17 to 21 of the School Trustee's Subdivision of Section 16, Township 38 North, Range 14 East of the Third Principal Meridian which lies north of West 60th Street; thence south along said northerly extension and the east line of the west 50 feet of Lot 11 in the County Clerk's Division and along the southerly extension thereof to the north line of Lot 7 in said County Clerk's Division of that part of Block 5 in the Assessor's Division of Outlots 17 to 21 of the School Trustee's Subdivision of Section 16, Township 38 North, Range 14 East of the Third Principal Meridian which lies north of West 60th Street, said north line of Lot 7 being also the south line of the alley north of West 60th Street; thence west along said north line of Lot 7 in the County Clerk's Division to the east line of the west 3.5 feet of said Lot 7; thence south along said east line of the west 3.5 feet of Lot 7 in the County Clerk's Division to the north line of West 60th Street; thence east along said north line of West 60th Street to the northerly extension of the east line of the west 11 feet of Lot 16 in D. C. Nichol's Subdivision of that part of Block 5 lying east of West School Street and between West 60th Street and West Maple Street in the Assessor's Division of Outlots 17 to 21 of the School Trustee's Subdivision of Section 16, Township 38 North, Range 14 East of the Third Principal Meridian; thence south along said northerly extension and the east line of the west 11 feet of Lot 16 in D. C. Nichol's Subdivision to the south line of said Lot 16, said south line of Lot 16 being also the north line of the alley north of West 60th Place; thence west along said north line of the alley north of West 60th Place to the northerly extension of the east line of the west 25 feet of Lot 26 in said D. C. Nichol's Subdivision; thence south along said northerly extension and the east line of the west 25 feet of Lot 26 in said D. C. Nichol's Subdivision to the north line of West 60th Place; thence south along a straight line to the point of intersection of the south line of West 60th Place with the east line of the west 22.68 feet of Lot 24 in the subdivision of the north 148.56 feet of the east half of Outlot 18 and the south 116.8 feet of the east half of Outlot 19 in the School Trustee's Subdivision of Section 16, Township 38 North, Range 14 East of the

Third Principal Meridian; thence south along said east line of the west 22.68 feet of Lot 24 in the subdivision of the north 148.56 feet of the east half of Outlot 18 and the south 116.8 feet of the east half of Outlot 19 in the School Trustee's Subdivision to the south line of said Lot 24; thence southerly along a straight line to the northwest corner of the parcel of property bearing Permanent Index Number 20-16-410-018; thence southerly along the westerly line of said parcel of property bearing Permanent Index Number 20-16-410-018 to the north line of West 61st Street; thence south along a straight line to the northeast corner of Lot 4 in the subdivision of the west 300 feet of that part of Block 5 of the Assessor's Division bounded on the north by West 61st Street, on the south by West Chestnut Street, on the east by North Wentworth Avenue, on the west by West School Street; thence south along the east line of said Lot 4 to the south line thereof, said south line of Lot 4 being also the north line of the alley north of West 61st Place; thence south along a straight line to the point of intersection of the north line of Lot 8 in said subdivision of the west 300 feet of that part of Block 5 of the Assessor's Division bounded on the north by West 61st Street, on the south by West Chestnut Street, on the east by North Wentworth Avenue, on the west by West School Street with the west line of the east 12.8 feet of said Lot 8; thence south along said west line of the east 12.8 feet of Lot 8 in the subdivision of the west 300 feet of that part of Block 5 of the Assessor's Division bounded on the north by West 61st Street, on the south by West Chestnut Street, on the east by North Wentworth Avenue, on the west by West School Street to the north line of West 61st Place; thence west along said north line of West 61st Place to the northerly extension of the west line of Lot 9 in the Assessor's Division of Outlots 17 to 21 of the School Trustee's Subdivision of Section 16, Township 38 North, Range 14 East of the Third Principal Meridian, said west line of Lot 9 being also the east line of the alley east of South Princeton Avenue; thence south along said northerly extension and the west line of Lot 9 in the Assessor's Division of Outlots 17 to 21 of the School Trustee's Subdivision of Section 16, Township 38 North, Range 14 East of the Third Principal Meridian to the south line of said Lot 9, said south line of Lot 9 being also the north line of the alley north of West 62nd Street; thence east along said north line of the alley north of West 62nd Street to the northerly extension of the west line of Lot 17 in Block 1 of I. J. Nichol's Subdivision of the east half of Outlots 15 and 16 in the School Trustee's Subdivision of Section 16, Township 38 North, Range 14 East of the Third Principal Meridian, said west line of Lot 17 being also the east line of the vacated alley east of South Princeton Avenue; thence south along said east line of the vacated alley east of South Princeton Avenue to the northerly line of the Penna. Railroad right-of-way; thence northwesterly along said northerly line of the Penna. Railroad right-of-way to the east line of Lots 18 through 22, both inclusive, in Block 1 of I. J. Nichol's Subdivision of the east half of Outlots 15 and 16 in the School Trustee's Subdivision of Section 16, Township 38 North, Range 14 East of the Third Principal Meridian, said east line of Lots 18 through 22, both inclusive, in Block 1 of I. J. Nichol's Subdivision being also the west

