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COPY



**JOURNAL of the PROCEEDINGS
of the
CITY COUNCIL
of the
CITY of CHICAGO, ILLINOIS**

Regular Meeting -- Wednesday, October 9, 2024

at 10:00 A.M.

(Council Chamber -- City Hall -- Chicago, Illinois)

OFFICIAL RECORD.

VOLUME I

BRANDON JOHNSON
Mayor

ANDREA M. VALENCIA
City Clerk

JOURNAL OF THE PROCEEDINGS OF THE CITY COUNCIL
Regular Meeting -- Wednesday, October 9, 2024

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Attendance At Meeting.

Present -- The Honorable Brandon Johnson, Mayor, and Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Ramirez-Rosa, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein.

Absent -- Alderperson Mitts.

Call To Order.

On Wednesday, October 9, 2024 at 10:22 A.M., (the hour appointed for the meeting was 10:00 A.M.) the Honorable Brandon Johnson, Mayor, called the City Council to order. The Honorable Andrea M. Valencia, City Clerk, called the roll of members and it was found that there were present at that time: Alderpersons La Spata, Dowell, Yancy, Mitchell, Harris, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Moore, O'Shea, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 38.

Quorum present.

At this point in the proceedings, the Honorable Brandon Johnson, Mayor, informed the City Council that Alderpersons Curtis, Taylor and Rodríguez-Sánchez submitted requests, pursuant to Rule 59 of the City Council's Rules of Order and Procedure, to attend the meeting remotely.

Thereupon, the members physically present in the Chamber accepted by unanimous viva voce vote, the request by Alderpersons Curtis, Taylor and Rodríguez-Sánchez to attend the meeting remotely, pursuant to Rule 59 of the City Council's Rules of Order and Procedure, resulting in a quorum of 41 persons.

Pledge Of Allegiance.

Mayor Brandon Johnson led the City Council and assembled guests in the Pledge of Allegiance to the Flag of the United States of America.

Invocation.

Steve Coble, pastor from Refuge Church, opened the meeting with prayer.

PUBLIC COMMENT.

In accordance with the City Council's Rules of Order and Procedure, the following members of the general public addressed the City Council:

A. Anne Holcomb

Gin Kilgore

Hector Perez

Fasika Alem

Michael Livshutz

David Zoltan

Rabbi Michael Siegel

George Blakemore

Eric Winslow

Yossi Held

In accordance with the City Council's Rules of Order and Procedure, the following members of the general public submitted written comments to the City Council:

Ilir Sulejmani

Algerie

Karen Elger

Jodie Wiederkehr

Renee Nowlin

Layla Gallagher

Amy Soria

John Paul Jones

Wendy Szabo

Amalia NietoGomez

Jennifer Schweiger

Gloria Racquel Carbajal

Linda Gonzalez

Dana Kraus

Kathy Stein

Gina Peña

Peggy Salazar

Jessica Kieser

At this point in the proceedings, Alderperson Silverstein requested that the members of the City Council and assembled guests rise and observe a moment of silence in remembrance of the Israeli victims of the October 7, 2023 terrorist attack by Hamas.

Alderperson Silverstein then introduced representatives from the following organizations who were in attendance:

The Jewish United Fund; the Anti-Defamation League; the American Jewish Committee; Simon Wiesenthal Center; StandWithUs; Hillel; the American Israel Public Affairs Committee; the Decalogue Society of Lawyers; Friends of the Israel Defense Force; Ida Crown Jewish Academy; Anshe Emet Synagogue; Temple Shalom; Anshe Shalom; Congregation K.I.N.S. of West Rogers Park; Chicago Sinai; KAM Isaiah Israel; Lake Shore Drive Synagogue; Temple Beth Israel; Skokie Valley Agudath Jacob; Congregation Or Torah; University of Chicago Hillel; Northwestern Hillel; Metro Hillel; Emmanuel Congregation; BASE Hillel; the Jewish Federations of North America; Loop Synagogue; Chicago Rabbinical Council; Fasman Yeshiva High School; and Quentin Road Baptist Church.

REPORTS AND COMMUNICATIONS FROM CITY OFFICERS.

Rules Suspended -- TRIBUTE TO LATE FORMER 48TH WARD ALDERWOMAN MARY ANN SMITH.

[R2024-0013112]

The Honorable Brandon Johnson, Mayor, presented the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I transmit herewith, together with Aldermen Manaa-Hoppenworth, La Spata, Robinson, Dowell, Hadden, Lawson, Sigcho-Lopez, Gardiner, Rodríguez, Nugent, Conway, Rodríguez-Sánchez, O'Shea, Villegas, Taylor, Mitts, Hopkins, Ervin, Gutiérrez, Cruz, Fuentes, Vasquez, Lee, Mosley, Coleman, Moore, Chico, Silverstein and City Clerk Valencia, a resolution honoring Alderwoman Mary Ann Smith.

Your favorable consideration of this resolution will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Aldersperson Mitchell moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the said proposed resolution. The motion *Prevailed*.

The following is said proposed resolution:

WHEREAS, The members of this Chamber were deeply saddened to learn of the death on July 31, 2024, at age 77, of Mary Ann Smith, a former 48th Ward aldersperson; and

WHEREAS, Mary Ann Smith served as alderperson of the 48th Ward for 22 years from 1989 to 2011, with a focus on improving the schools, building and preserving affordable housing, safeguarding seniors and people with mental illness, creating parks and playgrounds, rebuilding the Edgewater Branch Library, and improving pedestrian safety through innovative traffic calming and beautification measures that brought businesses, young people, and families to the neighborhood; and

WHEREAS, Growing up on Chicago's Northwest Side, Mary Ann Smith treasured her childhood memories reading at the Cultural Center Library, and received a bachelor's degree from Mundelein College; and

WHEREAS, Mary Ann Smith was dedicated to beautification of the 48th Ward, planting trees along the Lakefront, along Broadway and Clark Street, preserving green spaces throughout the ward and creating new parks; and

WHEREAS, Mary Ann Smith promoted historic preservation, driving the creation of three federally recognized historic districts in the 48th Ward and helping to obtain historic preservation funds to build affordable housing; and

WHEREAS, A pioneer for LGBTQ+ rights, Mary Ann Smith led efforts such as the creation of affordable housing for people living with HIV/AIDS and welcoming the LGBTQ+ community as homeowners and business owners to the neighborhood -- efforts for which she was inducted into the LGBT Hall of Fame in 1997; and

WHEREAS, Mary Ann Smith prioritized public safety, empowered block clubs, and oversaw the creation of the City's first traffic circles, speed humps, and bike lanes ensuring resident safety and access to the Lakefront; and

WHEREAS, Mary Ann Smith founded Operation Lakewatch, a grassroots effort dedicated to monitoring the cleanliness of Lake Michigan, passing state legislation on water quality in partnership with the state legislature, and working internationally to safeguard and preserve the Great Lakes region; and

WHEREAS, A dedicated public servant, Mary Ann Smith was the chair of the City Council's Committee on Parks, helping to lead efforts to ban smoking at City beaches and secure funding to create playgrounds and community-based public art, including Indian Land Dancing, one of her favorite community art projects; and

WHEREAS, Mary Ann Smith continued to serve long after her tenure as alderperson was over, notably on the Chicago Landmarks Commission and recently on the 48th Ward Zoning Advisory Council; and

WHEREAS, Mary Ann Smith is survived by her two loving sons, Matt and Michael; now, therefore,

Be It Resolved, That we, the Mayor and the members of the City Council of the City of Chicago, assembled this ninth day of October 2024, do hereby honor the life and memory of Alderperson Mary Ann Smith, express our appreciation for her many contributions to the community, and extend our heartfelt condolences to her family; and

Be It Further Resolved, that a suitable copy of this resolution be prepared and presented to Alderperson Mary Ann Smith's family as a symbol of our sympathy and good wishes.

On motion of Alderperson Mitchell, seconded by Alderpersons Lawson, Dowell, Burnett, Waguespack, Lee and Manaa-Hoppenworth, the foregoing resolution was *Adopted* by a rising vote.

At this point in the proceedings, the Honorable Brandon Johnson, Mayor, joined the members of the City Council in honoring the life and legacy of the late Mary Ann Smith. Raised on the Northwest Side of Chicago, Mary Ann Smith proudly served her community for 22 years as alderwoman of the 48th Ward, the Mayor observed, and she fought tirelessly to improve the quality of education for students, provide affordable housing, improve public safety, preserve the history of the neighborhood, and bring businesses to the community. A tireless advocate for preserving and developing green space, Mary Ann Smith worked to beautify her ward by planting trees and creating parks for residents to enjoy, the Mayor declared, and extolled her leadership in the fight to improve the cleanliness and beautification of our lakefront and its beaches. Mary Ann Smith was also a pioneer for LGBTQ+ rights, the Mayor asserted, creating affordable housing for those living with HIV/AIDS and welcoming LGBTQ+ business owners and homeowners to the 48th Ward neighborhood. Mary Ann Smith lived a life filled with service, advocacy, and uplift, the Mayor acknowledged, and her contributions will be remembered for generations to come.

Rules Suspended -- COMMEMORATION OF DOMESTIC VIOLENCE AWARENESS MONTH AND DESIGNATION OF OCTOBER AS "DOMESTIC VIOLENCE AWARENESS MONTH" IN CHICAGO.

[R2024-0013113]

The Honorable Brandon Johnson, Mayor, presented the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I transmit herewith, together with Aldermen La Spata, Robinson, Dowell, Hadden, Lawson, Sigcho-Lopez, Gardiner, Rodríguez, Nugent, Conway, Rodríguez-Sánchez, O'Shea, Villegas, Taylor, Mitts, Hopkins, Ervin, Gutiérrez, Cruz, Fuentes, Vasquez, Lee, Mosley, Coleman, Moore, Chico, Silverstein and City Clerk Valencia, a resolution commemorating Domestic Violence Awareness and Prevention Month.

Your favorable consideration of this resolution will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Aldersperson Mitchell moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the said proposed resolution. The motion *Prevailed*.

The following is said proposed resolution:

WHEREAS, The United States observes Domestic Violence Awareness Month every October to mourn those who have died because of domestic violence, celebrate those who have survived and connect those who work to end violence; and

WHEREAS, One in four women and one in seven men will experience physical violence by their intimate partner at some point during their lifetimes; and

WHEREAS, Due to systemic racism, racist policies and racist societal structures, both Black women and Black men experience intimate partner violence at a disproportionately high rate, as do members of the LGBTQIA+ community, who see domestic violence rates between two and eight times higher than straight individuals; and

WHEREAS, The City has made great strides in combatting domestic violence; and

WHEREAS, In the past year, the Mayor's Office, in partnership with the Department of Family and Support Services (DFSS), advocated for increased funding for the Survivor Fund, a program that will provide one-time, \$1,000 payments in support of the economic stability of survivors and the Mayor has allocated an additional \$5 Million from the American Rescue Plan Act (ARPA) funds to the Emergency Fund for gender-based violence survivors bringing the total investment to \$10 Million; and

WHEREAS, The Survivor Fund to date has reached 6,606 survivors of domestic violence, sexual assault, stalking or human trafficking with an average income of below \$10,800 a year, who have been negatively impacted by the COVID-19 pandemic using a combination of local and ARPA funds, 70 percent of whom have reported improved emotional or mental health, and 69 percent reported improved safety; and;

WHEREAS, The DFSS gender-based violence team conducted over twenty gender-based violence trainings to educate, raise awareness and provide resources to frontline City and Sister agency staff such as: Mayor's Office; DFSS Community Centers; DFSS Youth Division; DFSS Monitoring Division; Chicago Department of Procurement Services; Chicago Public Libraries; Chicago Department of Public Health; Chicago Housing Authority; Civilian Office for Police Accountability; and Chicago Police Department Domestic Violence Subcommittees in Districts 12 and 18; and

WHEREAS, Mayor Johnson has hosted three round tables on gender-based violence in partnership with DFSS, focusing on areas such as teen dating violence, gender-based violence in LGBTQIA+ youth community, and, most recently, a round table with survivors hosted by WINGS and the Network on Housing and Support Services; and

WHEREAS, The Gender-Based Violence Task Force expanded membership from 17 members to 21 members, ensuring more diversity of voices and experiences in the body that advises the Mayor; now, therefore,

Be It Resolved, That we, the Mayor and the members of the City Council of the City of Chicago, assembled this ninth day of October 2024, do hereby recognize this month of October as "Domestic Violence Awareness Month" in Chicago, and call upon our residents to join us in the efforts to raise awareness, support and believe survivors and work towards a future free of domestic violence.

On motion of Alderperson Mitchell, seconded by Alderpersons Coleman, Rodríguez, La Spata, Lee, Hadden, Vasquez, Sigcho-Lopez, Lopez, Conway, Waguespack and Taylor, the foregoing resolution was *Adopted* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

At this point in the proceedings, the Honorable Brandon Johnson, Mayor, joined the members of the City Council in recognizing October as Domestic Violence Awareness Month and expressed his appreciation to the many individuals and organizations who work on behalf of violence prevention. As we celebrate those who are survivors of domestic violence, mourn those we lost, and continue our work to end domestic violence, Mayor Johnson cautioned that much more needs to be done. Reflecting on the startling statistics that one in four women and one in seven men will experience partner violence at some point, Mayor Johnson further noted that due to systemic racism and inequities we are witnessing higher rates of domestic violence in our black, brown, and LGBTQIA+ communities. Praising the collaborative and ongoing efforts to provide resources and funding to combat domestic violence in Chicago, Mayor Johnson also heralded the City's partnership with the Department of Family and Support Services to increase funding for the Survivor Fund and the Emergency Fund for gender-based violence survivors and with city and community agencies to better educate, raise awareness, and provide resources for those experiencing domestic violence. Lauding the expansion of the city's Gender-Based Violence Task Force to 21 members offering more diversity and a wider range of voices and experiences, Mayor Johnson also declared that the City hosted several roundtables with at risk communities to hear their concerns, wants, and needs surrounding domestic violence. Recognizing and applauding the progress that has been made, Mayor Johnson called upon all Chicagoans to stand united in our continued efforts to raise awareness, provide support and protect survivors so that one day we can create a world that is free of domestic violence.

Rules Suspended -- COMMEMORATION OF LATINE HERITAGE MONTH AND DESIGNATION OF SEPTEMBER 15 THROUGH OCTOBER 15 AS "NATIONAL HISPANIC HERITAGE MONTH" IN CHICAGO.

[R2024-0013110]

The Honorable Brandon Johnson, Mayor, presented the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I transmit herewith, together with Aldermen La Spata, Robinson, Dowell, Hadden, Lawson, Sigcho-Lopez, Gardiner, Rodríguez, Nugent, Conway, Rodríguez-Sánchez, O'Shea, Villegas, Taylor, Mitts, Hopkins, Ervin, Gutiérrez, Cruz, Fuentes, Vasquez, Lee, Mosley, Coleman, Moore, Chico, Silverstein and City Clerk Valencia, a resolution commemorating Latine Heritage Month.

Your favorable consideration of this resolution will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Aldersperson Mitchell moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the said proposed resolution. The motion *Prevailed*.

The following is said proposed resolution:

WHEREAS, The United States observes National Hispanic Heritage Month every year from September 15 through October 15 to recognize and celebrate the immense contributions of Hispanic and Latino peoples, who have shaped our society and culture, and helped to make the United States a diverse, thriving, and vibrant democracy; and

WHEREAS, In 1988, thanks in large part to the efforts of Senator Paul Simon from Illinois, the United States Congress passed Public Law 100-402, authorizing the President of the United States to designate September 15 through October 15 as "National Hispanic Heritage Month"; and

WHEREAS, Today, National Hispanic Heritage Month is celebrated nationwide at local festivals, art shows, conferences, community gatherings, and other events emphasizing the rich history, culture, and traditions of Hispanic and Latino peoples; and

WHEREAS, Illinois has the fifth largest population of Hispanics and Latinos in the continental United States, and Latino and Hispanic-owned businesses represent a major economic engine in the City of Chicago; and

WHEREAS, Nearly 820,000 Chicago residents, including more than 150,000 Chicago Public Schools students, identify as Hispanic or Latino; and

WHEREAS, The City's Latine leadership, including 15 members of the City Council and the City Clerk, represents a diverse group of neighborhoods and communities across Chicago; and

WHEREAS, National Hispanic Heritage Month provides Chicagoans with an opportunity to reflect on our shared history and to celebrate the rich mosaic of peoples and cultures that have built and strengthened our City, and that have contributed to our collective fight for equality and justice; now, therefore,

Be It Resolved, That we, the Mayor and the members of the City Council of the City of Chicago, assembled this ninth day of October 2024, do hereby recognize the celebration of National Hispanic Heritage Month and designate September 15 through October 15 as Latine Heritage Month in the City of Chicago, and encourage all Chicagoans to acknowledge the impact Hispanic and Latino peoples have had on our great city.

On motion of Alderperson Mitchell, seconded by Alderpersons Rodriguez, Ramirez, Chico, La Spata, Fuentes, Cruz, Villegas, Burnett, Vasquez, Gutierrez, Lopez and Sigcho-Lopez, the foregoing resolution was *Adopted* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

At this point in the proceedings, the Honorable Brandon Johnson, Mayor, joined the members of the City Council in recognizing and celebrating October as Latine Heritage Month in the City of Chicago and the incredible contributions the Latine community have made to our city, our nation, and the world. The influence of Hispanic and Latino heritage have profoundly enriched every neighborhood of Chicago, Mayor Johnson declared, and from education and labor to business, healthcare, and government, Latine residents are proudly represented and contributing in every aspect to our city. The Hispanic and Latino community is a rich and diverse mosaic of cultures from across the globe, the Mayor continued, and we recognize and celebrate the beauty that each culture brings to help make Chicago a vibrant and diverse city. As one of our city's largest demographic constituencies, Latine residents make our city strong, the Mayor asserted, and noted with pride the record historic level of representation in city government by Latine leadership including elected officials and members of the executive branch. Reflecting on the many disenfranchised communities in Chicago, including Hispanic and Latino communities, that have long been denied City investments and resources and which have faced many injustices, Mayor Johnson called upon all Chicagoans to help reverse that history by investing in the people and communities that make our city great so that together we can help ensure that all people are empowered to receive an education, earn a livable wage, build a family, and thrive.

Referred -- APPOINTMENT OF CIERA WHITAKER AS MEMBER OF DISTRICT COUNCIL 006.

[A2024-0013069]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Police and Fire and the Committee on Education and Child Development, the matter was *Referred to the Committee on Committees and Rules*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- Pursuant to Section 2-80-070(c) of the Municipal Code of Chicago, I have appointed Ciera Whitaker as a member of District Council 006 to succeed Eric Russell, who has resigned.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- APPOINTMENT OF LASHAWN COBB AS COMMISSIONER OF CHICAGO HOUSING AUTHORITY.

[A2024-0013068]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Housing and Real Estate and the Committee on Aviation, the matter was *Referred to the Committee on Committees and Rules:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I have appointed LaShawn Cobb as a commissioner of the Chicago Housing Authority for a term effective immediately and expiring July 7, 2029, to succeed Cristina Matos, who has resigned.

10/9/2024

COMMUNICATIONS, ETC.

17397

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- REAPPOINTMENT OF JULIANA MONTEBELLO-ROMAN AS MEMBER
OF CENTRAL LAKEVIEW COMMISSION (SPECIAL SERVICE AREA NO. 17).
[A2024-0013067]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Economic, Capital and Technology Development and the Committee on Education and Child Development, the matter was *Referred to the Committee on Committees and Rules:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I have reappointed Juliana Montebello-Roman as a member of Special Service Area Number 17, the Central Lakeview Commission, for a term effective immediately and expiring March 14, 2026.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- APPOINTMENT OF JON ELU AS MEMBER OF UPTOWN COMMISSION SPECIAL SERVICE AREA NO. 34).

[A2024-0013065]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Economic, Capital and Technology Development and the Committee on Education and Child Development, the matter was *Referred to the Committee on Committees and Rules:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- I have appointed Jon Elu as a member of Special Service Area Number 34, the Uptown Commission, for a term effective immediately and expiring October 4, 2026, to succeed Cam Ngan Hoang, whose term has expired.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- SUPPORT OF CLASS 8 MICRO PROPERTY TAX INCENTIVE FOR FORMER U.S. STEEL MILL LOCATED IN 7TH AND 10TH WARDS AND AMENDMENT OF CHAPTERS 2-8 AND 2-45 OF MUNICIPAL CODE TO WAIVE VARIOUS FEES FOR CLASS 8 MIRCO PROJECTS.

[O2024-0013091]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Economic, Capital and Technology Development and the Committee on Contracting Oversight and Equity, the matter was *Referred to the Committee on Committees and Rules:*

10/9/2024

COMMUNICATIONS, ETC.

17399

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the designation of a specified area within the City for a Class 8 MICRO property tax incentive.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- AMENDMENT OF CHAPTERS 2-51 AND 2-154 OF MUNICIPAL CODE REGARDING ECONOMIC DISCLOSURE STATEMENT REQUIREMENTS FOR TEMPORARY OCCUPANCY AGREEMENTS.

[O2024-0013054]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Housing and Real Estate and the Committee on Zoning, Landmarks and Building Standards, the matter was *Referred to the Committee on Committees and Rules*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Fleet and Facility Management, I transmit herewith an ordinance amending the Municipal Code regarding economic disclosure statements requirement for temporary occupancy agreements.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- EXECUTION OF INTERGOVERNMENTAL AGREEMENT WITH CHICAGO BOARD OF EDUCATION FOR ALLOCATION OF TAX INCREMENT FINANCING ASSISTANCE FUNDS FOR IMPROVEMENTS AT CHICAGO VOCATIONAL CAREER ACADEMY HIGH SCHOOL, 2100 E. 87TH ST.

[O2024-0013055]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Finance and the Committee on Housing and Real Estate, the matter was *Referred to the Committee on Committees and Rules*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of an intergovernmental agreement with the Chicago Board of Education to provide TIF funds for improvements at Chicago Vocational Career Academy High School.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

10/9/2024

COMMUNICATIONS, ETC.

17401

Referred -- ISSUANCE OF TAX-EXEMPT HOUSING REVENUE BONDS FOR LATHROP PRESERVATION PHASE IC PROJECT.

[O2024-0013059]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Finance and the Committee on the Budget and Government Operations, the matter was *Referred to the Committee on Committees and Rules*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing the issuance of tax-exempt housing revenue bonds for the benefit of Lathrop Preservation Phase IC project.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- ISSUANCE OF FINANCIAL ASSISTANCE AND EXECUTION OF REDEVELOPMENT AGREEMENT WITH THRIVE EXCHANGE LLC FOR ACQUISITION OF PROPERTY AND CONSTRUCTION OF LOW-INCOME HOUSING DEVELOPMENT AT 7901 -- 7907 AND 7911 S. EXCHANGE AVE.

[O2024-0013072]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Finance and the Committee on Public Safety, the matter was *Referred to the Committee on Committees and Rules*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing the issuance of financial assistance for the Thrive Exchange South project.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- ISSUANCE OF TAX INCREMENT FINANCING ASSISTANCE FUNDS TO AND EXECUTION OF REDEVELOPMENT AGREEMENT WITH HEART OF UPTOWN LLC AND POAH TIF LLC FOR REHABILITATION OF HEART OF UPTOWN APARTMENTS AT 4431 -- 4441 N. CLIFTON AVE., 927 W. WILSON AVE., 900 -- 902 W. WINSOR AVE., 847 -- 849 W. SUNNYSIDE AVE. AND 4130 N. KENMORE AVE.

[O2024-0013080]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Finance and the Committee on the Budget and Government Operations, the matter was *Referred to the Committee on Committees and Rules:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing the issuance of TIF funds for the Heart of Uptown Apartments rehabilitation project.

10/9/2024

COMMUNICATIONS, ETC.

17403

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- AUTHORIZATION FOR YEAR 2025 PERMIT FEE WAIVERS FOR CHICAGO BOARD OF EDUCATION.

[O2024-0013056]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Finance and the Committee on Committees and Rules, the matter was *Referred to the Committee on Committees and Rules*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Superintendent of the Chicago Board of Education, I transmit herewith an ordinance authorizing the provision of permit fee waivers for the Chicago Board of Education.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- ISSUANCE OF TAX INCREMENT FINANCING ASSISTANCE FUNDS TO AND EXECUTION OF REDEVELOPMENT AGREEMENT WITH REVOLUTION WORKSHOP FOR IMPROVEMENTS AT 3410 W. LAKE ST.

[O2024-0013058]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Finance and the Committee on Housing and Real Estate, the matter was *Referred to the Committee on Committees and Rules*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of a redevelopment agreement with Revolution Workshop, a not-for-profit entity, to provide TIF funds for space improvements.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- EXECUTION OF REDEVELOPMENT AGREEMENT WITH OUTWEST GALLERY AND CAFÉ TO PROVIDE NEIGHBORHOOD OPPORTUNITY FUNDS FOR PROPERTY IMPROVEMENTS AT 5249 W. CHICAGO AVE.

[O2024-0013060]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on the Budget and Government Operations and the Committee on Zoning, Landmarks and Building Standards, the matter was *Referred to the Committee on Committees and Rules*:

10/9/2024

COMMUNICATIONS, ETC.

17405

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the execution of a redevelopment agreement with Outwest Gallery and Café, a not-for-profit entity, to provide NOF funds for property improvements.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- YEAR 2025 LEVY OF TAXES, APPROVAL OF BUDGETS AND EXECUTION OF SERVICE PROVIDER AGREEMENTS FOR SPECIAL SERVICE AREA NOS. 4, 23, 31, 35-2015, 47, 55, 56-2022 AND 73.

[O2024-0013040, O2024-0013042, O2024-0013043,
O2024-0013044, O2024-0013045, O2024-0013046,
O2024-0013048, O2024-0013049]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Economic, Capital and Technology Development and the Committee on Aviation, the matter was *Referred to the Committee on Committees and Rules*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith ordinances approving the budgets and authorizing the execution of service agreements for specified Special Service Areas.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- SALE OF CITY-OWNED PROPERTIES AT VARIOUS LOCATIONS.
[O2024-0013082, O2024-0013106]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Housing and Real Estate and the Committee on Environmental Protection and Energy, the matter was *Referred to the Committee on Committees and Rules*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the sale of City-owned properties.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

10/9/2024

COMMUNICATIONS, ETC.

17407

Referred -- FIRST AMENDMENT TO RIGHT OF ENTRY AGREEMENT WITH COLUMBIA YACHT CLUB FOR PARKING SPACE UNDER PORTION OF JEAN-BAPTISTE POINT DU SABLE LAKE SHORE DR.

[O2024-0013133]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Housing and Real Estate and the Committee on Special Events, Cultural Affairs and Recreation, the matter was *Referred to the Committee on Committees and Rules*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Fleet and Facility Management, I transmit herewith an ordinance authorizing the execution of an amended right-of-entry agreement with Columbia Yacht Club.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- FIRST AMENDMENT TO RIGHT OF ENTRY AGREEMENT WITH LINCOLN PARK ZOO'S URBAN WILDLIFE INSTITUTE FOR ACCESS TO PROPERTY AT 220 E. MONROE ST. FOR RESEARCH ACTIVITIES.

[O2024-0013129]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Housing and Real Estate and the Committee on Public Safety, the matter was *Referred to the Committee on Committees and Rules*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Fleet and Facility Management, I transmit herewith an ordinance authorizing the execution of an amended right-of-entry agreement with Lincoln Park Zoo's Urban Wildlife Institute.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- FIRST AMENDMENT TO LEASE AGREEMENT WITH COUNTY OF COOK FOR CITY-OWNED PROPERTY AT 937 N. WOOD ST.

[O2024-0013126]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Housing and Real Estate and the Committee on License and Consumer Protection, the matter was *Referred to the Committee on Committees and Rules*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Fleet and Facility Management, I transmit herewith an ordinance authorizing the execution of a lease agreement with Cook County.

10/9/2024

COMMUNICATIONS, ETC.

17409

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- EXPENDITURE OF OPEN SPACE IMPACT FEE FUNDS FOR
DEVELOPMENT OF TURF FIELD AT GOETHE ELEMENTARY SCHOOL.

[O2024-0013124]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Special Events, Cultural Affairs and Recreation and the Committee on Health and Human Relations, the matter was *Referred to the Committee on Committees and Rules*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the expenditure of Open Space Impact Fee funds for developing a Turf Field at Goethe Elementary School.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- EXPENDITURE OF OPEN SPACE IMPACT FEE FUNDS TO NEIGHBORSPACE FOR INSTALLATION OF PERMANENT INFRASTRUCTURE IN COMMUNITY OPEN SPACE AT 947 W. CULLERTON ST.

[O2024-0013125]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Special Events, Cultural Affairs and Recreation and the Committee on Police and Fire, the matter was *Referred to the Committee on Committees and Rules*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith an ordinance authorizing the expenditure of Open Space Impact Fee funds for open space creation at 947 West Cullerton Street.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

Referred -- AUTHORIZATION OF RIGHT-OF-WAY ACQUISITIONS FOR ENGLEWOOD NATURE TRAIL PROJECT.

[O2024-0013109]

The Honorable Brandon Johnson, Mayor, submitted the following communication. Two committees having been called, the Committee on Transportation and Public Way and the Committee on Finance, the matter was *Referred to the Committee on Committees and Rules*:

10/9/2024

COMMUNICATIONS, ETC.

17411

OFFICE OF THE MAYOR
CITY OF CHICAGO

October 9, 2024.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of Transportation, I transmit herewith an ordinance authorizing right-of-way acquisitions for the Englewood Nature Trail project.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) BRANDON JOHNSON,
Mayor.

**City Council Informed As To Miscellaneous
Documents Filed In City Clerk's Office.**

The Honorable Andrea M. Valencia, City Clerk, informed the City Council that documents have been filed in her office relating to the respective subjects designated as follows:

Placed On File -- DETERMINATION CERTIFICATE OF CHIEF FINANCIAL OFFICER CONCERNING SECOND LIEN WATER REVENUE BONDS, REFUNDING SERIES 2024A.

[F2024-0012662]

A communication from Jill Jaworski, Chief Financial Officer, under the date of September 25, 2024, received in the Office of the City Clerk on September 25, 2025, transmitting the Determination Certificate concerning Second Lien Water Revenue Bonds, Refunding Series 2024A, which was *Placed on File*.

Placed On File -- CITY'S FUNDING REQUIREMENT FOR CHICAGO POLICEMEN'S ANNUITY AND BENEFIT FUND FOR YEAR 2025.

[F2024-0012522]

A communication from Kevin Reichart, Executive Director, Retirement Board of Policemen's Annuity and Benefit Fund of Chicago, under the date of July 26, 2024, received in the Office of the City Clerk on July 26, 2024, transmitting a resolution adopted by the Retirement Board certifying the required City funding contribution for fiscal year 2025 of the Policemen's Annuity and Benefit Fund of Chicago, which was *Placed on File*.

Placed On File -- ANNUAL REPORT OF FIREMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO TO CITY COUNCIL.

[F2024-0012865]

A communication from Kelly Weller, Executive Director, Retirement Board of Fireman's Annuity and Benefit Fund of Chicago, under the date of July 1, 2024, received in the Office of the City Clerk on July 1, 2024, transmitting the Firemen's Annuity and Benefit Fund Annual Report to the City Council for years 2022 and 2023, which was *Placed on File*.

City Council Informed As To Certain Actions Taken.

PUBLICATION OF JOURNAL.

The City Clerk informed the City Council that all those ordinances, et cetera, which were passed by the City Council on September 18, 2024 and which were required by statute to be published in book or pamphlet form or in one or more newspapers, were published in pamphlet form on October 9, 2024 by being printed in full text in printed pamphlet copies of the *Journal of the Proceedings of the City Council of the City of Chicago* of the regular meeting held on September 18, 2024, published by authority of the City Council, in accordance with the provisions of Title 2, Chapter 12, Section 050 of the Municipal Code of Chicago, as passed on June 27, 1990.

**Miscellaneous Communications, Reports, Et Cetera,
Requiring Council Action (Transmitted To
City Council By City Clerk).**

The City Clerk transmitted communications, reports, et cetera, relating to the respective subjects listed below, which were acted upon by the City Council in each case in the manner noted, as follows:

Referred -- ZONING RECLASSIFICATIONS OF PARTICULAR AREAS.

Applications (in triplicate) together with the proposed ordinances for amendment of Title 17 of the Municipal Code of Chicago (the Chicago Zoning Ordinance), as amended, for the purpose of reclassifying particular areas, which were *Referred to the Committee on Zoning, Landmarks and Building Standards*, as follows:

Gerald Belpedio (Application Number 22585) -- to classify as a C1-1 Neighborhood Commercial District instead of a B1-1 Neighborhood Shopping District the area shown on Map Number 11-L bounded by:

a line 125 feet southeast of West Agatite Avenue, as measured along the westerly right-of-way line of North Milwaukee Avenue and perpendicular thereto; North Milwaukee Avenue; a line 150 feet southeast of West Agatite Avenue, as measured along the westerly right-of-way line of North Milwaukee Avenue and perpendicular thereto; and the public alley next west of and parallel to North Milwaukee Avenue (common address: 4416 North Milwaukee Avenue).

[O2024-0013034]

Chicago Pilsen LLC (Application Number 22581) -- to classify as a B2-1 Neighborhood Mixed-Use District instead of an RT4 Residential Two-Flat, Townhouse and Multi-Unit District the area shown on Map Number 4-G bounded by:

a line 145.0 feet south of and parallel to West 16th Street; South Carpenter Street; a line 169.0 feet south of and parallel to West 16th Street; and the public alley next west of and parallel to South Carpenter Street (common address: 1614 South Carpenter Street).

[O2024-0012946]

Jon Frank (Application Number 22576) -- to classify as a B3-3 Community Shopping District instead of a B3-2 Community Shopping District the area shown on Map Number 4-I bounded by:

the alley north of and parallel to West 21st Street; a line 120 feet east of and parallel to South Washtenaw Avenue; West 21st Street; and a line 96 feet east of and parallel to South Washtenaw Avenue (common address: 2648 West 21st Street).

[O2024-0012932]

Grace and Leavitt LLC (Application Number 22586) -- to classify as a B1-1 Neighborhood Shopping District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 9-H bounded by:

West Grace Street; a line 27.17 feet east of and parallel to North Leavitt Street; next the public alley south of and parallel to West Grace Street; and North Leavitt Street (common address: 3753 North Leavitt Street/2157 West Grace Street).

[O2024-0013032]

La Catrina Mexican Restaurant LLC (Application Number 22577) -- to classify as a B3-1 Community Shopping District instead of a B1-1 Neighborhood Shopping District the area shown on Map Number 28-I bounded by:

West 111th Street; a line 75 feet east of and parallel to South Troy Street; the alley next south of and parallel to West 111th Street; and South Troy Street (common address: 3121 -- 3125 West 111th Street).

[O2024-0012937]

Farida Lashkariya (Application Number 22589) -- to classify as a B2-1 Neighborhood Mixed-Use District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 15-H bounded by:

West Devon Avenue; a line 198.30 feet west of and parallel to North Hoyne Avenue; a line 125 feet south of and parallel to West Devon Avenue; and a line 238.30 feet west of and parallel to North Hoyne Avenue (common address: 2125 West Devon Avenue).

[O2024-0013052]

MZ West Loop LLC (Application Number 22574) -- to classify as Residential-Business Planned Development Number 1408, as amended, instead of Residential-Business Planned Development Number 1408 the area shown on Map Number 2-G bounded by:

West Cottage Place; a line 197.50 feet west of and parallel to South Racine Avenue; West Jackson Boulevard; and a line 372.50 feet west of and parallel to South Racine Avenue (common address: 1220 West Jackson Boulevard).

[O2024-0012894]

PL 2335 Hoyne LLC (Application Number 22579T1) -- to classify as an RM5.5 Residential Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 6-H bounded by:

a line 332.0 feet south of and parallel to West 23rd Street; the public alley next east of and parallel to South Hoyne Avenue; a line 356.21 feet south of and parallel to West 23rd Street; and South Hoyne Avenue (common address: 2335 South Hoyne Avenue).

[O2024-0013020]

PL 2337 Hoyne LLC (Application Number 22580T1) -- to classify as an RM6 Residential Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 6-H bounded by:

a line 356.21 feet south of and parallel to West 23rd Street; the public alley next east of and parallel to South Hoyne Avenue; a line 380.0 feet south of and parallel to West 23rd Street; and South Hoyne Avenue (common address: 2337 South Hoyne Avenue).