line of the heretofore vacated alley east of South Princeton Avenue; thence south along said east line of Lots 18 through 22, both inclusive, in Block 1 of I. J. Nichol's Subdivision and along the southerly extension thereof to the southerly line of aforesaid Penna. Railroad right-of-way; thence southeasterly along said southerly line of the Penna. Railroad right-of-way to the northerly extension of the west line of Lot 24 in Block 2 of aforesaid I. J. Nichol's Subdivision, said west line of Lot 24 being also the east line of the alley east of South Princeton Avenue; thence south along said northerly extension and along said east line of the alley east of South Princeton Avenue and along the southerly extension thereof to the south line of West Englewood Avenue; thence west along said south line of West Englewood Avenue to the centerline of the vacated alley lying west of and adjoining Lot 22 in Block 3 of aforesaid I. J. Nichol's Subdivision of the east half of Outlots 15 and 16 in the School Trustee's Subdivision of Section 16, Township 38 North, Range 14 East of the Third Principal Meridian; thence south along said centerline of the vacated alley lying west of and adjoining Lot 22 in Block 3 of I. J. Nichol's Subdivision to the south line of said vacated alley, said south line of the vacated alley being also the north line of the alley north of West 63rd Street; thence east along said north line of the alley north of West 63rd Street to the northeasterly extension of the southeasterly line of the parcel of property bearing Permanent Index Number 20-16-422-014; thence southwesterly along said southeasterly line of the parcel of property bearing Permanent Index Number 20-16-422-014 and along the southeasterly line of the parcel of property bearing Permanent Index Number 20-16-422-013 to the west line of Lot 30 in said Block 3 of aforesaid I. J. Nichol's Subdivision of the east half of Outlots 15 and 16 in the School Trustee's Subdivision of Section 16, Township 38 North, Range 14 East of the Third Principal Meridian; thence south along said west line of Lot 30 in Block 3 of I. J. Nichol's Subdivision to the north line of West 63rd Street; thence east along said north line of West 63rd Street; to the northerly extension of the west line of Lot 1 in the subdivision of Lot 20 in the County Clerk's Division of Block 3 in Skinner and Judd's Subdivision of the northeast quarter of Section 21; Township 38 North, Range 14 East of the Third Principal Meridian, said west line of Lot 1 being also the east line of South Yale Avenue; thence south along said east line of South Yale Avenue to the north line of West 64th Street; thence east along said north line of West 64th Street; to a line perpendicular to said north line of West 64th Street; and having a northerly terminus on said north line of West 64th Street and a southerly terminus on the south line of said West 64th Street at the northeasterly corner of the parcel of property bearing Permanent Index Number 20-21-206-030; thence south along said perpendicular line to the northeasterly corner of the parcel of property bearing Permanent Index Number 20-21-206-030; thence southeasterly along the northeasterly line of the parcel of property bearing Permanent Index Number 20-21-206-030 and along the northeasterly line of the parcel of property bearing Permanent Index Number 20-21-206-031 to the north line of West 65th Street; thence east along said north line of West 65th Street and along the easterly