[O2024-0013019]

Related Chicago 8080 LLC (Application Number 22573) -- to classify as a C3-5 Commercial, Manufacturing and Employment District instead of Residential-Business Planned Development Number 1162, a B2-3 Neighborhood Shopping District; B3-5 Community Shopping District; RS1 Residential Single-Unit (Detached House) District; RT4 Residential Two-Flat, Townhouse and Multi-Unit District; RM5, RM5.5, RM6 and RM6.5 Residential Multi-Unit Districts; M1-1 Limited Manufacturing/Business Park District; M3-3 Heavy Industry District; and Planned Manufacturing District (PMD) Number 6, and further, to classify as a Waterway Planned Development instead of a C3-5 Commercial, Manufacturing and Employment District the area shown on Map Numbers 20-A, 20-B and 22-A bounded by:

South DuSable Lake Shore Drive; the north line of East 81st Street extended, a distance of 1,022.83 feet from its intersection with the centerline of South DuSable Lake Shore Drive; thence south 78 degrees, 36 minutes, 47 seconds east, 505.63 feet; thence south 18 degrees, 13 minutes, 09 seconds east, 233.22 feet; thence north 88 degrees, 31 minutes, 58 seconds east, 110.81 feet; thence south 75 degrees, 54 minutes, 23 seconds east, 702.07 feet to a line 300 feet west of and parallel with the east line of Block 1 in Illinois Steel Company's South Works Resubdivision recorded March 27, 1914 as Document Number 5384242; a line 300 feet west of and parallel with the east line of Blocks 1 and 2 in said Illinois Steel Company's South Works Resubdivision, a distance of 3,132.20 feet; thence south 88 degrees, 55 minutes, 23 seconds east, 47.44 feet; thence south 00 degrees, 49 minutes, 53 seconds east, 140.44 feet; thence north 88 degrees, 55 minutes, 23 seconds west, 34.05 feet; a line 300 feet west of and parallel with the east line of Block 2 in said Illinois Steel Company's South Works Resubdivision; East 87th Street; a line extending south 15 degrees,

07 minutes, 23 seconds east from a point in the centerline of East 87th Street, being 2,513.84 feet east of the centerline of South DuSable Lake Shore Drive, a distance of 1,552.33 feet; the northwest line of Block 4 in said Illinois Steel Company's South Works Resubdivision; the southwest line of Block 4 in said Illinois Steel Company's South Works Resubdivision; a southeast line of Block 3 in said Illinois Steel Company's South Works Resubdivision; the easterly line of the south slip and its extension; a line extending north 63 degrees, 25 minutes, 07 seconds west from a point of intersection of the extension of the easterly line of the south slip and a point 399.57 feet east of the east line of South DuSable Lake Shore Drive, a distance of 106.94 feet to a point of curvature; thence northwesterly 135.06 feet along a curve, having a radius of 486.00 feet, and a chord bearing north 55 degrees, 27 minutes, 28 seconds west, 134.62 feet; the north line of East 89th Street extended; a line extending south 07 degrees, 17 minutes, 53 seconds east from a point of intersection of the north line of East 89th Street and a point 52.77 feet east of the east line of South DuSable Lake Shore Drive, a distance of 80.41 feet; thence southerly 61.01 feet along a curve, having a radius of 453.34 feet and a chord bearing south 11 degrees, 09 minutes, 12 seconds east, 60.96 feet to a point of compound curvature; thence southeasterly 69.65 feet along a curve, having a radius of 478.90 feet and a chord bearing south 19 degrees, 10 minutes, 32 seconds east, 69.59 feet to a point of tangency; thence south 23 degrees, 20 minutes, 31 seconds east, 244.22 feet to a point of curvature; thence southerly 166.98 feet along a curve, having a radius of 440.60 feet and a chord bearing south 12 degrees, 29 minutes, 07 seconds east, 165.98 feet to a point of tangency; thence south 01 degree, 37 minutes, 42 seconds east, 537.58 feet to a point of curvature; thence southwesterly 198.38 feet along a curve, having a radius of 376.60 feet and a chord bearing south 13 degrees, 27 minutes, 45 seconds west, 196.10 feet to a point of tangency; thence south 28 degrees, 33 minutes, 12 seconds west, 72.10 feet; thence south 18 degrees, 14 minutes, 53 seconds west, 50.57 feet; a line 265.33 feet northwest of and parallel to a southeast line of Block 3 in said Illinois Steel Company's South Works Resubdivision; a northeast line of Block 3 in said Illinois Steel Company's South Works Resubdivision; a southeast line of Block 3 in said Illinois Steel Company's South Works Resubdivision; the northeast line of property conveyed per Document Number 22050136; the northwest line of property conveyed per Document Number 22050136; a southwest line of Block 3 in said Illinois Steel Company's South Works Resubdivision; South Harbor Drive; South DuSable Lake Shore Drive; East 87th Street; a line extending from a point in the centerline of East 87th Street, being 131.74 feet west of the west line of South Burley Avenue to a point in the centerline of East 86th Street, extended, being 131.52 feet west of the west line of South Burley Avenue, a distance of 160 feet; thence north 43 degrees, 45 minutes, 00 seconds east, 18.39 feet; thence north 00 degrees, 28 minutes, 19 seconds west, 214.00 feet; thence north 46 degrees, 31 minutes, 18 seconds west, 18.39 feet; thence north 00 degrees, 27 minutes, 19 seconds west, 223.28 feet; East 86th Street extended; South Green Bay Avenue; East 83rd Street; South Mackinaw Avenue; a line approximately 297 feet north of and parallel to the north line of East 83rd Street and the centerline of South Brandon Avenue; and South Brandon Avenue (common address: 8080 South DuSable Lake Shore Drive).

[O2024-0012887]

SNSRG LLC (Application Number 22588T1) -- to classify as a B2-3 Neighborhood Mixed-Use District instead of a B3-1 Community Shopping District the area shown on Map Number 5-I bounded by:

West Fullerton Avenue; the alley next east of and parallel to North Campbell Avenue; a line 96.61 feet south of and parallel to West Fullerton Avenue; and North Campbell Avenue (common address: 2429 -- 2431 West Fullerton Avenue).

[O2024-0013021]

Angelina Soto and Leonel Calderon (Application Number 22583) -- to classify as a B3-2 Community Shopping District instead of a B3-1 Community Shopping District the area shown on Map Number 12-I bounded by:

West 51st Street; a line 95.50 feet west of and parallel to South Campbell Avenue; the public alley next south of and parallel to West 51st Street; and a line 120.90 feet west of and parallel to South Campbell Avenue (common address: 2511 West 51st Street).

[O2024-0013039]

Zanelli88 LLC (Application Number 22587) -- to classify as an RT3.5 Residential Two-Flat, Townhouse and Multi-Unit District instead of an RS3 Single-Unit (Detached House) District the area shown on Map Number 11-K bounded by:

a line 130.50 feet northwest of and parallel to North Kennicott Avenue; North Kelso Avenue; a line 80.50 feet northwest of and parallel to North Kelso Avenue; and the public alley next southwest and parallel to North Kelso Avenue (common address: 4606 North Kelso Avenue).

[O2024-0013028]

65 East Wacker Holdings II LLC (Application Number 22575) -- to classify as a Residential-Business Planned Development instead of a DX-16 District the area shown on Map Number 1-E bounded by:

East Wacker Place; North Garland Court; East Haddock Place; and a line 72.2 feet west of and parallel to North Garland Court (common address: 65 East Wacker Place).

[O2024-0012917]

518 -- 526 West 26th Street Condominium Association (Application Number 22578) -- to classify as a B3-2 Community Shopping District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 6-F bounded by:

the alley next north of and parallel to West 26th Street; a line 186.75 feet east of and parallel to South Wallace Street; West 26th Street; and a line 75 feet east of and parallel to South Wallace Street (common address: 518 -- 526 West 26th Street).

[O2024-0012939]

811 West Evergreen LLC (Application Number 22584T1) -- to classify as a B2-5 Neighborhood Mixed-Use District instead of a C3-5 Commercial, Manufacturing and Employment District the area shown on Map Number 3-G bounded by:

West Evergreen Avenue; a line 95 feet west of and parallel to North Halsted Street; a line 125.34 feet south of and parallel to West Evergreen Avenue; and the public alley next west of North Halsted Street (common address: 811 West Evergreen Avenue).

[O2024-0013036]

2300 Clark Development LLC (Application Number 22590) -- to classify as a B3-3 Community Shopping District instead of a B1-3 Neighborhood Shopping District the area shown on Map Number 5-F bounded by:

North Clark Street; a line 234.78 feet north of West Belden Avenue, as measured along the east right-of-way line of North Clark Street and perpendicular thereto; a line 83 feet east of North Clark Street, as measured along the north right-of-way line of West Belden Avenue; and a line 151.78 feet north of West Belden Avenue, as measured along the east right-of-way line of North Clark Street and perpendicular thereto (common address: 2317 North Clark Street).

[O2024-0013053]

4341 North LLC (Application Number 22582) -- to classify as a B1-5 Neighborhood Shopping District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 3-K bounded by:

North Kolin Avenue; the public alley next southwest of and parallel to West Grand Avenue; and a line 111.71 feet east of and perpendicular to North Kolin Avenue (common address: 1541 -- 1543 North Kolin Avenue).

[O2024-0013041]

Referred -- CLAIMS AGAINST CITY OF CHICAGO.

Claims against the City of Chicago, which were *Referred to the Committee on Finance*, filed by the following:

AAA and Boykins, Breanna

[CL2024-0012902]

Acosta, Adolpho

[CL2024-0013101]

10/9/2024

COMMUNICATIONS, ETC.

17419

Aguilar Lara, Juana L.	[CL2024-0012949]
Aina, Fidelis	[CL2024-0012852]
Aleke, Francis	[CL2024-0012960]
Allstate Insurance and Smith, Thomas	[CL2024-0012904]
Beckerley, William	[CL2024-0013115]
Bolton, Frank	[CL2024-0012851]
Brumwell, Lisa A.	[CL2024-0012845]
Buban, Mark C.	[CL2024-0013084]
Cafaro, Polina L.	[CL2024-0012842]
Carlson, Erik J.	[CL2024-0012869]
Chyba, Emily A.	[CL2024-0012933]
Coleman, Shondell D.	[CL2024-0012951]
Crump, Shaunee N.	[CL2024-0012850]
De La O Gonzalez, Carolina E.	[CL2024-0012840]
Dickinson, Lisa Y.	[CL2024-0013100]
Dubovick, Leah	[CL2024-0012906]
Estrada, Aristides T.	[CL2024-0012905]
Evans, Leilani K.	[CL2024-0012830]
Finley, Victoria H.	[CL2024-0013121]
Fortenberry, Kerry B.	[CL2024-0013105]
Garduno, Roberto R.	[CL2024-0012961]
Geico Insurance and Ferrarini, Nancyanne	[CL2024-0012924]
Geico Insurance and Milburn, Rhonda	[CL2024-0012907]

Goduto, Leonard P.	[CL2024-0013116]
Gravenhorst, Abigail E.	[CL2024-0013104]
Grey, Julia	[CL2024-0012950]
Halpern, Justin W.	[CL2024-0012849]
Hamer, Julia M.	[CL2024-0013103]
Hanssel, Matt J.	[CL2024-0012963]
Harrington, Orelia	[CL2024-0013108]
Harwood, Peter G.	[CL2024-0012816]
Holdman, John H.	[CL2024-0012834]
Huerta, Leonor	[CL2024-0013111]
Imbarrato, Josephine	[CL2024-0012867]
Inguagiato, Gerard J.	[CL2024-0012859]
Jennings, Colleen T.	[CL2024-0012900]
Jones, Dale B.	[CL2024-0013099]
Jung, Chaeyeong	[CL2024-0012818]
Karman, Dariusz T.	[CL2024-0013079]
Konow-Muri, Craig A.	[CL2024-0013092]
Korzec, Aneta S.	[CL2024-0012954]
Kpekpe, Tugdial B.	[CL2024-0012831]
Lebaree, Joseph D.	[CL2024-0012868]
Leise, Eric J.	[CL2024-0012962]
Liberty Mutual Insurance and United Parcel Service	[CL2024-0012921]
Little, Thaddeus C.	[CL2024-0012811]

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COMMUNICATIONS, ETC.

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Malnarick, Charles J.	[CL2024-0012895]
Marganavicius, Linas	[CL2024-0013097]
Merced, Ashley M.	[CL2024-0013102]
Metych, Michele W.	[CL2024-0013123]
Molinaro, Gina M.	[CL2024-0013117]
Montalto, Steven A.	[CL2024-0012860]
Morris, Etta D.	[CL2024-0013096]
Morrissey, Raymond (2)	[CL2024-0012927, CL2024-0012928]
Murad, Mona	[CL2024-0013107]
Nadzikewycz, Leonarda	[CL2024-0012858]
Navarro, Jose J.	[CL2024-0013095]
Nelis, Robert L., II	[CL2024-0012827]
Newcombe, Marylou M.	[CL2024-0012843]
Oliver, Sheila	[CL2024-0012889]
Om, Kali	[CL2024-0012936]
Parker, Willis, Jr.	[CL2024-0013120]
Parral, Octavio	[CL2024-0012866]
Pecorin, Paul J.	[CL2024-0012847]
Perez, Marisol	[CL2024-0012982]
Perez Orozco, Victor	[CL2024-0013114]
Perillo, Joseph	[CL2024-0012930]
Phillips, Kiana	[CL2024-0013179]
Pohl, Suzanne C.	[CL2024-0012821]

Powell, Laverne A.	[CL2024-0012833]
Progressive Insurance and Dye, Angela	[CL2024-0012885]
Quinn, Jeffrey M.	[CL2024-0012983]
Rachwalski, Erik J.	[CL2024-0012931]
Rampersad, Bryce M.	[CL2024-0012862]
Rosales, Ramon	[CL2024-0012838]
Sanchez, Eduardo J.	[CL2024-0013122]
Schutte, Andries G.	[CL2024-0013094]
Smith, Brian and Mari-Ann	[CL2024-0013118]
Smith, Catherine M.	[CL2024-0013180]
State Farm Insurance and Hermosa, Javier	[CL2024-0012841]
Stephens, Darryl R.	[CL2024-0012828]
Suchocki, Olivia	[CL2024-0012839]
Swinford, Anna M.	[CL2024-0013093]
Transit General Insurance and Sisay, Wasihun	[CL2024-0012947]
Vanderheide, Graham A.	[CL2024-0012864]
Vasquez, Shuneka	[CL2024-0012812]
Weatherall, Michael	[CL2024-0013081]
White, Sarah N.	[CL2024-0012926]
Williams, Donald M.	[CL2024-0012870]
Williams, Lance (2)	[CL2024-0012809, CL2024-0012810]
Zanayed, Raed	[CL2024-0013090]
Zuniga, Fidencia	[CL2024-0012848]

REPORTS OF COMMITTEES.

COMMITTEE ON FINANCE.

AMENDMENT OF CHAPTER 2-44 OF MUNICIPAL CODE BY ADDING NEW SECTION 2-44-150 AUTHORIZING CEDING OF TAX-EXEMPT PRIVATE ACTIVITY VOLUME CAP TO ILLINOIS HOUSING DEVELOPMENT AUTHORITY AND CHICAGO HOUSING AUTHORITY.

[SO2024-0012429]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred a substitute ordinance concerning an amendment of Municipal Code Chapter 2-44 by adding new Section 2-44-150 authorizing the ceding of tax-exempt private activity volume cap to Illinois Housing Development Authority and the Chicago Housing Authority (SO2024-0012429), having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with no dissenting votes on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed substitute ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago is a home rule unit of government under Article VII, Section 6(a) of the Constitution of the State of Illinois; and

WHEREAS, The City finds that there exists within Chicago a serious shortage of decent, safe, and sanitary housing available to persons of low- and moderate-income; and

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

WHEREAS, Pursuant to Section 146 of the Internal Revenue Code of 1986, as amended, the City, as a constitutional home rule city, is allocated a certain amount of volume cap per calendar year in connection with the issuance of tax-exempt bonds by the City; and

WHEREAS, The City often does not utilize all its volume cap in a given year due to various constraints; and

WHEREAS, The Illinois Private Activity Bond Allocation Act, 30 ILCS 345/1, et seq., as amended, provides, among other things, that the corporate authorities of any home rule unit may reallocate all or any portion of its unused allocation of that year's volume cap to certain eligible entities; and

WHEREAS, For the purpose of constructing affordable housing, the City, from time to time, transfers a portion of that year's volume cap on an ad hoc basis to the Chicago Housing Authority or to the Illinois Housing Development Authority to support their development of affordable housing within Chicago; and

WHEREAS, It is in the best interest of the City to reduce administrative and legislative burdens associated with these transfers; now, therefore,

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

SECTION 1. Chapter 2-44 of the Municipal Code of Chicago is hereby amended by inserting a new Section 2-44-150, as follows:

2-44-150 Reallocation Of Volume Cap.

(a) As used in this section:

“Tax-exempt obligation” means a debt obligation the interest on which is exempt from federal income tax under Section 103 of the Internal Revenue Code, codified at 26 USC § 103.

“Volume cap” has the meaning ascribed to that term in Section 3 of the Illinois Private Activity Bond Allocation Act, codified at 30 ILCS 345/3.

(b) The Commissioner is authorized to reallocate, in accordance with applicable State and federal law and the provisions of this section, to the Chicago Housing Authority and to the Illinois Housing Development Authority one or more amounts of the City’s then-available volume cap for the purpose of developing affordable or mixed-income housing within the City by means of tax-exempt bonds issued by the Chicago Housing Authority or the Illinois Housing Development Authority, respectively.

(c) After considering the best interests of the City and the amount of the City’s volume cap expected to be available on the date of the reallocation, the Commissioner shall determine, from time to time, the amount of a reallocation of the City’s volume cap to the Chicago Housing Authority or to the Illinois Housing Development Authority. No determination shall become effective without the written concurrences of the Chief Financial Officer and the Chair of the Committee on Finance; provided, however, that if the Chair of the Committee on Finance does not transmit a written concurrence or a written explanation of non-concurrence within 10 business days after receiving the Commissioner’s determination, the Chair’s concurrence shall be assumed.

(d) The Commissioner is authorized to charge an administrative fee of 1.5 percent of the amount of the City’s volume cap being reallocated. The Commissioner is authorized to waive such fee pursuant to a determination by the Commissioner that such waiver is in the best economic interests of the City. The Commissioner shall memorialize and maintain on file the justification for any waiver granted.

(e) With the required concurrences under subsection (c) of this section and the approval of the Corporation Counsel as to form and legality, the Commissioner is authorized to enter into one or more intergovernmental agreements, and such other supporting documents as may be necessary, with the Chicago Housing Authority or the Illinois Housing Development Authority, as applicable, for the reallocation of the City’s volume cap. Each intergovernmental agreement may provide for the use or carrying forward of the City’s volume cap in accordance with applicable law, or the return of the City’s reallocated volume cap by the end of the calendar year in which it was reallocated.

(f) The Commissioner shall reallocate the City’s volume cap either:

(1) prior to the issuance of tax-exempt obligations for each respective housing development; or

(2) for reallocations of the City's volume cap to the Illinois Housing Development Authority only, after the issuance of tax-exempt obligations for a particular housing development, provided that the Illinois Housing Development Authority has:

(A) prior to issuing the tax-exempt obligations for each such housing development: (i) identified such housing development to the Department; and (ii) obtained a written promise from the City to reimburse the Illinois Housing Development Authority for the use of the Illinois Housing Development Authority's own volume cap for such housing development; and

(B) enacted an Illinois Housing Development Authority Board of Directors resolution stating that the Illinois Housing Development Authority would not have proceeded with said housing development if it had not received the City's promise to reimburse in the same amount it planned to use for said housing development.

(g) All housing developments for which the Commissioner makes a reallocation of the City's volume cap pursuant to this section must be located within the corporate boundaries of the City.

(h) On or before March 31 of each year, the Commissioner shall submit an annual report to the Committee on Finance regarding all reallocations of the City's volume cap in the preceding calendar year.

SECTION 2. This ordinance shall take effect upon passage and approval.

REDEVELOPMENT AGREEMENT WITH AND ISSUANCE OF FINANCIAL ASSISTANCE TO THE AVE SW LLC FOR ACQUISITION, CONSTRUCTION AND EQUIPPING OF BUILDING AT 3601 -- 3625 W. CHICAGO AVE.

[SO2024-0012440]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred a substitute ordinance concerning the execution of a redevelopment agreement and issuance of Multi-Family Housing Revenue Bonds and other financial assistance with The Ave SW LLC for acquisition, construction

and equipping of four-story building located at 3601 -- 3625 West Chicago Avenue in the 27th Ward (SO2024-0012440), in an amount not to exceed \$20,015,000 in Tax Increment Financing (TIF) funds and \$25,000,000 in tax exempt bonds, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with no dissenting votes on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed substitute ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, By virtue of Section 6(a) of Article VII of the 1970 Constitution (the "Constitution") of the State of Illinois (the "State"), the City of Chicago (the "City") is a home rule unit of government and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

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

WHEREAS, As a home rule unit and pursuant to the Constitution, the City is authorized and empowered to issue multi-family housing revenue obligations for the purpose of financing the cost of the acquisition, construction, rehabilitation, development, and equipping of affordable multi-family housing facilities for low-income, very low-income and extremely low-income individuals and families located in the City ("Multi-Family Housing Financing"); and

WHEREAS, The Ave SW LLC, an Illinois limited liability company (the "Borrower"), the manager and a member of which is POAH Ave MM LLC, an Illinois limited liability company (the "Manager"), of which Preservation of Affordable Housing, Inc., an Illinois not-for-profit corporation, is the manager and a member ("POAH"), intends to acquire land more particularly described on Exhibit F hereto (the "Property"), a portion of which land is commonly known as 3613 -- 3625 West Chicago Avenue, Chicago, Illinois, and currently owned by the City (the "City Land"), and a portion of which land is commonly known as 3601 West Chicago Avenue, Chicago, Illinois, and currently owned by Neighborhood Housing Services of Chicago, Inc., an Illinois-not-for-profit corporation (the "NHS Parcel"), and a portion of which land is comprised of a to-be-vacated public alley (the "Alley"), for which the City Council of the City (the "City Council") authorized such vacation pursuant to an ordinance passed on May 22, 2024, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") for such date at pages 12003 through 12014, and commence and complete construction of a mixed-use residential building for rental to low-income, very low-income and extremely low-income individuals and families, with a total of fifty-two (52) residential units to be located generally at 3601 -- 3625 West Chicago Avenue in Chicago, as further described in Exhibit A (collectively, the "Project"); and

WHEREAS, The appraised fair market value of the City Land as of June 22, 2022, is Two Hundred Forty Thousand and no/100 Dollars (\$240,000.00), and the Borrower has submitted a proposal to the City's Department of Housing ("DOH"), pursuant to which the City would convey the City Land for \$1.00 to the Borrower for use in the Project; and

WHEREAS, The City, through its Department of Planning and Development ("DPD"), issued a Request for Proposals for the sale of the City Land to the public (the "RFP"); and

WHEREAS, DPD received two (2) submissions in response to the RFP, one of which the Borrower submitted; and

WHEREAS, DPD evaluated the proposals on the basis of the criteria set forth in the RFP and determined that the Borrower's proposal best satisfied the goals and objectives of the RFP; and

WHEREAS, Pursuant to its Resolution 24-CDC-28 adopted by the Community Development Commission of the City of Chicago (the "Commission") on July 9, 2024, the Commission recommended the designation of the Developer (as defined below) as the developer for the Project and authorized the City to negotiate, execute and deliver a redevelopment agreement with the Developer for the Project; and

WHEREAS, By Resolution Number 24-029-21, adopted on June 20, 2024, the Chicago Plan Commission approved the disposition of the City Land; and

WHEREAS, The City Council adopted an ordinance (the "Inducement Ordinance") on May 22, 2024 and published at pages 11631 -- 11633 of the *Journal* for such date, preliminarily approving the Project and evidencing the City's intent to issue multi-family housing revenue bonds, notes or other indebtedness in order to provide financing for costs associated with the Project; and

WHEREAS, The Borrower desires to obtain Multi-Family Housing Financing from the City for the purpose of financing the acquisition, construction and equipping of the Project, and to pay a portion of the costs of issuance of the Bonds (as defined herein) and other costs incurred in connection therewith; and

WHEREAS, By this ordinance, the City Council has determined that it is necessary and in the best interests of the City to provide Multi-Family Housing Financing to the Borrower, to pay a portion of the costs of acquiring, constructing and equipping the Project, by issuing a series of tax-exempt revenue bonds and using the proceeds of the sale thereof to make an additional loan to the Borrower to finance a portion of the costs of the Project (the "Borrower Loan"); and

WHEREAS, By this ordinance, the City Council has determined that it is necessary and in the best interests of the City to borrow money for the purposes set forth above and in evidence of its limited, special obligation to repay that borrowing, to issue its Multi-Family Housing Revenue Bonds (The Ave SW Project), Series 2024 (the "Bonds"); and

WHEREAS, In connection with the issuance of the Bonds, the City Council has determined by this ordinance that it is necessary and in the best interests of the City to enter into: (i) a Bond Indenture (the "Indenture") between the City and a trustee (the "Trustee") to be selected by the Chief Financial Officer (as defined below), providing for the security for and terms and conditions of the Bonds to be issued; (ii) a Loan Agreement (the "Loan Agreement") among the City, the Borrower and the Trustee providing for the use of the proceeds of the Bonds to make a loan to the Borrower, the proceeds of which will finance a portion of the costs of the Project; (iii) a Bond Purchase Agreement among the City, the Borrower and one or more underwriters for the Bonds, or, alternatively, another sale agreement among the City, the Borrower and one or more purchasers of the Bonds (in each case, a "Bond Purchase Agreement") providing for the sale of the Bonds and the preparation and circulation, if necessary, of a preliminary official statement for the Bonds or, alternatively, another type of disclosure document prepared in connection with the offer and sale of the Bonds (in either case, a "Preliminary Official Statement") and a final official statement or alternative disclosure document prepared in connection with the offer and sale of the Bonds (the "Official Statement"); (iv) a Tax Regulatory Agreement and/or a tax certificate (a "Tax Agreement") between the City and the Borrower; and (v) into a Land-Use Restriction Agreement between the City and the Borrower (the "Land-Use Restriction Agreement"); and

WHEREAS, The principal and interest on the Bonds will be secured by, among other things, Eligible Funds (as defined in the Indenture), which, in the aggregate, do not exceed the amount set forth in the Indenture; and

WHEREAS, The Bonds and the obligation to pay interest thereon do not now and shall never constitute an indebtedness of or an obligation of the City, the State or any political subdivision thereof, within the purview of any Constitutional limitation or statutory provision, or a charge against the general credit or taxing powers of any of them. No owner of the Bonds shall have the right to compel the taxing power of the City, the State or any political subdivision thereof to pay any principal installment of, prepayment premium, if any, or interest on the Bonds; and

WHEREAS, Pursuant to ordinances adopted on February 27, 2002, and published in the *Journal* for such date at pages 79794 through 80025, and as subsequently amended (the "TIF Ordinance"), the City Council approved and adopted a certain redevelopment plan and project (the "Redevelopment Plan") for a portion of the City known as the Chicago/Central Park Redevelopment Project Area (the "Redevelopment Area") in accordance with the provisions of the Illinois Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS 5/11-74.4-1, et seq. (the "Act"); and

WHEREAS, The Borrower and its affiliate POAH TIF LLC, an Illinois limited liability company (collectively, the "Developer") will be obligated to undertake the Project and DPD is willing to have the Developer undertake the Project in accordance with the terms and conditions of the Redevelopment Plan and a proposed redevelopment agreement (the "Redevelopment Agreement") to be executed by the Developer and the City; and

WHEREAS, The Project will be financed in part by a grant in an amount not to exceed \$20,015,000 funded from certain ad valorem taxes which, pursuant to Section 5/11-74.4-8(b) of the Act ("Incremental Taxes"), are deposited into a special tax allocation fund created by the City (the "TIF Fund") to pay 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; and

WHEREAS, The Project is necessary for the redevelopment of the Redevelopment Area; and

WHEREAS, Pursuant to an ordinance adopted on October 27, 2021, and published at pages 40213 through 40503 of the *Journal* for such date, the City Council authorized the issuance of taxable general obligation bonds in one or more series, in an aggregate principal amount not to exceed \$660,000,000 for the Chicago Recovery Plan to finance the costs of the Recovery Purposes (as defined therein); and

WHEREAS, DOH has preliminarily reviewed and approved the making of a loan to the Borrower in an amount not to exceed \$4,200,000 (the "City Loan"), to be funded from Chicago Recovery Plan funds pursuant to the terms and conditions set forth in Exhibit A hereto; and

WHEREAS, There has been presented to this meeting of the City Council forms of the following documents in connection with the partial financing of the Project:

- (a) the form of Indenture, which includes a form of the Bonds to be issued by the City (attached as Exhibit B hereto);
- (b) the form of Loan Agreement (attached as Exhibit C hereto);
- (c) the form of the Land-Use Restriction Agreement (attached as Exhibit D hereto);
- (d) the form of Redevelopment Agreement (attached as Exhibit E hereto); and

WHEREAS, The Borrower now desires to obtain financing for the Project from various sources including, but not limited to, the Borrower Loan, all such financing as described in Exhibit A hereto; now, therefore,

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

SECTION 1. Incorporation Of Recitals. The recitals contained in the preambles to this ordinance are hereby incorporated into this ordinance by this reference. All capitalized terms used in this ordinance, unless otherwise defined herein, shall have the meanings ascribed thereto in the Indenture.

SECTION 2. Findings And Determinations. The City Council hereby grants authority to the Chief Financial Officer (the Chief Financial Officer, being referred to herein as the "Authorized Officer") to determine to sell the Bonds on such terms as and to the extent such officer determines that such sale or sales is desirable and in the best financial interest of the City. Any such designation and determination by the Authorized Officer shall be signed in writing by the Authorized Officer and filed with the City Clerk and shall remain in full force and effect for all purposes of this ordinance unless and until revoked, such revocation to be signed in writing by the Authorized Officer and filed with the City Clerk. As used herein, the term "Chief Financial Officer" shall have the meaning given to such term in Section 1-4-090(k) of the Municipal Code of Chicago (the "Municipal Code").

SECTION 3. Authorization Of Bonds. Upon the approval and availability of the additional financing as shown in Exhibit A (the "Additional Financing"), the issuance of the Bonds in an aggregate principal amount of not to exceed Twenty-five Million Dollars (\$25,000,000) is hereby authorized.

The Bonds shall contain a provision that they are issued under authority of this ordinance. The Bonds shall not mature later than four years after the date of issuance thereof. The Bonds shall bear interest at a rate or rates not to exceed six percent (6.0%), payable on the interest payment dates as set forth in the Indenture. The Bonds shall be dated, shall be subject to redemption or tender prior to maturity, shall be payable in such places and in such manner and shall have such other details and provisions as prescribed by the Indenture and the form of the Bonds therein.

The provisions for execution, signatures, authentication, payment and prepayment, with respect to the Bonds shall be as set forth in the Indenture and the form of the Bonds therein.

The Authorized Officer is hereby authorized to execute and deliver the Indenture on behalf of the City, such Indenture to be in substantially the form attached hereto as Exhibit B and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the City Council's approval of any changes or revisions from the form of the Indenture attached to this ordinance.

The Authorized Officer is hereby authorized to execute and deliver the Loan Agreement on behalf of the City, such Loan Agreement to be in substantially the form attached hereto as Exhibit C and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the City Council's approval of any changes or revisions from the form of the Loan Agreement attached to this ordinance.

The Authorized Officer is hereby authorized to execute and deliver a Tax Certificate and Agreement on behalf of the City, in substantially the form of tax regulatory agreements used in previous issuances of tax-exempt bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder, and with such other revisions in text as the Authorized Officer executing the same shall determine are necessary or desirable in connection with the exclusion from gross income for federal income tax purposes of interest on the Bonds. The execution of the Tax Regulatory Agreement by the Authorized Officer shall be deemed conclusive evidence of the approval of the City Council of the terms provided in the Tax Regulatory Agreement.

The Authorized Officer is hereby authorized to execute and deliver the Land-Use Restriction Agreement on behalf of the City in connection with the issuance of the Bonds, such Land-Use Restriction Agreement to be in substantially the form attached hereto as Exhibit D and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the City Council's approval of any changes or revisions from the form of the Land-Use Restriction Agreement attached to this ordinance.

The City Clerk or Deputy City Clerk is hereby authorized to attest the signature of the Authorized Officer to any document referenced herein and to affix the seal of the City to any such document.

SECTION 4. Security For The Bonds. The Bonds shall be limited obligations of the City, payable solely from: (i) all right, title and interest of the City in and to all revenues, derived or to be derived by the City under the terms of the Indenture and the Loan Agreement (other than certain reserved rights of the City); (ii) the proceeds of the Bonds and income from the temporary investment thereof, as provided in the Indenture; and (iii) all funds, monies and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds by the City or by anyone on its behalf. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds, such rights, proceeds and investment income are hereby pledged to the extent and for the purposes as provided in the Indenture and are hereby appropriated for the purposes set forth in the Indenture. The Indenture shall set forth such covenants with respect to the application of such rights, proceeds and investment income as shall be deemed necessary by the Authorized Officer in connection with the sale of the Bonds.

SECTION 5. Sale And Delivery Of Bonds. The Bonds shall be sold and delivered to, or upon the direction of, one or more underwriters (the "Underwriters") to be selected by the Authorized Officer, subject to the terms and conditions of the Bond Purchase Agreement, or, alternatively, are hereby authorized to be sold and delivered directly to one or more investors to be selected by the Authorized Officer subject to the terms and conditions of the Bond Purchase Agreement. The Authorized Officer is authorized to execute and deliver on behalf of the City, with the concurrence of the Chairman of the Committee on Finance of the City Council, the Bond Purchase Agreement in substantially the form of bond purchase agreements used in previous sales of bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and the fact that the Bonds may be sold to certain institutional investors at a premium or discount, and with such other revisions in text as the Authorized Officer shall determine are necessary or desirable in connection with the sale of the Bonds. The execution of the Bond Purchase Agreement by the Authorized Officer shall be deemed conclusive evidence of the approval of the City Council of the terms provided in the Bond Purchase Agreement. The distribution of the Preliminary Official Statement and the Official Statement to prospective purchasers of the Bonds and the use thereof by the Underwriters in connection with the offering and sale of the Bonds are hereby authorized, provided that the City shall not be responsible for the content of the Preliminary Official Statement or the Official Statement except as specifically provided in the Bond Purchase Agreement executed by the Authorized Officer, and provided further that, if the Bonds are sold directly to institutional investors, the City may forgo the use of a Preliminary Official Statement or Official Statement, but only if such institutional investors execute and deliver to the City "sophisticated investor" letters satisfactory to the Authorized Officer. The compensation paid to the Underwriters in connection with the sale of the Bonds shall not exceed three quarters of one percent (0.75%) of the aggregate principal purchase price of the Bonds, exclusive of legal cost in connection therewith. In connection with the offer and delivery of the Bonds, the Authorized Officer, and such other officers of the City as may be necessary, are authorized to execute and deliver such instruments and documents as may be necessary to implement the transaction and to affect the issuance and delivery of the Bonds. Any limitation on the amount of Bonds issued pursuant to this ordinance as set forth herein shall be exclusive of any original issue discount or premium.

SECTION 6. Notification Of Sale. Subsequent to the sale of the Bonds, the Authorized Officer shall file in the Office of the City Clerk a Notification of Sale for the Bonds directed to the City Council setting forth: (i) the aggregate original principal amount of, sale price, maturity schedule, redemption provisions for and nature of the Bonds sold; (ii) the extent of any tender rights to be granted to the holder of the Bonds, including, without limitation, the right of the holder to tender the Bonds in exchange for one or more mortgage-backed securities held by the Trustee under the Indenture; (iii) the identity of the Trustee; (iv) the interest rates on the Bonds; (v) the identity of any underwriters or institutional investors who purchase the Bonds directly from the City or through the Underwriters; and (vi) the compensation paid to the Underwriters in connection with such sale. There shall be attached to such notification the final form of the Indenture.

SECTION 7. Use Of Proceeds. The proceeds from the sale of the Bonds shall be deposited as provided in the Indenture and used for the purposes set forth in the seventh paragraph of the recitals of this ordinance.

SECTION 8. Additional Authorization. The Mayor, the Authorized Officer, the City Treasurer and, upon the approval and availability of the Additional Financing, the Commissioner of Housing (the "Commissioner") is hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are each hereby authorized to enter into, execute and deliver such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the Bonds, including, but not limited to, the exercise following the delivery date of the Bonds of any power or authority delegated to such official under this ordinance with respect to the Bonds upon original issuance, but subject to any limitations on or restrictions of such power or authority as herein set forth.

SECTION 9. Proxies. The Mayor and the Authorized Officer may each designate another to act as their respective proxy and to affix their respective signatures to each of the Bonds, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by the Mayor or the Authorized Officer pursuant to this ordinance or the Indenture. In each case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor and the Authorized Officer, respectively. A written signature of the Mayor or the Authorized Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with signatures attached, shall be recorded in the *Journal* and filed with the City Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the Mayor in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of the Authorized Officer is so affixed to an instrument, certificate or document at the direction of the Authorized Officer in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Authorized Officer in person.

SECTION 10. Volume Cap. The Bonds are obligations taken into account under Section 146 of the Code in the allocation of the City's volume cap.

SECTION 11. Public Hearing. The City Council directs that the Bonds shall not be issued unless and until the requirements of Section 147(f)(1) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied, and that no contract, agreement or commitment to issue the Bonds shall be executed or undertaken prior to satisfaction of the requirements of Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. To the extent that the requirements of Section 147(f)(1) of the Code, including the public hearing, have occurred prior to the date of this ordinance, this ordinance constitutes approval for purposes of Section 147(f) of the Code. The Authorized Officer is hereby authorized to prepare and publish notices, conduct hearings and take such other actions as are necessary to comply with the requirements of Section 147(f) of the Code. All such actions taken prior to the enactment of this ordinance are ratified and confirmed.

SECTION 12. Developer Designation. The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 13. Redevelopment Agreement. Upon the approval and availability of the Additional Financing, the City is hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver the Redevelopment Agreement and such other supporting documents as may be necessary to carry out and comply with the provisions of such agreements, with such changes, deletions and insertions as shall be approved by the persons executing such agreements. The Redevelopment Agreement shall be in substantially the form attached hereto as Exhibit E and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized DPD Officer (as hereinafter defined) executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval of any changes or revisions from the form of Redevelopment Agreement attached to this ordinance.

SECTION 14. Payment Of Incremental Taxes. The City Council hereby finds that the City is authorized to pay an aggregate amount not to exceed \$20,015,000 ("City Funds") from Incremental Taxes deposited in the general account of the TIF Fund (the "General Account") to the Developer to finance a portion of the eligible costs included within the Project. The proceeds of the City Funds are hereby appropriated for the purposes set forth in this Section 14.

SECTION 15. Maintenance And Use Of TIF Fund. Pursuant to the TIF Ordinance, the City has created the TIF Fund. The Chief Financial Officer (or his or her designee) is hereby directed to maintain the TIF Fund as a segregated interest-bearing account, separate and apart from the City's Corporate Fund or any other fund of the City. Pursuant to the TIF Ordinance, all Incremental Taxes received by the City for the Area shall be deposited into the TIF Fund. The City shall use the funds in the TIF Fund to make payments pursuant to the terms of the Redevelopment Agreement.

SECTION 16. Conveyance Of The City Land. The conveyance of the City Land to the Borrower for \$1.00 is hereby approved. The Mayor or a proxy of the Mayor is authorized to execute, and the City Clerk or the Deputy City Clerk is authorized to attest, one or more quitclaim deeds conveying the City Land and, if the City was in title to the City Land when the alley was vacated, such deed also shall convey the City's interest in the vacated alley, to the Borrower, or to a land trust of which the Borrower is the sole beneficiary, or to an entity of which the Borrower is the sole owner and the controlling party, or to an entity with the same owners (including percentages of ownership interest) and controlling parties as to the Borrower, subject to those covenants, conditions and restrictions set forth in the Redevelopment Agreement.

SECTION 17. Authorization Of Fees And Expenses. The following fees and expenses are hereby authorized in connection with the Bonds: (i) an Issuer Fee in an amount equal to 1.5 percent of the par amount of the Bonds, payable to the City on the date of issuance of the Bonds; (ii) a Bond Legal Reserve Fee in the amount of 0.1 percent of the par amount of the Bonds, payable to the City on the date of issuance of the Bonds (such fee to be used to pay for other legal and other fees incurred by the City in connection with private activity bonds issued by the City); and (iii) a City Administrative Fee in an amount equal to 0.15 percent of the outstanding principal of the Bonds, accruing monthly but payable to the City on a semi-annual basis.

SECTION 18. City Loan Authorization. Upon the approval and availability of the Additional Financing, the Commissioner is hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the City Loan. The Commissioner is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the City Loan that do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Commissioner is hereby authorized to disburse the proceeds of the City Loan to the Borrower.

SECTION 19. Additional Authorization. Each Authorized Officer, the City Treasurer, and, upon the approval and availability of the Additional Financing, the Commissioner or a designee thereof (the "Authorized DOH Officer"), and the Commissioner of Planning and Development or a designee thereof (the "Authorized DPD Officer") are each hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are each hereby authorized to enter into, execute and deliver such other documents and agreements, including, without limitation, any documents necessary to evidence the receipt or assignment of any collateral for the Loan Agreement from the Borrower, and perform such other acts as may be necessary or desirable in connection with this ordinance, the Indenture, the Loan Agreement, the Tax Agreement, the Land-Use Restriction Agreement, the Bond Purchase Agreement or the Redevelopment Agreement (the "City Agreements"), including, but not limited to, the exercise following the delivery date of the City Agreements of any power or authority delegated to such official under this ordinance with respect to the City Agreements upon original execution and delivery, but subject to any limitations on or restrictions of such power or authority as herein set forth. Notwithstanding anything contained herein, if any portion of the Additional Financing is not approved and available at such time as an Authorized Officer, the Authorized DPD Officer and the Authorized DOH Officer otherwise deem it in the best interest of the City to execute the City Agreements, then such Authorized Officer, the Authorized DPD Officer and the Authorized DOH Officer may so execute the City Agreements (with such changes thereto as such Authorized Officer, the Authorized DPD Officer and the Authorized DOH Officer deem necessary and advisable) and any necessary ancillary documents and may impose such conditions upon the approval and availability of such Additional Financing as they deem necessary and advisable.

SECTION 20. Separability. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 21. Inconsistent Provisions. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 22. No Impairment. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to impair the validity of this ordinance or the instruments authorized by this ordinance or to render any agreement or instrument authorized hereby voidable at the option of the City or to impair the rights of the owners of

the Bonds to receive payment of the principal of, premium, if any, or interest on the Bonds or to impair the security for the Bonds; provided further, however, that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision under the Municipal Code. Sections 2-44-080, 2-44-085, 2-44-090, 2-44-100 and 2-44-105 of the Municipal Code shall not apply to the Project or the Property.

SECTION 23. Effective Date. This ordinance shall be in full force and effect immediately upon its passage and approval.

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

Exhibit "A".
(To Ordinance)

Borrower: The Ave SW LLC, an Illinois limited liability company and single purpose entity created for the purposes of owning the Project (the "Borrower"), the manager and a member of which is POAH Ave MM LLC, an Illinois limited liability company (the "Manager"), of which Preservation of Affordable Housing, Inc., is the manager and a member ("POAH").

Project: Acquisition, construction and equipping of a four-story building located generally at 3601 -- 3625 West Chicago Avenue in Chicago, Illinois (the "Property") to contain fifty-two (52) residential units, including twenty-six (26) one-bedroom units, twenty-three (23) two-bedroom units and three (3) three-bedroom units for low-income, very low-income and extremely low-income families, along with certain common areas, including a community space in which Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation, will offer homeownership programs and education, laundry facilities, and approximately twenty-eight (28) enclosed parking spaces (the "Facility") thereon. Within the Facility, there will be a separate parcel for Neighborhood Housing Services of Chicago, Inc. to use as new offices.

1. Bonds:

Amount: Not to exceed \$25,000,000.

Source: Proceeds from the issuance of the Bonds.

Term: 4 years or another term acceptable to the Authorized Officer.

Interest: 6 percent or such other rate acceptable to the Authorized Officer.

Security: Eligible Funds.

Additional Financing:**1. Construction Loan:**

- Amount:** \$25,000,000*, or another amount acceptable to the Authorized DOH Officer.
- Term:** 5 years, or another term acceptable to the Authorized DOH Officer.
- Source:** Bank of America, N.A., or another source acceptable to the Authorized DOH Officer.
- Interest:** Daily SOFR + 260 basis points, or another rate acceptable to the Authorized DOH Officer.
- Security:** Mortgage on the Project (the "Senior Mortgage").

2. City Loan:

- Amount:** Not to exceed \$4,200,000.
- Source:** Chicago Recovery Plan Funds or such other source acceptable to the Authorized DOH Officer.
- Term:** 40 years plus construction period or such other term acceptable to the Authorized DOH Officer.
- Interest:** 4 percent per annum or such other rate acceptable to the Authorized DOH Officer.
- Security:** Mortgage on the Project; junior to the Senior Mortgage, and/or such other security acceptable to the Authorized DOH Officer (the "City Mortgage").

* To be repaid with a portion of the syndication of the low-income housing tax credit allocation by the City, the City Loan and the TIF Loan.

3. TIF Loan:

- Amount: Not to exceed \$20,015,000.
- Source: Available Incremental Taxes from the City of Chicago, Chicago/Central Park Redevelopment Project Area granted pursuant to the Redevelopment Agreement.
- Term: 50 years plus construction period or such other term acceptable to the Authorized DOH Officer.
- Interest: 4 percent per annum or such other interest rate acceptable to the Authorized DOH Officer.
- Security: A mortgage lien on the Project junior to the lien of the Senior Mortgage and the City Mortgage (the "TIF Mortgage").

4. Sponsor Loan:

- Amount: \$750,000 or such other amount acceptable to the Authorized DOH Officer.
- Source: POAH, from available nonprofit corporate funds.
- Term: 50 years plus construction period or such other term acceptable to the Authorized DOH Officer.
- Interest: 7.5 percent per annum or such other interest rate acceptable to the Authorized DOH Officer.
- Security: A mortgage lien on the Project Property junior to the lien of the Senior Mortgage, the City Mortgage and the TIF Mortgage or otherwise acceptable to the Authorized DOH Officer.

5. Low-Income Housing Tax Credit ("LIHTC") and Investment Tax Credit ("ITC") Equity:

- Proceeds: Approximately \$19,559,034 or such other amount acceptable to the Authorized DOH Officer, all or a portion of which may be paid in on a delayed basis.
- Source: To be derived from the syndication of the LIHTCs generated by the issuance of the Bonds and the syndication of the ITCs generated by the construction of qualifying energy property.

Exhibit "B".
(To Ordinance)

Bond Indenture.

THIS INDENTURE ("**Indenture**"), dated as of _____ 1, 2024, between the **CITY OF CHICAGO**, a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "**Issuer**"), and **ZIONS BANCORPORATION, NATIONAL ASSOCIATION**, a national banking association, as Trustee (such trustee or any of its successors in trust, the "**Trustee**").

RECITALS

WHEREAS, pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois and pursuant to the hereinafter defined Ordinance of the Issuer, the Issuer is authorized to exercise any power and perform any function pertaining to its government and affairs, including the power to issue its revenue bonds in order to aid in providing an adequate supply of residential housing for low and moderate income persons or families within the Issuer, which constitutes a valid public purpose for the issuance of revenue bonds by the Issuer;

WHEREAS, the Issuer has determined to issue, sell and deliver its \$_____ Multi-Family Housing Revenue Bonds (The Ave SW Project), Series 2024 (the "**Bonds**") pursuant to the Indenture, from the Issuer to the Trustee, and to lend the proceeds thereof to the Borrower for the purpose of financing the acquisition, construction and equipping of a four-story building located generally at 3601-3625 West Chicago Avenue in Chicago, Illinois (the "**Property**"), to contain fifty-two (52) residential units, including twenty-six (26) one-bedroom units, twenty-three (23) two-bedroom units and three (3) three-bedroom units for low-income, very low-income and extremely low-income families, along with certain common areas, including a community space in which Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation, will offer homeownership programs and education, laundry facilities, and approximately twenty-eight (28) enclosed parking spaces (collectively, the "**Project**") to be known as The Ave SW; and

WHEREAS, the Borrower desires to obtain Multi-Family Housing Financing from the City for the purpose of financing the acquisition, construction and equipping of the Project, as further defined in **Exhibit A**), and to pay a portion of the costs of issuance and other costs incurred in connection therewith; and

WHEREAS, the Issuer will loan the proceeds of the Bonds to the Borrower by entering into a Loan Agreement dated as of _____ 1, 2024, by and among the Issuer, the Borrower, and the Trustee (the "**Loan Agreement**") and the Bonds shall be payable solely from the revenues received by the Issuer from the repayment of the loan of the proceeds of the Bonds to the Borrower (the "**Loan**") and from other revenues derived from the Loan and the Bonds; and

WHEREAS, the Bonds will be secured by this Indenture, and the Issuer is authorized to execute and deliver this Indenture and to do or cause to be done all acts provided or required herein to be performed on its part;

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal limited obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the amounts assigned and pledged to the payment of the principal of, premium, if any, and interest on the Bonds and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, that to secure the payment of Bond Service Charges (as defined herein) on the Bonds according to their true intent and meaning, to secure the performance and observance of all of the covenants, agreements, obligations and conditions contained therein and herein, and to declare the terms and conditions upon and subject to which the Bonds are and are intended to be issued, held, secured and enforced, and in consideration of the premises and the acceptance by the Trustee of the trusts created herein and of the purchase and acceptance of the Bonds by the Holders, and for other good and valuable consideration, the receipt of which is acknowledged, the Issuer has executed and delivered this Indenture and absolutely assigns hereby to the Trustee (except Reserved Rights), and to its successors in trust, and its and their assigns, all right, title and interest of the Issuer in and to:

GRANTING CLAUSES

For the equal and proportionate benefit, security and protection of the Bonds issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the others of the Bonds:

(i) the Revenues (as defined herein), including, without limitation, all Loan Payments (as defined herein), Eligible Funds (as defined herein) and other amounts receivable by or on behalf of the Issuer under the Loan Agreement in respect of repayment of the Loan,

(ii) the Special Funds (as defined herein), including all accounts in those Special Funds and all money deposited therein and the investment earnings on such money,

(iii) subject to the provisions of the Ordinance, all right, title and interest of the Issuer in the proceeds derived from the sale of the Bonds, and any securities in which money in the Special Funds are invested, and (except for money required to be rebated to the United States of America under the Code) the proceeds derived therefrom, and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred, as and for additional security hereunder by the Issuer or by anyone on its behalf, or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of this Indenture,

(iv) the Note (as defined herein), and

(v) the Loan Agreement, except for the Reserved Rights (the foregoing collectively referred to as the "Trust Estate").

PROVIDED, HOWEVER, AND NOTWITHSTANDING THE FOREGOING, THE TRUST ESTATE SHALL NOT INCLUDE THE REBATE FUND OR ANY MONEYS OR INVESTMENTS REQUIRED TO BE DEPOSITED INTO THE REBATE FUND;

TO HAVE AND TO HOLD unto the Trustee and its successors in that trust and its and their assigns forever;

BUT IN TRUST, NEVERTHELESS, and subject to the provisions hereof,

(a) except as provided otherwise herein, for the equal and proportionate benefit, security and protection of all present and future Holders of the Bonds issued or to be issued under and secured by this Indenture,

(b) for the enforcement of the payment of the principal of and interest on the Bonds, when payable, according to the true intent and meaning thereof and of this Indenture, and

(c) to secure the performance and observance of and compliance with the covenants, agreements, obligations, terms and conditions of this Indenture,

in each case, without preference, priority or distinction, as to lien or otherwise, of any one Bond over any other by reason of designation, number, date of the Bonds or of authorization, issuance, sale, execution, authentication, delivery or maturity thereof, or otherwise, so that each Bond and all Bonds shall have the same right, lien and privilege under this Indenture and shall be secured equally and ratably hereby, it being intended that the lien and security of this Indenture shall take effect from the date hereof, without regard to the date of the actual issue, sale or disposition of the Bonds, as though upon that date all of the Bonds were actually issued, sold and delivered to purchasers for value; provided, however, that

- (i) if the principal of the Bonds and the interest due or to become due thereon shall be well and truly paid, at the times and in the manner to which reference is made in the Bonds, according to the true intent and meaning thereof, or the Outstanding Bonds (as defined herein) shall have been paid and discharged in accordance with Article IX hereof,
- (ii) if all of the covenants, agreements, obligations, terms and conditions of the Issuer under this Indenture shall have been kept, performed and observed and there shall have been paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, and
- (iii) this Indenture and the rights assigned hereby shall cease, determine and be void, except as provided in Section 9.02 hereof with respect to the survival of certain provisions hereof; otherwise, this Indenture shall be and remain in full force and effect.

It is declared that all Bonds issued hereunder and secured hereby are to be issued, authenticated and delivered, and that the Trust Estate assigned hereby is to be dealt with and disposed of under, upon and subject to, the terms, conditions, stipulations, covenants, agreements, obligations, trusts, uses and purposes provided in this Indenture. The Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with each and all Holders, as follows:

ARTICLE 1 DEFINITIONS

Section 1.01 Definitions. The terms defined in this Section 1.01 or in the Recitals hereto (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section 1.01 or in the Recitals hereto.

“Act of Bankruptcy” means the filing of a petition in bankruptcy (or other commencement of a bankruptcy, insolvency or similar proceeding) by or against the Borrower under any applicable bankruptcy, insolvency, reorganization or similar law, as now or hereafter in effect.

"Additional Payments" means the amounts required to be paid by the Borrower pursuant to the provisions of Section 4.04 of the Loan Agreement.

"Administrative Expenses" means the Issuer Fee, the City Administrative Fee, the Ordinary Trustee Fees and Expenses and the Dissemination Agent Fee.

"Affiliated Party" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" when used with respect to any specified Person means the power to direct the policies of such Person, directly or indirectly, whether through the power to appoint and remove its directors, the ownership of voting securities, by contract, or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Authorized Borrower Representative" means any person who, at any time and from time to time, is designated as the Borrower's authorized representative by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by or on behalf of any authorized general partner of the Borrower if the Borrower is a general or limited partnership, by any authorized managing member of the Borrower if the Borrower is a limited liability company, or by any authorized officer of the Borrower if the Borrower is a corporation, which certificate may designate an alternate or alternates. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the Issuer) a written certificate revoking such person's authority to act in such capacity.

"Authorized Denomination" means \$5,000, or any integral multiple of \$1,000 in excess thereof.

"Authorized Issuer Representative" means any person or persons specifically authorized by the Ordinance to take the action intended. The identity of each Authorized Issuer Representative shall be evidenced by a certificate containing the specimen signature of such person and such person's telephone number and signed on behalf of the Issuer.

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as in effect now and in the future, or any successor statute.

"Beneficial Owner" means with respect to the Bonds, the Person owning the Beneficial Ownership Interest therein.

"Beneficial Ownership Interest" means the right to receive payments and notices with respect to the Bonds held in a Book-Entry System.

"Bond Counsel" means Miller, Canfield, Paddock and Stone, P.L.C., Clark Hill PLC, or any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America or the District of Columbia.

"Bond Fund" means the Bond Fund created in Section 4.01 hereof.

"Bond Payment Date" means each Interest Payment Date and any other date Bond Service Charges on the Bonds are due, whether at maturity, upon redemption, Mandatory Tender or acceleration or otherwise.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated _____, 2024, among the Underwriter, the Issuer and the Borrower.

"Bond Service Charges" means, for any period or payable at any time, the principal of and interest on the Bonds for that period or payable at that time whether due at maturity or upon redemption, Mandatory Tender or acceleration.

"Bond Year" means each annual period of twelve months ending on _____ 1 as applicable; provided, however, that the first annual period commences on the date of the original issuance and delivery of the Bonds and ends on _____ 1, 2025 and the last of which ends on the maturity of the Bonds.

"Bonds" means the Issuer's Multi-Family Housing Revenue Bonds (The Ave SW Project), Series 2024 in the aggregate principal amount of \$_____ issued under and secured by this Indenture.

"Book-Entry Form" or "Book-Entry System" means, with respect to the Bonds, a form or system, as applicable, under which (a) physical Bond certificates in fully registered form are issued only to a Securities Depository or its nominee, with the physical Bond certificates "immobilized" in the custody of the Securities Depository and (b) the ownership of book-entry interests in Bonds and Bond Service Charges thereon may be transferred only through a book-entry made by others than the Issuer or the Trustee. The records maintained by others than the Issuer or the Trustee constitute the written record that identifies the owners, and records the transfer, of book-entry interests in those Bonds and Bond Service Charges thereon.

"Borrower" means The Ave SW LLC, a limited liability company organized under the laws of the State of Illinois, and its successors and assigns.

"Borrower Documents" when used with respect to the Borrower, means all documents and agreements executed and delivered by the Borrower as security for or in connection with the issuance of the Bonds, including but not limited to, the Financing Documents [and the [Construction Loan Documents] [City Loan Documents] [Subordinate Loan Documents]. The Borrower Documents do not include any documents or agreements to which the Borrower is not a direct party, including the Bonds or this Indenture.

"Business Day" means any day of the year on which (i) banks located in the City of Chicago and the city in which the principal office of the Trustee is located, are not required or authorized to remain closed and (ii) The New York Stock Exchange is not closed.

"Cash Flow Projection" means a written cash flow projection prepared by an Independent firm of certified public accountants, a financial advisory firm, a law firm or other Independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrower and acceptable to the Rating Agency, establishing the sufficiency of (a) the amount on deposit in the Special Funds, (b) projected investment income to accrue on amounts on deposit in the Special Funds during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower to pay Bond Service Charges and the Administrative Expenses, in each instance,

when due and payable, including, but not limited to, any cash flow projection prepared in connection with (i) the initial issuance and delivery of the Bonds, (ii) a proposed remarketing of the Bonds, as provided in Section 3.07 hereof, (iii) the release of Eligible Funds from the Negative Arbitrage Account, as provided in Section 4.03 hereof, and (iv) the purchase, sale or exchange of Eligible Investments as provided in Section 4.10 hereof.

"Certificate of the Issuer," "Statement of the Issuer," "Request of the Issuer" and "Requisition of the Issuer" mean, respectively, a written certificate, statement, request or requisition, with or without the seal of the Issuer, signed in the name of the Issuer by an Authorized Issuer Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and if so combined shall be read and construed as a single instrument.

"City Administrative Fee" means the City Administrative Fee to be paid by the Trustee on behalf of the Borrower to the Issuer, described in Section 4.15 of this Indenture.

"City Loan" means a loan made by the Issuer to the Borrower in the aggregate principal amount of \$4,200,000 with respect to the Project.

"City Loan Documents" means the mortgage, mortgage note and all other documents required by the Issuer in connection with the City Loan.

"Closing Date" means the initial date of delivery of the Bonds in exchange for the purchase price of the Bonds sized as set forth in Section 2.13(b).

"Code" means the Internal Revenue Code of 1986, and any regulations thereunder applicable to the Bonds.

"Collateral Fund" means the Collateral Fund created in Section 4.01 hereof.

"Completion Certificate" means the certificate attached as Exhibit C to the Loan Agreement.

"Completion Date" means the date of the completion of the construction of the Project, as that date shall be certified as provided in Section 3.09 of the Loan Agreement.

"Confirmation of Rating" means a written confirmation, obtained prior to the event or action under scrutiny, from the Rating Agency to the effect that, following the proposed action or event under scrutiny at the time such confirmation is sought, the rating of the Rating Agency with respect to all Bonds then Outstanding and then rated by the Rating Agency will not be downgraded, suspended, qualified or withdrawn as a result of such action or event.

"Construction Lender" means Bank of America, N.A.

"Construction Loan" means a loan made by the Construction Lender to the Borrower in the principal amount of \$_____ with respect to the Project.

"Construction Loan Documents" means the mortgage, mortgage note, and all other documents required by the Construction Lender in connection with the Construction Loan.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated the date of issuance of the Bonds, between the Borrower and the Trustee, as dissemination agent, as the same may amended, restated or supplemented from time to time.

"Controlling Holders" means, in the case of consent or direction to be given hereunder, the Holders of the majority in aggregate principal amount of the Outstanding Bonds.

"Costs of Issuance" means the "issuance costs" with respect to the Bonds within the meaning of Section 147(g) of the Code.

"Costs of Issuance Fund" means the Costs of Issuance Fund created in Section 4.01 hereof.

"Designated Office of the Trustee" means the office of the Trustee at the Notice Address set forth in this Section 1.01 or, solely for purposes of presentation for transfer, payment or exchange of the Bonds, the designated corporate trust operations or agency office of the Trustee in Seattle, Washington, or at such other address as may be specified in writing by the Trustee.

"Disbursement Agreement" means the [Escrow/Loan Disbursement] Agreement dated as of the Closing Date, by and among the Construction Lender, the Issuer, the Trustee, the Investor Member, Title Company, the general contractor for the Project, the Subordinate Lender and the Borrower, relating to the funding of the Construction Loan by the Construction Lender, the funding of the City Loan by the Issuer, the funding of the Loan by the Issuer and the funding of the Subordinate Loan by the Subordinate Lender.

"Dissemination Agent" means the Trustee, or any successor, as Dissemination Agent under the Continuing Disclosure Agreement.

"Dissemination Agent Fee" means the fee payable to the Dissemination Agent as compensation for its services and expenses in performing its obligations under the Continuing Disclosure Agreement; provided, however, the amount of the Dissemination Agent Fee payable under this Indenture is limited to money withdrawn from the Expense Fund and the Borrower will be responsible to pay the remaining amount of the Dissemination Agent Fee pursuant to Section 4.04 of the Loan Agreement.

"DTC" means The Depository Trust Company (a limited purpose trust company), New York, New York, and its successors or assigns.

"DTC Participant" means any participant contracting with DTC under its book-entry system and includes securities brokers and dealers, banks and trust companies and clearing corporations.

"Electronic Means" means e-mail, facsimile, or any other electronic means of communication approved in writing by the Issuer, Trustee and Underwriter.

"Eligible Funds" means, as of any date of determination, any of:

- (a) the proceeds of the Bonds (including any additional amount paid to the Trustee as the purchase price thereof by the Underwriter);

- (b) money received by the Trustee representing advances to the Borrower of proceeds of the Construction Loan, proceeds of the City Loan or proceeds of the Subordinate Loan;
- (c) amounts drawn by the Trustee on a letter of credit;
- (d) remarketing proceeds of the Bonds (including any additional amount paid to the Trustee as the remarketing price thereof by the Remarketing Agent) received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer or any Affiliated Party of either the Borrower or the Issuer);
- (e) any other amounts, including the proceeds of refunding bonds, for which the Trustee has received an Opinion of Counsel (which opinion may assume that no Holder or Beneficial Owner of Bonds is an "insider" within the meaning of the Bankruptcy Code) to the effect that (I) the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court and (II) payments of such amounts to Holders would not be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;
- (f) any payments made by the Borrower and held by the Trustee for a continuous period of 123 days, provided that no Act of Bankruptcy has occurred during such period; and
- (g) investment income derived from the investment of the money described in (a) through (f) above.

"Eligible Investments" means, subject to the provisions of Section 4.10 hereof and to the extent authorized under State law any of the following obligations which mature (or are redeemable at the option of the Trustee) at such time or times as to enable disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of this Indenture:

(a) Government Obligations; and

(b) Shares or units in any money market mutual fund rated "Aaa-mf" by Moody's (or the equivalent Highest Rating Category given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are "registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America.

"Event of Default" means (a) with respect to this Indenture, any of the events described as an Event of Default in Section 6.01 hereof and (b) with respect to the Loan Agreement, any of the events described as an Event of Default in Section 8.01 of the Loan Agreement.

"Expense Fund" means the Expense Fund created in Section 4.01 hereof.

"Extension Payment" means the amount due, if any, to provide adequate additional funds for the payment of Bond Service Charges and Administrative Expenses during a Remarketing Period in connection with the change or extension of the Mandatory Tender Date pursuant to Section 3.07 hereof, and (a) which shall be determined by a Cash Flow Projection approved in writing by the Rating Agency and (b) must consist of Eligible Funds other than the proceeds of the Bonds.

"Federal Tax Status" means, as to the Bonds, the status of the interest on the Bonds as excludable from gross income for federal income tax purposes of the Holders of the Bonds (except on Bonds while held by a substantial user or related person, each as defined in the Code).

"Financing Documents" means this Indenture, the Bonds, the Loan Agreement, the Note, the Disbursement Agreement, the Tax Agreement, the Land Use Restriction Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Remarketing Agreement and any other instrument or document executed in connection with the Bonds, together with all modifications, extensions, renewals and replacements thereof.

"Force Majeure" means any of the causes, circumstances or events described as constituting Force Majeure in Section 8.01 of the Loan Agreement.

"Government Obligations" means (i) noncallable, non-redeemable direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

"Highest Rating Category" means, with respect to an Eligible Investment, that the Eligible Investment is rated by a Rating Agency in the highest rating given by that Rating Agency for that Rating Category, provided that such rating shall include but not be below "Aaa" or "Aaa/MMIG 1" if rated by Moody's or "A-1+" or "AA+" if rated by S&P.

"Holder" or "Bondholder" when used with respect to any Bond, means the Person in whose name such Bond is registered.

"Indenture" means this Indenture, dated as of _____ 1, 2024, between the Issuer and the Trustee, as amended or supplemented from time to time.

"Independent" when used with respect to a specified Person means such Person has no specific financial interest direct or indirect in the Borrower or any Affiliate of the Borrower and in the case of an individual is not a director, trustee, officer, partner, member or employee of the Borrower or any Affiliate of the Borrower and in the case of an entity, does not have a partner, director, trustee, officer, member or employee who is a director, trustee, partner, member, officer or employee of any partner or member of the Borrower or any Affiliate of the Borrower.

"Inducement Ordinance" means the Inducement Ordinance adopted by the City Council of the Issuer on May 22, 2024 with respect to the Project and the Bonds.

"Initial Borrower Deposit" means funds in the amount of \$0 provided by or on behalf of the Borrower, which is to be deposited as provided in Section 4.02(b) hereof.

"Initial Interest Rate" means _____% per annum.

"Initial Mandatory Tender Date" means _____ 1, 2027.

"Initial Remarketing Date" means the Initial Mandatory Tender Date, but only if the conditions for remarketing the Bonds on such date as provided in Section 3.07 hereof are satisfied.

"Interest Payment Date" means (a) _____ 1 and _____ 1 of each year beginning _____ 1, 2025, (b) each Redemption Date and (c) each Mandatory Tender Date. In the case of insufficient funds to pay the purchase price on the Bonds following Mandatory Tender on the Initial Mandatory Tender Date, "Interest Payment Date" also means the first Business Day of each month as provided in the second paragraph of Section 2.02 hereof. In the case of a payment of defaulted interest, "Interest Payment Date" also means the date of such payment established pursuant to Section 2.03 hereof.

"Interest Period" means, initially, the period from the Closing Date to and including _____ 1, 2024, and thereafter, the period commencing on each succeeding Interest Payment Date and ending on the last day of the month preceding the next Interest Payment Date.

"Interest Rate" means the Initial Interest Rate to but not including the Initial Mandatory Tender Date, and thereafter the applicable Remarketing Rate.

"Interest Rate for Advances" means the rate per annum which is two percent plus that interest rate announced by the Trustee in its lending capacity as a bank as its "Prime Rate" or its "Base Rate."

"Investor Member" means Bank of America, N.A., a national banking association, and its permitted successors and assigns.

"Issuer" means the City of Chicago, a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State.

"Issuer Documents" means the Financing Documents to which the Issuer is a party.

"Issuer Fee" means the amount of \$_____, which represents 1.5% of the par amount of the Bonds, paid by the Trustee on behalf of the Borrower to the Issuer on the Closing Date in connection with, and as consideration-for, the issuance of the Bonds.

"Land Use Restriction Agreement" means the Land Use Restriction Agreement dated as of _____ 1, 2024, between the Issuer and the Borrower with respect to the Project and the Bonds.

"Loan" means the loan by the Issuer to the Borrower of the proceeds received from the sale of the Bonds.

"Loan Agreement" means the Loan Agreement dated as of the date hereof among the Issuer, the Borrower and the Trustee, as the same may be amended, restated or supplemented from time to time.

"Loan Payments" means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of the Note and Section 4.01 of the Loan Agreement.

"Local Time" means central time (daylight or standard, as applicable) in Chicago, Illinois.

"Managing Member" means POAH Ave MM LLC, an Illinois limited liability company.

"Mandatory Tender" means a tender of Bonds required by Section 3.05 hereof.

"Mandatory Tender Date" means (a) the Initial Mandatory Tender Date and (b) if the Bonds Outstanding on the Initial Mandatory Tender Date or on any subsequent Mandatory Tender Date are remarketed pursuant to Section 3.07 hereof for a Remarketing Period that does not extend to the final maturity of the Bonds, the day after the last day of the Remarketing Period.

"Maturity Date" means _____ 1, 202__.

"Maximum Interest Rate" means the interest rate equal to the lesser of: (a) 12% per annum, or (b) the maximum interest rate per annum permitted by applicable State law.

"Negative Arbitrage Account" means the Negative Arbitrage Account of the Bond Fund created in Section 4.01 hereof.

"Note" means the promissory note of the Borrower, dated as of even date with the Bonds initially issued, in the form attached as Exhibit A to the Loan Agreement and in the principal amount of \$_____, evidencing the obligation of the Borrower to make Loan Payments.

"Notice Address" means with respect to each of the Persons listed below the address set forth below until such time as such Person shall have notified each of the other Persons listed below of a new Notice Address.

If to the Issuer:

City of Chicago
Department of Housing
City Hall
121 N. LaSalle Street, Room 1006
Chicago, Illinois 60602

With copies to:

City of Chicago
Office of the Corporation Counsel
City Hall - Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development
Division

and to:

City of Chicago
Department of Finance
City Hall
121 N. LaSalle Street, Suite 700
Chicago, Illinois 60602
Attention: Comptroller

If to the Borrower:

The Ave SW LLC
c/o POAH Ave MM LLC
2 Oliver Street, Suite 500
Boston, MA 02109
Attn: General Counsel
Tele: 617-449-0866 / Fax: 617-261-6661
Email: generalcounsel@poah.org

With a copy to:

Applegate & Thorne-Thomsen, P.C.
425 S. Financial Place, Suite 1900
Chicago, IL 60605
Attn: Diane K. Corbett, Esq.
Tele: 312-491-4401 / Fax: 312-491-4411
Email: dcorbett@att-law.com

If to the Construction Lender :

Bank of America, N.A.
MA5-100-04-11
100 Federal Street
Boston, Massachusetts 02110
Attention: Laura Bagnell

With a copy to:

Holland & Knight LLP
787 Seventh Avenue, 31st Floor
New York, New York 10019
Attention: Kathleen M. Furey, Esq.

If to the Trustee:

Zions Bancorporation, National Association
601 Union Street, Suite 3600
Seattle, Washington 98101
Attn: Corporate Trust

If to the Remarketing Agent:

Stifel, Nicolaus & Company, Incorporated
10500 NE 8th Street
Suite 1410
Bellevue, Washington 98004
Attention: David Dill

If to the Investor
Member/Special Investor
Member:

Bank America, N.A.
MA5-100-04-011
100 Federal Street
Boston, MA 02110
Attention: Asset Manager for The Ave
Holland & Knight LLP

With a copy to:

10 St. James Avenue
Boston, MA 02116
Attention: Sara Heskett, Esq.
Tele: 503-243-5860
Email: Sara.Heskett@hkllaw.com

[If to the Rating Agency:

Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street, 16th Floor
New York, New York 10007
Attention: Public Finance Group – Housing Team
Electronic notices shall be delivered to:
Housing@moodys.com]

"Notice by Mail" or *"notice"* of any action or condition "by Mail" shall mean a written notice meeting the requirements of this Indenture mailed by first-class mail to the Holders of specified registered Bonds at the addresses shown in the Bond Register.

"Optional Redemption Date" means the date on which an optional redemption of the Bonds may be exercised, as provided in Section 3.01(a) of this Indenture.

"Ordinance" means the ordinance adopted by the City Council of the Issuer on October __, 2024, authorizing the issuance, sale and delivery of the Bonds.

"Ordinary Trustee Fees and Expenses" means an upfront fee in the amount of \$5,000 payable on the Closing Date, payable from funds of the Borrower.

"Organizational Documents" means the Borrower's Amended and Restated Operating Agreement dated as of _____ 1, 2024.

"Outstanding" when used with respect to the Bonds, means all Bonds theretofore authenticated and delivered under this Indenture, except:

- (a) Bonds theretofore cancelled by the Trustee or theretofore delivered to the Trustee for cancellation;
- (b) Bonds for the payment or redemption of which money or obligations shall have been theretofore deposited with the Trustee in accordance with Article IX hereof;
- (c) Bonds paid pursuant to Section 2.03 hereof; and
- (d) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Indenture.

"Participant" when used with respect to any Securities Depository means any participant of such Securities Depository.

"Paying Agent" or *"paying agent"* means the Trustee and its successors designated pursuant to this Indenture.

"Person" or *"Persons"* means one or more natural persons, firms, associations, partnerships, corporations, limited liability companies or public bodies.

"Plans and Specifications" means the plans and specifications describing the Project as now prepared and as they may be changed, revised and updated from time to time as provided in the Loan Agreement.

"Predecessor Bond" of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by the particular Bond. For the purposes of this definition, any Bond authenticated and delivered under Section 2.09 hereof in lieu of a lost, stolen or destroyed Bond shall, except as otherwise provided in Section 2.09, be deemed to evidence the same debt as the lost, stolen or destroyed Bond.

"Project" means the acquisition, construction and equipping of a four-story building located generally at 3601-3625 West Chicago Avenue in Chicago, Illinois, to contain fifty-two (52) residential units, including twenty-six (26) one-bedroom units, twenty-three (23) two-bedroom units and three (3) three-bedroom units for low-income, very low-income and extremely low-income families, along with certain common areas, including a community space in which Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation, will offer homeownership programs and education, laundry facilities, and approximately twenty-eight (28) enclosed parking spaces, to be known as The Ave SW.

"Project Costs" means, to the extent authorized by the Code, any and all costs incurred by the Borrower with respect to the acquisition and construction of the Project, including, without limitation, costs for site preparation, the planning of housing and related facilities and improvements, the acquisition of property, the removal, demolition or rehabilitation of existing structures, the construction of housing and related facilities and improvements, and all other work in connection therewith, and all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractors' and Borrower's overhead and supervisors' fees and costs directly allocable to the Project, administrative and other expenses necessary or incident to the Project and the financing thereof (including reimbursement to any municipality, county or entity for expenditures made for the Project), and interest accrued during construction and prior to the Completion Date.

"Project Fund" means the Project Fund created in Section 4.01 hereof

"Qualified Project Costs" means Project Costs (excluding Costs of Issuance) paid (i) after the date which is 60 days prior to the adoption of the Inducement Ordinance or (ii) prior to such date which are nevertheless eligible for reimbursement under the Code, which either constitute land or property of a character subject to the allowance for depreciation under Section 167 of the Code or are chargeable to a capital account with respect to the Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Borrower or but for the proper election by the Borrower to deduct those amounts within the meaning of Code Regulation 1.103-8(a)(1)(i); provided, however, that only such portion of interest

accrued during construction of the Project shall constitute a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all Project Costs; and provided, further, that interest accruing after the Completion Date shall not be a Qualified Project Cost; and provided still further that, if any portion of the Project is being constructed by an Affiliated Party (whether as a general contractor or a subcontractor), "Qualified Project Costs" shall include only (a) the actual out-of-pocket costs incurred by such Affiliated Party in constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Affiliated Party and (c) any overhead expenses incurred by the Affiliated Party which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the construction of the Project or payments received by such Affiliated Party due to early completion of the Project (or any portion thereof).

"Rating Agency" means Moody's, S&P or any other nationally recognized securities rating agency rating the Bonds, or such rating agency's successors or assigns, and initially means Moody's so long as Moody's is rating the Bonds'.

"Rating Category" means one of the rating categories of the Rating Agency for the specific type and duration of the applicable Eligible Investment.

"Rebate Amount" means the amount required to be rebated to the United States pursuant to Section 148 of the Code.

"Rebate Analyst" means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and selected by the Issuer at the expense of the Borrower to calculate the Rebate Amount or, in the event that the Issuer fails to so select a Rebate Analyst and the Borrower fails to pay such fee one month prior to any date on which calculations are required to be made, any qualified person retained by the Trustee to calculate the Rebate Amount. The initial Rebate Analyst shall be Tiber Hudson LLC.

"Rebate Analyst Fee" means the fee of the Rebate Analyst in an amount to be paid from moneys in the Rebate Fund and other funds provided by the Borrower for such purpose.

"Rebate Fund" means the Rebate Fund created in Section 4.01 hereof.

"Redemption Date" means any date on which Bonds are redeemed in accordance with this Indenture, including: (a) the Maturity Date, (b) the date of acceleration of the Bonds and (c) pursuant to Sections 3.01 and 3.05 hereof.

"Register" means the books kept and maintained by the Trustee for registration and transfer of Bonds pursuant to Section 2.10 hereof.

"Regular Record Date" means, with respect to any Bond, the fifteenth day of the calendar month next preceding an Interest Payment Date.

"Rehabilitation Expenditures" shall mean, unless otherwise provided in Section 147(d)(3) of the Code and the Regulations, any amount, whether or not financed with the net proceeds of the Bonds, that is:

- (a) properly chargeable to the capital account of the Project;
- (b) incurred by the Borrower, or by the seller of such building pursuant to applicable contract of sale, after the inducement date and prior to the date that is 2 years after the later of the issue date or the acquisition of such building by the Borrower;
- (c) incurred for property (or additions or improvements to property) in connection with the rehabilitation of a building comprising a part of the Project and, in the case of an integrated operation contained in such a building before its acquisition by the Borrower, the rehabilitation of existing equipment in such building or the replacement of such equipment with equipment having substantially the same function; and
- (d) not an expenditure described in Section 47(c)(2)(B) of the Code.

"Remarketing Agent" means Stifel, Nicolaus & Company, Incorporated or any successor as Remarketing Agent designated in accordance with Section 7.17 hereof.

"Remarketing Agent's Fee" means the fee of the Remarketing Agent for its remarketing services.

"Remarketing Agreement" means the Remarketing Agreement, dated as of _____ 1, 2024, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"Remarketing Date" means the Initial Remarketing Date and, if the Bonds Outstanding on such date or on any subsequent Remarketing Date are remarketed pursuant to Section 3.07 for a Remarketing Period that does not extend to the final maturity of the Bonds, the day after the last day of the Remarketing Period.

"Remarketing Expenses" means the costs and expenses, other than Administrative Expenses, incurred by the Trustee and its counsel, the Remarketing Agent and its counsel, the Issuer and its counsel, and Bond Counsel in connection with the remarketing of the Bonds, including bond printing and registration costs, costs of funds advanced by the Remarketing Agent, registration and filing fees, rating agency fees, the costs of any cash flow verification reports, and other costs and expenses incurred in connection with or properly attributable to the remarketing of Bonds as certified to the Trustee by the Remarketing Agent in writing.