extension thereof to the southerly extension of the west line of Lot 19 in the County Clerk's Division of Block 2 of Skinner and Judd's Subdivision of the northeast quarter of Section 21, Township 38 North, Range 14 East of the Third Principal Meridian, said west line of Lot 19 in the County Clerk's Division being also the east line of South Wentworth Avenue; thence south along said southerly extension of the west line of Lot 19 in the County Clerk's Division to the westerly extension of the north line of Lot 8 in Block 13 of Skinner and Judd's Subdivision of the northeast quarter of Section 21, Township 38 North, Range 14 East of the Third Principal Meridian, said north line of Lot 8 being also the south line of West 65th Street; thence east along said westerly extension and the north line of Lot 8 in Block 13 of Skinner and Judd's Subdivision to the west line of the east 86 feet of said Lot 8; thence south along said west line of the east 86 feet of Lot 8 in Block 13 of Skinner and Judd's Subdivision to the south line of said Lot 8, said south line of Lot 8 being also the north line of Lot 7 in said Block 13 of Skinner and Judd's Subdivision; thence east along said north line of Lot 7 in Block 13 of Skinner and Judd's Subdivision to the east line of said Lot 7; thence south along said east line of Lot 7 in Block 13 of Skinner and Judd's Subdivision and along the east line of Lot 6 in said Block 13 of Skinner and Judd's Subdivision to the south line of the north 49.5 feet of Lot 1 in the County Clerk's Division of Lots 3 and 4 in Block 13 of Skinner and Judd's Subdivision of the northeast quarter of Section 21, Township 38 North, Range 14 East of the Third Principal Meridian; thence east along said south line of the north 49.5 feet of Lot 1 in the County Clerk's Division of Lots 3 and 4 in Block 13 of Skinner and Judd's Subdivision to the west line of South Perry Avenue; thence southeasterly along the northeasterly line of the parcel of property bearing Permanent Index Number 20-21-211-044 to the east line of said property bearing Permanent Index Number 20-21-211-044, said east line of the property bearing Permanent Index Number 20-21-211-044 being also the centerline of vacated South Perry Avenue; thence south along said centerline of vacated South Perry Avenue to the south line of vacated South Perry Avenue; thence east along said south line of vacated South Perry Avenue to the east line of South Perry Avenue; thence south along said east line of South Perry Avenue to the north line of West 66th Street; thence east along said north line of West 66th Street to the east line of South Lafayette Avenue; thence south along said east line of South Lafayette Avenue to the south line of West Marquette Road; thence west along said south line of West Marquette Road to the west line of South Loomis Street; thence north along said west line of South Loomis Street to the westerly extension of the north line of the east half of the northwest quarter of Section 17, Township 38 North, Range 14 East of the Third Principal Meridian; thence east along said westerly extension and the north line of the east half of the northwest quarter of Section 17, Township 38 North, Range 14 East of the Third Principal Meridian to the west line of South Racine Avenue; thence north along said west line of South Racine Avenue to the westerly extension of the south line of Lot 6 in the subdivision of Blocks 5 and 6 in F.

Gaylord's Subdivision of the southwest quarter of the southeast quarter of Section 8, Township 38 North, Range 14 East of the Third Principal Meridian, said south line of Lot 6 being also the north line of the alley north of West Garfield Boulevard; thence east along said westerly extension and the north line of the alley north of West Garfield Boulevard to the west line of South Carpenter Street; thence south along said west line of South Carpenter Street to the north line of the west half of the northeast quarter of Section 17, Township 38 North, Range 14 East of the Third Principal Meridian; thence east along said north line of the west half of the northeast quarter of Section 17, Township 38 North, Range 14 East of the Third Principal Meridian and along the north line of east half of the northeast quarter of said Section 17 to the point of beginning at the northeast corner of the east half of the northeast quarter of Section 17. Excepting from the foregoing the following land, property and space included in the heretofore defined "Englewood Mall Area T.I.F.", said "Englewood Mall Area T.I.F. being described as follows:

Lots 21, 22, 23 and 24 in Block 2, Lots 6 to 21, both inclusive, 25 to 37, both inclusive, in Block 1 in Crocker's Resubdivision of the south half of the west half of the southeast quarter of the southeast quarter of Section 17, Township 38 North, Range 14 East of the Third Principal Meridian and all of Lots 1 to 5, both inclusive, in the subdivision of Lots 22, 23 and 24 in Block 1 of Crocker's Subdivision aforesaid and those parts of Blocks 7 and 8 lying southerly of the southerly line and said southerly line extended of Lyon's Subdivision of Lots 5 and 6 in Crocker's Subdivision of the east part of the southeast quarter of the southeast quarter of Section 17 aforesaid and all of Lots 1 to 52, both inclusive, in Ehrler and Hessert's Subdivision of the north 5½ acres of the south 9½ acres of the southeast quarter of the southeast quarter of the southeast quarter of the southeast quarter of Section 17 aforesaid and Lots 1 to 20, both inclusive, in Block 1 in the subdivision of the south 4-1/6 acres of the southeast quarter of the southeast quarter of the southeast quarter of Section 17, aforesaid and Lots 1 to 6, both inclusive, Lot 7 (except the south 50 feet thereof) in County Clerk's Division of Block 2 in subdivision of the south 4-1/6 acres aforesaid and Lot A in consolidation of the south 50 feet of Lot 7 together with the 12 foot strip of land designated as alley lying south of and adjoining said lot in County Clerk's Division aforesaid and Lot 31 (except that part thereof taken for South Halsted Parkway) and all of Lots 32 to 46, both inclusive, in Lester's Subdivision of the west three-fifths of the south half of the north half of the southwest quarter of the southwest quarter of Section 16, Township 33 North, Range 14 East of the Third Principal Meridian, all of Lots 7 to 13, both inclusive, in Block 2, Lots 1 to 10, both inclusive, in Block 3, the west half of Lot 3 and all of Lots 4 to 38, both inclusive, in Block 4, all of Lots 1 to 46, both inclusive, in Block 5, Lots 1 to 20, both inclusive, in Block 6, Lots 1 to 20, both inclusive, in Block 7, Lot 1 (except a part taken for South Wallace Street) and all of Lots 2 to 9, both

inclusive, and Lot 10 (except a part taken for South Wallace Street) in Block 8 in Hoyt, Canfield and Matteson's Subdivision of the south half of the southwest quarter of the southwest quarter of Section 16 aforesaid and Lots 1 to 10, both inclusive, in Block 2, Lots 1 to 10, both inclusive, in Block 3, and Lots 1 to 10, both inclusive, in Block 4 in Lucy M. Green's Addition to Chicago in Section 20, Township 38 North, Range 14 East of the Third Principal Meridian together with all vacated public streets and alleys and all public streets and alleys within, adjoining and accruing to all aforesaid lots and blocks, and being that part of the east half of the southeast quarter of Section 17, Township 38 North, Range 14 East of the Third Principal Meridian, and the east half of the northeast quarter of Section 20, Township 38 North, Range 14 East of the Third Principal Meridian, bounded and particularly described as follows:

commencing at the southwest corner of Lot 24 in Block 2 in Crocker's Resubdivision of the south half of the west half of the southeast quarter of the southeast quarter of Section 17 aforesaid; thence north along the west line of Lots 21 to 24 of said Block 2 in said Crocker's Resubdivision to the north west corner of said Lot 21; thence east along the north line, and said north line extended east to the west line of Block 1 in said Crocker's Resubdivision; thence north along said west line to the northwest corner of Lot 37 in said Block 1; thence east along the north line and said north line extended east of said Lot 37 to the east line of a north and south 16 foot public alley in said Block 1; thence north along said east line to the northwest corner of Lot 6 in said Block 1; thence east along the north line, and said north line extended east, to the west line of Lot 49 in Ehrler and Hassert's Subdivision aforesaid; thence north along the west line and said west line extended north of Lots 49 to 52, both inclusive, in said Ehrler and Hassert's Subdivision to a point in the northerly line of West 63rd Parkway; thence northeasterly along said northerly line of West 63rd Parkway to the north line of Lot 7 in Crocker's Subdivision of the east part of the southeast quarter of the southeast quarter of Section 17 aforesaid; thence east along the north line and said north line extended east of said Lot 7 to the east line of South Halsted Street; thence south along the east line of said South Halsted Street to a point 8.49 feet north of the southwest corner of Lot 31 in Lester's Subdivision aforesaid; thence northeasterly 14.14 feet to a line 18.06 feet north of the south line of said Lot 31; thence easterly along said last described line and said line extended east to the west line of Lot 35 in said Lester's Subdivision; thence north along said west line to the northwest corner of said Lot 35; thence east along said north line of Lots 35 to 46, both level, in said Lester's Subdivision to the northeast corner of said Lot 46; thence south along the east line, and said east line extended south of said Lot 46 to the north line of Block 2 in Hoyt, Canfield and Matteson's Subdivision aforesaid; thence east along said north line to the northeast corner of said Lot 7 in Block 2; thence south along the east

line of said Lot 7 and the east line and the east line extended south of Lot 38 in Block 4 of said Hoyt, Canfield and Matteson's Subdivision to the south line of an east and west 16 foot alley in said Block 4; thence east along said south line to the northeast corner of the west half of Lot 3 in said Block 4; thence south along the east line of said west half of Lot 3 and said east line extended south to the south line of West Englewood Avenue; thence east along the south line of West Englewood Avenue to the west line of that part of South Wallace Street dedicated by instrument recorded June 17, 1930 as Document Number 10684217 (being the east line of the west 6 feet of Lot 1 in Block 8 in Hoyt, Canfield and Matteson's Subdivision aforesaid); thence south along said west line, and said west line extended south of South Wallace Avenue to the centerline of West 63rd Street; thence west along said centerline of West 63rd Street to the west line, extended north, of South Green Street (being the east line extended north of Lot 1 in Block 2 in Lucy M. Green's Addition to Chicago aforesaid); thence south along the east line extended north and the east line of said Lot 1 to the southeast corner of said Lot 1 (said southeast corner being a point in the north line of a 16 foot east and west public alley); thence west along said north line to the west line, extended north of north and south 16 foot public alley in said Block 2; thence south along said west line to the south line of vacated 16 foot east and west alley; thence west along said south line to the east line of South Peoria Street; thence north along said east line to the north line of said vacated east and west 16 foot alley; thence west along said north line extended west to the west line of South Peoria Drive (said point being the southeast corner of Lot 1, Block 3 said Lucy M. Green's Addition to Chicago); thence west along the south line of Lots 1 to 10 in said Block 3 (said south line being the north line of east and west 16 foot public alley) and along the north line of said 16 foot alley extended west to the west line of South Sangamon Street; said point being the southeast corner of Lot 1, Block 4 in said Lucy M. Green's Addition to Chicago; thence west along the south line of Lots 1 to 4 in said Block 4 (said south line being the north line of the east and west 16 foot alley), to the east line of South Morgan Street (said point being the southwest corner of Lot 10 in Block 4 aforesaid); thence north along the west line of said Lot 10 to the northwest corner thereof (said northwest corner being a point in the south line of West 63rd Street); thence east along said south line of West 63rd Street to its intersection with the west line, extended south of Lot 24 in Block 2 in Crocker's Resubdivision of the south half of the west half of the southeast quarter of the southeast quarter of Section 17 aforesaid; thence north along said extended line to the point of beginning, Cook County, Illinois, all in the City of Chicago, Cook County, Illinois.

Exhibit "B".
(To Ordinance)

Street Boundaries Of The Area.