"Remarketing Notice Parties" means the Borrower, the Issuer, the Trustee, the Remarketing Agent and the Construction Lender.

"Remarketing Period" means the period beginning on a Remarketing Date and ending on the last day of the term for which Bonds are remarketed pursuant to Section 3.07 or the final Maturity Date of the Bonds, as applicable.

"Remarketing Proceeds Account" means the Remarketing Proceeds Account of the Bond Fund created in Section 4.01 hereof.

"Remarketing Rate" means the interest rate or rates established pursuant to the third paragraph of Section 2.02 and borne by the Bonds then Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Maturity Date of the Bonds, as applicable.

"Reserved Rights" of the Issuer means (a) the right of the Issuer to amounts payable to it pursuant to Section 4.04 of the Loan Agreement, (b) all rights which the Issuer or its members, directors, officers, officials, agents or employees may have under this Indenture and the Financing Documents to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its members, directors, officers, officials, agents or employees, (c) the right of the Issuer to receive notices, reports or other information, make determinations and grant approvals hereunder and under the other Financing Documents, (d) all rights of the Issuer to enforce the representations, warranties, covenants and agreements of the Borrower pertaining in any manner or way, directly or indirectly, to the requirements of the Act or of the Issuer, and set forth in any of the Financing Documents or in any other certificate or agreement executed by the Borrower, (e) all inspection rights of the Issuer, (f) all rights of the Issuer in connection with any amendment to or modification of the Financing Documents, and (g) all enforcement remedies with respect to the foregoing.

"Revenues" means (a) the Loan Payments, (b) the Eligible Funds, (c) all other money received or to be received by the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund, (d) any money and investments in the Project Fund and the Collateral Fund, and (e) all income and profit from the investment of the foregoing money. The term *"Revenues"* does not include any money or investments in the Rebate Fund.

"Securities Depository" means any securities depository registered as a clearing agency with the Securities and Exchange Commission pursuant to Section 17A of the Securities Exchange Act of 1934, as amended, and appointed as a securities depository for the Bonds.

"Special Funds" means, collectively, the Bond Fund, the Project Fund and the Collateral Fund, and any accounts therein, all as created in this Indenture.

"Special Investor Member" means Banc of America CDC Special Holding Company, Inc., a North Carolina corporation.

"Special Record Date" means the date and time established by the Trustee for the determination of which Holders shall be entitled to receive overdue interest or principal on the Bonds pursuant to Section 2.03 hereof.

"State" means the State of Illinois.

"Subordinate Lender" means POAH TIF LLC, an Illinois limited liability company.

"Subordinate Loan" means means the mortgage loan to be made from POAH TIF LLC to the Borrower in the principal amount of \$_____ with respect to the Project, as described and provided for in the Subordinate Loan Documents.

"Subordinate Loan Documents" means the mortgage, mortgage note, and all other documents required by POAH TIF LLC in connection with the Subordinate Loan.

"Supplemental Indenture" means a supplement to this Indenture being authorized and executed pursuant to Section 8.01 or Section 8.02 hereof.

"Tax Agreement" means the Tax Certificate and Agreement, dated the Closing Date, between the Borrower and the Issuer relating to the Bonds.

"Tendered Bond" means any Bond which has been tendered for purchase pursuant to a Mandatory Tender.

"Trust Estate" means the property rights, money, securities and other amounts pledged and assigned pursuant to the Granting Clauses of this Indenture.

"Trustee" means Zions Bancorporation, National Association, a national banking association, until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter, "Trustee" shall mean the successor Trustee.

"Undelivered Bond" means any Bond that is required under this Indenture to be delivered to the Remarketing Agent or the Trustee for purchase on a Mandatory Tender Date but that has not been received on the date such Bond is required to be so delivered.

"Underwriter" means Stifel, Nicolaus & Company, Incorporated, a Missouri corporation.

Section 1.02 Interpretation. Reference to Articles, Sections, and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Indenture. The headings of this Indenture are for convenience only and do not define or limit the provisions hereof. Words of any gender shall be deemed and construed to include correlative words of the other genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate.

ARTICLE 2 THE BONDS

Section 2.01 Issuance of Bonds. The Bonds shall be issued in the aggregate principal amount of \$ _____; shall be designated "Multi-Family Housing Revenue Bonds (The Ave SW Project), Series 2024"; and shall be in the Authorized Denominations requested by the Holder (*provided, however*, that each Bond shall have only one principal maturity date, unless the Trustee shall be directed in writing to authenticate and deliver a Bond of more than one maturity). Unless the Issuer shall otherwise direct the Trustee in writing, the Bonds shall be numbered consecutively from R-1 upwards.

Each Bond shall be (i) substantially in the form attached as *Exhibit A* to this Indenture, (ii) dated _____, (iii) issued only as a fully registered bond, and, except as provided in Section 2.10 hereof, the Holder of a Bond shall be regarded as the absolute owner thereof for all purposes of this Indenture.

Section 2.02 Maturity and Interest. The Bonds shall bear interest on the principal amount Outstanding from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or provided for, from their date of initial delivery, payable on each Interest Payment Date. The Bonds shall bear interest for each Interest Period at the Interest Rate all as more specifically set forth hereinafter. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds shall mature on the Maturity Date, subject to prior redemption as set forth in Section 3.01 hereof and subject to Mandatory Tender for purchase as set forth in Section 3.05 hereof.

From the date of their initial delivery to, but not including, the Initial Mandatory Tender Date, the interest rate on the Bonds shall be the Initial Interest Rate. On the Initial Mandatory Tender Date, the Bonds shall be subject to Mandatory Tender pursuant to Section 3.05 hereof.

If insufficient funds are available to pay the purchase price on the Bonds following such Mandatory Tender on the Initial Mandatory Tender Date, the Bonds shall be redeemed in accordance with the provisions of Section 3.01(c) hereof.

The Remarketing Agent shall establish the interest rate on the Bonds Outstanding for each Remarketing Period at the Remarketing Rate in accordance with this Section 2.02. Not less than ten (10) Business Days preceding each Remarketing Date, the Remarketing Agent, taking into consideration prevailing market conditions, shall, using its best professional judgment, determine the minimum rate(s) of interest which, if borne by the Bonds then Outstanding for the Remarketing Period specified by the Remarketing Agent at the direction of the Borrower as provided in Section 3.05 hereof, would enable such Bonds to be remarketed at a price equal to 100% of the principal amount of such Bonds that would not exceed the Maximum Interest Rate. The rate of interest determined in accordance with the previous sentence shall be the Remarketing Rate for the specified Remarketing Period; provided that if the rate of interest so determined for such period would exceed the Maximum Interest Rate, the Bonds Outstanding shall be remarketed for the longest Remarketing Period for which the minimum rate of interest that would enable such Bonds to be remarketed at a price equal to 100% of the principal amount of such Bonds would not exceed the Maximum Interest Rate. Notwithstanding the foregoing, if the rate of interest so determined for any Remarketing Period would exceed the Maximum Interest Rate, the Bonds Outstanding shall not be remarketed and shall be redeemed from funds available to pay the tender price thereof in accordance with Section 3.05(e) hereof.

The Remarketing Agent shall, upon determination of the Remarketing Rate and Remarketing Period, immediately (and in no event later than the Business Day following the day on which the Remarketing Agent makes its determination of the Remarketing Rate and the Remarketing Period) give notice of its determination by telephone or electronic mail, promptly confirmed in writing, to the Trustee, the Issuer and the Borrower. The Remarketing Rate and the Remarketing Period shall be conclusive and binding upon actual receipt thereof by the Trustee, the Issuer, the Borrower and the Holders for the purposes of this Indenture.

Section 2.03 Payment and Ownership of Bonds. To the extent provided in and except as otherwise permitted by this Indenture, the Bonds shall be special limited obligations of the Issuer and the Bond Service Charges thereon shall be payable equally and ratably solely from and secured solely by (a) the Revenues, including but not limited to money and investments in the Special Funds, (b) the assignment of Revenues hereunder and by this Indenture, and (c) the Trust Estate. Notwithstanding anything herein contained to the contrary, any obligation which the Issuer may incur under this Indenture or under any instrument executed in connection herewith which shall entail the expenditure of money shall not be a general obligation of the Issuer but shall be a limited obligation payable solely from amounts assigned to the Trustee pursuant to this Indenture.

Bond Service Charges shall be payable in lawful money of the United States of America without deduction for the services of the Trustee. Subject to the provisions of Section 2.12 hereof, (a) the principal of any Bond shall be payable when due to a Holder by the Trustee, and (b) interest on any Bond shall be paid on each Interest Payment Date by check which the Trustee shall cause to be mailed on that date to the Person in whose name the Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date applicable to that Interest Payment Date on the Register at the address appearing therein.

If and to the extent, however, that the Issuer shall fail to make payment or provision for payment of interest on any Bond on any Interest Payment Date, that interest shall cease to be

payable to the Person who was the Holder of that Bond (or of one or more Predecessor Bonds) as of the applicable Regular Record Date. In that event, except as provided below in this Section, when money becomes available for payment of the interest, (a) the Trustee shall, pursuant to Section 6.06(d) hereof, establish a Special Record Date for the payment of that interest which shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment, and (b) the Trustee shall cause notice of the proposed payment and of the Special Record Date to be mailed by first-class mail, postage prepaid, to each Holder at its address as it appears on the Register not fewer than 10 days prior to the Special Record Date and, thereafter, the interest shall be payable to the Persons who are the Holders of the Bonds (or their respective Predecessor Bonds) at the close of business on the Special Record Date.

Subject to the foregoing, each Bond delivered under this Indenture upon transfer thereof, or in exchange for or in replacement of any other Bond, shall carry the rights to interest accrued and unpaid, and to accrue on that Bond, or which were carried by that Bond.

Except as provided in this Section and Section 2.09 hereof, (a) the Holder of any Bond shall be deemed and regarded as the absolute owner thereof for all purposes of this Indenture, (b) payment of or on account of the Bond Service Charges on any Bond shall be made only to or upon the order of that Holder or its duly authorized attorney in the manner permitted by this Indenture, and (c) neither the Issuer nor the Trustee shall, to the extent permitted by law, be affected by notice to the contrary. All of those payments shall be valid and effective to satisfy and discharge the liability upon that Bond, including without limitation, the interest thereon, to the extent of the amount or amounts so paid. Notwithstanding anything to the contrary herein or in any of the Bond Documents, the Trustee is authorized to use funds on deposit in the Special Funds, as and when provided, to pay principal and interest on the Bonds when due.

Section 2.04 Restriction on Issuance of Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of Bonds that may be issued hereunder, other than Bonds issued pursuant to the provisions of Section 2.09 hereof or in substitution for other Bonds, is expressly limited to the amount set forth in Section 2.01.

Section 2.05 Limited Obligations. The Bonds and the interest thereon are limited obligations of the Issuer, payable solely from the revenues, receipts and security pledged therefor in the Granting Clauses hereof. The Bonds, together with premium, if any, and interest thereon, do not constitute an indebtedness, liability, general or moral obligation or a pledge of the full faith or loan of credit of the Issuer, the State, or any political subdivision of the State within the meaning of any constitutional or statutory provisions. None of the Issuer, the State or any political subdivision thereof shall be obligated to pay the principal of, premium, if any, or interest on the Bonds or other costs incident thereto except from the payments pledged with respect thereto and certain reserve funds established in connection therewith. Neither the faith and credit nor the taxing power of the United States of America, the Issuer, the State or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or other costs incident thereto. The Bonds are not a debt of the United States of America or any agency thereof, and are not guaranteed by the United States of America or any agency thereof.

Section 2.06 Indenture Constitutes Contract. In consideration of the purchase and acceptance of the Bonds issued hereunder by those who shall hold them from time to time, the provisions of this Indenture shall be deemed to be a part of, and continue to be, a contract between the Issuer and the Holders of the Bonds from time to time.

Section 2.07 Execution. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of its Mayor, attested by the manual or facsimile signature of its City Clerk or Deputy City Clerk, under the official seal, or a facsimile thereof, of the Issuer. Any facsimile signatures shall have the same force and effect as if said officers had manually signed said Bonds. Any reproduction of the official seal of the Issuer on the Bonds shall have the same force and effect as if the official seal of the Issuer had been impressed on the Bonds.

In case any officer whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery, and also any Bond may bear the facsimile signatures of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

Section 2.08 Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form on the attached **Exhibit A** duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed manually by the Trustee; and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication of all of the Bonds.

Section 2.09 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate a new Bond, of like date, interest rate, maturity and denomination as that mutilated, lost, stolen or destroyed. Any mutilated Bond shall first be surrendered to the Trustee; and in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Issuer and the Trustee evidence of such loss, theft or destruction reasonably satisfactory to them together with indemnity reasonably satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond or Bonds the Trustee shall, upon the written direction of the Issuer, pay the same without surrender thereof. The Issuer and the Trustee may charge the holder or owner of such Bond with their reasonable fees and expenses, including the cost of printing replacement Bonds.

Every new Bond issued pursuant to this Section shall, with respect to such Bond, constitute an additional contractual obligation of the Issuer, whether or not the mutilated, lost, stolen or destroyed Bond shall be found at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder. All Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, stolen or destroyed Bonds and shall preclude any and all rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.10 Transfer and Exchange of Bonds; Persons Treated as Holders. The Trustee as Registrar shall cause a bond register (herein sometimes referred to as the "Bond Register") to be kept for the registration of transfers of Bonds. Any Bond may be transferred only upon an assignment duly executed by the registered Holder or his or her duly authorized representative in such form as shall be satisfactory to the Registrar, and upon surrender of such Bond to the Trustee for cancellation. Whenever any Bond or Bonds shall be surrendered for

transfer, the Issuer shall execute and the Trustee shall authenticate and deliver to the transferee a replacement fully registered Bond or Bonds of Authorized Denomination in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds being presented and surrendered for transfer.

Any Bond may, in accordance with its terms, be exchanged, at the office of the Trustee, for a new fully registered Bond or Bonds, of the same maturity, of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate as, the Bonds being exchanged. In the event of a partial redemption of a Bond, the Trustee shall authenticate and deliver to the Owner thereof a new Bond of like date, interest rate, maturity and denomination as the partially redeemed Bond in the amount of the unredeemed principal thereof.

In all cases in which Bonds shall be transferred or exchanged hereunder, the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid limited obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Bonds surrendered upon transfer or exchange. Neither the Issuer nor the Trustee shall be required to make any exchange or transfer of a Bond during a period beginning at the opening of business 15 days before (i) any Interest Payment Date (including any special interest payment date described in Section 2.02 hereof), or (ii) the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing or such Interest Payment Date, or to transfer or exchange any Bonds selected for redemption, in whole or in part.

The Person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of or on account of the principal of and premium and interest on any such Bond shall be made only to or upon the order of the registered Holder thereof or his legal representative, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums to be paid.

Section 2.11 Cancellation and Disposition of Bonds. Any Bond surrendered for the purpose of payment or retirement, or for exchange, or for replacement or payment pursuant to Section 2.09, shall be cancelled upon surrender thereof to the Trustee. Evidence of such surrender and cancellation shall be provided to the Issuer by the Trustee, if requested in writing. Cancelled Bonds, or unissued Bond inventory held in blank by the Trustee upon the maturity or total redemption of the Bonds, shall be disposed of by the Trustee in accordance with its retention policy then in effect and evidence of such disposition shall be provided by the Trustee to the Issuer, if requested in writing.

Section 2.12 Book-Entry Provisions. The provisions of this Section shall apply so long as the Bonds are maintained in book-entry form with The Depository Trust Company or another Securities Depository, any provisions of this Indenture to the contrary notwithstanding.

(a) *Payments.* The Bonds shall be payable to the Securities Depository, or its nominee, as the registered owner of the Bonds, on each date on which the principal of, interest on, and premium, if any, on the Bonds is due as set forth in this Indenture and in

the Bonds. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the Issuer and the Trustee in writing. Without notice to or the consent of the beneficial owners of the Bonds, the Issuer and the Securities Depository may agree in writing to make payments of principal, premium, if any, and interest in a manner different from that set forth herein. If such different manner of payment is agreed upon, the Issuer shall give the Trustee written notice thereof, and the Trustee shall make payments with respect to the Bonds in the manner specified in such notice as set forth herein. Neither the Issuer nor the Trustee shall have any obligation with respect to the transfer or crediting of the principal of, interest on, and premium, if any, on the Bonds to Participants or the beneficial owners of the Bonds or their nominees.

(b) *Replacement of the Securities Depository.* The Issuer may, and in the case of subparagraph (ii) or (iii) below shall, discontinue use of a Securities Depository as the depository of the Bonds if (i) the Issuer, in its sole discretion, determines that (A) such Securities Depository is incapable of discharging its duties with respect to the Bonds, or (B) the interest of the beneficial owners of the Bonds might be adversely affected by the continuation of the book-entry system with such Securities Depository as the depository for the Bonds, (ii) the beneficial owners of 100% of the Bonds Outstanding direct the Issuer to do so, or (iii) such Securities Depository determines not to continue to act as a depository for the Bonds or is no longer permitted to act as such depository. Notice of any determination pursuant to clauses (i), (ii) or (iii) shall be given to such Securities Depository at least 30 days prior to any such determination (or such fewer number of days as shall be acceptable to such Securities Depository). The Issuer shall have no obligation to make any investigation to determine the occurrence of any events that would permit the Issuer to make any determination described in this paragraph.

(c) *Discontinuance of Book-Entry or Change of Securities Depository.* If, following a determination or event specified in paragraph (b) above, the Issuer discontinues the maintenance of the Bonds in book-entry form with the then current Securities Depository, the Issuer will issue replacement Bonds to the successor Securities Depository, if any, or, if no replacement Securities Depository is selected for the Bonds, directly to the Participants as shown on the records of the former Securities Depository or, to the extent requested by any Participant or if directed to do so by the beneficial owners of 100% of the Bonds Outstanding pursuant to subparagraph (b)(ii) above, to the beneficial owners of the Bonds shown on the records of such Participant. Replacement Bonds shall be in fully registered form and in authorized denominations, be payable as to interest on the Interest Payment Dates of the Bonds by check mailed to each registered owner at the address of such owner as it appears on the bond registration books maintained by the Bond Registrar for such purpose at the principal corporate trust office of the Trustee or at the option of any registered owner of not less than \$1,000,000 principal amount of Bonds, by wire transfer to any address in the continental United States of America on such Interest Payment Date to such registered owner as of the Regular Record Date relating to such Interest Payment Date, if such registered owner provides the Trustee with written notice of such wire transfer address not later than such Regular Record Date (which notice may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked by subsequent written notice provided 10 business days prior to the next applicable Regular Record Date). Principal and redemption premium, if any, on the replacement Bonds are payable only upon presentation and surrender of such replacement Bond or Bonds at the principal corporate trust office of the Trustee.

(d) *Effect of Book-Entry System.* The Securities Depository and its Participants and the beneficial owners of the Bonds, by their acceptance of the Bonds, agree that the Issuer and the Trustee shall not have liability for the failure of such Securities Depository to perform its obligations to the Participants and the beneficial owners of the Bonds, nor shall the Issuer or the Trustee be liable for the failure of any Participant or other nominee of the beneficial owners to perform any obligation of the Participant to a beneficial owner of the Bonds.

Section 2.13 Delivery of the Bonds. Upon execution and delivery of this Indenture, and satisfaction of the conditions established by the Issuer in the Ordinance and in the Bond Purchase Agreement for delivery of the Bonds, the Issuer shall execute the Bonds and deliver them to the Trustee with written directions to authenticate them. The Trustee shall authenticate and deliver the Bonds as provided in this Indenture, but only upon the receipt of the following:

(i) An order of the Issuer directing the Trustee to authenticate and deliver the Bonds (a form of which is attached hereto as **Exhibit A**) against receipt of the initial purchase price therefor;

(ii) A certified copy of the Ordinance;

(iii) Executed counterparts (or electronic copies thereof) of this Indenture and the other Financing Documents specifically listed in the definition of Financing Documents;

(iv) An opinion of Counsel to the Issuer addressed to the Trustee to the effect that the Bonds have been duly authorized, executed and delivered and that the Bond Documents have been duly executed and delivered by the Issuer and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, subject to bankruptcy, insolvency or other laws affecting creditors' rights generally and, with respect to certain remedies which require, or may require, enforcement by a court of equity, such principles of equity as the court having jurisdiction may impose;

(v) An opinion of Bond Counsel addressed to the Trustee, substantially to the effect that this Indenture and the Bonds constitute legal, valid and binding obligations of the Issuer, subject to customary exceptions relating to bankruptcy and insolvency, and to the further effect that the interest on the Bonds is excludable from the gross income of the holders thereof for federal income tax purposes under existing law, subject to customary exceptions and this Indenture creates a lien on the Trust Estate;

(vi) An opinion of counsel for the Borrower addressed to the Trustee and the Underwriter to the effect that the Borrower Documents have been duly authorized, executed and delivered by the Borrower and are legal, valid and binding agreements of the Borrower in accordance with their respective terms subject to customary qualifications and exceptions;

(vii) Funds the Trustee is required to receive for deposit pursuant to Section 4.02 hereof;

(viii) Reimbursement of all fees and expenses due to Trustee hereunder;

(ix) A request and authorization signed by an Authorized Issuer Representative authorizing the Trustee to authenticate and to deliver the Bonds to the Underwriter upon payment to the Trustee for the account of the Issuer of the amount specified in such request and authorization plus accrued interest, if any, thereon to the date of delivery;

(x) Evidence in writing of recordation of the Land Use Restriction Agreement (which may be in the form of a title company certified copy); and

(xi) Any other documents or opinions which the Trustee, the Issuer or Bond Counsel may reasonably require, which requirement shall be deemed to be satisfied upon the delivery of the Opinion of Bond Counsel.

Section 2.14 Special Agreement with Holders. Notwithstanding any provision of this Indenture or of any Bond to the contrary, with the written approval of the Borrower, the Trustee may but shall not be obligated to, enter into an agreement with any Holder providing for making all payments to that Holder of principal of and interest on that Bond or any part thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner other than as provided in this Indenture and in the Bond, without presentation or surrender of the Bond, upon any conditions which shall be satisfactory to the Trustee and the Borrower; provided, that payment in any event shall be made to the Person in whose name a Bond shall be registered on the Register, with respect to payment of principal, on the date such principal is due, and, with respect to the payment of interest, as of the applicable Regular Record Date or Special Record Date, as the case may be.

The Trustee will furnish a copy of each of those agreements, certified to be an accurate copy by an officer of the Trustee, to the Issuer and the Borrower. Any payment of principal or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this Indenture.

Section 2.15 CUSIP Numbers. The Issuer in issuing the Bonds may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; *provided* that the Trustee shall have no liability for any defect in the "CUSIP" numbers as they appear on any Bond, notice or elsewhere, and, *provided further* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee in writing of any change in the "CUSIP" numbers.

ARTICLE 3 REDEMPTION OF BONDS

Section 3.01 Redemption of Bonds. The Bonds are subject to redemption prior to their stated maturity as follows:

(a) Optional Redemption. The Bonds are subject to optional redemption in whole or in part by the Issuer at the written direction of the Borrower (with a copy to the Investor Member, Special Investor Member and the Construction Lender) on the Initial Remarketing Date at a redemption price of 100% of the principal amount of such Bonds

to be redeemed plus accrued interest to the applicable Redemption Date given to the Trustee at least five (5) Business Days prior to the Initial Remarketing Date or the optional redemption date, as applicable. After the Initial Remarketing Date, the Borrower, in consultation with the Remarketing Agent, may establish an optional redemption date with respect to any subsequent Remarketing Period and, thereafter, the Bonds are subject to optional redemption in whole or in part by the Issuer at the written direction of the Borrower (with a copy to the Investor Member, Special Investor Member and the Construction Lender) on or after the applicable redemption date at a redemption price of 100% of the principal amount of such Bonds to be redeemed plus accrued interest to the applicable redemption date.

(b) Notwithstanding anything in paragraph (a) of this Section 3.01, the Bonds shall not be subject to optional redemption prior to the date that the Project is placed in service, as certified in writing by the Borrower to the Trustee.

(c) Mandatory Redemption. The Bonds shall be redeemed in whole at a redemption price of 100% of the principal amount of such Bonds, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Bonds, (ii) the conditions to remarketing set forth in this Indenture have not been met by the dates and times set forth in Section 3.07(b) or Section 3.07(d) hereof, or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (I) amounts on deposit in the Collateral Fund, (II) amounts on deposit in the Negative Arbitrage Account of the Bond Fund, (III) amounts on deposit in the Project Fund, and (IV) any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

(d) Purchase in Lieu of Redemption. At the election of the Borrower upon a redemption in whole of the Bonds, by written notice to the Trustee and the Remarketing Agent given not less than five (5) Business Days in advance of such redemption date, the Bonds will be deemed tendered for purchase in lieu of the redemption on such date and the call for redemption shall be cancelled. The purchase price of Bonds so purchased in lieu of redemption shall be the principal amount thereof together with all accrued and unpaid interest to the date of redemption and any prepayment fee, if due, and shall be payable on the date of redemption thereof. Bonds so purchased in lieu of redemption shall remain Outstanding and shall be registered to or upon the direction of the Borrower.

Section 3.02 Partial Redemption. In the case of a partial redemption of Bonds when Bonds of denominations greater than \$5,000 are then Outstanding, each \$5,000 unit of face value of principal thereof shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all of the \$5,000 units of face value represented by a Bond are to be called for redemption, then upon notice of redemption of a \$5,000 unit or units, the Holder of that Bond shall surrender the Bond to the Trustee (a) for payment of the redemption price of the \$5,000 unit or units of face value called for redemption (including without limitation, the interest accrued to the date fixed for redemption and any premium), and (b) for issuance, without charge to the Holder thereof, of a new Bond or Bonds of the same series, of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Bond surrendered.

If less than all of an Outstanding Bond of one maturity in a Book-Entry System is to be called for redemption, the Trustee shall give notice to the Depository or the nominee of the Depository that is the Holder of such Bond, and the selection of the Beneficial Ownership Interests in that Bond to be redeemed shall be at the sole discretion of the Depository and its participants.

Section 3.03 Notice of Redemption. Unless waived by any Holder of Bonds to be redeemed, official written notice of redemption shall be given by the Trustee on behalf of the Issuer by mailing a copy of an official redemption notice by first-class mail, postage prepaid, to the Holder of each Bond to be redeemed, at the address of such Holder shown on the Register at the opening of business on the fifth day prior to such mailing, not less than 20 days nor more than 30 days prior to the date fixed for redemption. With respect to a mandatory redemption pursuant to Section 3.01(c), the Notice of Mandatory Tender provided to Holders pursuant to Section 3.06 shall serve as the notice of redemption required by this Section 3.03 and no further notice of redemption will be required to the Holders. A second written notice of redemption shall be given by the Trustee on behalf of the Issuer, as soon as practicable, by first-class mail to the Holder of each Bond which has been so called for redemption (in whole or in part) but has not been presented and surrendered to the Trustee within 30 days following the date fixed for redemption of that Bond.

All notices of redemption shall state:

- (a) the Redemption Date;
- (b) the redemption price;
- (c) if less than all Outstanding Bonds are to be redeemed, the identification by designation, letters, numbers or other distinguishing marks (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (d) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;
- (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Designated Office of the Trustee, and;
- (f) that the notice of redemption is conditioned upon there being deposited with the Trustee on or prior to the date of redemption money sufficient to pay the redemption price of the Bonds to be redeemed and, in the case of any redemption premium on Bonds, that there be on deposit Eligible Funds sufficient to pay such redemption premium; and
- (g) such other information as the Trustee deems advisable.

Notices of redemption shall be revocable in the event that there is not on deposit with the Trustee by 10:00 a.m. Central time on the date of redemption money sufficient to pay the redemption price of the Bonds to be redeemed or, in the case of any redemption premium on Bonds, there is not on deposit Eligible Funds sufficient to pay such redemption premium.

If the Bonds are not then held in a Book-Entry System, in addition to the foregoing notice, further written notice shall be given by the Trustee on behalf of the Issuer as set out below, but

no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(h) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information deemed necessary in the sole discretion of the Trustee to identify accurately the Bonds being redeemed.

(i) Each further notice of redemption shall be sent at least 15 days before the redemption date by electronic mail, registered or certified mail or overnight delivery service to the Electronic Municipal Market Access ("EMMA") or if EMMA is not in existence, to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(j) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number (if any) identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Failure to receive notice by mailing or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any other Bond.

Notice of any redemption hereunder with respect to Bonds held under a Book-Entry System shall be given by the Trustee on behalf of the Issuer only to the Depository, or its nominee, as the Holder of such Bonds. Selection of Beneficial Ownership Interests in the Bonds called for redemption is the responsibility of the Depository and any failure of such Depository to notify the Beneficial Owners of any such notice and its contents or effect will not affect the validity of such notice of any proceedings for the redemption of such Bonds.

Section 3.04 Payment of Redeemed Bonds. Notice of Redemption having been given in the manner provided in this Article III, the Bonds and portions thereof called for redemption shall become due and payable on the Redemption Date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, including interest accrued to the Redemption Date.

Upon the payment of the price of Bonds being redeemed or prepaid, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed or prepaid with the proceeds of such check or other transfer.

If money for the redemption of all of the Bonds and portions thereof to be redeemed, together with interest accrued thereon to the Redemption Date, is held by the Trustee on the Redemption Date, so as to be available therefor on that date and if notice of redemption has been deposited in the mail as aforesaid, then from and after the Redemption Date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be Outstanding hereunder. If such money shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

All money deposited in the Bond Fund and held by the Trustee for the redemption, purchase or prepayment of particular Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds.

Section 3.05 Mandatory Tender

(a) Mandatory Tender for Purchase. All Outstanding Bonds shall be subject to Mandatory Tender by the Holders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Bond shall be payable in lawful money of the United States of America by check, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

(b) Mandatory Tender Dates. The Mandatory Tender Dates shall consist of (i) the Initial Mandatory Tender Date and (ii) any subsequent dates for mandatory tender of the Bonds established in writing by the Borrower with the written consent of the Remarketing Agent in connection with a remarketing of the Bonds pursuant to Section 3.07 hereof.

(c) Holding of Tendered Bonds. While tendered Bonds are in the custody of the Trustee pending purchase pursuant hereto, the tendering Holders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Bonds had not been tendered for purchase.

(d) Effect of Prior Redemption. Notwithstanding anything herein to the contrary, any Bond tendered under this Section 3.05 will not be purchased if such Bond matures or is redeemed on or prior to the applicable Mandatory Tender Date.

(e) Purchase of Tendered Bonds. The Trustee shall utilize the following sources of payments to pay the tender price of the Bonds not later than 2:30 p.m. Local Time on the Mandatory Tender Date in the following priority: (i) amounts deposited in the Remarketing Proceeds Account, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase; (ii) amounts on deposit in the Collateral Fund, to pay the principal amount of Bonds tendered for purchase; (iii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund to pay the accrued interest, if any, on Bonds tendered for purchase; (iv) amounts on deposit in the Project Fund; and (v) any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

(f) Undelivered Bonds. Bonds shall be deemed to have been tendered for purposes of this Section 3.05 whether or not the Holders shall have delivered such Undelivered Bonds to the Trustee, and subject to the right of the Holders of such Undelivered Bonds to receive the purchase price of such Bonds on the Mandatory Tender Date, such Undelivered Bonds shall be null and void. If such Undelivered Bonds are to be remarketed, the Trustee shall authenticate and deliver new Bonds in replacement thereof pursuant to the remarketing of such Undelivered Bonds.

Section 3.06 Mandatory Tender Notice

(a) Notice to Holders. Not less than 30 days preceding a Mandatory Tender Date, the Trustee shall, on behalf of the Issuer, give written notice of mandatory tender to

the Holders of the Bonds then Outstanding (with a copy to the Borrower, the Managing Member, the Investor Member, the Special Investor Member and the Remarketing Agent) by Electronic Means or by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

(i) the Mandatory Tender Date and that (A) all Outstanding Bonds are subject to Mandatory Tender for purchase on the Mandatory Tender Date, (B) all Outstanding Bonds must be tendered for purchase no later than 12:00 Noon, Local Time, on the Mandatory Tender Date and (C) Holders will not have the right to elect to retain their Bonds;

(ii) the address of the Designated Office of the Trustee at which Holders should deliver their Bonds for purchase;

(iii) that all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to, but not including, the Mandatory Tender Date;

(iv) that any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date; and

(v) [In the event that either (A) the preliminary conditions to remarketing of Section 3.07(b) hereof are not met by the date specified in such subsection or (B) the final conditions to remarketing of Section 3.07(d) hereof are not met by the date specified in such subsection, the Bonds will not be subject to mandatory tender and purchase on the Mandatory Tender Date.]

(b) Second Notice. In the event that any Bond required to be delivered to the Trustee for payment of the purchase price of such Bond shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall, on behalf of the Issuer, mail a second notice to the Holder of the Bond at its address as shown on the Register setting forth the requirements set forth in this Indenture for delivery of the Bond to the Trustee and stating that delivery of the Bond to the Trustee (or compliance with the provisions of this Indenture concerning payment of lost, stolen or destroyed Bonds) must be accomplished as a condition to payment of the purchase price or redemption price applicable to the Bond.

(c) Failure to Give Notice. Neither failure to give or receive any notice described in this Section 3.06, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for in this Section 3.06.

Section 3.07 Remarketing of Bonds

(a) Notice of Mandatory Tender. No later than 11:00 a.m. Local Time on the 30th day prior to each Mandatory Tender Date, the Trustee shall give notice to the Borrower, the Managing Member and the Remarketing Agent by telephone or electronic mail, confirmed on the same day in writing, which states the aggregate principal amount of Bonds which are to be tendered or deemed to be tendered pursuant to Section 3.05 hereof, which shall be all Outstanding Bonds.

(b) Preliminary Conditions to Remarketing. No later than 11:00 a.m. Local Time on the 15th day prior to the Mandatory Tender Date then in effect, the Borrower may give notice to the Remarketing Notice Parties by telephone or electronic mail, confirmed on the same day in writing, that it elects to cause the Bonds to be remarketed. A remarketing of the Bonds shall be permitted only if the following conditions are satisfied no later than the time the foregoing election notice is given:

(i) Written notice by the Borrower to the Remarketing Notice Parties of the Remarketing Period pursuant to Section 3.10 of the Loan Agreement, which period shall be approved in writing by the Remarketing Agent;

(ii) Delivery to the Trustee, the Rating Agency, and the Remarketing Agent of a written preliminary Cash Flow Projection with respect to the proposed Remarketing Period; and

(iii) The Borrower shall have notified the Issuer and the Trustee in writing that it has approved as to form and substance any disclosure document or offering materials which, in the Opinion of Counsel to the Remarketing Agent addressed to the Issuer and the Trustee, is necessary to be used in connection with the remarketing of the Outstanding Bonds.

(c) Remarketing. Not less than 10 days before each Remarketing Date, the Remarketing Agent shall offer for sale and use its best efforts to sell the Bonds Outstanding on the Remarketing Date at a price equal to 100% of the principal amount of such Bonds plus, if such Remarketing Date is a date other than an Interest Payment Date, accrued interest on such Bonds from the preceding Interest Payment Date to which interest has been paid. No later than the Business Day following the day on which the Remarketing Agent makes its determination of the Remarketing Rate, the Remarketing Agent shall give notice, by telephone or electronic mail, promptly confirmed in writing, to the Remarketing Notice Parties specifying the principal amount of Bonds, if any, it has remarketed (including Bonds to be purchased by the Remarketing Agent on the Remarketing Date for its own account), the Remarketing Rate(s) and the Remarketing Period applicable to the Bonds.

The Remarketing Agent shall have the right to remarket the Bonds tendered pursuant to Section 3.05 hereof; provided, however, that no Bonds shall be remarketed at a price less than 100% of the principal amount thereof plus accrued interest (if any) without the prior written consent of the Borrower, the Investor Member and the Special Investor Member; and provided, further, that the purchase price of any Bond paid to the tendering Holder allocable to such discount shall be paid with Eligible Funds made available therefor and on deposit with the Trustee prior to the remarketing of such Bonds. The Remarketing Agent shall have the right to purchase any Bond tendered or deemed tendered pursuant to Section 3.05 hereof at 100% of the principal amount thereof, and to thereafter sell such Bond. Any such purchase shall constitute a remarketing hereunder.

The Remarketing Agent shall not remarket any Bond to the Issuer, the Borrower, any guarantor of the Bonds or any person which is an "insider" of the Issuer, the Borrower, or any such guarantor within the meaning of the Bankruptcy Code.

(d) Final Conditions to Remarketing.

(i) If, not less than four (4) Business Days preceding the Remarketing Date:

(1) the Remarketing Agent shall have notified the Trustee in writing of the remarketing of the Outstanding Bonds and that the proceeds from the remarketing (including proceeds of remarketing of Outstanding Bonds to be purchased by the Remarketing Agent on the Remarketing Date for its own account) or other Eligible Funds equal to the amount needed to purchase the remarketed Bonds on the Remarketing Date are expected to be available to the Trustee on the Remarketing Date for deposit into the Remarketing Proceeds Account; and

(2) the Trustee and the Issuer shall have received written notice from the Remarketing Agent that the Rating Agency shall have received and approved a Cash Flow Projection based on the interest rate(s) to be in effect with respect to the Outstanding Bonds on and after the applicable Remarketing Date;

(3) there shall be on deposit with the Trustee, from Eligible Funds provided by the Borrower an amount sufficient to pay the Extension Payment set forth in the Cash Flow Projection for deposit (A) to the Negative Arbitrage Account of the Bond Fund with respect to the payment of Bond Service Charges during the new Remarketing Period and (B) to the Expense Fund with respect to the payment of Administrative Expenses during the new Remarketing Period;

(4) there shall be on deposit with the Trustee, from Eligible Funds provided by the Borrower an amount sufficient to pay the estimated Remarketing Expenses for deposit in the Expense Fund, or provision for the payment of the estimated Remarketing Expenses shall have been made to the satisfaction of the Trustee and the Remarketing Agent;

(5) the Trustee shall have received written notice from the Remarketing Agent that the Remarketing Agent has received written confirmation from the Rating Agency that the then current rating assigned to the Outstanding Bonds will continue to be effective on the Remarketing Date; and

(6) the Trustee shall have received an Opinion of Bond Counsel to the effect that the remarketing of the Bonds will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes;

then the Trustee shall immediately give notice, by telephone or electronic mail, which notice shall be immediately confirmed in writing, to the Remarketing Agent, the Borrower, the Construction Lender, the Investor Member and the Special Investor Member that (a) all conditions precedent to the remarketing of the Outstanding Bonds have been satisfied and (b) the sale and settlement of the Outstanding Bonds is expected to occur on the

Mandatory Tender Date. Following the Trustee's notice, the Outstanding Bonds shall be sold to the purchasers identified by the Remarketing Agent for delivery and settlement on the Mandatory Tender Date, and the Trustee shall apply (i) the funds in the Remarketing Proceeds Account of the Bond Fund on the Remarketing Date to payment of the purchase price of the Outstanding Bonds and (ii) the funds in the Expense Fund to payment of the Remarketing Expenses.