The Area is generally bounded on the north by West Garfield Boulevard and West 59th Street; South Halsted Street and I-90/94 (the Dan Ryan Expressway) on the east; West Marquette Road on the south; and South Loomis Street on the west; excluding a defined area in the center designated as the "Englewood Mall Tax Increment Financing District" in 1989.

LEGAL DESCRIPTION

PARCEL 1:

LOTS 1 THROUGH 12, BOTH INCLUSIVE, IN BLOCK 8, IN SUBDIVISION OF BLOCKS 7, 8, 9 AND 11 OF THOMPSON AND HOLMES SUBDIVISION OF THE EAST 45 ACRES OF THE NORTH 60 ACRES OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT REAL ESTATE INDEX NO. 20-17-414-024

Affects: Lot 1 of Parcel 1

PERMANENT REAL ESTATE INDEX NO. 20-17-414-025,

Affects: Lot 2 of Parcel 1

PERMANENT REAL ESTATE INDEX NO. 20-17-414-026

Affects: Lots 3 and 4 of Parcel 1

PERMANENT REAL ESTATE INDEX NO. 20-17-414-027

Affects: Lot 5 of Parcel 1

PERMANENT REAL ESTATE INDEX NO. 20-17-414-028

Affects: Lot 6 and the North half of Lot 7 of Parcel 1

PERMANENT REAL ESTATE INDEX NO. 20-17-414-029

Affects: South half of Lot 7 and the North 18.5 feet of Lot 8 of Parcel 1

PERMANENT REAL ESTATE INDEX NO. 20-17-414-030

Affects: South 6.5 feet of Lot 8 and all of Lot 9 of Parcel 1

PERMANENT REAL ESTATE INDEX NO. 20-17-414-031

Affects: Lot 10 of Parcel 1

PERMANENT REAL ESTATE INDEX NO. 20-17-414-032

Affects: Lot 11 and the North 6 feet of Lot 12 of Parcel 1

PERMANENT REAL ESTATE INDEX NO. 20-17-414-033

Affects: South 18.5 feet of Lot 12 of Parcel 1

Property Address: 6000-6028 S. Green Street, Chicago, Illinois

PARCEL 2:

LOTS 1, 2 AND 3 IN BLOCK 2 IN MINNICK'S SUBDIVISION OF THE EAST 11 1/4 ACRES OF THE SOUTH HALF OF THE SOUTH HALF OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT REAL ESTATE INDEX NO. 20-17-414-034

Affects: Lot 1 (except the South 9.5 feet thereof) of Parcel 2

PERMANENT REAL ESTATE INDEX NO. 20-17-414-035

Affects: South 9.5 feet of Lot 1 and all of Lot 2 of Parcel 2

PERMANENT REAL ESTATE INDEX NO. 20-17-414-036

Affects: Lot 3 of Parcel 2

Property Address: 6028-6034 S. Green Street, Chicago, Illinois

PARCEL 3:

LOTS 1 THROUGH 8, BOTH INCLUSIVE, AND LOTS 15 THROUGH 24, BOTH INCLUSIVE, ALL IN BLOCK 7, IN SUBDIVISION OF BLOCKS 7, 8, 9 AND 11 OF THOMPSON AND HOLMES SUBDIVISION OF THE EAST 45 ACRES OF THE NORTH 60 ACRES OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.***

PERMANENT REAL ESTATE INDEX NO. 20-17-415-001

Affects: Lots 19 through 24 of Parcel 3

PERMANENT REAL ESTATE INDEX NO. 20-17-415-002

Affects: Lot 18 of Parcel 3

PERMANENT REAL ESTATE INDEX NO. 20-17-415-003

Affects: Lot 17 of Parcel 3

PERMANENT REAL ESTATE INDEX NO. 20-17-415-004

Affects: Lot 16 of Parcel 3

PERMANENT REAL ESTATE INDEX NO. 20-17-415-005

Affects: Lot 15 of Parcel 3

PERMANENT REAL ESTATE INDEX NO. 20-17-415-017

Affects: Lots 1 and 2 of Parcel 3

PERMANENT REAL ESTATE INDEX NO. 20-17-415-018

Affects: Lot 3 of Parcel 3

PERMANENT REAL ESTATE INDEX NO. 20-17-415-019

Affects: Lot 4 of Parcel 3

PERMANENT REAL ESTATE INDEX NO. 20-17-415-020

Affects: Lot 5 of Parcel 3

PERMANENT REAL ESTATE INDEX NO. 20-17-415-021

Affects: Lot 6 of Parcel 3

PERMANENT REAL ESTATE INDEX NO. 20-17-415-022

Affects: Lot 7 of Parcel 3

PERMANENT REAL ESTATE INDEX NO. 20-17-415-023

Affects: Lot 8 of Parcel 3

Property Address: 6001-6021 S. Green Street/815-825 W. 60th Street, Chicago, Illinois
6000-6018 S. Halsted Street, Chicago, Illinois

**HOPE MANOR II
REDEVELOPMENT AGREEMENT**

EXHIBIT C

TIF-FUNDED IMPROVEMENTS

<u>Line Item</u>	<u>Cost</u>	
Construction-residential	8,740,385	(50% of actual)
Sidewalks & Street Work (public way)	395,675	
Ujamaa:		
CIP Concrete: 130,000		
Paving: 45,675		
Duffy: 120,000		
Engineering	131,000	
Architect-Design	345,000	
Legal	100,000	
Environmental Review	47,200	
 TOTAL COSTS	 \$9,659,260*	

* Notwithstanding anything in this exhibit to the contrary, the maximum amount of City Funds provided to the Developer under this Agreement shall not exceed \$3,000,000.

**HOPE MANOR II
REDEVELOPMENT AGREEMENT**

EXHIBIT D

REDEVELOPMENT PLAN

[Not attached for Recording purposes.]

**HOPE MANOR II
REDEVELOPMENT AGREEMENT**

EXHIBIT E

CONSTRUCTION CONTRACT

[Not attached for Recording purposes.]

**HOPE MANOR II
REDEVELOPMENT AGREEMENT**

EXHIBIT F

PERMITTED LIENS

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

2) Residential leases entered into in the ordinary course of Hope Manor II L.P.'s business in connection with the operation of the Project.

3) The unrecorded Right of First Refusal Agreement dated of even date herewith among Volunteers of America of Illinois, Volunteers of American National Services and Hope Manor II L.P.

**HOPE MANOR II
REDEVELOPMENT AGREEMENT**

EXHIBIT G-1

PROJECT BUDGET

ACQUISITION

Land \$33

CONSTRUCTION COSTS

Construction-residential \$17,776,446
Construction Contingency \$903,122
Equipment & Furnishings \$400,000
Electric Excess Facility Charge-ComEd \$50,000
Permits \$100,000
Geo-Technical Services \$102,250
Architect-Engineering \$131,000
Architect-Design \$345,000
Architect-Supervision \$108,000
Architect-Additional Insurance \$6,041
Architect Reimbursables \$13,000

DEVELOPMENT COSTS

Energy Star Rater \$32,820
IHDA Fees \$11,500
DHED Fees \$1,000
Title & Recording \$38,771
Appraisal \$4,500
Market Study \$7,200
Survey \$25,000
Bridge Loan Interest \$530,000
Chase Construction Loan Commitment Fee \$89,250
Chase Due Diligence Fees \$38,250
Chase Inspection Fees \$1,400
Letter of Credit fee \$23,510
Consultant Fee \$400,000
NAHT-syndication fee/legal \$38,300
Builder's Risk Insurance \$96,200

PROFESSIONAL FEES

Legal Developer \$150,000
Other legal(FHLB, DCEO, Tax Exemption) \$16,530
Tax Credit Allocation Fee \$82,500
VOANS initial compliance \$10,000
Accounting \$23,600
Environmental Review \$47,200