(e) **Failure to Satisfy Final Conditions.** If not less than four (4) Business Days preceding a Mandatory Tender Date, any condition set forth in paragraph (d) of this Section 3.07 has not been satisfied then the Remarketing Agent shall not sell any of the Outstanding Bonds on the Remarketing Date and the Trustee shall cancel all Outstanding Bonds pursuant to Section 3.08 hereof.

(f) **Remarketing Proceeds.** No later than 11:00 a.m. Local Time on each Mandatory Tender Date, the Remarketing Agent shall either (i) pay to the Trustee, in immediately available funds, the proceeds theretofore received by the Remarketing Agent from the remarketing of Bonds tendered for purchase on such Mandatory Tender Date or (ii) cause to be paid to the Trustee by the purchasers of the remarketed Bonds the purchase price plus accrued interest (if any) in immediately available funds. The proceeds from the remarketing of the Bonds shall be deposited in the Remarketing Proceeds Account, segregated from any funds of the Borrower and the Issuer and shall in no case be considered to be or be assets of the Borrower or the Issuer. Funds representing remarketing proceeds received by the Remarketing Agent after 11:00 a.m. Local Time on each Mandatory Tender Date shall be paid to the Trustee as soon as practicable upon such receipt.

(g) **Delivery of Purchased Bonds.** On or before the Business Day next preceding each Mandatory Tender Date, the Remarketing Agent, by telephonic advice or electronic mail, shall notify the Trustee of (i) the principal amount of Bonds to be sold by the Remarketing Agent pursuant to Section 3.07 hereof and the purchase price, and, unless the Bonds are then in the Book-Entry System, the names, addresses and social security numbers or other tax identification numbers of the proposed purchasers thereof and (ii) the principal amount of Bonds tendered for purchase on such Mandatory Tender Date which will not be sold by the Remarketing Agent pursuant to Section 3.07 hereof. Such telephonic advice shall be confirmed by written notice delivered or electronically communicated at the same time as the telephonic advice.

Bonds purchased by the Trustee on a Mandatory Tender Date that have been remarketed shall be delivered to the purchasers thereof as directed in writing by the Remarketing Agent. Bonds delivered as provided in this Section shall be registered in the manner directed in writing by the recipient thereof.

Section 3.08 Cancellation of Bonds. The Trustee shall immediately cancel Bonds if the tender price of the Bonds is paid from amounts other than proceeds derived from the remarketing of the Bond.

**ARTICLE 4
FUNDS; INVESTMENTS**

Section 4.01 Establishment of Funds. The following funds are hereby established and shall be maintained by the Trustee under this Indenture and held in trust by the Trustee for the benefit of the Bonds:

- (a) the Bond Fund, and therein the Negative Arbitrage Account and the Remarketing Proceeds Account (but only at such times as money is to be deposited or held in such Accounts as provided in this Indenture);
- (b) Project Fund;
- (c) Costs of Issuance Fund;
- (d) Collateral Fund;
- (e) Rebate Fund; and
- (f) Expense Fund.

Each fund and account therein shall be maintained by the Trustee as a separate and distinct trust fund or account to be held, managed, invested, disbursed and administered as provided in this Indenture. All money deposited in the funds and accounts created hereunder shall be used solely for the purposes set forth in this Indenture. The Trustee shall keep and maintain adequate records pertaining to each fund and account, and all disbursements therefrom, in accordance with its general practices and procedures in effect from time to time. The Trustee may also terminate funds and accounts that are no longer needed.

The Trustee shall, at the written direction of an Authorized Borrower Representative and may, in its discretion, establish such additional accounts within any fund, and subaccounts within any of the accounts, as the Issuer (as requested in writing) or the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that fund and its accounts, or for the purpose of complying with the requirements of the Code, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Indenture with respect to a deposit or use of money in the Special Funds or the Rebate Fund, or result in commingling of funds not permitted hereunder.

Section 4.02 Application of Bond Proceeds

- (a) The proceeds of the Bonds in the amount of \$_____ shall be allocated, deposited or delivered by the Trustee to the Project Fund.
- (b) On the Closing Date, the Trustee shall receive the Initial Borrower Deposit from or on behalf of the Borrower, which the Trustee shall deposit to the Costs of Issuance Fund.
- (c) On the Closing Date, the Trustee shall deposit Eligible Funds in the amount of \$[0] for deposit to the Negative Arbitrage Account of the Bond Fund.

Section 4.03 Bond Fund

On the Closing Date, there shall be deposited in the Bond Fund, from the proceeds of the sale of the Bonds, any accrued interest to be paid with respect to the Bonds, and in the Negative Arbitrage Account of the Bond Fund the amount set forth in Section 4.02(c) hereof, [which is an amount equal to the amount of interest payments on the Bonds from the closing date to the initial Mandatory Tender Date]. The portion of any Extension Payment received by the Trustee in connection with a remarketing in accordance with Section 3.07 hereof designated for the payment of Bond Service Charges shall also be deposited in the Negative Arbitrage Account.

So long as there are any Outstanding Bonds, to the extent the Borrower has not received a credit against Loan Payments, all Loan Payments under the Loan Agreement shall be paid on or before each Interest Payment Date directly to the Trustee, and deposited in the Bond Fund, in at least the amount necessary to pay the Bond Service Charges due on the Bonds on such Interest Payment Date.

The Bond Fund (and accounts therein for which provision is made in this Indenture) and the money and Eligible Investments therein shall be used solely and exclusively for the payment of Bond Service Charges as they become due.

Bond Service Charges shall be payable, as they become due, in the following order: (a) from money on deposit in the Bond Fund (excluding the Negative Arbitrage Account therein), (b) next from money on deposit in the Negative Arbitrage Account of the Bond Fund, (c) next from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund, and (d) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

Upon receipt by the Trustee of a Cash Flow Projection provided on behalf of the Borrower, the Trustee is hereby authorized to release from the Negative Arbitrage Account the amount set forth in the Cash Flow Projection to be released to or at the written direction of the Borrower from such account.

Section 4.04 Project Fund

(a) Money in the Project Fund shall be disbursed in accordance with the provisions of this Section 4.04 and Section 3.06 of the Loan Agreement. Upon the deposit of Eligible Funds in the Collateral Fund as provided in Section 4.06 hereof, and subject to the provisions of this Section 4.04, the Trustee shall disburse the Bond proceeds on deposit in the Project Fund, for use by the Borrower to pay Costs of the Project in accordance with Section 3.06 of the Loan Agreement. Promptly upon the receipt of such Eligible Funds, the Trustee shall be unconditionally and irrevocably obligated to disburse an equal amount from the Project Fund, or, if the Trustee is unable for any reason to make such disbursement, the Trustee shall return such Eligible Funds to the party that provided them. The Trustee shall cause to be kept and maintained adequate records pertaining to the Project Fund and all disbursements therefrom. If requested in writing by the Issuer, the Managing Member or the Borrower, after the Project has been completed and a Completion Certificate is filed as provided in Section 4.07 hereof, the Trustee shall provide copies of the records pertaining to the Project Fund and disbursements therefrom to the Issuer and the Borrower and the Managing Member. The Trustee shall satisfy this obligation by providing statements for all periods in which there are funds in the Project Fund.

(b) Proceeds of the Bonds shall only be used by the Borrower to pay either Costs of the Project or Bond Service Charges.

(c) Notwithstanding any provision of the Loan Agreement or any other provision of this Indenture to the contrary, the Trustee shall not disburse money from the Project Fund, other than to pay Bond Service Charges on the Bonds, unless and until Eligible Funds or other Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited in the Collateral Fund. Prior to making any disbursement (except to the extent necessary to pay Bond Service Charges), the Trustee shall determine that the aggregate principal amount that will be held in (a) the Collateral Fund and (b) the Project Fund, after the anticipated disbursement, is at least equal to the then-Outstanding principal amount of the Bonds; provided, however, to the extent money on deposit in the Project Fund is invested in Eligible Investments, the Trustee is hereby authorized to make the following allocations and exchanges, which allocations and exchanges shall occur prior to the disbursement of amounts on deposit in the Project Fund to pay Project Costs: (i) allocate all or a portion of the Eligible Investments in the Project Fund, in the amount specified in the request for disbursement, to the Collateral Fund and (ii) transfer a like amount from the Collateral Fund to the Project Fund. To the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund or the Collateral Fund, the Trustee shall transfer from the Project Fund to the Bond Fund sufficient money to pay Bond Service Charges on each Interest Payment Date without further written direction. Except to the extent proceeds of the Bonds might be used to pay Bond Service Charges, as described in the previous sentence, Bond Proceeds on deposit in the Project Fund shall only be used to fund Costs of the Project.

(d) On any Redemption Date, the Trustee shall transfer any amounts then on deposit in the Project Fund into the Bond Fund to pay Bond Service Charges on the Bonds.

(e) Upon obtaining actual knowledge of the occurrence and continuance of an Event of Default hereunder because of which the principal amount of the Bonds has been declared to be due and immediately payable pursuant to Section 6.02 hereof, any money remaining in the Project Fund shall be promptly transferred by the Trustee to the Bond Fund.

Section 4.05 Costs of Issuance Fund

Amounts on deposit in the Costs of Issuance Fund shall be used by the Trustee to pay costs of issuance as directed in writing by the Borrower. Any amounts remaining on deposit in the Costs of Issuance Fund 30 days after the Closing Date shall be promptly returned to the Borrower or disbursed at the written direction of the Borrower.

Section 4.06 Collateral Fund

The Trustee shall deposit into the Collateral Fund all Eligible Funds received pursuant to Section 4.02 of the Loan Agreement and any other Eligible Funds received by the Trustee for deposit into the Collateral Fund. Section 4.02 of the Loan Agreement requires the Borrower to provide written direction to a provider of Eligible Funds to deliver or cause to be delivered the Eligible Funds, or to otherwise cause to be delivered Eligible Funds from any other source, to the Trustee for deposit into the Collateral Fund in an amount equal to, and as a prerequisite to the

disbursement of, the amount of Bond proceeds on deposit in the Project Fund to be disbursed by the Trustee to pay Costs of the Project.

The Trustee shall transfer money in the Collateral Fund as follows: (a) on each Bond Payment Date, to the Bond Fund the amount necessary to pay Bond Service Charges on the Bonds on such Bond Payment Date (to the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund); (b) on the Mandatory Tender Date, to the Bond Fund, the amount necessary to pay the purchase price of the Bonds, to the extent the Bonds are not remarketed on any Mandatory Tender Date or amounts on deposit in the Remarketing Proceeds Account of the Bond Fund are insufficient therefor; and (c) on the Maturity Date of the Bonds, to the Bond Fund the amount necessary to pay all amounts due on the Bonds on such date.

On any Redemption Date, the Trustee shall transfer amounts then on deposit in the Collateral Fund into the Bond Fund to pay Bond Service Charges on the Bonds (to the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund).

Amounts on deposit in the Collateral Fund in excess of the amount required to pay Bond Service Charges after payment in full of the Bonds shall be transferred to the Borrower.

The Bonds shall not be, and shall not be deemed to be, paid or prepaid by reason of any deposit into the Collateral Fund unless and until the amount on deposit in the Collateral Fund is transferred to the Bond Fund and applied to the payment of the principal of any of the Bonds, the principal component of the redemption price of any of the Bonds or the principal component of the tender price of any of the Bonds, all as provided in this Indenture.

Each deposit into the Collateral Fund shall constitute an irrevocable deposit solely for the benefit of the Holders, subject to the provisions hereof.

Section 4.07 Completion of the Project

The completion of the Project and payment of all costs and expenses incident thereto shall be evidenced by the filing with the Trustee of the Completion Certificate required by Section 3.09 of the Loan Agreement, the form of which is attached as Exhibit C thereto. As soon as practicable after the filing with the Trustee of the Completion Certificate, any balance remaining in the Project Fund (other than the amounts retained by the Trustee as described in the Completion Certificate) shall be deposited or applied in accordance with the written direction of the Authorized Borrower Representative pursuant to Section 3.06 of the Loan Agreement.

Section 4.08 Expense Fund

The portion of any Extension Payment received by the Trustee in connection with an extension of the Mandatory Tender Date pursuant to Section 3.07 hereof designated for the payment of Administrative Expenses shall be deposited in the Expense Fund. The Trustee shall apply money on deposit in the Expense Fund solely for the following purposes, on the dates specified below, in the following order of priority:

(a) to transfer money to the Rebate Fund to the extent necessary to pay the Rebate Amount (if any) pursuant to Section 4.09 hereof;

(b) to pay the Ordinary Trustee's Fees and Expenses when due;

- (c) to pay the Issuer Fee and the City Administrative Fee when due;
- (d) to pay the Dissemination Agent Fee when due; and
- (e) to pay the costs associated with the remarketing of the Bonds on the Initial Mandatory Tender Date.

To the extent money in the Expense Fund is not sufficient to pay the foregoing fees and expenses, such deficiency shall be paid by the Borrower pursuant to Section 4.04 of the Loan Agreement immediately upon written demand by the Trustee.

Section 4.09 Rebate Fund

Any provision hereof to the contrary notwithstanding, amounts credited to the Rebate Fund shall be free and clear of any lien hereunder.

The Trustee shall, at the cost and expense of the Borrower, furnish to the Issuer, the Borrower and the Managing Member all information reasonably requested in writing by the Issuer, the Borrower or the Managing Member with respect to the Bonds and investments of the Funds and accounts maintained by the Trustee hereunder. The purpose of the Rebate Fund is to facilitate compliance with Section 148(f) of the Code. Any Rebate Amount (as defined in the Tax Agreement) deposited in such Fund shall be for the sole benefit of the United States of America and shall not be subject to the lien of the Indenture or to the claim of any other Person, including, without limitation, the Bondholders and the Issuer. The requirements of this Section 4.09 are subject to, and shall be interpreted in accordance with, Section 148(f) of the Code and the Treasury Regulations applicable thereto (the "**Regulations**") and shall apply except to the extent the Trustee and the Issuer are furnished with an opinion of Bond Counsel or other evidence satisfactory to the Trustee and the Issuer that the Regulations contain an applicable exception. The Trustee shall make all payments under the written direction of the Borrower or Rebate Analyst on their behalf.

Promptly at the end of each five-year period after the dated date of the Bonds and also upon the retirement of the Bonds, the Trustee shall provide the Borrower with a statement of earnings on funds and accounts held under this Indenture during any period not covered by a prior statement. Each statement shall include the purchase and sale prices of each investment, if any (including any commission paid thereon which shall be separately stated if such information is available), the dates of each investment transaction, information as to whether such transactions were made at a discount or premium and such other information known or reasonably available to the Trustee as the Borrower or rebate analyst shall reasonably request in writing. If so requested in writing by the Borrower at any time, the Trustee shall create within the Bond Fund separate accounts for purposes of accounting for earnings on amounts attributable to the Bonds.

The Trustee shall promptly transfer to the Rebate Fund each amount required to be deposited therein pursuant to the written direction of the Borrower, or the Rebate Analyst on their behalf, pursuant to the Tax Agreement, first from earnings in the Project Fund, and, second, to the extent amounts in the Project Fund are insufficient, from revenues which have been deposited into the Bond Fund and earnings thereon. To the extent that the amount to be deposited into the Rebate Fund exceeds the amount which can be transferred from such Funds, the Trustee shall promptly notify the Borrower and an amount equal to such deficiency shall be paid promptly by the Borrower to the Trustee for deposit into the Rebate Fund.

The Borrower and the Trustee, on behalf of the Issuer, shall keep such records as will enable them to fulfill their respective responsibilities under this Section 4.09 and Section 148(f) of the Code, and the Borrower shall engage a rebate analyst as may be necessary in connection with such responsibilities. The Trustee, to the extent records of all calculations performed by the rebate analyst are furnished to it in writing, will retain such records until six (6) years after the retirement of the last obligation of the Bonds. The fees and expenses of the rebate analyst shall be paid by the Borrower pursuant to the Loan Agreement to the extent amounts provided hereunder and available in the Rebate Fund are insufficient for such purpose. For purposes of the computation of the Rebate Amount required under the Tax Agreement, the Trustee shall, at the cost and expense of the Borrower, make available to the Borrower and the Issuer during normal business hours all written information in the Trustee's control which is requested in writing by the Borrower in connection with such computations.

Section 4.10 Investment of Special Funds and Rebate Fund

Except as otherwise set forth in this Section, money in the Special Funds and the Rebate Fund shall be invested and reinvested by the Trustee in Eligible Investments as designated in and at the written direction of the Authorized Borrower Representative. At no time shall the Borrower direct that any funds constituting gross proceeds of the Bonds (including, without limitation, moneys deposited in or credited to the Collateral Fund and the Negative Arbitrage Account) be used in any manner as would constitute failure of compliance with Section 148 of the Code.

Except as provided in the following paragraph, investments of money in the [Special Funds], Bond Fund, the Project Fund and the Collateral Fund shall be invested in Government Obligations at the written directions of the Authorized Borrower Representative.

Money in the Bond Fund, the Project Fund, and the Collateral Fund may be invested in an investment described in clause (b) of the definition of Eligible Investments at the written directions of the Authorized Borrower Representative to the extent that (a) it is impractical to invest such money in Government Obligations because the amount to be invested is too small or Government Obligations are not available at that time for purchase, (b) such money is being held in the Remarketing Proceeds Account, (c) such money has been received less than 30 days prior to date on which Bonds are to mature or be paid upon redemption or mandatory tender, or (d) the Borrower has directed the Trustee in writing that such money will be needed to make a disbursement from the Project Fund prior to the date on which available Government Obligations would mature.

Absent written investment instructions, the Trustee shall invest moneys in any Account for which investments are permitted in the Federated Treasury Cash Reserves Fund (TISXX) or a successor money market fund so long as Zions Bancorporation is Trustee.

Investments of money in the Bond Fund and the Collateral Fund shall mature or be redeemable at the direction of the Borrower at the times and in the amounts necessary to provide money to pay Bond Service Charges on the Bonds as they become due on each Interest Payment Date. Each investment of money in the Project Fund shall mature or be redeemable at the written direction of the Borrower to the Trustee at the times and in the amounts as may be necessary to make anticipated payments from the Project Fund. Any of those investments may be purchased from or sold to the Trustee, or any bank, trust company, securities firm or savings and loan association which is an Affiliated Party of the Trustee. The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient money applicable hereunder to, and

at the times required for the purposes of paying, Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order. If the Trustee is required to sell or otherwise dispose of any Eligible Investments prior to maturity at a price below par, the Borrower shall, at the Borrower's expense, deliver to the Trustee (i) a Cash Flow Projection and (ii) Eligible Funds in the amount set forth in such Cash Flow Projection, if any. Anything herein to the contrary notwithstanding, amounts on deposit in the Collateral Fund shall not be invested at a yield in excess of the yield of the Bonds.

An investment made from money credited to the Special Funds shall constitute part of that respective Fund. All investment earnings from amounts on deposit in the Project Fund and the Collateral Fund shall be allocated to the Bond Fund. All gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Special Funds shall be credited to and become part of the Bond Fund. All investment earnings, gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Rebate Fund shall be retained therein. Any investment losses from moneys credited to a Fund shall be charged against the respective Fund. The Trustee shall not be liable for losses on investments made in compliance with the provisions of this Indenture.

Ratings of Eligible Investments shall be determined at the time of purchase of such Eligible Investments and without regard to ratings subcategories. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Although each of the Issuer and the Borrower recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, each of the Issuer and the Borrower hereby agrees that confirmations of Eligible Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month. The Trustee may conclusively rely upon the Authorized Borrower Representative's written instructions as to both the suitability and legality of the directed investments.

Following the Closing Date, at the direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Eligible Investments with a Cash Flow Projection. Notwithstanding anything herein to the contrary, (i) earnings received by the Trustee with respect to Eligible Investments purchased for the purpose of paying Bond Service Charges shall be held uninvested and (ii) Bond proceeds and the Negative Arbitrage Deposit shall be held uninvested until the Trustee has purchased, sold or exchanged Eligible Investments.

The Trustee may make any and all investments permitted by this Section through its own bond or investment department, unless otherwise directed in writing by the Authorized Borrower Representative.

Section 4.11 Money to be Held in Trust

The funds created under this Indenture shall be in the custody of the Trustee in its trust capacity hereunder; and the Issuer authorizes and directs the Trustee to withdraw moneys from said funds for the purposes specified herein, which authorization and direction the Trustee hereby accepts. All moneys required to be deposited with or paid to the Trustee under any provision of this Article IV shall be held by the Trustee in trust, and except for moneys held in the Rebate Fund or deposited with or paid to the Trustee for the redemption of Bonds, notice of redemption of which has been duly given, shall while held by the Trustee constitute part of the security for the Holders and be subject to the lien hereof.

Section 4.12 Valuation

For the purpose of determining the amount on deposit to the credit of any Special Fund, the value of obligations in which money in such Fund shall have been invested shall be computed (i) in the case of Government Obligations held in the Special Funds, at the maturity or redemption value (as applicable) as of the maturity or next redemption date and (ii) in the case of all other Eligible Investments, at the then market value thereof. The Trustee shall have no liability for the accuracy of any such valuation.

The Eligible Investments shall be valued by the Trustee as of the end of each calendar month.

Section 4.13 Nonpresentation of Bonds

In the event any Bond shall not be presented for payment when the principal thereof becomes due in whole or in part, whether at maturity, at the Redemption Date or otherwise, or a check for interest is uncashed, if funds sufficient to pay such Bonds shall have been made available to the Trustee for the benefit of the Holder or Holders thereof, all liabilities of the Issuer to the Holder thereof for the payment of such Bond, as the case may be, shall thereupon cease and be completely discharged, and it shall be the duty of the Trustee to hold such funds for a period of six years after maturity of all Bonds, without liability for interest thereon, in a separate account in the Bond Fund for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. After the expiration of such six-year period, the Trustee shall return said funds to the Issuer upon its written request and the Holder or Holders of any such unrepresented Bond shall be entitled to payment of said Bond only from said funds held by the Issuer. The obligation of the Trustee under this Section to pay any such funds to the Issuer shall be subject to any provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of unclaimed property.

Section 4.14 Repayment to the Borrower from the Bond Fund

On any Mandatory Tender Date, any amounts in the Bond Fund in excess of the amount necessary to cover any negative arbitrage (assuming 0.00% interest earnings on all deposits) and after all of the Outstanding Bonds shall be deemed paid and discharged under the provisions of this Indenture shall, upon written instruction to the Trustee from the Borrower, be paid to or at the direction of the Borrower. Except as provided in Section 4.09 and Section 4.13 hereof, any amounts remaining in the Special Funds (a) after all of the Outstanding Bonds shall be deemed paid and discharged under the provisions of this Indenture, and (b) after payment of all fees, charges and expenses of the Trustee and the Issuer and of all other amounts required to be paid under this Indenture, the Loan Agreement, the Tax Agreement, the Land Use Restriction Agreement and the Note, shall be paid to the Borrower to the extent that those amounts are in excess of those necessary to effect the payment and discharge of the Outstanding Bonds. Provided however that if the Construction Loan is in default, such excess shall be paid to the Construction Lender.

Section 4.15 Payment of Fees

In connection with the issuance of the Bonds and with the Project, the Borrower will pay the following fees in the following manner:

The Trustee will pay, from the Expense Fund, the following fees on behalf of the Borrower:

- (i) To the Issuer, an Issuer Fee in an amount equal to 1.5% of the par amount of the Bonds, payable on the Closing Date from Borrower equity;
- (ii) To the Issuer, a Bond Legal Reserve Fee in an amount equal to 0.10% of the par amount of the Bonds, payable on the Closing Date from Borrower equity; and
- (iii) To the Trustee, the Ordinary Trustee Fees and Expenses; and
- (iv) To the Issuer, a City Administrative Fee in an amount equal to 0.15% of the outstanding principal amount of the Bonds, accruing monthly and payable to the Issuer semi-annually.

ARTICLE 5 GENERAL COVENANTS AND REPRESENTATIONS

Section 5.01 Payment of Principal or Redemption Price of and Interest on Bonds.

The Issuer shall promptly pay or cause to be paid the principal or redemption price of, and the interest on, every Bond issued hereunder according to the terms thereof, but shall be required to make such payment or cause such payment to be made only out of revenues available therefor under this Indenture. The Issuer hereby designates the principal corporate trust office of the Trustee as the place of payment for the Bonds.

Section 5.02 Instruments of Further Assurance. The Issuer and the Trustee shall do, execute, acknowledge and deliver, such indentures supplemental hereto, and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all its interest in the property herein described and the revenues, receipts and other amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds paid solely from the Trust Estate. Any and all interest in property hereafter acquired which is of any kind or nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of the Issuer or the Trustee, become and be subject to the lien of this Indenture as fully and completely as though specifically described herein, but nothing contained in this sentence shall be deemed to modify or change the obligations of the Issuer under this Section.

Section 5.03 Recordation and Filing. Pursuant to the Loan Agreement, the Borrower shall cause financing statements with respect to the Trust Estate described in this Indenture to be at all times filed in such manner and in such places if required by law in order to fully preserve and protect the rights of the Issuer and the Trustee hereunder and to perfect the security interest created by this Indenture in the Trust Estate described herein. To the extent possible under applicable law, as in effect in the jurisdiction(s) in which the Trust Estate is located, the Borrower will maintain the priority of the security interest herein created in the Trust Estate as a first lien thereon, and warrant, protect, preserve and defend its interest in the Trust Estate and the security interest of the Trustee herein and all rights of the Trustee under this Indenture against all actions, proceedings, claims and demands of all Persons, all paid for by the Borrower.

Section 5.04 No Modification of Security. The Issuer shall not, without the written consent of the Trustee, alter, modify or cancel, or agree to consent to alter, modify or cancel any

agreement which relates to or affects the security for the Bonds. The Trustee shall not consent to any change in the maturity of the Mortgage Note, except as provided in Article VIII hereof.

Section 5.05 Reports. The Trustee shall furnish annually, to the Borrower and any Bondholder who requests copies thereof and furnishes an address to which such reports and statements are to be sent copies of (a) any written reports furnished to the Trustee with regard to the Project and (b) annual statements of the Trustee with regard to fund balances. The Trustee shall be reimbursed by the Borrower for its reasonable costs and expenses in preparing any such statements.

Section 5.06 Tax Covenants

(a) The Issuer, to the extent that it has control over any of the following proceeds or payments, and the Trustee, to the extent that it has discretion with respect to investment of such proceeds, covenant and agree that they will not intentionally take any action or fail to take any action with respect to the investment of the proceeds of any Bonds issued under this Indenture or with respect to the payments derived from the security pledged hereunder or from the Loan Agreement which would result in constituting the Bonds "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code. The Issuer and the Trustee further covenant and agree that they will comply with and take all actions required by the Tax Agreement. The Trustee shall, at the cost and expense of the Borrower, cause to be prepared all rebate calculations required to be performed pursuant to the Tax Agreement.

(b) The Issuer covenants that it shall not use or cause the use of any proceeds of Bonds or any other funds of the Issuer, directly or indirectly, in any manner, and shall not take or cause to be taken any other action or actions, or fail to take any action or actions, which would result in interest on any of the Bonds becoming includable in gross income of any Holder thereof. The Issuer further covenants that it shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Issuer on the Bonds shall be excluded from the gross income of the recipients thereof for federal income tax purposes.

ARTICLE 6

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND HOLDERS

Section 6.01 Events of Default. Each of the following shall be an "Event of Default":

(a) default in the due and punctual payment of any interest on any Bond, subject to a five (5) day notice and cure period; or

(b) default in the due and punctual payment of the principal of or premium, if any, on any Bond whether at the stated maturity thereof, or on proceedings for redemption thereof, or on the maturity thereof by declaration, subject to a five (5) day notice and cure period; or

(c) failure by the Issuer to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in this Indenture or in the Bonds, which failure shall have continued for a period of 30 days after written notice, by registered or certified mail, to the Issuer and the Borrower specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion

and shall be given by the Trustee at the written request of the Holders of a majority in aggregate principal amount of Bonds then Outstanding (unless, notwithstanding any attempt to cure such failure, it cannot be cured within 30 days and, notwithstanding, is cured within 180 days); or

(d) the occurrence and continuation of an event of default under the Loan Agreement of which the Trustee has actual notice or of which the Trustee is deemed to have notice pursuant to Section 7.04(i) hereof.

The Trustee and the Issuer agree that notwithstanding the provisions hereof, no default under the terms of this Indenture shall be construed as resulting in a default under the Construction Loan Documents unless such event also constitutes a default thereunder.

Section 6.02 Acceleration. Upon the occurrence of an Event of Default described in Section 6.01(a) or (b) hereof, the Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding shall, by written notice delivered to the Borrower and the Issuer, declare the principal of all Bonds then Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately. If the Trustee is unable to determine that sufficient funds will be available to pay (not out of the Trustee's own funds) the full amount of the principal and accrued but unpaid interest to the Holders of the Bonds as of the date of acceleration, the Trustee shall declare the principal of the Bonds immediately due and payable, but only upon written direction of Controlling Holders of the Bonds then Outstanding. Upon the occurrence of any Event of Default other than those described in Sections 6.01(a) and 6.01(b) hereof, the Trustee may, and upon written consent of all Holders of Bonds then Outstanding shall, declare by a notice in writing delivered to the Borrower, the principal of all Bonds then Outstanding (if not then due and payable), and the interest thereon, to be due and payable immediately. Upon such declaration, that principal and interest shall become and be due and payable immediately. Interest on the Bonds shall accrue to the date determined by the Trustee for the tender of payment to the Holders pursuant to that declaration; provided, that interest on any unpaid principal of Bonds Outstanding shall continue to accrue from the date determined by the Trustee for the tender of payment to the Holders of those Bonds.

The provisions of the preceding paragraph are subject, however, to the condition that if, at any time after declaration of acceleration and prior to the entry of a judgment in a court for enforcement hereunder (after an opportunity for hearing by the Issuer and the Borrower),

(a) all sums payable hereunder (except the principal of and interest on Bonds which have not reached their stated maturity dates but which are due and payable solely by reason of that declaration of acceleration), plus interest to the extent permitted by law on any overdue installments of interest at the rate borne by the Bonds shall have been duly paid or provision shall have been duly made therefor by deposit with the Trustee, and

(b) all existing Events of Default shall have been cured,

then and in every case, the Trustee shall, upon being instructed in writing by the Investor Member, Special Investor Member or Construction Lender waive the Event of Default and its consequences and shall rescind and annul that declaration. No waiver or rescission and annulment shall extend to or affect any subsequent Event of Default or shall impair any rights consequent thereon.

The Investor Member, Special Investor Member or Construction Lender shall be entitled (but not obligated) to cure any Event of Default hereunder within the time frame provided to the Borrower hereunder. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Investor Member, Special Investor Member or Construction Lender shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Section 6.03 Rights of Holders. If any Event of Default shall have occurred and be continuing, then the Trustee may and, if requested so to do by the Holders of not less than 25% in aggregate principal amount of Bonds affected by such default, and if indemnified as provided herein, the Trustee shall:

- (a) by mandamus or other suit, action or proceeding at law or in equity require the Issuer to perform its covenants and duties under this Indenture;
- (b) bring suit upon the Bonds;
- (c) by action or suit in equity require the Issuer to account for its actions as if it were the trustee of an express trust for the Holders of the Bonds;
- (d) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Holders of the Bonds;
- (e) take any action to enforce its remedies under the Loan Agreement; or
- (f) take such other steps to protect and enforce its rights and the rights of the Holders of the Bonds, whether by action, suit or proceeding in aid of the execution of any power herein granted or for the enforcement of any other appropriate legal or equitable remedy.

Section 6.04 Rights of Holders to Direct Proceedings. Subject to the provisions of Section 6.08 hereof, the Holders of a majority in principal amount of the Bonds shall have the right at any time, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture for the benefit of the Bonds, or for the appointment of a receiver or any other proceedings hereunder for the benefit of the Bonds, in accordance with the provisions of law and of this Indenture.

Section 6.05 Waiver by Issuer. Upon the occurrence of an Event of Default, to the extent that such right may then lawfully be waived, neither the Issuer nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereinafter in force, in order to prevent or hinder the enforcement of this Indenture; and the Issuer, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws and all right of appraisal and redemption to which it may be entitled under the laws of the State.

Section 6.06 Application of Moneys. If at any time after the occurrence of an Event of Default the money held by the Trustee under this Indenture (other than amounts in the Rebate Fund) shall not be sufficient to pay the principal of and interest on the Bonds as the same become due and payable, such money, together with any moneys then available or thereafter becoming

available for such purpose, whether through the exercise of remedies in this Article or otherwise, shall, be applied by the Trustee as set forth in this Section 6.06.

After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of money and to all fees of the Trustee for expenses pursuant to any right given or action taken under the provisions of this Article or the provisions of the Loan Agreement, the Land Use Restriction Agreement or the Note (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under this Article VI), all money received by the Trustee, shall be applied as follows, subject to Section 2.03 hereof and any provision made pursuant to Section 4.10 or Section 4.11 hereof:

(a) Unless the principal of all of the Bonds shall have become, or shall have been declared to be, due and payable, all of such money shall be deposited in the Bond Fund and shall be applied:

First: To the payment to the Holders entitled thereto of all installments of interest then due on the Bonds, in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds; and

Second: To the payment to the Holders entitled thereto of the unpaid principal of any of the Bonds which shall have become due, in the order of their due dates, beginning with the earliest due date, with interest on those Bonds from the respective dates upon which they became due at the rates specified in those Bonds, and if the amount available is not sufficient to pay in full all Bonds due on any particular date, together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(b) If the principal of all of the Bonds shall have become due or shall have been declared to be due and payable pursuant to this Article, all of such money shall be deposited into the Bond Fund and shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest, of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all of the Bonds shall have been declared to be due and payable pursuant to this Article, and if that declaration thereafter shall have been rescinded and annulled under the provisions of Section 6.02 or Section 6.10 hereof, subject to the provisions of paragraph (b) of this Section in the event that the principal of all of the Bonds shall become due and payable later, the money shall be deposited in the Bond Fund and shall be applied in accordance with the provisions of Article II.

(d) Whenever money is to be applied pursuant to the provisions of this Section, such money shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of money available for application and the likelihood of additional

money becoming available for application in the future. Whenever the Trustee shall direct the application of such money, it shall fix the date upon which the application is to be made, and upon that date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided the money is available therefor. The Trustee shall give notice of the deposit with it of any money and of the fixing of that date, all consistent with the requirements of Section 2.03 hereof for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of a Bond to the Holder thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

Section 6.07 Remedies Vested in Trustee. All rights of action, including the right to file proof of claims, under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall be for the benefit as provided herein of Holders of the Outstanding Bonds.

Section 6.08 Remedies of Holders. No Holder of any Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless: (a) a default shall have occurred of which the Trustee shall have been notified as provided herein; (b) such default shall have become an Event of Default; (c) the Holders of at least 25% in aggregate principal amount of the Outstanding Bonds shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (d) such Holders shall have offered to the Trustee indemnity as provided herein; and (e) the Trustee shall within 60 days thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding, and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts under this Article VI, and to any action or cause of action for the enforcement of this Indenture, or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture or the rights of any other Holders of the Bonds or to obtain priority or preference over any other Holders (other than as provided herein) or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Holders of Bonds. Nothing contained in this Indenture shall, however, affect or impair the right of any Holder to enforce the payment of the principal of, the premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Issuer to pay the principal of, premium, if any, and interest on the Bonds issued hereunder to the respective Holders thereof, at the time, in the place, from the sources and in the manner expressed herein and in said Bonds.

Section 6.09 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 6.10 Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds upon the written request of the Holders of a majority of the Outstanding Bonds; provided, however, that there shall not be waived (a) any default in the payment of the principal of any Bonds at the date of maturity specified therein, or upon proceedings for mandatory redemption, or (b) any default in the payment when due of the interest or premium on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all fees, costs, and expenses (including reasonable fees and expenses of counsel) of the Trustee, in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

Section 6.11 Notice of Defaults; Opportunity to Cure Defaults. If an Event of Default shall occur, the Trustee shall give written notice of the Event of Default, by Electronic Means or by registered or certified mail, to the Issuer, the Borrower, the Construction Lender, the Investor Member, the Special Investor Member and the Remarketing Agent, within five days after the Trustee has actual notice of the Event of Default pursuant to Section 7.04(i) hereof. If an Event of Default occurs of which the Trustee has actual notice pursuant to this Indenture, the Trustee shall give written notice thereof, within 30 days after the Trustee's receipt of notice of its occurrence, to the Holders of all Bonds then Outstanding as shown by the Register at the close of business 15 days prior to the mailing of that notice; provided, that except in the case of a default in the payment of the principal of or interest on any Bond, the Trustee shall be protected in withholding such notice if the Trustee in good faith determines that the withholding of notice to the Holders is in the interests of the Holders.

ARTICLE 7 THE TRUSTEE AND REMARKETING AGENT

Section 7.01 Certain Duties and Responsibilities. Except during the continuance of an Event of Default:

(i) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether they conform to the requirements of this Indenture.

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the

same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) This subsection (c) shall not be construed to limit the effect of subsection (a) of this Section;

(ii) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with directions received pursuant to Section 6.04 or the direction of the Holders of a majority in principal amount of Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture.

(d) No provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(e) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 7.02 Notice of Default. Within 30 days after the occurrence of any default hereunder of which the Trustee is deemed to have notice hereunder, the Trustee shall transmit by first class mail, to the Holders of all Bonds then Outstanding notice of such default hereunder known to the Trustee, unless such default shall have been cured or waived prior thereto; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Bond when due, the Trustee shall be protected in withholding such notice if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of the Bonds. For the purpose of this Section the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 7.03 Reserved

Section 7.04 Certain Rights of Trustee. Except as otherwise provided in Section 7.01 hereof:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order or other paper or document conforming to the requirements, if any, of this Indenture, and believed by it to be genuine, and to have been signed or presented by the proper party or parties;

(b) any Request or Statement of the Issuer mentioned herein shall be sufficiently evidenced by an order or Request of the Issuer signed by an Authorized Issuer Representative and any resolution or ordinance of the governing body of the Issuer may be sufficiently evidenced by a Certificate of the Issuer;

(c) any notice, request, direction, election, order or demand of the Borrower mentioned herein shall be sufficiently evidenced by an instrument purporting to be signed in the name of the Borrower by an Authorized Borrower Representative (unless other evidence in respect thereof be herein specifically prescribed);

(d) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate of the Issuer;

(e) the Trustee may consult with counsel, architects and engineers and other experts, and the written advice of such counsel, architects or engineers and other experts shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(f) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of the Bonds pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(g) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such fact or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer and the Borrower, including the Project, personally or by agent or attorney;

(h) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder whether directly or by or through agents or attorneys, but the Trustee shall be responsible for any misconduct or negligence on the part of any agent or attorney so appointed;

(i) the Trustee shall not be required to take notice or be deemed to have notice of any default hereunder (except for any default due to the Trustee's failure to make any of the payments required to be made by Article IV hereof) unless the Trustee shall be specifically notified in writing of such default by the Issuer or the Holders of at least 25% in principal amount of Bonds affected thereby;

(j) all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee at the Notice Address referred to in Section 1.01 hereof;

(k) the rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall

be enforceable by, the Trustee in each of its capacities hereunder (including, without limitation, as Dissemination Agent); and

(l) the Trustee may request that the Issuer deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

(m) Upon written request by the Rating Agency, the Trustee shall furnish to the Rating Agency the balance of funds on hand with the Trustee and other information as may be reasonably required to maintain the rating on the Bonds.

Section 7.05 Not Responsible for Recitals or Issuance of Bonds. The recitals contained herein and in the Bonds, except the certificates of authentication, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Bonds.

Section 7.06 Trustee May Hold Bonds. The Trustee in its individual or any other capacity may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not Trustee.

Section 7.07 Reserved

Section 7.08 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall, *ipso facto*, be and become successor Trustee hereunder and vested with all title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 7.09 Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving 60 days' written notice by registered or certified mail to the Issuer and to each Holder of the Bonds then Outstanding; provided that no such resignation shall take effect until a successor Trustee shall have been appointed and shall have accepted such appointment as provided in Section 7.11. If no successor Trustee shall have been appointed and have accepted appointment within 60 days following the giving of all required notices of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee. The cost of such petition shall be paid by the Borrower.

Section 7.10 Removal of the Trustee. The Trustee may be removed at any time by an instrument or document or concurrent instruments or documents in writing delivered to the Trustee, with copies thereof mailed to the Issuer, the Remarketing Agent and the Borrower and Managing Member, and signed by or on behalf of the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding.

The Trustee also may be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture with respect to the duties and obligations of the Trustee by any court of competent

jurisdiction upon the application of the Issuer or the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding under this Indenture.

The removal of the Trustee under this Section 7.10 shall take effect upon the appointment of a successor Trustee as provided for in Section 7.11 of this Indenture.

Section 7.11 Appointment of Successor Trustee by the Holders; Temporary Trustee. If (a) the Trustee shall resign, shall be removed, shall be dissolved, or shall become otherwise incapable of acting hereunder, (b) the Trustee shall be taken under the control of any public officer or officers, or (c) a receiver shall be appointed for the Trustee by a court, then a successor Trustee shall be appointed by the Issuer, with the written consent of the Borrower and Managing Member; provided, that if a successor Trustee is not so appointed within 10 days after (i) a notice of resignation or an instrument or document of removal is received by the Issuer, as provided in Sections 7.09 and 7.10 hereof, respectively, or (ii) the Trustee is dissolved, taken under control, becomes otherwise incapable of acting or a receiver is appointed, in each case, as provided above, then, so long as the Issuer shall not have appointed a successor Trustee, the Holders of a majority in aggregate principal amount of Bonds then Outstanding may designate a successor Trustee by an instrument or document or concurrent instruments or documents in writing signed by or on behalf of those Holders. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section, the Holder of any Bond Outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Section 7.12 Concerning Any Successor Trustee. Every successor Trustee appointed pursuant to this Section (a) shall be a trust company or a bank having the powers of a trust company, (b) shall be in good standing within the State, (c) shall be duly authorized to exercise trust powers within the State, (d) shall have a reported capital, surplus and retained earnings of not less than \$50,000,000, and (e) shall be willing to accept the trusteeship under the terms and conditions of this Indenture.

Every successor Trustee appointed hereunder shall execute and acknowledge, and shall deliver to its predecessor, the Issuer and the Borrower and Managing Member an instrument or document in writing accepting the appointment. Thereupon, without any further act, the successor shall become vested with all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of its predecessor. Upon the written request of its successor, the Issuer or the Borrower or Managing Member, and payment of all fees and expenses owed to it, the predecessor Trustee (a) shall execute and deliver an instrument or document transferring to its successor all of the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens of the predecessor Trustee hereunder, and (b) shall take any other action necessary to duly assign, transfer and deliver to its successor all property (including without limitation, all securities and moneys) held by it as Trustee. Should any instrument or document in writing from the Issuer be requested by any successor Trustee for vesting and conveying more fully and certainly in and to that successor the trusts, properties, remedies, powers, rights, duties, obligations, discretions, privileges, claims, demands, causes of action, immunities, estates, titles, interests and liens vested or conveyed or intended to be vested or conveyed hereby in or to the predecessor Trustee, the Issuer shall execute, acknowledge and deliver that instrument or document.

Section 7.13 Trustee as Paying Agent and Bond Registrar; Additional Paying Agents. The Trustee is hereby designated and agrees to act as Paying Agent and Registrar for and in respect to the Bonds.

The Issuer from time to time may appoint one or more additional Paying Agents and, in the event of the resignation or removal of any Paying Agent, successor Paying Agents. Any such additional Paying Agent or successor Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Issuer and the Trustee a written acceptance thereof.

Section 7.14 Successor Trustee as Trustee, Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which shall have resigned or shall have been removed shall cease to be Trustee and Paying Agent on the Bonds and Bond Registrar, and the successor Trustee shall become such Trustee, Paying Agent and Bond Registrar.

Section 7.15 Representations by Trustee. The Trustee hereby represents and warrants that as of the date of execution of this Indenture:

- (a) It is duly organized and validly existing in good standing under the laws of the jurisdiction of its organization and has the power and authority to enter into and perform its obligations under this Indenture;
- (b) this Indenture has been duly authorized, executed and delivered by it; and
- (c) to the best of the Trustee's knowledge, the execution of this Indenture by the Trustee does not violate laws, statutes, ordinances, regulations or agreements which are binding on the Trustee.

Section 7.16 Concerning the Remarketing Agent. The Remarketing Agent identified in Section 1.01 hereof shall serve as the Remarketing Agent for the Bonds. The Remarketing Agent shall designate to the Trustee its Designated Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer, the Borrower, the Construction Lender, the Investor Member, the Special Investor Member and the Trustee. In addition, the Remarketing Agent will agree particularly to:

- (a) Keep such records relating to its computations of interest rates for the Bonds as shall be consistent with prudent industry practice and to make such records available for inspection by the Issuer, the Trustee and the Borrower, the Construction Lender, the Investor Member and the Special Investor Member at all reasonable times; and
- (b) perform all of its functions and duties under this Indenture.

The Remarketing Agent shall be entitled to advice of legal counsel on any matter relating to the Remarketing Agent's obligations hereunder and shall be entitled to act upon the opinion of such counsel in the exercise of reasonable care in fulfilling such obligations.

The Remarketing Agent shall be entitled to appoint additional co-Remarketing Agents to assist in the performance of the Remarketing Agent's obligations under this Indenture, and any such appointment shall be effective without any action by the Issuer or the Borrower being

necessary; provided that any such co-Remarketing Agent, shall have a capitalization of at least \$5,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$5,000,000, shall be in conformity with all standards and requirements of the Municipal Securities Rulemaking Board and the Securities and Exchange Commission, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. The Remarketing Agent shall take responsibility for any co-Remarketing Agent it appoints.

Section 7.17 Qualification of Remarketing Agent. The Remarketing Agent shall be a member in good standing of the Financial Industry Regulatory Authority having a capitalization of at least \$5,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$5,000,000, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. Subject to the terms of the Remarketing Agreement, the Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 30 days' notice of such resignation to the Issuer, the Borrower, the Construction Lender, the Investor Member, the Special Investor Member and the Trustee. The Remarketing Agent may be removed, with prior notice to the Issuer, at any time by the Borrower, with at least 30 days' notice of such removal to the Remarketing Agent.

Upon any resignation or removal of the Remarketing Agent, the departing Remarketing Agent shall pay over, assign and deliver any money and Bonds held by it in such capacity to its successor.

The Trustee, within 30 days of the resignation or removal of the Remarketing Agent or the appointment of a successor Remarketing Agent, shall give notice thereof by registered or certified mail to the Rating Agency (if the Bonds are then rated) and to the Holders of the Bonds.

Section 7.18 Information for Rating Agency and Notice of Certain Events. The Trustee shall provide the Rating Agency upon its written request such information within the Trustee's possession as the Rating Agency shall reasonably require from time to time in order to maintain the rating on the Bonds;

The Trustee shall notify the Rating Agency and the Remarketing Notice Parties of (a) the occurrence of an Event of Default of which the Trustee has actual notice, (b) any change in the identity of the Trustee, (c) any amendments, modifications, supplements or changes to this Indenture, the Loan Agreement, the Note or the Bonds, including any extension of principal or modification of interest or redemption premium due on any of the Bonds, in each case only in the event the Trustee has actual notice, (d) any change or notification of proposed change of the Mandatory Tender Date or Remarketing Date pursuant to the remarketing of the Bonds, (e) any partial prepayment of the Loan or the giving of notice of the call for redemption of any Bonds in connection with the prepayment of the Loan, (f) any defeasance or acceleration of the Bonds hereunder, (g) any change in the Remarketing Agent or the Construction Lender of which the Trustee has actual knowledge, (h) the occurrence of any monetary or other material default under the Loan of which the Trustee has actual notice, (i) any change or proposed change in the structure or identity of the Borrower of which the Trustee has actual knowledge, (j) any change in the investment of funds subject to the lien of this Indenture, (k) any sale of Eligible Investments below par, as shown in a Cash Flow Projection delivered to the Rating Agency prior to the sale date.

**ARTICLE 8
SUPPLEMENTAL INDENTURE**

Section 8.01 Supplemental Indentures Not Requiring Consent of Bondholders.

The Issuer and the Trustee, without the consent of or notice to any of the Bondholders, may enter into a bond indenture or bond indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof or materially adverse to the interest of the Holders of the Bonds for any one or more of the following reasons:

- (a) to cure any ambiguity or formal defect or omission in this Indenture;
- (b) to subject to the lien and pledge of this Indenture additional revenues, properties or collateral;
- (c) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee or any of them;
- (d) to modify, amend or supplement this Indenture or any bond indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or under any state securities laws;
- (e) to permit the Trustee to comply with any obligations imposed upon it by law;
- (f) to achieve compliance of this Indenture with any applicable federal securities or tax laws or state securities laws;
- (g) to maintain the exclusion from gross income for federal income taxation of interest on the Bonds;
- (h) to obtain, improve or maintain the rating on the Bonds from any nationally recognized securities rating agency so long as such change does not affect the interest rates, maturities or redemption provisions of the Bonds and does not, in the opinion of Bond Counsel, adversely affect the exclusion from gross income for federal income taxation of interest on the Bonds; or
- (i) in connection with any other change in this Indenture which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders.

The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental bond indenture have been effected in compliance with the provisions of this Article.

Section 8.02 Supplemental Indentures Requiring Consent of Bondholders.

Exclusive of Supplemental Indentures to which reference is made in Section 8.01 hereof and subject to the terms, provisions and limitations contained in this Section, and not otherwise, with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, evidenced as provided in this Indenture, and with the written consent of the Borrower if required by Section 8.05 hereof, the Issuer and the Trustee may execute and

deliver Supplemental Indentures adding any provisions to, changing in any manner or eliminating any of the provisions of this Indenture or any Supplemental Indenture or restricting in any manner the rights of the Holders. Nothing in this Section shall permit, however, or be construed as permitting:

- (a) without the consent of the Holder of each Bond so affected, (i) an extension of the maturity of the principal of or the interest on any Bond or (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, or
- (b) a reduction in the rate of interest paid on any Bond or an extension of any Interest Payment Date, or
- (c) without the consent of the Holders of all Bonds then Outstanding, (i) the creation of a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (ii) a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture.

If the Issuer shall request that the Trustee execute and deliver any Supplemental Indenture for any of the purposes of this Section, upon (i) being satisfactorily indemnified with respect to its expenses in connection therewith, and (ii) if required by Section 8.05 hereof, receipt of the Borrower's written consent to the proposed execution and delivery of the Supplemental Indenture, the Trustee shall, at the written direction of the Issuer, cause notice of the proposed execution and delivery of the Supplemental Indenture (which notice shall be prepared by the Borrower) to be mailed by first-class mail, postage prepaid, to all Holders of Bonds then Outstanding at their addresses as they appear on the Register at the close of business on the fifteenth day preceding that mailing.

The Trustee shall not be subject to any liability to any Holder by reason of the Trustee's failure to mail, or the failure of any Holder to receive, the notice required by this Section. Any failure of that nature shall not affect the validity of the Supplemental Indenture when there has been consent thereto as provided in this Section. The notice shall set forth briefly the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Designated Office of the Trustee for inspection by all Holders.

If the Trustee shall receive, within a period prescribed by the Borrower, of not less than 60 days, but not exceeding one year, following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (which instrument or document or instruments or documents shall refer to the proposed Supplemental Indenture in the form described in the notice and specifically shall consent to the Supplemental Indenture in substantially that form), the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Indenture in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder shall have consented thereto.

The Trustee may rely upon an opinion of counsel as conclusive evidence that the execution and delivery of any Supplemental Indenture have been effected in compliance with the provisions of this Article.

Any consent shall be binding upon the Holder of the Bond giving the consent and, anything herein to the contrary notwithstanding, upon any subsequent Holder of that Bond and of any Bond issued in exchange therefor (regardless of whether the subsequent Holder has notice of the

consent to the Supplemental Indenture). A consent may be revoked in writing, however, by the Holder who gave the consent or by a subsequent Holder of the Bond by a revocation of such consent received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Indenture. At any time after the Holders of the required percentage of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Issuer a written statement that the Holders of the required percentage of Bonds have filed those consents. That written statement shall be conclusive evidence that the consents have been so filed.

If the Holders of the required percentage in aggregate principal amount of Bonds Outstanding shall have consented to the Supplemental Indenture, as provided in this Section, no Holder shall have any right (a) to object to (i) the execution or delivery of the Supplemental Indenture, (ii) any of the terms and provisions contained therein, or (iii) the operation thereof, (b) to question the propriety of the execution and delivery thereof, or (c) to enjoin or restrain the Trustee or the Issuer from that execution or delivery or from taking any action pursuant to the provisions thereof.

Section 8.03 Amendments to Loan Agreement Not Requiring Consent of the Bondholders. The Issuer and the Borrower, without the consent of the Bondholders, may enter into any amendment, change or modification to the Loan Agreement as shall not be inconsistent with the terms of the Loan Agreement or materially adverse to the interests of the Holder of the Bonds or the Trustee for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in the Loan Agreement;
- (b) to grant to or confer upon the Issuer or the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Issuer or the Trustee or either of them;
- (c) to maintain the exclusion from gross income for federal income taxation of interest of the Bonds;
- (d) to obtain, improve or maintain the rating on the Bonds so long as such change does not affect the interest rates, maturities or redemption provisions of the Bonds and does not, in the opinion of Bond Counsel, adversely affect the exclusion from gross income for federal income taxation of interest on the Bonds; or
- (e) in connection with any other change which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders.

The Trustee may rely upon an opinion of counsel as conclusive evidence that such amendment, change or modification has been effected in compliance with the provisions of this Article.

Section 8.04 Amendments to Loan Agreement Requiring Consent of Bondholders. With the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, the Issuer, the Trustee and the Borrower may from time to time enter into amendments, changes and modifications to the Loan Agreement for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained therein; provided, however, that no such amendment, change or modification shall permit or be construed as permitting: (a) any adverse effect on the security for the Bonds without consent of

all Bondholders, (b) a reduction in the amount of Bonds, the Holders of which are required to approve any such amendment, change or modification without the consent of Holders of all Bonds at the time Outstanding which would be affected by the action to be taken; or (c) any action which may result in the denial of the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

If at any time, the Borrower or the Issuer shall request the consent of the Trustee to any such amendment, change or modification of the Loan Agreement, the Trustee shall, upon being satisfactorily indemnified by the Borrower with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided above with respect to supplemental bond indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days following the giving of such notice the Holders of not less than two-thirds in aggregate principal amount of Outstanding Bonds at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as described above, no Holder of any Bond shall have any right to object to the terms and provisions contained therein, or to the operation thereof, or in any manner to question the propriety of the execution thereof or to enjoin or to restrain the Issuer or the Trustee from consenting to the execution thereof. The Trustee may rely upon an opinion of counsel as conclusive evidence that such amendment, change or modification has been effected in compliance with the provisions of this Article.

Section 8.05 Consent of Borrower and Investor Member. Anything contained herein to the contrary notwithstanding, any Supplemental Indenture executed and delivered in accordance with this Article VIII which affects in any material respect any rights or obligations of the Borrower shall not become effective unless and until the Borrower, Investor Member and Special Investor Member shall have consented in writing to the execution and delivery of that Supplemental Indenture.

Section 8.06 Responsibilities of Trustee. Notwithstanding anything else contained herein, the Trustee shall not be required to enter into any Supplemental Indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Section 8.07 Authorization to Trustee; Effect of Supplement

The Trustee is authorized to join with the Issuer in the execution and delivery of any Supplemental Indenture in accordance with this Article and to make the further agreements and stipulations which may be contained therein. Thereafter,

- (a) That Supplemental Indenture shall form a part of this Indenture;
- (b) All terms and conditions contained in that Supplemental Indenture as to any provision authorized to be contained therein shall be deemed to be a part of the terms and conditions of this Indenture for any and all purposes;
- (c) This Indenture shall be deemed to be modified and amended in accordance with the Supplemental Indenture; and
- (d) The respective rights, duties and obligations under this Indenture of the Issuer, the Borrower, the Trustee, the Remarketing Agent and all Holders of Bonds then Outstanding shall

be determined, exercised and enforced hereunder in a manner which is subject in all respects to those modifications and amendments made by the Supplemental Indenture.

Express reference to any executed and delivered Supplemental Indenture may be made in the text of any Bonds issued thereafter, if that reference is deemed necessary or desirable by the Trustee or the Issuer. A copy of any Supplemental Indenture for which provision is made in this Article, except a Supplemental Indenture described in Section 8.01(g) hereof, shall be mailed to the Holders by the Trustee. The Trustee shall not be required to execute any supplemental indenture containing provisions adverse to the Trustee.

Section 8.08 Opinion of Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it as conclusive evidence that (a) any proposed Supplemental Indenture complies with the provisions of this Indenture, and (b) it is proper for the Trustee to join in the execution of that Supplemental Indenture under the provisions of this Article. That counsel may be counsel for the Issuer or the Borrower.

Before the Issuer and the Trustee shall enter into any Supplemental Indenture, there shall have been delivered to the Trustee an opinion of Bond Counsel to the effect that such Supplemental Indenture will not adversely affect the Federal Tax Status of the Bonds.

Section 8.09 Modification by Unanimous Consent. Notwithstanding anything contained elsewhere in this Indenture, the rights and obligations of the Issuer and of the Holders, and the terms and provisions of the Bonds and this Indenture or any Supplemental Indenture, may be modified or altered in any respect with the consent of (a) the Issuer, (b) the Holders of all of the Bonds then Outstanding, (c) the Borrower, the Construction Lender the Investor Member and the Special Investor Member and (d) if such modification or alteration contains provisions adverse to the Trustee, the Trustee.

ARTICLE 9 SATISFACTION AND DISCHARGE OF INDENTURE

Section 9.01 Discharge of Lien. If (a) the Issuer shall pay all of the Outstanding Bonds, or shall cause them to be paid and discharged, or if there otherwise shall be paid to the Holders of the Outstanding Bonds, all Bond Service Charges due or to become due thereon, and (b) provision also shall be made for the payment of all other sums payable hereunder or under the Loan Agreement, the Land Use Restriction Agreement and the Note, then this Indenture shall cease, terminate and become null and void (except for those provisions surviving by reason of Section 9.03 hereof in the event the Bonds are deemed paid and discharged pursuant to Section 9.02 hereof), and the covenants, agreements and obligations of the Issuer hereunder shall be released, discharged and satisfied.

Thereupon, and subject to the provisions of Section 9.03 hereof if applicable,

(a) the Trustee shall release this Indenture (except for those provisions surviving by reason of Section 9.03 hereof in the event the Bonds are deemed paid and discharged pursuant to Section 9.02 hereof), and shall execute and deliver to the Issuer any instruments or documents in writing, prepared by or on behalf of the Issuer, as shall be requisite to evidence that release and discharge or as reasonably may be requested by the Issuer;

(b) the Trustee shall release and satisfy the Note and deliver such release and satisfaction to the Borrower; and

(c) the Trustee shall assign and deliver to the Issuer any property subject at the time to the lien of this Indenture which then may be in its possession, except amounts in the Bond Fund required (i) to be paid to the Borrower under Section 4.14 hereof, or (ii) to be held by the Trustee under Section 4.13 hereof or otherwise for the payment of Bond Service Charges.

Section 9.02 Payment and Discharge of Bonds. All or any part of the Bonds shall be deemed to have been paid and discharged within the meaning of this Indenture, including without limitation, Section 9.01 hereof, if:

(a) the Trustee as paying agent shall have received, in trust for and irrevocably committed thereto, sufficient money, or

(b) the Trustee shall have received, in trust for and irrevocably committed thereto, noncallable Government Obligations which are certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient together with any money to which reference is made in subparagraph (a) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided herein), for the payment of all Bond Service Charges on those Bonds at their maturity.

Any money held by the Trustee in accordance with the provisions of this Section may be invested by the Trustee only in noncallable Government Obligations having maturity dates, or having redemption dates which, at the option of the owner of those obligations, shall be not later than the date or dates at which money will be required for the purposes described above. To the extent that any income or interest earned by, or increment to, the investments held under this Section is determined from time to time by the Trustee to be in excess of the amount required to be held by the Trustee for the purposes of this Section, that income, interest or increment shall be transferred at the time of that determination in the manner provided in Section 4.14 hereof for transfers of amounts remaining in the Bond Fund.

If any Bonds shall be deemed paid and discharged pursuant to this Section 9.02, then within 15 days after such Bonds are so deemed paid and discharged the Trustee shall cause a written notice to be given to each Holder as shown on the Register on the date on which such Bonds are deemed paid and discharged. Such notice shall state the numbers of the Bonds deemed paid and discharged or state that all Bonds are deemed paid and discharged, and shall set forth a description of the obligations held pursuant to subparagraph (b) of the first paragraph of this Section 9.02.

Section 9.03 Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of this Indenture which relate to the maturity of Bonds, interest payments and dates thereof, optional and mandatory redemption provisions, credit against mandatory sinking fund requirements, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, and repayments of moneys in funds held hereunder, and the duties of the Trustee and the Bond Registrar in connection with all of the foregoing, shall remain in effect and be binding upon the Trustee, the Bond Registrar, the Paying Agent and the Holders

notwithstanding the release and discharge of this Indenture. The provisions of this Article shall survive the release, discharge and satisfaction of this Indenture.

ARTICLE 10 MISCELLANEOUS

Section 10.01 Consents and Other Instruments of Bondholders. Any consent, request, direction, approval, waiver, objection, appointment or other instrument required by this Indenture to be signed and executed by the Bondholders may be signed and executed in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument, if made in the following manner, shall be sufficient for any of the purposes of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken under such instrument, namely:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such instrument acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or association or a member of a limited liability company or a partner of a partnership on behalf of such corporation, association, limited liability company or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

(b) The ownership of Bonds shall be proven by the Bond Register.

(c) Any request, consent or vote of the Holder of any Bond shall bind every future Holder of any Bond issued in exchange therefor or in lieu thereof, in respect of anything done or permitted to be done by the Trustee or the Issuer pursuant to such request, consent or vote.

(d) In determining whether the Holders of the requisite amount of the principal amount of the Bonds then Outstanding have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned by the Issuer or the Borrower or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with the Issuer or the Borrower shall be disregarded and deemed not to be Outstanding for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver. Only Bonds which the Trustee actually knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of Issuer and the Trustee the pledgee's right to vote such Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 10.02 Limitation of Rights. With the exception of rights conferred expressly in this Indenture, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Remarketing Agent, the Borrower, the Construction Lender, the Investor Member, the Special Investor Member and the Holders of the Bonds any legal or equitable right, remedy, power or claim under or with respect to this Indenture or any covenants, agreements, conditions and

provisions contained herein. This Indenture and all of those covenants, agreements, conditions and provisions are intended to be, and are, for the sole and exclusive benefit of the parties hereto, the Remarketing Agent, the Borrower, the Managing Member and the Holders of the Bonds, as provided herein.

Section 10.03 Severability. If any provision of this Indenture shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or sections in this Indenture contained shall not affect the remaining portions of this Indenture or any part thereof

Section 10.04 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given three days after deposit by first-class mail, except any notice specifically required to be given by certified or registered mail shall be deemed given three days after being mailed by certified or registered mail, postage prepaid, and any notice dispatched by messenger, facsimile or telegram, addressed to the Notice Address of the person to whom such notices, certificates or other communications are given shall be deemed given when delivered.

Section 10.05 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bonds, or the date fixed for redemption of any Bonds, shall be a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 10.06 Priority of this Indenture. This Indenture shall be superior to any liens which may be placed upon the Revenues or any other funds or accounts created pursuant to this Indenture.

Section 10.07 Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes.

Section 10.08 Governing Law. The laws of the State shall govern the construction of this Indenture and of all Bonds issued hereunder, without reference to its conflict of laws principles.

Section 10.09 No Recourse. No recourse shall be had for the principal of, redemption premium, if any, and interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Indenture or the Loan Agreement against any past, present or future official, officer or employee of the Issuer or the Trustee, as such, either

directly or through the Issuer or the Trustee or any successor to either, under any rule of law, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the Loan Agreement and the issuance of the Bonds.

Section 10.10 Successors and Assigns. All the covenants and representations contained in this Indenture, by or on behalf of the Issuer and the Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether expressed or not.

Section 10.11 Books, Records and Accounts. The Trustee agrees to keep proper books, records and accounts in which complete and correct entries shall be made of all transactions relating to the receipt, disbursements, investment, allocation and application of the proceeds received from the sale of the Bonds, the revenues received from the Funds created pursuant to this Indenture and all other money held by the Trustee hereunder. The Trustee shall make such books, records and accounts available for inspection by the Issuer, the Construction Lender, the Investor Member or the Holder of any Bond during reasonable hours and under reasonable conditions.

Section 10.12 Reserved*.

Section 10.13 Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 10.14 U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may reasonably request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

Section 10.15 Waiver of Jury Trial. EACH OF THE ISSUER, THE HOLDERS AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE BONDS OR THE TRANSACTION CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the date and year first above written.

CITY OF CHICAGO

By: _____

Name: Jill Jaworski

Title: Chief Financial Officer

(Seal)

Attest:

Name: Andrea M. Valencia

Title: City Clerk

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Trustee

By: _____

Name: Anna McCully

Title: Vice President

[(Sub)Exhibit "B" referred to in this Bond Indenture constitutes Exhibit "F" to ordinance and printed on pages 17630 and 17631 of this *Journal*.]

(Sub)Exhibit "A" referred to in this Bond Indenture reads as follows:

(Sub)Exhibit "A".
(To Bond Indenture)

Form Of Bond.

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

**Multi-Family Housing Revenue Bonds
(The Ave SW Project), Series 2024**

No. R-1			AGGREGATE PRINCIPAL AMOUNT:
			\$ _____
<u>Maturity Date</u>	<u>Dated Date</u>	<u>Initial Interest Rate</u>	<u>CUSIP No.</u>
_____ 1, 202__	_____ 2024	_____%	167570 _____

Registered Owner: CEDE & CO.

Aggregate Principal Amount: _____ DOLLARS AND 00/100

INITIAL MANDATORY TENDER DATE: _____ 1, 202__

The City of Chicago, a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "Issuer"), for value received, hereby promises to pay (but only from the revenues and other assets and in the manner hereinafter described) to the Registered Owner specified above or registered assigns, the Principal Amount specified above on the Maturity Date specified above (subject to the rights of redemption and tender set forth herein), and to pay from those sources interest on the unpaid principal balance of said Principal Amount calculated at the Interest Rate on (a) _____ 1 and _____ 1 of each year beginning _____ 1, 2024, (b) each Redemption Date, and (c) each Mandatory Tender Date (the "Interest Payment Dates") until the principal amount is paid or duly provided for. This Bond will bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from its date, or, if no interest has been paid or provided for, from the date of initial delivery (the "Closing Date").

This Bond shall bear interest from the Dated Date to but not including the Initial Mandatory Tender Date at the Initial Interest Rate set forth above and thereafter this Bond shall bear interest at the Remarketing Rate (as defined in the Indenture) for each subsequent Remarketing Period (as defined in the Indenture). Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months, for the actual number of days elapsed.

The principal of this Bond is payable at the designated corporate trust office of the trustee, presently Zions Bancorporation, National Association, a national banking association (the "Trustee"). Interest is payable on each Interest Payment Date by check mailed to the person in whose name this Bond (or one or more predecessor bonds) is registered (the "Holder") at the close of business on the 15th day of the calendar month next preceding that Interest Payment

Date (the "Regular Record Date") on the registration books for this issue maintained by the Trustee, as registrar, at the address appearing therein. Any interest which is not timely paid or duly provided for shall cease to be payable to the Holder hereof (or of one or more predecessor bonds) as of the Regular Record Date, and shall be payable to the Holder hereof (or of one or more predecessor bonds) at the close of business on a Special Record Date to be fixed by the Trustee for the payment of that overdue interest. Notice of the Special Record Date shall be mailed to Holders not less than 10 days prior thereto. The principal of and interest on this Bond are payable in lawful money of the United States of America, without deduction for the services of the paying agent. While the Bonds are held in a book-entry system and in certain other circumstances, all as provided in the Indenture, principal of and interest on this Bond is required to be paid by wire transfer or other arrangement, other than any payment of the entire unpaid principal amount hereof.

This Bond is one of a duly authorized series of bonds of the City designated as its Multi-Family Housing Revenue Bonds (The Ave SW Project), Series 2024 (the "Bonds"), in the aggregate principal amount of \$ _____ (the "Bonds"), pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois, and pursuant to the Ordinance adopted by the Issuer on _____, 2024. The Bonds are issued under and are equally and ratably secured as to principal, premium, if any, and interest by an Indenture dated as of _____ 1, 2024, from the Issuer to the Trustee (the "Indenture"), to which Indenture and all indentures supplemental thereto (copies of which are on file at the office of the Trustee) reference is hereby made. By the acceptance of this Bond, the Holder hereof assents to all of the provisions of the Indenture.

The Bonds, together with premium, if any, and interest thereon, do not constitute an indebtedness, liability, general or moral obligation or a pledge of the full faith or loan of credit of the Issuer, the State of Illinois, or any political subdivision of the State of Illinois within the meaning of any constitutional or statutory provisions. None of the Issuer, the State of Illinois or any political subdivision thereof shall be obligated to pay the principal of, premium, if any, or interest on the Bonds or other costs incident thereto except from the revenues and assets pledged with respect thereto. Neither the full faith and credit nor the taxing power of the United States of America, the Issuer, the State of Illinois or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or other costs incident thereto. The Bonds are not a debt of the United States of America or any agency thereof, and are not guaranteed by the United States of America or any agency thereof.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication shall have been signed by the Trustee.

The Bonds are being issued by the Issuer for the purpose of financing a loan (the "Loan") to be made to The Ave SW LLC, an Illinois limited liability company (the "Borrower"). The Loan will be used by the Borrower to pay a portion of the costs of acquiring, rehabilitating and equipping the Project, as defined in the Indenture and as further described in the Loan Agreement dated as of even date with the Indenture (the "Loan Agreement"), between the Issuer and the Borrower. The Bonds are special limited obligations of the Issuer, issued or to be issued under and are secured and entitled equally and ratably to the protection given by the Indenture, including payments under the Loan made to the Trustee by the Borrower.

The Bonds are subject to redemption and tender prior to their stated maturity as follows:

(a) Optional Redemption. The Bonds are subject to optional redemption in whole or in part by the Issuer at the written direction of the Borrower on any date on or after the later to occur of (a) the date that the Project is placed in service, as certified in writing by the Borrower to the Trustee, and (b) the Optional Redemption Date (as defined in the Indenture) at a redemption price equal to 100% of the principal amount of the Bonds plus accrued interest to the Redemption Date.

(b) Reserved.

(c) Mandatory Redemption. The Bonds shall be redeemed in whole at a redemption price of 100% of the principal amount of such Bonds, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Bonds, (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth therein, or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

(d) Purchase in Lieu of Redemption. At the election of the Borrower upon a redemption in whole of the Bonds, by written notice to the Trustee and the Remarketing Agent given not less than five (5) Business Days in advance of such redemption date, the Bonds will be deemed tendered for purchase in lieu of the redemption on such date and the call for redemption shall be cancelled. The purchase price of Bonds so purchased in lieu of redemption shall be the principal amount thereof together with all accrued and unpaid interest to the date of redemption and any prepayment fee, if due, and shall be payable on the date of redemption thereof. Bonds so purchased in lieu of redemption shall remain Outstanding and shall be registered to or upon the direction of the Borrower.

(e) Mandatory Tender. The Bonds are subject to mandatory tender in whole on each Mandatory Tender Date. Holders will not have the right to elect to retain their Bonds. Upon presentation and surrender of the Bonds by the Holder on the date fixed for tender, the Holder shall be paid the principal amount of the Bonds to be tendered, plus accrued interest on such Bonds to the tender date.

Reference is made to the Indenture for a more complete description of the Project, the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Holders of the Bonds, and the terms and conditions upon which the Bonds are issued and secured. Each Holder assents, by its acceptance hereof, to all of the provisions of the Indenture.

The Borrower is required by the Loan Agreement to cause the Construction Lender (as defined in the Indenture), the Issuer and the Subordinate Lender (as defined in the Indenture) to provide on its behalf their respective portions of the Eligible Funds (as defined in the Indenture) to the Trustee in the amounts and at the times necessary to pay the principal of and interest (the "Bond Service Charges") on the Bonds. In the Indenture, the Issuer has assigned to the Trustee, to provide for the payment of the Bond Service Charges on the Bonds, the Issuer's right, title and interest in and to the Loan Agreement, except for Reserved Rights as defined in the Indenture.

To secure its compliance with certain covenants in the Loan Agreement, the Borrower has executed and delivered a Land Use Restriction Agreement, dated as of _____ 1, 2024 (the "Land Use Restriction Agreement") among the Issuer, the Borrower and the Trustee.

Copies of the Indenture, the Loan Agreement and the Land Use Restriction Agreement are on file in the designated corporate trust office of the Trustee.

The Bond Service Charges on the Bonds are payable solely from the Revenues, as defined and as provided in the Indenture (being, generally, the amounts payable under the Loan Agreement and any unexpended proceeds of the Bonds), and are an obligation of the Issuer only to the extent of the Revenues. The Bonds are not secured by an obligation or pledge of any money raised by taxation and do not represent or constitute a debt or pledge of the faith and credit of the Issuer.

The Bonds are issuable only as fully registered bonds and, except as hereinafter provided, in printed or typewritten form, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), which shall be considered to be the Holder for all purposes of the Indenture, including, without limitation, payment by the Issuer of Bond Service Charges, and receipt of notices to, giving of consents by and exercise of rights of, Holders. There shall be a single Bond representing each maturity, and all Bonds shall be immobilized in the custody of DTC with the owners of beneficial interests in those Bonds (the "book-entry interests") having no right to receive from the Issuer Bonds in the form of physical securities or certificates. Ownership of book-entry interests in the Bonds shall be shown by book-entry on the system maintained and operated by DTC, its participants (the "Participants") and certain persons acting through the Participants, and transfers of ownership of book-entry interests shall be made only by that book-entry system, the Issuer and the Trustee having no responsibility therefor. DTC is to maintain records of the positions of Participants in the Bonds, and the Participants and persons acting through Participants are to maintain records of the purchasers and owners of book-entry interests in the Bonds. The Bonds as such shall not be transferable or exchangeable, except for transfer to another Securities Depository (as defined in the Indenture) or to another nominee of a Securities Depository, without further action by the Issuer and otherwise at the expense of the Borrower.

If any Securities Depository determines not to continue to act as a Securities Depository for the Bonds for use in a book-entry system, the Issuer may attempt to have established a securities depository/book-entry system relationship with another qualified Securities Depository under the Indenture. If the Issuer does not or is unable to do so, the Issuer and the Trustee, after the Trustee has made provision for notification of the owners of book-entry interests by the then Securities Depository, shall permit withdrawal of the Bonds from the Securities Depository, and authenticate and deliver Bond certificates in fully registered form (in denominations of \$5,000, or any integral multiple of \$1,000 in excess thereof) to the assignees of the Securities Depository or its nominee, all at the cost and expense (including costs of printing or otherwise preparing and delivering replacement Bond certificates) of those Persons requesting such authentication and delivery, if the event is not the result of Issuer action or inaction (including action at the request of the Borrower).

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, or to institute action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Neither the Issuer nor the Borrower shall be liable for an acceleration of the Bonds or payment of additional interest thereon in the event that interest on the Bonds is declared or becomes includable in gross income for federal income tax purposes.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond is transferable by the Holder hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or bonds of the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Issuer and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

Subject to the limitations of the Indenture and upon payment of any tax, fee or other governmental charge required to be paid with respect to such exchange, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same maturity and interest rate.

The principal hereof may be declared or may become due on the conditions and in the manner and at the time set forth in the Indenture upon the occurrence of an event of default as provided in the Indenture.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on this Bond, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any trustee, officer or employee, as such, past, present or future, of the Issuer or any successor, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released. The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

UNIF GIFT MIN ACT --

Custodian _____
(Cust) (Minor)
Under Uniform Gift to Minors
Act _____
(State)

TEN COM – as tenants in common
TEN ENT – as tenants by the entireties
JT TEN – as joint tenants with right of
Survivorship and not as
Tenants in common

Additional abbreviations may also be used though not in the above list.

It is hereby certified, recited and declared that all facts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the issuance of this Bond, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of an authorized officer and its corporate seal to be hereunto impressed or imprinted hereon and attested to by the manual or facsimile signature of an authorized officer of the Issuer, all as of the Dated Date identified above.