Marketing & Leasing	\$100,000
Non-Marketing Initial Rent-up Cost	\$241,221
Developer Fees	\$1,000,000

RESERVES	
Replacement Reserve	\$73,000
Operating Reserves	\$403,341
Pre-paid Insurance	\$42,000
FF&E reserve	\$29,200

TOTAL COSTS	\$23,491,185
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**HOPE MANOR II
REDEVELOPMENT AGREEMENT**

EXHIBIT G-2

MBE/WBE BUDGET

Construction Costs and Site Preparation	\$17,776,466
Engineering Fees	131,000
Architect	466,000
Total:	18,373,446

24% MBE =	4,410,000
4% WBE =	735,000

**HOPE MANOR II
REDEVELOPMENT AGREEMENT**

EXHIBIT H

REQUISITION FORM

State of Illinois)
) ss
COUNTY OF COOK)

The affiants are the members of Hope Manor II VOA Veterans Housing LLC, an Illinois limited liability company ("Hope Manor II LLC"), which is the sole general partner of Hope Manor II Veterans Housing, L.P., an Illinois limited partnership ("Hope Manor II L.P.", and together with Hope Manor II LLC, the "Developer"), hereby certify that with respect to that certain Hope Manor II Redevelopment Agreement between the Developer and the City of Chicago dated _____, 20__ (the "Agreement"):

A. Expenditures for the Project, in the total amount of \$_____, have been made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date:

\$ _____

C. Hope Manor II LLC requests reimbursement for the following costs of TIF-Funded Improvements:

\$ _____

D. None of the costs referenced in Paragraph C above have been previously reimbursed by the City.

E. The Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Redevelopment Agreement are true and correct and the Developer is in compliance with all applicable covenants contained herein.

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

3. The Developer is operating the Property for the same use as described in the Developer's TIF application and/or the Redevelopment Agreement.

4. The financial statements for the Developer's most recently-concluded fiscal year are attached to this Requisition Form or have previously been provided to the City.

F. Attached hereto is a copy of the most recently available report (or final approval with respect to the Final Installment only) of the Monitoring and Compliance Division of the Department of Housing and Economic Development with respect to MBE/WBE, City Resident hiring and prevailing wage matters.

G. Attached hereto is a copy of the inspecting architect's confirmation of construction completion, or percentage of completion, as applicable [ONLY FOR FINAL INSTALLMENT].

H. Attached hereto is documentation establishing full payment of the last installment of real estate taxes due prior to the date hereof.

I. This Requisition Form may be executed in counterparts.

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

HOPE MANOR II VETERANS HOUSING, L.P.,
an Illinois limited partnership

By: Hope Manor II VOA Veterans Housing LLC,
An Illinois limited liability company, its sole general partner

By: Volunteers of America National Services, a Minnesota corporation, a member

By: _____
Michael Seltz, Designated Signer

By: Volunteers of America of Illinois, an Illinois not for profit corporation, a member

By: _____
Nancy Hughes Moyer, President and CEO

HOPE MANOR II VOA VETERANS HOUSING LLC,
an Illinois limited liability company

By: Volunteers of America National Services, a Minnesota corporation, a member

By: _____
Michael Seltz, Designated Signer

By: Volunteers of America of Illinois, an Illinois not for profit corporation, a member

By: _____
Nancy Hughes Moyer, President and CEO

Subscribed and sworn before me this ____ day of _____.

My commission expires: _____

Agreed and accepted:

Name: _____

Title: _____

City of Chicago
Department of Housing and Economic Development

**HOPE MANOR II
REDEVELOPMENT AGREEMENT**

EXHIBIT I

APPROVED PRIOR EXPENDITURES

None

**HOPE MANOR II
REDEVELOPMENT AGREEMENT**

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

[Not attached for Recording purposes.]

**HOPE MANOR II
REDEVELOPMENT AGREEMENT**

EXHIBIT K

n/a

**HOPE MANOR II
REDEVELOPMENT AGREEMENT**

EXHIBIT L

ESCROW AGREEMENT

[Not attached for Recording purposes.]