CITY OF CHICAGO, ILLINOIS

By: _____
Name: Brandon Johnson
Title: Mayor

Attest:

By: _____
Name: Andrea M. Valencia
Title: City Clerk

FORM OF CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Indenture referred to in this Bond.

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signature

Date of Authentication: _____, 2024
Date from which interest is payable: Dated Date

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration or transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is required by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as if required by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

(Please Print or Type Name and Address of Assignee)

Social Security or Taxpayer Identification Number: _____

The within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to transfer the said Bond on the books of the within-named Issuer maintained by the Trustee for the registration thereof, with full power of substitution in the premises.

Notice: The signature to this assignment must correspond with the name as it appears on the face of the within note in every particular, without alteration or enlargement or any change whatever. The signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Signature guaranteed by:

[Bank, Trust Company or Firm]

Authorized Signature
(Signature(s) must be guaranteed by a broker or other financial institution which is a participant in the Securities Transfer Agent's Medallion Program (STAMP, SEMP, MSP)).

Exhibit "C".
(To Ordinance)

Loan Agreement.

THIS LOAN AGREEMENT (the "**Agreement**") dated as of _____, 2024, by and among CITY OF CHICAGO, a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "**Issuer**"), THE AVE SW LLC, an Illinois limited liability company (the "**Borrower**") and ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as trustee (the "**Trustee**" or "**Trustee**") under that certain Indenture dated as of _____, 2024, from the Issuer to the Trustee securing the Bonds described below (the "**Indenture**").

WITNESSETH:

WHEREAS, as a home rule unit of local government and pursuant to the Constitution of the State of Illinois, the Issuer is authorized to issue its revenue Bonds and bonds in order to aid in providing an adequate supply of residential housing for low- and moderate-income persons or families within the City of Chicago, which constitutes a valid public purpose for the issuance of revenue Bonds and bonds by the Issuer; and

WHEREAS, the Issuer has determined to issue, sell and deliver its \$_____ Multi-Family Housing Revenue Bonds (The Ave SW Project), Series 2024 (the "**Bonds**") pursuant to the Indenture, from the Issuer to the Trustee, and to lend the proceeds thereof to the Borrower for the purpose of financing the acquisition, construction and equipping of a four-story building located generally at 3601-3625 West Chicago Avenue in Chicago, Illinois (the "**Property**"), to contain fifty-two (52) residential units, including twenty-six (26) one-bedroom units, twenty-three (23) two-bedroom units and three (3) three-bedroom units for low-income, very low-income and extremely low-income families, along with certain common areas, including a community space in which Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation, will offer homeownership programs and education, laundry facilities, and approximately twenty-eight (28) enclosed parking spaces (collectively, the "**Project**") to be known as The Ave SW; and

WHEREAS, the Issuer, the Borrower, and the Trustee have entered into this Loan Agreement providing for the loan of the proceeds of the Bonds to the Borrower for the purposes described in the preceding paragraph; and

WHEREAS, this Loan Agreement provides for the issuance by the Borrower of the Promissory Note (as hereinafter defined); and

WHEREAS, the Issuer will pledge and assign the Promissory Note and this Loan Agreement to the Trustee for the benefit of the Holders under the Assignment (contained in the Indenture);

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, and for other good and valuable consideration (the receipt, sufficiency and adequacy of which are hereby acknowledged), the parties hereto agree as follows, provided that in the performance of the agreements of the Issuer herein contained, any obligation it may thereby incur for the payment of money shall not constitute an indebtedness or give rise to a pecuniary liability of the Issuer, the State of Illinois or any political subdivision thereof, or a charge against the Issuer's general credit or the taxing powers of the State of Illinois or any political subdivision thereof, but shall be payable solely and only from the Revenues (as defined in the Indenture):

ARTICLE I DEFINITIONS

Section 1.01 Definitions. Terms used in this Loan Agreement and defined in the Indenture shall have the meanings given to such terms in the Indenture.

Section 1.02 Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number, and vice versa, unless the context shall otherwise indicate. References to Articles, Sections and other subdivisions of this Loan Agreement are to the Articles, Sections and other subdivisions of this Loan Agreement as originally executed. The headings of this Loan Agreement are for convenience and shall not define or limit the provisions hereof.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties of Issuer. The Issuer represents and warrants that:

(a) The Issuer is a municipal corporation and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois. Under the Constitution and laws of the State of Illinois, the Issuer has the power to enter into the transaction contemplated by this Loan Agreement, the Indenture, the Bonds, the Land Use Restriction Agreement and the Assignment (collectively, the "**Issuer Documents**"), and to carry out its obligations hereunder and thereunder, including the full right, power and authority to pledge and assign this Loan Agreement and the Promissory Note to the Trustee as provided herein. By proper action of the City Council of the Issuer, the Issuer has been duly authorized to execute and deliver the Issuer Documents.

(b) The Issuer is issuing the Bonds for the purpose of financing a portion of the costs of the Project.

(c) The Bonds are to be issued under home rule powers of the Issuer under the Constitution of the State of Illinois and secured by the Indenture, pursuant to which the right, title and interest of the Issuer in, to and with respect to this Loan Agreement, the Promissory Note and all documents to be executed by the Borrower in connection with the Bonds (other than with respect to the Issuer Reserved Rights) will be assigned and pledged to the Trustee as security for payment of the principal of and interest on the Bonds as provided in the Indenture.

(d) The Issuer hereby finds and determines that the Project is in the best interests of the Issuer, and that all requirements of the Constitution and laws of the State of Illinois have been complied with.

(e) To the knowledge of the undersigned representatives of the Issuer, neither the execution and delivery of the Bonds, this Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement or the Indenture, the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms, conditions or provisions of the Bonds, this Loan Agreement, the Land Use Restriction Agreement or the Indenture conflict with or result in a material breach of any of the terms, conditions or provisions

of any agreement, instrument, judgment, order, or decree to which the Issuer is now a party or by which it is bound, or constitute a material default under any of the foregoing.

(f) The Project is located entirely within the corporate boundaries of the City of Chicago, Illinois.

(g) To the knowledge of the undersigned representatives of the Issuer, there is no action, suit, proceeding or investigation pending or threatened against the Issuer which seeks to restrain or enjoin the issuance or delivery of the Bonds, or the execution and delivery of this Loan Agreement or any other Issuer Documents, or which in any way contests or affects any authority for the issuance or delivery of the Bonds, or the execution and delivery of this Loan Agreement or any other Issuer Documents, or the validity of the Bonds, this Loan Agreement, or in any way contests the corporate existence or powers of the Issuer, or in any way affects the exclusion from gross income for federal income tax purposes of interest on the Bonds.

THE ISSUER MAKES NO REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE CREDITWORTHINESS OR THE ABILITY OF THE BORROWER TO MAKE THE PAYMENTS DUE UNDER THIS LOAN AGREEMENT OR THE PROMISSORY NOTE AND DOES NOT REPRESENT OR WARRANT AS TO ANY OF THE STATEMENTS, MATERIALS (FINANCIAL OR OTHERWISE), REPRESENTATIONS OR CERTIFICATIONS FURNISHED OR TO BE MADE AND FURNISHED BY THE BORROWER IN CONNECTION WITH THE ISSUANCE, SALE, EXECUTION AND DELIVERY OF THE BONDS, OR AS TO THE CORRECTNESS, COMPLETENESS OR ACCURACY OF SUCH STATEMENTS.

Section 2.02 Representations and Warranties of Borrower. The Borrower represents and warrants that:

(a) The Borrower is an Illinois limited liability company, duly organized, validly existing and in good standing under the laws of the State of Illinois (the "**Borrower**"), the managing member of which is POAH Ave MM LLC, an Illinois limited liability company (the "**Managing Member**"), of which Preservation of Affordable Housing, Inc., an Illinois not-for-profit corporation, is the manager and a member ("**POAH**") and an additional member of which is KMW The Ave LLC, an Illinois limited liability company, of which KMW Communities LLC, an Illinois limited liability company, is the managing member ("**KMW**").

(b) The Borrower (i) is authorized to do business in the State of Illinois and every other jurisdiction in which the nature of its business or its properties makes such qualification necessary; (ii) has full power and authority to own its properties and to conduct its business as now being conducted, and to enter into, and to perform and observe in all material respects the covenants and agreements in its part contained in, this Loan Agreement, the Promissory Note, the Land Use Restriction Agreement, the Tax Agreement and the Continuing Disclosure Agreement (collectively, the "**Borrower Documents**"); and (iii) is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.

(c) The Managing Member (i) is authorized to do business in the State of Illinois and every other jurisdiction in which the nature of its business or its properties makes such qualification necessary; (ii) has full power and authority to own its properties and to conduct its business as now being conducted and to enter into, and to perform and observe in all material respects the covenants and agreements in its part contained in the Borrower Documents; and (iii) is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.

(d) The Borrower will use and operate the Project in a manner consistent with the Act and in accordance with the applicable Land Use Restriction Agreement for as long as required by the Act and the Code and knows of no reason why the Project will not be so operated. If, in the future, there is a cessation of that operation, it will use its best efforts to resume that operation or accomplish an alternate use by the Borrower or others approved by the Issuer which will be consistent with the Act, the Code and the applicable Land Use Restriction Agreement.

(e) The Project will be completed in accordance with the Plans and Specifications and the portion of the Project funded with the proceeds of the Bonds will constitute a qualified residential rental project within the meaning of Section 142(d) of the Code and will be operated and maintained in such manner as to conform in all material respects with all applicable zoning, planning, building, environmental and other applicable Governmental regulations and as to be consistent with the Act.

(f) The Project will be located entirely within the jurisdiction of the Issuer.

(g) The Borrower has obtained or will obtain all consents, approvals, permits, authorizations and orders of any governmental or regulatory agency that are required to be obtained by the Borrower as a condition precedent to the issuance of the Bonds, the execution and delivery of the Borrower Documents or the performance by the Borrower of its obligations thereunder, or that were or are required for the acquisition, construction, equipping and/or operation of the Project.

(h) No litigation at law or in equity or proceeding before any governmental agency involving the Borrower is pending or, to the best of its knowledge, threatened in which any liability of the Borrower is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of the Borrower or that would affect its existence or authority to do business, the acquisition, construction, equipping or operation of the Project, the validity of any Borrower Documents or the performance of its obligations thereunder.

(i) The Borrower is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in material default under any instrument under and subject to which any indebtedness has been incurred, and no event has occurred and is continuing that, under the provisions of any such agreement, with the lapse of time or the giving of notice, or both, would constitute an event of default by the Borrower thereunder.

(j) The Borrower is not in default under or in violation of, and the execution, delivery and compliance by the Borrower with the terms and conditions of the Borrower Documents do not and will not conflict with or constitute or result in a default by the Borrower in any material respect under or violate, (i) the Borrower's Organizational Documents, (ii) any agreement or other instrument to which the Borrower is a party or by which it or its assets are bound, or (iii) to the best of its knowledge, any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Borrower or its property, and to the best of the Borrower's knowledge, no event has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(k) The Borrower has received and reviewed a copy of the Indenture and approves the terms and conditions thereof and agrees to the terms thereof.

(l) The Borrower has filed or caused to be filed all of its federal, state and local tax returns that are required to be filed or has obtained appropriate extensions therefor, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

(m) Neither the Borrower nor any related Person thereto shall acquire any Bonds in any amount.

(n) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Issuer is a party or of which it is a beneficiary; that it understands the risks inherent in such transactions, including, without limitation, the risk of loss of the Project; and that it has not relied on the Issuer or its counsel for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Loan Agreement and the Indenture or otherwise relied on the Issuer or its counsel in any manner.

(o) The Project is, as of the Closing Date, in compliance with all applicable requirements of the Land Use Restriction Agreement and the Tax Agreement, including all applicable requirements of the Code. The Borrower intends to cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Land Use Restriction Agreement and the Tax Agreement, including all applicable requirements of the Code. All future leases will comply with all applicable laws, the Land Use Restriction Agreement and the Tax Agreement. The Project currently meets the requirements of this Loan Agreement, the Land Use Restriction Agreement, the Tax Agreement and the Code with respect to multifamily rental housing.

(p) The proceeds of the Bonds shall be used or deemed used exclusively to pay costs that (i) are (A) capital expenditures (as defined in Section 1.150-1(a) of the Code's regulations) and (B) not made for the acquisition of existing property, to the extent prohibited in Section 147(d) of the Code; (ii) are made exclusively with respect to a "qualified residential rental project" within the meaning of Section 142(d) of the Code and that for the greatest number of buildings the proceeds of the Bonds shall be deemed allocated on a pro rata basis to each building in the Project and the land on which it is located so that each building and the land on which it is located will have been financed fifty percent (50%) or more by the proceeds of the Bonds for the purpose of complying with Section 42(h)(4)(B) of the Code, and the Borrower further covenants that it will not exercise any option to redeem the Bonds under the Indenture except upon the express written consent of the Investor Member of the Borrower; provided, however, the foregoing representation, covenant and warranty is made for the benefit of the Borrower and its members and neither the Trustee nor the Issuer shall have any obligation to enforce this covenant nor shall they incur any liability to any Person, including without limitation, the Borrower, the members of the Borrower, any other affiliate of the Borrower or the holders of the Bonds for any failure to meet the intent expressed in the foregoing representation, covenant and warranty; and provided further, failure to comply with this representation, covenant and warranty shall not constitute a default or "Event of Default" under this Loan Agreement or the Indenture; and (iii) are costs related to the issuance of the Bonds.

(q) All building, zoning, safety, health, fire, water district, sewerage and environmental protection agency permits and other licenses and permits that are required by any governmental body for the acquisition, construction, equipping, use, occupancy and operation of the Project have been obtained and are in full force and effect (except for those which are not yet

required to have been obtained in connection with the acquisition, construction and equipping of the Project, and which will be obtained at or prior to the time required by law in connection with the acquisition, construction and equipping of the Project).

The Borrower acknowledges that the representations and covenants herein made by the Borrower have been expressly and specifically relied upon by the Issuer in determining to make the Loan to the Borrower and the Loan would not have been made but for such representations and covenants. All material information provided by the Borrower to the Issuer concerning the Project and the Borrower was and is on the date of execution of this Loan Agreement true and correct

Section 2.03 Borrower's Representations Regarding Bonds and Project. With respect to the use of proceeds of the Bonds and the operation of the Project, the Borrower represents as follows and the Issuer relies upon such representations in executing this Loan Agreement:

(a) The estimated cost of acquiring and constructing the Project, inclusive of financing costs, is in excess of \$_____.

(b) At least 95% of the net proceeds of the Bonds will be used to finance Qualified Project Costs which constitute a "qualified residential rental project" within the meaning of Section 142(d) of the Code and such costs either (i) will have been paid with respect to work performed or materials purchased .

(c) The average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the Project determined in accordance with Section 147(b) of the Code.

(d) Neither the Borrower nor any "related person" (within the meaning of the Code) will acquire, pursuant to any arrangement, formal or informal, any of the Bonds in an amount related to the principal amount of the Bonds.

(e) Less than 25% of the net proceeds of the Bonds will be used for the acquisition of the land on which the Project is located.

(f) None of the proceeds of the Bonds will be used to provide any airplane, skybox or other private luxury box, health club facility, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises, and none of the proceeds of the Bonds will be used for the acquisition of land to be used for farming or industrial park purposes.

(g) Until payment in full of all of the Bonds, unless the Investor Member and the Trustee shall otherwise consent in writing, it will not incur, create, assume or suffer to exist any mortgage, pledge, security interest, lien, charge or other encumbrance of any nature on the Project or the Trust Estate (as defined in the Indenture) other than (i) any liens, taxes or other governmental charges which are not yet due and payable, (ii) any pledge relating to syndication of ownership interests in the Project, (iii) any lien, including, but without limiting the generality of the foregoing, mechanics' liens, or other liens resulting from a good-faith dispute on the part of the Borrower, which dispute the Borrower agrees to resolve diligently, (iv) the Borrower Documents, (v) other liens or encumbrances contemplated by the approving ordinance adopted

by the Issuer in connection with the issuance of the Bonds, and (vi) such other pledges as may be approved in writing by the Investor Member and the Trustee.

(h) The Indenture has been submitted to the Borrower for its examination, and the Borrower acknowledges, by execution of this Loan Agreement, that it has reviewed and approved the Indenture.

(i) Borrower has not taken, or permitted to be taken on its behalf, and agrees that it will not take, or permit to be taken on its behalf, any action which would adversely affect the exclusion from gross income for federal income tax purposes of the interest paid on the Bonds, and that it will make and take, or require to be made and taken, such acts and filings as may from time to time, be required under the Code to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, including maintaining continuous compliance with the requirements of Section 142 of the Code.

(j) If the Borrower becomes aware of any situation, event or condition which would result in the interest of the Bonds becoming includable in gross income for federal income tax purposes, the Borrower shall promptly give written notice thereof to the Issuer, the Investor Member and the Trustee.

(k) No portion of the proceeds of the Bonds will be used to provide any energy property or commercial space.

ARTICLE III PLAN OF FINANCING

Section 3.01 Issuance of Bonds; Application of Proceeds

To provide funds to finance the Loan for purposes of assisting the Borrower in paying costs of the Project, the Issuer shall simultaneously with the execution and delivery hereof proceed with the issuance and delivery of the Bonds upon receipt by the Trustee of the items listed in Section 2.13 of the Indenture. The Issuer agrees to deposit the proceeds of sale of the Bonds in accordance with the Indenture.

The Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest, will mature and will be subject to redemption, mandatory tender and remarketing as set forth therein. The Borrower hereby approves the terms and conditions of the Indenture and the Bonds, and the terms and conditions under which the Bonds will be issued, sold and delivered and will comply with those provisions of the Indenture that contemplate action by the Borrower, all as if the Borrower were a party to the Indenture.

Pending disbursement pursuant to Section 3.06 hereof, the proceeds of the Bonds deposited in the Project Fund, together with any investment earnings thereon, shall constitute a part of the Revenues assigned by the Issuer to the Trustee as security for the payment of Bond Service Charges as provided in the Indenture.

Section 3.02 The Loan. The Issuer agrees, upon the terms and conditions herein, to make the Loan to the Borrower with the proceeds received by the Issuer from the sale of the Bonds by causing such proceeds to be deposited with the Trustee for disposition as provided in the Indenture. The obligation of the Issuer to finance the Loan shall be deemed fully discharged

upon the deposit of the proceeds of the Bonds with the Trustee. The Loan shall be evidenced by the Note payable to the Trustee.

Section 3.03 Reserved

Section 3.04 Acquisition and Construction

The Borrower (a) shall acquire and construct the Project with all reasonable dispatch and in accordance with the Plans and Specifications, (b) shall pay when due all fees, costs and expenses incurred in connection with that acquisition and construction from funds made available therefor in accordance with this Loan Agreement or otherwise, except to the extent being contested in good faith, and (c) shall ask for, demand, sue for, levy, recover and receive all those sums of money, debts and other demands whatsoever which may be due, owing and payable under the terms of any contract, order, receipt, writing and instruction in connection with the acquisition and construction of the Project, and shall enforce the provisions of any contract, agreement, obligation, bond or other performance security with respect thereto. It is understood that the Project is that of the Borrower and any contracts made by the Borrower with respect thereto, whether acquisition contracts, construction contracts or otherwise, or any work to be done by the Borrower on the Project are made or done by the Borrower in its own behalf and not as agent or contractor for the Issuer. The Borrower agrees that it will compensate all workers employed in the acquisition and construction of the Project as required by law.

Section 3.05 Plans and Specifications

The written Plans and Specifications will be delivered to the Trustee upon request; provided that the Trustee shall have no duty to review such Plans and Specifications. The Borrower may revise the Plans and Specifications from time to time, provided that no revision shall be made which would change the purpose of the Project to other than purposes permitted by the Act and the Land Use Restriction Agreement.

Section 3.06 Disbursements from the Project Fund

Subject to the provisions below and so long as no Event of Default hereunder has occurred and is continuing for which the principal amount of the Bonds has been declared to be immediately due and payable pursuant to Section 8.02 hereof and Section 6.03 of the Indenture, and no Determination of Taxability has occurred, disbursements from the Project Fund shall be made only to pay costs of the Project.

Any disbursements from the Project Fund for the payment of costs of the Project shall be made by the Trustee only upon the receipt by the Trustee of: (a) a requisition in the form attached hereto as **Exhibit B**, signed by an Authorized Borrower Representative; and (b) the deposit of Eligible Funds equal to the amount of such disbursement into the Collateral Fund. The Borrower hereby acknowledges and agrees that it shall submit requisitions to the Trustee no more frequently than once each calendar month. Each such requisition shall be consecutively numbered.

Any money in the Project Fund remaining after the Completion Date and payment, or provision for payment, in full of the costs of the Project, at the written direction of the Authorized Borrower Representative, promptly shall be paid into the Bond Fund for payment of Bond Service Charges or released to the Borrower, provided the Borrower obtains an opinion of Bond Counsel

addressed to the Trustee that such deposit or release will not adversely affect the Federal Tax Status of the Bonds.

Section 3.07 Duties and Obligations of the Borrower

Borrower accepts the duties and obligations under the Indenture.

Section 3.08 Borrower Required to Pay Costs in Event Project Fund Insufficient

If money in the Project Fund is not sufficient to pay all costs of the Project, the Borrower, nonetheless, will complete the Project in accordance with the Plans and Specifications and shall pay all such additional costs of the Project from its own funds and other available funds. The Borrower shall pay all Costs of Issuance of the Bonds in excess of the amounts deposited in the Costs of Issuance Fund. The Borrower shall not be entitled to any reimbursement for any such additional costs of the Project or payment of Costs of Issuance from the Issuer, the Trustee or any Holder; nor shall it be entitled to any abatement, diminution or postponement of any Loan Payments or other amounts to be paid under this Loan Agreement.

Section 3.09 Completion Date

The Borrower shall notify the Issuer and the Trustee of the Completion Date by the delivery of a Completion Certificate signed by the Authorized Borrower Representative substantially in the form of **Exhibit C** attached hereto. The Completion Certificate shall be delivered as promptly as practicable after the occurrence of the events and conditions referred to in paragraphs (a) and (b) of the Completion Certificate.

Section 3.10 Remarketing of Bonds

The Borrower is hereby granted the right to (a) give written notice of a remarketing of the Bonds in the manner and to the extent set forth in Section 3.07 of the Indenture and (ii) designate, in writing, the length of the Remarketing Period and the related Mandatory Tender Date in the manner and to the extent set forth in Sections 3.05 and 3.07 of the Indenture.

Section 3.11 Investment of Fund Money

At the written request of the Authorized Borrower Representative, any money held as part of the Special Funds and the Rebate Fund shall be invested or reinvested by the Trustee in Eligible Investments as provided in the Indenture. The Issuer (to the extent within its control) and the Borrower each hereby covenants that it will restrict that investment and reinvestment and the use of the proceeds of the Bonds, and moneys on deposit in or credited to the Collateral Fund and the Negative Arbitrage Account of the Bond Fund, in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of delivery of and payment for the Bonds or subsequent intentional acts, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code. No provision of this Loan Agreement shall be construed to impose upon the Trustee any obligation or responsibility for compliance with arbitrage regulations.

The Borrower shall provide the Issuer with, and the Issuer may base its certifications as authorized by the Tax Agreement on, a certificate of an Authorized Borrower Representative for inclusion in the transcript of proceedings for the Bonds, setting forth the reasonable expectations of the Borrower on the date of delivery of and payment for the Bonds regarding the amount and

use of the proceeds of the Bonds and the facts, estimates and circumstances on which those expectations are based.

Section 3.12 Rebate Calculations and Payments

The Borrower shall appoint a Rebate Analyst, the expense of which shall be borne by the Borrower.

The Issuer has covenanted in the Indenture to take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds. In furtherance of this covenant, the Borrower, on behalf of the Issuer, hereby covenants (i) within sixty (60) days of the payment in full of the Bonds, to calculate, or cause to be calculated, and provide to the Trustee and the Issuer such calculations in writing, with such written directions as are necessary to fully comply with the arbitrage and rebate requirements set forth in the Indenture and comply fully with Section 148 of the Code, including the timely payment of any Rebatable Arbitrage owed; and (ii) to deposit into the Rebate Fund to pay to the federal government any "Rebatable Arbitrage," to the extent required by Section 148(f) of the Code. The Borrower further agrees to comply with the provisions and requirements of Section 4.09 of the Indenture relating to the obligation to pay to the Trustee, for deposit into the Rebate Fund established under the Indenture, the "Rebatable Arbitrage" as required thereunder and under Section 148 of the Code.

If the amount then on deposit in the Rebate Fund created under the Indenture is less than the Rebatable Arbitrage (taking into account the amount or amounts, if any, previously paid to the United States), the Borrower shall, within 30 days after the date of the aforesaid calculation, deposit or cause to be deposited to the credit of the Rebate Fund an amount sufficient to cause the Rebate Fund to contain an amount equal to the Rebatable Arbitrage. The obligation of the Borrower to make or cause to be made such payments shall remain in effect and be binding upon the Borrower, notwithstanding the release and discharge of the Indenture or the termination of this Loan Agreement, for so long as may be required to maintain the Federal Tax Status of the Bonds in accordance with applicable law. The Borrower shall obtain such records of the computations made pursuant to this Section as are required under Section 148(f) of the Code and shall retain such records for at least six (6) years after the maturity or retirement of the Bonds.

The Borrower further covenants that, during the term of the Bonds, in the event the Borrower sells or otherwise disposes of the Project, it will require that the transferee execute a covenant similar to that in this Section in the sale or other documents concerning the disposition and will require such transferee to include such a covenant in future transfer documents. The special covenants of the Borrower in this Section shall survive the defeasance or payment in full of the Bonds and the termination of this Loan Agreement and the Indenture, notwithstanding any other provision of this Loan Agreement, until the requirement for payment of any Rebatable Arbitrage has been fully satisfied.

The obligations of the Borrower under this Section shall survive the termination of this Loan Agreement and the Indenture and the payment and performance of all of the other obligations of the Borrower hereunder and under the other Borrower Documents for so long as may be required to maintain the Federal Tax Status of the Bonds in accordance with applicable law, or until the Borrower has transferred the Project to an unrelated entity with the prior written consent of the Issuer, which transferee assumes the obligations of the Borrower pursuant to this Section.

ARTICLE IV
LOAN PAYMENTS; ELIGIBLE FUNDS AND ADDITIONAL PAYMENTS

Section 4.01 Loan Repayment; Delivery of Note. In consideration of and in repayment of the Loan, the Borrower shall deliver or cause to be delivered to the Trustee on or before each Bond Payment Date, a Loan Payment in an amount equal to the amount necessary to pay Bond Service Charges due on such Bond Payment Date. All such Loan Payments shall be paid to the Trustee in accordance with the terms of the Note for the account of the Issuer and shall be held and disbursed in accordance with the provisions of the Indenture and this Loan Agreement.

The Borrower shall be entitled to a credit against the Loan Payments required to be made with respect to the Bonds on any date equal to the available money in the Bond Fund or money transferred thereto from the Collateral Fund or the Project Fund for the payment of Bond Service Charges on that date.

To secure the Borrower's performance of its obligations under this Loan Agreement, the Borrower shall execute and deliver, concurrently with the issuance and delivery of the Bonds, the Note and the Land Use Restriction Agreement.

The Note shall secure equally and ratably all Outstanding Bonds, except that, so long as no Event of Default has occurred and is continuing hereunder, payments by the Borrower on the Note shall be used by the Bond Trustee to make a like payment of Bond Service Charges and shall constitute Loan Payments.

Upon payment in full, in accordance with the Indenture, of the Bond Service Charges on any or all Bonds, whether at maturity or otherwise, or upon provision for the payment thereof having been made in accordance with the provisions of the Indenture, (a) the Note shall be deemed fully paid, the obligations of the Borrower thereunder shall be terminated, and the Note shall be surrendered by the Trustee to the Borrower, and shall be canceled by the Borrower, or (b) an appropriate notation shall be endorsed thereon evidencing the date and amount of the principal payment (or prepayment) equal to the Bonds so paid, or with respect to which provision for payment has been made, and that Note shall be surrendered by the Trustee to the Borrower for cancellation if all Bonds shall have been paid (or provision made therefor) and canceled as aforesaid. Unless the Borrower is entitled to a credit under express terms of this Loan Agreement or the Note, all payments on the Note shall be in the full amount required thereunder.

Section 4.02 Eligible Funds

In consideration of and as a condition to the disbursement of Bond proceeds in the Project Fund to pay Project Costs, and to secure the Borrower's obligation to make Loan Payments, the Borrower shall provide written direction to a provider of Eligible Funds to deliver or cause to be delivered to the Trustee the Eligible Funds, or shall otherwise cause to be delivered to the Trustee, Eligible Funds from any other source, equal to the amount of the proposed disbursement. The Trustee shall not deposit such funds into the Collateral Fund unless it is prepared to disburse, on the same business day if such Eligible Funds are received prior to 10 AM, and otherwise within one Business Day, an equal amount of funds from the Project Fund. All such Eligible Funds shall be paid to the Trustee for the account of the Issuer and shall be held in the Collateral Fund and disbursed in accordance with the provisions of the Indenture. [Upon deposit of such Eligible Funds into the Collateral Fund, the Trustee shall be unconditionally and irrevocably obligated to disburse an equal amount from the Project Fund to the party depositing the related Eligible Funds or to the construction escrow account administered by the title company for the Project]. As

provided in the Indenture, these amounts will be advanced by such party or the title company to the Borrower for the purpose of financing either costs of the Project or Bond Service Charges.

The Borrower hereby covenants and agrees to repay the Loan on or before any date that any payment of interest or principal is required to be made in respect of the Bonds pursuant to the Indenture, until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in cash or cash equivalents, a sum which, together with any other moneys available for such payment in any account of the Bond Fund, will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or acceleration or otherwise) and interest on the Bonds as provided in the Indenture. Payments by the Trustee of principal and interest on the Bonds from amounts in the Bond Fund and funds deposited in the Collateral Fund under the Indenture shall be credited against the Borrower's obligation to pay principal and interest on the Loan.

The Borrower shall make or cause to be made all Loan Payments directly to the Trustee at its Designated Office. The Borrower shall direct the Lender to deposit Eligible Funds directly to the Trustee at its Designated Office. Additional Payments shall be made by the Borrower directly to the person or entity to whom or to which they are due.

It is understood and agreed that all payments of principal and interest payable by the Borrower under this Section 4.02 are assigned by the Issuer to the Trustee for the benefit of the Holders of the Bonds (excluding amounts on deposit in the Rebate Fund). The Borrower consents to such assignment.

In the event the Borrower should fail to make any of the payments required in this Section 4.02, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon, to the extent permitted by law, from the date when such payment was due, at the rate of interest borne by the Bonds.

Section 4.03 Special Funds

The Borrower and the Issuer each acknowledge that neither the Borrower nor the Issuer has any interest in the Bond Fund or the Collateral Fund and any money deposited therein shall be in the custody of and held by the Trustee in trust for the benefit of the Holders.

Section 4.04 Additional Payments

The Borrower shall pay as Additional Payments hereunder the following:

(a) Whether out of the proceeds of the Mortgage Loan or other funds, all Costs of Issuance of the Bonds, and all expenses incurred in closing the Mortgage Loan.

(b) All Extension Payments and other sums required under Section 3.07 of the Indenture in order to revise or extend the Mandatory Tender Date or remarket the Bonds, and the Borrower further agrees to execute any and all certificates required by the Issuer, the Trustee or the Remarketing Agent in order to effectuate such revision, extension or remarketing.

(c) To the Trustee, (i) the Ordinary Trustee Fees and Expenses to the extent that the funds available in the Expense Fund under the Indenture for the payment thereof are not sufficient and available therefor and (ii) the extraordinary Trustee fees and expenses.

(d) To the Issuer (i) the Ordinary Issuer Fees to the extent that the funds available under the Indenture for the payment thereof are not sufficient and available therefor and (ii) the Extraordinary Issuer's Fees and Expenses.

(e) All costs of printing any replacement Bonds required to be issued under the Indenture to the extent such costs are not paid by the Holders.

(f) To the extent not paid by the Trustee from the Expense Fund, all of the fees and expenses of the Rebate Analyst (including, but not limited to, the Rebate Analyst Fee) and any other necessary consultant employed by the Borrower, the Trustee or the Issuer in connection with any of the requirements imposed by Section 4.09 of the Indenture and the Tax Agreement to the extent funds available under the Indenture are not sufficient and applied therefor. The Borrower shall provide or cause to be provided all information and money (including money necessary to make deposits to the Rebate Fund required by the Indenture and the Tax Agreement and the fees and expenses of the Rebate Analyst to the extent available money in the Bond Fund under the Indenture are inadequate to pay such amounts) to the Trustee and the Rebate Analyst to enable the Trustee and the Rebate Analyst to comply with the Indenture and the Tax Agreement.

(g) To the Dissemination Agent, the Dissemination Agent Fee, to the extent funds available in the Expense Fund under the Indenture are not sufficient and applied therefor, as well as any other costs and expenses in order to provide for compliance with the terms of the Continuing Disclosure Agreement.

(h) To the Remarketing Agent, the Remarketing Agent Fee and any Remarketing Expenses.

In the event the Borrower is in default under any provision of any of the Borrower Documents and such default is not cured after expiration of all applicable notice and cure provisions, the Borrower shall be liable to, and upon demand shall pay to, the Issuer and the Trustee all reasonable fees and disbursements of such persons and their agents (including reasonable attorneys' fees and expenses) which are reasonably connected therewith or incidental thereto except to the extent such fees and disbursements are paid from money available therefor under the Indenture.

To provide for certain of the anticipated Additional Payments, the Borrower agrees to cause to be deposited a portion of the Initial Borrower Deposit into the Expense Fund and the Costs of Issuance Fund as required under the Indenture, and authorizes the Trustee to pay, from money on deposit in the Costs of Issuance Fund and the Expense Fund, the amounts provided to be paid from the Costs of Issuance Fund or the Expense Fund in accordance with Sections 4.05 and 4.08, respectively, of the Indenture. All such amounts shall be paid directly to the parties entitled thereto for their own account as and when such amounts become due and payable.

Upon the payment, prepayment, or incurrence of any such cost, expense, or liability described in this Section by any such party, the Additional Payments in respect thereof shall be payable upon written demand to the Borrower, which demand shall be accompanied by invoices or other appropriate documentation concerning the nature, amount and incurrence of such cost, expense or liability. If the Additional Payments payable under this Section are not paid upon such demand, such Additional Payments shall bear interest from the date of such payment or the incurrence thereof at the Interest Rate for Advances until the amount due shall have been fully paid.

Except as otherwise provided herein, the obligations of the Borrower under this Section shall survive the termination of this Loan Agreement and the Indenture and the payment and performance of all of the other obligations of the Borrower hereunder and under the other Borrower Documents, unless and until the Borrower has transferred the Project to an unaffiliated entity with the prior written consent of the Issuer, which transferee assumes the obligations of the Borrower pursuant to this Section.

Section 4.05 Obligations of the Borrower Unconditional. The obligations of the Borrower to make the payments required under this Loan Agreement, and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, irrespective of any defense or any right of notice, setoff, recoupment or counterclaim it might otherwise have against the Issuer, the Trustee or any other person. Subject to termination as provided herein, the Borrower (a) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for under this Loan Agreement, (b) will perform and observe all of its other agreements contained in this Loan Agreement and (c) will not terminate this Loan Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Loan Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied.

Section 4.06 Limited Obligation of Issuer. The obligations of the Issuer under this Loan Agreement are special, limited obligations of the Issuer, payable solely out of the Revenues. The obligations of the Issuer hereunder shall not be deemed to constitute an indebtedness or an obligation of the Issuer, the State of Illinois or any political subdivision thereof within the meaning of any constitutional limitation or statutory provision, or a charge against the credit or general taxing powers, if any, of any of them.

Section 4.07 Assignment of Issuer's Rights. As security for the payment of the Bonds, the Issuer will, pursuant to the Indenture and the Assignment, assign and pledge to the Trustee all of the Issuer's right, title and interest in and to this Loan Agreement and the Promissory Note, except that it will retain the Issuer Reserved Rights, but such retention by the Issuer will not limit in any way the exercise by the Trustee of its rights hereunder, under the Assignment or under the Indenture, the Promissory Note and the Bonds. Notwithstanding anything herein to the contrary, the Issuer hereby directs the Borrower to make all payments under this Loan Agreement (except with respect to the Issuer Reserved Rights) and the Promissory Note directly to the Trustee. The Borrower hereby acknowledges and consents to such pledge and assignment, and agrees to make payments directly to the Trustee (except with respect to the Issuer Reserved Rights), without defense or set-off, recoupment or counterclaim by reason of any dispute between the Borrower on the one hand, and the Trustee or the Issuer on the other hand, or otherwise. After any such assignment and pledge referenced in this Loan Agreement, the Indenture, the Bonds or the Promissory Note, all rights, interest and benefits accruing to the Issuer under this Loan Agreement or the Promissory Note, except for the Issuer Reserved Rights, shall be assigned to and become the rights and benefits of the Trustee. Any obligations of the Issuer as provided in the Indenture, this Loan Agreement, the Bonds or the Promissory Note shall remain the obligations of the Issuer to the extent provided herein and therein after such assignment. The Issuer agrees that the Trustee, in its name or in the name of the Issuer, may enforce all rights of

the Issuer (other than the Issuer Reserved Rights) and all obligations of the Borrower under and pursuant to the assigned documents as aforesaid, and the Issuer will not enforce such rights and obligations itself except at the written direction of the Trustee, in each case whether or not there has been a Default hereunder.

The Trustee will have all rights and remedies herein accorded to the Issuer (except for Issuer Reserved Rights).

ARTICLE V SPECIAL COVENANTS

Section 5.01 Access to the Project. The Borrower agrees that the Issuer, the Trustee and their duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect the Project and the acquisition, construction and equipping thereof at all reasonable times. The Borrower acknowledges that the Issuer shall monitor the acquisition, construction and equipping of the Project. The Issuer, the Trustee and their duly authorized agents shall also be permitted, at all reasonable times, to examine the books, accounts, contracts, documents, and other papers of the Borrower with respect to the Project which shall all be maintained by the Borrower in reasonable condition and for audit.

Section 5.02 Further Assurances and Corrective Instruments. The Issuer and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Loan Agreement.

Section 5.03 Issuer and Borrower Representatives. Whenever under the provisions of this Loan Agreement the approval of the Issuer or the Borrower is required or the Issuer or the Borrower is required to take some action at the request of the other, such approval or such request shall be given in writing both for the Issuer by an Authorized Issuer Representative and for the Borrower by an Authorized Borrower Representative. The Trustee shall be authorized to act on any such approval or request pursuant to the Indenture.

Section 5.04 Financing Statements. The Borrower shall, or shall cause to be executed and filed any and all financing statements, or any amendments thereof or continuation statements thereto, to perfect the security interests granted in the Indenture, in the manner prescribed in the Indenture. The Borrower shall pay all costs of filing such instruments and any fees and expenses (including reasonable attorney's fees) associated therewith.

Section 5.05 Insurance. The Borrower shall obtain and keep in force such insurance coverage as may be required by the Issuer in its reasonable discretion from time to time. All insurance policies and renewals thereof relating to the Project shall be in a form acceptable to the Issuer in its reasonable discretion and shall designate the Issuer and the Trustee as additional insured for liability insurance on the Project. The Issuer shall be furnished with full copies of all policies within fifteen (15) calendar days of receipt thereof and shall have the right to receive duplicate copies of policies and renewals, and the Borrower shall promptly furnish the Issuer with copies of all renewal notices and all receipts for paid premiums within fifteen (15) calendar days of receipt thereof. The Borrower shall notify the Issuer at least 30 calendar days in advance of an endorsement or of any change in the terms of coverage adverse to the Issuer. In the event of loss, the Borrower shall give prompt notice to the insurance carrier and the Issuer.

With respect to any casualty insurance, it shall (a) be in an amount equal to the greater of the actual cash value or the replacement cost of the insurable then existing improvements and equipment in the Project and (b) be provided by an insurance company with a claims paying ability rating of not less than "B+V" by A.M. Best.

Section 5.06 Restriction on Plans and Specifications. The Borrower will not cause, permit or suffer to exist, any material deviations from the Plans and Specifications and will not approve or consent to any construction change directive which results in a material deviation from the Plans and Specifications without the prior approval of the Issuer, which approval shall not be unreasonably withheld, conditioned or delayed.

Section 5.07 Requisitions

(a) At such time as the Borrower shall desire to obtain an advance from the Project Fund, the Borrower shall complete, execute and deliver to the Trustee a Requisition. Each Requisition shall be signed on behalf of the Borrower, shall be in the form set forth on Exhibit B to this Loan Agreement, and shall state with respect to each disbursement to be made: (i) the number of the Requisition, (ii) the amount to be disbursed and the sources of such disbursement, (iii) that each obligation described therein is a Project Cost, has been properly incurred and has not been the basis for any previous disbursement and (iv) that the expenditure of such disbursement when added to all previous disbursements will result in not less than 95% of all disbursements from proceeds of the Bonds having been used to pay or reimburse the Borrower for Qualified Project Costs. The Borrower shall submit the Requisition to the Trustee for payment. Approved Requisitions may be submitted to the Trustee by Electronic Means and shall not include accompanying supporting materials. In making such payment, the Trustee may rely upon such requisitions and shall not be required to make any investigation in connection therewith.

(b) The amounts deposited into the Project Fund may be disbursed by the Trustee only in accordance with Section 4.04 of the Indenture, including delivery of a written Requisition of the Borrower satisfying the requirements of this Section 5.07 and Section 5.02 of the Indenture.

Section 5.08 Borrower Receipt of Insurance or Condemnation Proceeds. In the event the Borrower receives any proceeds of insurance or any condemnation awards with respect to the Project from a party other than the Trustee, the Borrower shall promptly upon receipt remit all such insurance proceeds or condemnation awards to the Lender to be used in accordance with the Mortgage Loan Documents.

Section 5.09 Financial Information. The Borrower agrees that it will have the books and records of the Borrower audited annually by an independent certified public accountant as soon as practicable after the close of each fiscal year of the Borrower, and will furnish within 120 days after the end of each fiscal year to the Issuer and the Trustee a copy of the audit report certified by such certified public accountant and prepared in accordance with generally accepted accounting principles, which report shall include calculations of the availability of funds for distributions and disclose the amount of member distributions for the preceding year. The Borrower and the Issuer acknowledge that the Trustee shall have no obligations under this Section 5.09 other than to receive such statements and, if requested, to furnish such statements to Holders. The Trustee shall not have any obligation to review such statement provided to it, nor shall the Trustee be deemed to have notice of any item contained therein or Event of Default or Default which may be disclosed therein in any manner. The Trustee shall have no duty to request copies of any such statements which are required to be furnished to it hereunder.

Section 5.10 Environmental Requirements; Indemnity

(a) As between the Issuer and the Borrower, the Issuer and the Borrower agree and understand that the terms and provisions of an environmental indemnification agreement between the parties, if any, shall govern all indemnifications from the Borrower to the Issuer with respect to environmental matters affecting the Project. The terms and provisions of such environmental indemnification agreement are incorporated herein by this reference, mutatis mutandis, as if fully set forth herein with respect to such relationship. As such, the balance of the provisions of this Section govern only the relationship between the Borrower and the Issuer with respect to indemnifications from the Borrower to the Issuer with regard to environmental matters affecting the Project.

(b) For purposes of this Section 5.10, the term "Hazardous Substance" means and includes any substance, material or waste, including asbestos, petroleum and petroleum products (including crude oil), that is or becomes designated, classified or regulated as "toxic," "hazardous" or a "pollutant," or that is or becomes similarly designated, classified or regulated, under any applicable federal, state or local law, regulation or ordinance, but does not include any such substance that is a customary and ordinary household, cleaning or office product used on the Premises (as defined below) by Borrower or any tenant or agent of Borrower, or customary construction materials used during the course of construction of the Project by the Borrower and its general contractor, provided such use is in accordance with applicable hazardous materials laws.

(c) Before signing this Loan Agreement, the Borrower researched and inquired into the previous uses and owners of the premises on which the Project is located (the "Premises") and obtained a Phase I environmental site assessment, a Phase II site assessment and other reports with respect to the environmental conditions of the Premises, copies of which have been delivered to the Issuer. Based on that due diligence, the Borrower represents and warrants to the Issuer that, except as the Borrower has disclosed to the Issuer in writing and as described in the Phase I environmental site assessment and Phase II site assessment, to the best of the Borrower's knowledge, (i) no Hazardous Substance has been disposed of, or released to or from, or otherwise now exists in, on, under or around, the Premises, and (ii) no aboveground or underground storage tanks are now or have ever been located on or under the Premises.

(d) The Borrower has complied, and will comply and cause all tenants and any other persons who may come upon the Premises to comply in all material respects with all federal, state and local laws, regulations and ordinances governing or applicable to Hazardous Substances, including those requiring disclosures to prospective and actual buyers or tenants of all or any portion of the Premises. The Borrower will not install or allow to be installed any aboveground or underground storage tanks on the Premises. The Borrower must comply with the recommendations of any qualified environmental engineer or other expert engaged by the Borrower with respect to the Premises. The Borrower must promptly notify the Issuer in writing (1) if it knows, suspects or believes there may be any Hazardous Substance in or around any part of the Premises, any improvements constructed on the Premises, or the soil, groundwater or soil vapor on or under the Premises, or that the Borrower or the Premises may be subject to any threatened or pending investigation by any governmental agency under any law, regulation or ordinance pertaining to any Hazardous Substance, and (ii) of any claim made or threatened by any person, other than a governmental agency, against the Borrower arising out of or resulting from any Hazardous Substance being present or released in, on or around any part of the Premises, any improvements constructed on the Premises or the soil, groundwater or soil vapor

on or under the Premises (any of the matters described in clauses (i) and (ii) above a "Hazardous Substances Claim").

(e) The Issuer, the Trustee and their respective officers, employees, directors, agents, assignees, and any purchasers of the Premises at any foreclosure sale (each individually, an "Indemnified Party," and all collectively, the "Indemnified Parties"), have the right at any reasonable time and upon notice to the Borrower to enter and visit the Premises for the purposes of observing the Premises, taking and removing soil or groundwater samples and conducting tests on any part of the Premises. The Indemnified Parties have no duty, however, to visit or observe the Premises or to conduct tests, and no site visit, observation or testing by any Indemnified Party imposes any liability on any Indemnified Party. In no event will any site visit, observation or testing by any Indemnified Party be a representation that Hazardous Substances are or are not present in, on or under the Premises, or that there has been or will be compliance with any law, regulation or ordinance pertaining to Hazardous Substances or any other applicable governmental law. Neither the Borrower nor any other party is entitled to rely on any site visit, observation or testing by any Indemnified Party. The Borrower waives to the fullest extent permitted by law any such duty of care on the part of the Indemnified Parties or any other party to protect the Borrower or inform the Borrower or any other party of any Hazardous Substances or any other adverse condition affecting the Premises. Any Indemnified Party will give the Borrower reasonable notice before entering the Premises. The Indemnified Party will make reasonable efforts to avoid interfering with the Borrower's and its tenants' use of the Premises in exercising any rights provided in this Section. The Borrower must pay all costs and expenses incurred by an Indemnified Party in connection with any inspection or testing conducted in accordance with this subsection. The results of all investigations conducted and/or reports prepared by or for any Indemnified Party must at all times remain the property of the Indemnified Party, and under no circumstances will any Indemnified Party have any obligation whatsoever to disclose or otherwise make available to the Borrower or any other party the results or any other information obtained by any of them in connection with the investigations and reports. Notwithstanding the foregoing, the Indemnified Parties hereby reserve the right, and the Borrower hereby expressly authorizes any Indemnified Party, to make available to any party (including any governmental agency or authority and any prospective bidder at any foreclosure sale of the Premises) any and all reports, whether prepared by any Indemnified Party or prepared by the Borrower and provided to any Indemnified Party (collectively, "Environmental Reports") that any Indemnified Party may have with respect to the Premises. The Borrower consents to the Indemnified Parties' notifying any party (either as part of a notice of sale or otherwise) of the availability of any or all of the Environmental Reports and the information contained therein. The Borrower acknowledges that the Indemnified Parties cannot control or otherwise assure the truthfulness or accuracy of the Environmental Reports and that the release of the Environmental Reports, or any information contained therein, to prospective bidders at any foreclosure sale of the Premises may have a material and adverse effect upon the amount that a party may bid at such sale. The Borrower agrees that the Indemnified Parties have no liability whatsoever as a result of delivering any or all of the Environmental Reports or any information contained therein to any third party, and the Borrower hereby releases and forever discharges the Indemnified Parties from any and all claims, damages, or causes of action, arising out of, connected with or incidental to the Environmental Reports or the delivery thereof, unless resulting from the gross negligence or willful misconduct of the Indemnified Parties.

(f) The Borrower must promptly undertake any and all remedial work ("**Remedial Work**") in response to Hazardous Substances Claims to the extent required by governmental agency or agencies involved or as recommended by prudent business practices, if such standard requires a higher degree of remediation, and in all events to minimize any

impairment to the Issuer's security under the Borrower Documents. All Remedial Work must be conducted (i) in a diligent and timely fashion by licensed contractors acting under the supervision of a consulting environmental engineer, (ii) pursuant to a detailed written plan for the Remedial Work approved by all applicable public or private agencies or persons with a legal or contractual right to such approval, (iii) with insurance coverage pertaining to liabilities arising out of the Remedial Work as is then customarily maintained with respect to such activities, and (iv) only following receipt of any required permits, licenses or approvals. The selection of the Remedial Work contractors and consulting environmental engineer, the contracts entered into with such parties, any disclosures to or agreements with any public or private agencies or parties relating to Remedial Work and the written plan for the Remedial Work (and any changes thereto) at the Issuer's option, is subject to the Issuer's prior written approval, which may not be unreasonably withheld, conditioned or delayed.

(g) The obligations and rights of the parties under this Section 5.10 continue in full force and effect until the first to occur of full, final and indefeasible repayment of the Liabilities or the transfer of title to all or any part of the Premises at a foreclosure sale or by deed in lieu of such foreclosure (any such foregoing transfer being referred to as a "Foreclosure Transfer"). The parties' obligations and rights under this Section 5.10 continue in full force and effect after the full and final payment of the Liabilities or a Foreclosure Transfer, as the case may be, but (i) in the case of a full and final payment of the Liabilities, the Borrower's obligations under this Section 5.10 are thereafter limited to the indemnification obligations of subsections (i) and (j) below as to Indemnified Costs (as defined below) arising out of or as a result of events prior to the full and final payment of the Liabilities, and (ii) in the case of a Foreclosure Transfer, the obligations do not include the obligation to reimburse any Indemnified Party for diminution in value of the Premises resulting from the presence of Hazardous Substances on the Premises before the date of the Foreclosure Transfer if, and to the extent that, the Indemnified Party recovers on a deficiency judgment including compensation for such diminution in value; provided, however, that nothing in this sentence impairs or limits an Indemnified Party's right to obtain a judgment in accordance with applicable law for any deficiency in recovery of all obligations, subject to the provisions of Section 9.03 hereof. As used in this Section 5.10, the term "Indemnified Costs" means all actual or threatened liabilities, claims, actions, causes of action, judgments, orders, damages (including foreseeable and unforeseeable consequential damages), costs, expenses, fines, penalties and losses incurred in connection with Hazardous Substances on the Property (including sums paid in settlement of claims and all consultant, expert and reasonable legal fees and expenses of the Issuer's counsel), including those incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work (whether of the Premises or any other property), or any resulting damages, harm or injuries to the person or property of any third parties or to any natural resources.

(h) Except for those arising from the gross negligence or willful misconduct of the Indemnified Parties, the Borrower shall indemnify, defend and hold the Indemnified Parties harmless for, from and against any and all Indemnified Costs directly or indirectly arising out of or resulting from any Hazardous Substance being present or released in, on or around any part of the Premises, or in the soil, groundwater or soil vapor on or under the Premises, including: (i) any claim for such Indemnified Costs asserted against any Indemnified Party by any federal, state or local governmental agency, including the United States Environmental Protection Agency and the Illinois Environmental Protection Agency, and including any claim that any Indemnified Party is liable for any such Indemnified Costs as an "owner" or "operator" of the Premises under any law relating to Hazardous Substances; (ii) any claim for such Indemnified Costs asserted against any Indemnified Party by any person other than a governmental agency, including (1) any person who may purchase or lease all or any portion of the Premises from the Borrower, from any

Indemnified Party or from any other purchaser or lessee, (2) any person who may at any time have any interest in all or any portion of the Premises, (3) any person who may at any time be responsible for any clean-up costs or other Indemnified Costs relating to the Premises, and (4) any person claiming to have been injured in any way as a result of exposure to any Hazardous Substance; (iii) any Indemnified Costs incurred by any Indemnified Party in the exercise by the Indemnified Party of its rights and remedies under this Section 5.10; and (iv) any Indemnified Costs incurred by any Indemnified Party as a result of currently existing conditions in, on or around the Premises, whether known or unknown by the Borrower or the Indemnified Parties at the time this Loan Agreement is executed, or attributable to the acts or omissions of the Borrower, any of the Borrower's tenants, or any other person in, on or around the Premises with the consent or under the direction of the Borrower.

(i) Upon demand by any Indemnified Party, the Borrower must defend any investigation, action or proceeding involving any Indemnified Costs that is brought or commenced against any Indemnified Party, whether alone or together with the Borrower or any other person, all at the Borrower's own cost and by counsel reasonably approved by the Indemnified Party. In the alternative, any Indemnified Party may elect to conduct its own defense at the Borrower's expense.

(j) In addition to any other rights or remedies the Issuer may have under this Loan Agreement, at law or in equity, upon the occurrence of an Event of Default under this Loan Agreement not cured within the applicable cure period, the Issuer may do or cause to be done whatever is necessary to cause the Premises to comply with any and all laws, regulations and ordinances governing or applicable to Hazardous Substances, and any other applicable law, rule, regulation, order or agreement, and the cost thereof will become immediately due and payable upon demand by the Issuer, and if not paid when due will accrue interest at the default rate set forth in the Bonds, until paid. The Borrower hereby acknowledges and agrees that any amounts realized by the Issuer by reason of the following may be applied to pay the Liabilities prior to being applied to pay the Borrower's obligations to reimburse the Issuer for costs and expenses, including those incurred by the Issuer in enforcing its rights and remedies under the provisions of this Section 5.10: (i) any payments made pursuant to the Bonds or any of the Borrower Documents (other than payments made to the Issuer for reimbursement of costs and expenses or for enforcement of its rights and remedies, under the provisions of this Section 5.10); (ii) any foreclosure of documents evidencing or securing the Liabilities (including any amounts realized by reason of any credit bid in connection with any such foreclosure); (iii) any conveyance in lieu of foreclosure; (iv) any other realization upon any security for the Liabilities; (v) any recoveries against the Borrower personally (except for recoveries against the Borrower for reimbursement of costs and expenses or enforcement of the Issuer's rights and remedies under this Section 5.10); and (vi) any recoveries against any person or entity other than the Borrower (including any guarantor) to the maximum extent permitted by applicable law.

ARTICLE VI RESTRICTION ON TRANSFER

Section 6.01 Borrower to Maintain its Existence; Sale of Project.

(a) The Borrower shall maintain its existence, not dissolve or sell, transfer or otherwise dispose of all or substantially all of its assets and not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided, that it may do so if the surviving, resulting or transferee entity assumes in writing all of the obligations of the Borrower under the Borrower Documents. The Borrower shall not permit one

or more other entities to consolidate with or merge into it, or take any action or allow any action to be taken to terminate the existence of the Borrower except as provided herein.

(b) No sale, assignment or transfer of the Project shall be made unless (a) the Issuer consents to such assignment or transfer, (b) the transferee or assignee, as the case may be, assumes all the duties of the Borrower under the Borrower Documents, provided that such assumption may contain an exculpation of the assignee from personal liability with respect to any obligation hereunder arising prior to such sale, assignment or transfer, and (c) no Event of Default as certified in writing to the Trustee by the Borrower shall have occurred and be continuing under the Indenture or this Loan Agreement. The Trustee shall consent to any such assignment or transfer if (i) the Borrower provides a written certification to the Trustee that the aforesaid conditions have been satisfied, (ii) the Trustee receives an Opinion of Bond Counsel addressed to the Trustee to the effect that such transfer or assignment would not adversely affect the Federal Tax Status of the Bonds, and (iii) the Trustee receives written confirmation from the Rating Agency that such transfer or assignment will not result in a withdrawal or reduction in any rating on the Outstanding Bonds by the Rating Agency (if the Bonds are then rated by the Rating Agency). Upon the assumption of the duties of the Borrower by a purchaser, assignee or transferee as provided herein, the outgoing Borrower shall be released from all executory obligations so assumed; provided, however, the Borrower shall not be released from its obligation (x) to pay or reimburse the fees and expenses of the Issuer and the Trustee incurred prior to such sale, assignment or transfer and (y) to indemnify the Trustee and the Issuer with respect to any obligation, event or action incurred or arising prior to such sale, assignment or transfer. Nothing contained in this Section shall be construed to supersede any provisions regarding assignment and transfer of the Project contained in the Mortgage Loan Documents.

(c) Notwithstanding anything to the contrary contained herein or in any other Borrower Document, the following shall be permitted and shall not require the prior written approval of the Issuer or the Trustee: (a) the transfer by the Investor Member of its respective interests in the Borrower in accordance with the terms of the Borrower's Organizational Documents, (b) the removal of the Managing Member of the Borrower in accordance with the Organizational Documents or Construction Loan Documents, as applicable, and the replacement thereof with an affiliate of the Investor Member or Construction Lender, (c) the transfer of ownership interests in the Investor Member, (d) upon the expiration of the tax credit compliance period, the transfer of the interests of the Investor Member in the Borrower to the Borrower's Managing Member or any of its respective affiliates or assigns, and (e) any amendment to the Organizational Documents or Construction Loan Documents, as applicable, to memorialize the transfers or removal described above. The parties agree that this section shall control to the extent of any conflict in any Borrower Documents. In the event the Borrower intends to sell, lease (except to the tenants who will occupy units in the Project), sublease or otherwise materially encumber the whole of or any part of the Project or sell, assign or otherwise, except as otherwise provided herein, transfer any interest in the Borrower (a "transfer"), it shall (i) apply to the Issuer for consent to transfer, and (ii) comply with the provisions of the Land Use Restriction Agreement restricting any such transfer.

ARTICLE VII INDEMNIFICATION

Section 7.01 Indemnification of Issuer and Trustee

(a) Except as otherwise provided below and subject to Sections 8.07 and 9.04 hereof, the Issuer and the Trustee, and each of their officers, agents, independent contractors,

employees, successors and assigns, and, in the case of the Issuer, its elected and appointed officials, past, present or future (hereinafter the "**Indemnified Persons**"), shall not be liable to the Borrower for any reason. The Borrower shall defend, indemnify and hold the Indemnified Persons harmless from any loss, claim, damage, tax, fine, penalty or expense (including, but not limited to, reasonable counsel fees, costs, expenses and disbursements), or liability (other than with respect to payment of the principal of or interest on the Promissory Note) of any nature due to any and all suits, actions, legal or administrative proceedings, expenses or claims arising or resulting from, or in any way connected with: (i) the financing, installation, operation, use or maintenance of the Project; (ii) any act, failure to act, or misrepresentation by the Borrower or any member of the Borrower, or any Person acting on behalf of, or at the direction of, the Borrower or any member of the Borrower, in connection with the issuance, sale or delivery of the Bonds; (iii) any false or misleading representation made by the Borrower in the Borrower Documents; (iv) the breach by the Borrower of any covenant contained in the Borrower Documents, or the failure of the Borrower to fulfill any such covenant which are not cured within all applicable notice and cure periods; (v) enforcing any obligation or liability of the Borrower under this Loan Agreement, the Promissory Note, or the other Borrower Documents, or any related agreement; (vi) taking any action requested by the Borrower; (vii) taking any action reasonably required by the Borrower Documents; or (viii) taking any action considered necessary by the Issuer or the Trustee, and which is authorized by the Borrower Documents. If any suit, action or proceeding is brought against any Indemnified Person, the interests of the Indemnified Person in that suit, action or proceeding shall be defended by counsel to the Indemnified Person or the Borrower, as the Indemnified Person shall determine. If such defense is by counsel to the Indemnified Person, the Borrower shall indemnify and hold harmless the Indemnified Person for the cost of that defense, including reasonable counsel fees, disbursements, costs and expenses. If the Indemnified Persons affected by such suit determine that the Borrower shall defend the Indemnified Persons, the Borrower shall immediately assume the defense at its own cost. Neither the Indemnified Persons nor the Borrower shall be liable for any settlement of any proceeding made without each of their consent. In no event shall the Borrower be liable to an Indemnified Person for the Indemnified Person's own willful misconduct or gross negligence.

(b) Any provision of this Loan Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Issuer retains the right to enforce: (i) any applicable federal or state law or regulation or resolution of the Issuer related to the Project, and (ii) any rights accorded the Issuer by federal or state law or regulation or resolution of the Issuer, and nothing in this Loan Agreement shall be construed as an express or implied waiver thereof.

(c) If the Indemnified Persons are requested by the Borrower to take any action under this Loan Agreement or any other instrument executed in connection herewith for the benefit of the Borrower, they will do so if and only if: (i) the Indemnified Persons are a necessary party to any such action; (ii) the Indemnified Persons have received specific written direction from the Borrower, as required hereunder or under any other instrument executed in connection herewith, as to the action to be taken by the Indemnified Persons; and (iii) a written agreement of indemnification and payment of costs, liabilities and expenses satisfactory to the Indemnified Persons has been executed by the Borrower prior to the taking of any such action by the Indemnified Persons.

(d) The obligations of the Borrower under this Section 7.01 shall survive any assignment or termination of this Loan Agreement and, as to the Trustee, any resignation or removal of the Trustee.

(e) Indemnification of the Issuer by the Borrower with respect to environmental matters shall be governed exclusively by the terms and provisions of any environmental indemnification agreement.

ARTICLE VIII DEFAULTS AND REMEDIES

Section 8.01 Defaults Defined. The following shall be "Defaults" under this Loan Agreement and the term "Default" shall mean, whenever it is used in this Loan Agreement, any one or more of the following events:

(a) The Borrower shall fail to pay any Loan Payment on or prior to the date on which that Loan Payment is due and payable to the extent amounts on deposit in the Bond Fund, including amounts transferred from the Collateral Fund and the Project Fund are insufficient to pay the Bond Service Charges due on the next Bond Payment Date;

(b) The Borrower shall fail to observe and perform any other agreement, term or condition contained in this Agreement and the continuation of such failure for a period of 30 days after written notice thereof shall have been given to the Borrower and Lender by the Issuer or the Trustee, or for such longer period as the Issuer and the Trustee may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure shall not constitute an Event of Default so long as the Borrower institutes curative action within the applicable period and diligently pursues that action to completion, which must be resolved within 180 days after the aforementioned notice;

(c) The Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect, which is not dismissed within 90 days; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for ninety days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property which appointment is not vacated within a period of 90 days;

(d) Any representation or warranty made by the Borrower herein or any statement in any report, certificate, financial statement or other instrument furnished in connection with this Loan Agreement or with the purchase of the Bonds shall at any time prove to have been false or misleading in any adverse material respect when made or given;

(e) There shall occur an "Event of Default" as defined in the Indenture; and

(f) There shall occur an "Event of Default" as defined in the Land Use Restriction Agreement by the Borrower under the Land Use Restriction Agreement that is continuing after any applicable notice and cure period.

Notwithstanding the foregoing, if, by reason of Force Majeure, the Borrower is unable to perform or observe any agreement, term or condition hereof which would give rise to an Event of Default under subsection (b) hereof, the Borrower shall not be deemed in default during the continuance of such inability. However, the Borrower shall promptly give written notice to the

Trustee and the Issuer of the existence of an event of Force Majeure and shall use commercially reasonable efforts to remove the effects thereof; provided that the settlement of strikes or other industrial disturbances shall be entirely within its discretion.

Any term of this Loan Agreement, the Indenture or of any related document to the contrary notwithstanding, and notwithstanding an agreement of indemnity, the Trustee shall have no responsibility, obligation or duty to enter upon, or otherwise take possession or control of, the Project or the Premises, or take any other action which could constitute taking possession or control of the Project or the Premises (i) if it will require the approval of a governmental regulator that cannot be obtained, (ii) until the Trustee shall be indemnified to its sole satisfaction and (iii) until the Trustee shall be satisfied, in its sole discretion and determination, that neither it nor the trusts created under the Indenture shall incur, by reason of such action, any personal liability under any federal or State law for hazardous wastes, hazardous materials or other environmental liabilities or any other liability.

The term "**Force Majeure**" shall mean, without limitation, the following:

(i) acts of God; strikes, lockouts or other industrial disturbances; acts of terrorism or of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; civil disturbances; riots; landslides; earthquakes; fires; hurricanes; tornados; storms; droughts; floods; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(ii) any cause, circumstance or event not reasonably within the control of the Borrower. The Borrower agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the Borrower from carrying out its agreement.

The declaration of an Event of Default under subsection (c) above, and the exercise of remedies upon any such declaration, shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding that declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

Section 8.02 Remedies on Default. Whenever any Default referred to in Section 8.01 hereof shall have happened and be continuing beyond the expiration of any applicable cure period, the Trustee, or the Issuer (in the event the Trustee does not act), may take one or any combination of the following remedial steps:

(a) If the Trustee has declared the Bonds immediately due and payable pursuant to Section 9.01 of the Indenture, by written notice to the Borrower, declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity (as provided in the Indenture) or otherwise, to be immediately due and payable, whereupon the same shall become immediately due and payable; and

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Loan Agreement,

the Promissory Note, the Land Use Restriction Agreement or any other Borrower Document in the event of default thereunder.

Notwithstanding the foregoing, neither the Issuer nor the Trustee shall be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until indemnity satisfactory to it has been furnished to the Issuer or the Trustee, as applicable, at no cost or expense to the Issuer or the Trustee. Any amounts collected as Loan Payments or applicable to Loan Payments and any other amounts which would be applicable to payment of Bond Service Charges collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if the Outstanding Bonds have been paid and discharged in accordance with the provisions of the Indenture, shall be paid as provided in Section 4.14 of the Indenture for transfers of remaining amounts in the Bond Fund.

The provisions of this Section are subject to the further limitation that the rescission by the Trustee of its declaration that all of the Bonds are immediately due and payable also shall constitute an annulment of any corresponding declaration made pursuant to paragraph (a) of this Section and a waiver and rescission of the consequences of that declaration and of the Event of Default with respect to which that declaration has been made, provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

Section 8.03 No Remedy Exclusive. Subject to Section 9.01 of the Indenture, no remedy herein conferred upon or reserved to the Issuer or the Bond Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power nor shall it be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article. Such rights and remedies as are given the Issuer hereunder shall also extend to the Trustee, and the Trustee and the Holders, subject to the provisions of the Indenture, including, but not limited to the Reserved Rights of the Issuer, shall be entitled to the benefit of all covenants and agreements herein contained.

Section 8.04 Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower should Default under any of the provisions of this Loan Agreement or under the Promissory Note and the Issuer and/or Trustee should employ attorneys or incur other expenses for the collection of payments required hereunder or under the Promissory Note, or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained herein or in the Promissory Note, the Borrower agrees that it will on demand therefor pay to the Issuer and the Trustee, as the case may be, the reasonable fees and expenses of such attorneys (including, without limitation, those incurred to enforce this provision) and such other expenses so incurred by the Issuer and/or the Trustee. This Section 8.04 will continue in full force and effect notwithstanding the full payment of the obligations under the Loan Agreement or the termination of this Loan Agreement for any reason.

Section 8.05 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Loan Agreement should be breached by either party and thereafter

waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 8.06 Right to Cure. Notwithstanding anything to the contrary herein or otherwise in the Borrower Documents, if the Borrower shall, for whatever reason, at any time fail to pay any amount or perform any act which it is obligated to pay or perform under any of the Borrower Documents and, as a result, a default or event of default occurs or may occur thereunder, the Investor Member, or the Construction Lender, shall have the right to perform such act or pay such amount on behalf of the Borrower and thereby cure or prevent such default or event of default, provided such default or event of default is cured within any applicable cure period or grace period provided to the Borrower herein or otherwise in the Borrower Documents.

Section 8.07 Default by Issuer; Limited Liability. Notwithstanding any provision or obligation to the contrary herein set forth, no provision of this Loan Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer or a charge upon the general credit of the Issuer. The liability of the Issuer hereunder shall be limited to its interest in this Loan Agreement, the Promissory Note, and any other Borrower Documents, and the lien of any judgment shall be restricted thereto. In the performance of the agreements of the Issuer herein contained, any obligation it may incur for the payment of money shall not be a debt of the Issuer, and the Issuer shall not be liable on any obligation so incurred. The Issuer does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, commissions, charges, insurance or any other payments recited herein, and the Issuer shall be obligated to pay the same only out of Revenues. The Issuer shall not be required to do any act whatsoever, or exercise any diligence whatsoever, to mitigate the damages to the Owner if an Event of Default shall occur hereunder.

ARTICLE IX MISCELLANEOUS

Section 9.01 Term of Agreement. This Loan Agreement shall remain in full force and effect from the date hereof until such time as all of the Bonds and all amounts payable hereunder and under the Indenture shall have been fully paid or provision made for such payments, whichever is later, provided, that the provisions of Sections 5.10, 7.01 and Article VIII hereof shall survive termination of this Loan Agreement.

Section 9.02 Notices; Publication of Notice

(a) All notices, advice, certifications or other communications hereunder between the Issuer and the Borrower shall be sufficiently given and shall be deemed given when delivered by hand or overnight courier, or mailed by certified or registered mail, postage prepaid, return receipt requested, or transmitted by electronic means (including, without limitation, facsimile transmission) addressed to the appropriate Notice Address. The Issuer or the Borrower may, by notice given hereunder, designate any further or different addresses to which subsequent notices, advice, certifications or other communications shall be sent. Notices to persons other than the Issuer or the Borrower (such as, for example, notices to owners of Bonds) shall be governed by the other applicable provisions of the Indenture.

(b) Whenever the Issuer or the Borrower is required or permitted to give or publish notice of any event or occurrence under this Loan Agreement, such notice shall be given or published in such manner and by such means as the Issuer or the Borrower, as the case may be, shall determine to be appropriate. Such publication may be by (but is not limited to) any of

the following means: (i) publication in one or more newspapers or trade journals selected by the Issuer or the Borrower, as the case may be; (ii) publication by or through one or more financial information reporting services; (iii) delivery to one or more "nationally recognized municipal securities information repositories" (as such terms is defined in Securities and Exchange Commission Rule 15c2-12) or any successor repository or entity fulfilling a substantially similar or like role; or (iv) by mailing a copy of such notice by first class mail, postage prepaid, to the person entitled to receive the notice at such person's address as shown on the records of the Issuer or the Borrower.

Section 9.03 Nonrecourse Liability of Borrower. Except as provided herein, the monetary obligations of the Borrower contained in this Loan Agreement (except for fees, payments and indemnification under Sections 3.12, 4.04, 7.01 and 8.04 hereof) shall be limited obligations payable solely from the income and assets of the Project and neither the Borrower nor any partner, manager, member, director, official or officer of the Borrower shall have any personal liability for the satisfaction of any obligation of the Borrower or claim against the Borrower, arising out of this Loan Agreement. Notwithstanding anything contained in this Loan Agreement to the contrary, neither the Issuer nor the Trustee may assert any claim arising hereunder against the Borrower's interest in the Project, or in the rents or other income of the Project for the payment of any charge or obligation due hereunder.

The limit on the Borrower's 's liability set forth in this Section shall not, however, be construed, and is not intended to in any way, to constitute a release, in whole or in part, of the indebtedness evidenced by this Loan Agreement or a release, in whole or in part, or an impairment of the security interest, or in case of any default or enforcing any other right of the Issuer under this Loan Agreement or to alter, limit or affect the liability of any person or party who may now or hereafter or prior hereto guarantee, or pledge, grant or assign its assets or collateral as security for, the obligations of the Borrower under this Loan Agreement.

The provisions of this Section shall survive the termination of this Loan Agreement

Section 9.04 No Pecuniary Liability of Issuer. No agreements or provisions contained in this Loan Agreement or any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project or any property of the Borrower financed, directly or indirectly, out of proceeds of the Bonds or the issuance, sale and delivery of the Bonds will give rise to any pecuniary liability of the Issuer (including tax and rebate liability) or its past, present or future officers, directors, employees, commissioners, agents or members of its governing body and their successors and assigns or constitute a charge against the Issuer's general credit, or obligate the Issuer financially in any way, except with respect to the Trust Estate. No failure of the Issuer to comply with any terms, covenants or agreements in this Loan Agreement or in any document executed by the Issuer in connection with the Bonds will subject the Issuer or its past, present or future officers, directors, employees, commissioners, agents and members of its governing body and their successors and assigns to any pecuniary charge or liability except to the extent that the same can be paid or recovered from the Trust Estate. Without limiting the requirement to perform its duties or exercise its rights and powers under this Loan Agreement upon receipt of appropriate indemnity or payment, none of the provisions of this Loan Agreement or the Indenture will require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Loan Agreement. Nothing in this Loan Agreement will preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant or agreement in this Loan Agreement or in the Indenture; provided that no costs,

expenses or other monetary relief will be recoverable from the Issuer except as may be payable from the funds available under this Loan Agreement or made available under the Indenture by the Borrower and pledged to the payment of the Bonds.

No covenant, agreement or obligation contained herein or in any other financing instrument executed in connection with the Project or the making of the Loan shall be deemed to be a covenant, agreement or obligation of any past, present or future director, officer, employee, commissioner, or agent of the Issuer in his or her individual capacity so long as he or she does not act in bad faith, and no such director, officer, employee, commissioner or agent of the Issuer in his or her individual capacity shall be subject to any liability under any agreement to which the Issuer is a party or with respect to any other action taken by him or her so long as he or she does not act in bad faith.

Section 9.05 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, the Trustee, the Holders and their respective successors and assigns.

Section 9.06 Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 9.07 Amounts Remaining in Funds. Subject to the provisions of Section 4.07 of the Indenture, any amounts in the Bond Fund remaining unclaimed by the Holders of Bonds for two years after the due date thereof (whether at stated maturity or otherwise), shall be deemed to belong to and shall be paid, at the written request of the Borrower, to the Borrower by the Trustee as overpayment of Loan Payments. With respect to that principal of and interest on the Bonds to be paid from money paid to the Borrower pursuant to the preceding sentence, the Holders of the Bonds entitled to such money shall look solely to the Borrower for the payment of such money. Further, any amounts remaining in the Special Funds after all of the Outstanding Bonds shall be deemed to have been paid and discharged under the provisions of the Indenture and all other amounts required to be paid under this Loan Agreement, the Note and the Indenture have been paid, shall, subject to Section 4.14 of the Indenture and at the written request of the Borrower, be paid to the Borrower to the extent that such money are in excess of the amounts necessary to effect the payment and discharge of the Outstanding Bonds.

Section 9.08 Amendments, Changes and Modifications. Subsequent to the issuance of the Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise herein expressly provided, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee, in accordance with the provisions of the Indenture.

Section 9.09 Execution in Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.10 Applicable Law; Jury Trial. This Loan Agreement and the Promissory Note, and the rights and obligations of the parties hereunder and thereunder, shall be construed in accordance with, and shall be governed by, the laws of the State of Illinois, without regard to its conflict of laws principles.

THE BORROWER HEREBY IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING (I) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS LOAN AGREEMENT OR THE PROMISSORY NOTE, OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED, OR WHICH MAY IN THE FUTURE BE DELIVERED; IN CONNECTION HEREWITH OR THEREWITH, OR (II) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS LOAN AGREEMENT OR THE PROMISSORY NOTE, OR ANY SUCH AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT, AND AGREES THAT ANY SUCH ACTION OR COUNTERCLAIM SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

THE BORROWER IRREVOCABLY AGREES THAT, SUBJECT TO THE ISSUER'S SOLE AND ABSOLUTE ELECTION, ANY ACTION OR PROCEEDING IN ANY WAY, MANNER OR RESPECT ARISING OUT OF THIS LOAN AGREEMENT, THE PROMISSORY NOTE AND THE OTHER BORROWER DOCUMENTS, OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH OR THEREWITH, OR ARISING FROM ANY DISPUTE OR CONTROVERSY ARISING IN CONNECTION WITH OR RELATED TO THIS LOAN AGREEMENT, THE PROMISSORY NOTE AND THE OTHER BORROWER DOCUMENTS, OR ANY SUCH AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT, SHALL BE LITIGATED ONLY IN THE COURTS HAVING SITUS WITHIN THE CITY OF CHICAGO, STATE OF ILLINOIS, AND THE BORROWER HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN SUCH CITY AND STATE. THE BORROWER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST IT IN ACCORDANCE WITH THIS SECTION.

Section 9.11 Captions. The captions and headings in this Loan Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Loan Agreement.

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Loan Agreement to be executed in their respective official names and their respective official seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

CITY OF CHICAGO, as Issuer

By:

 Name: Jill Jaworski
 Title: Chief Financial Officer

Seal

ATTEST:

By: _____
 Name: Andrea M. Valencia
 Title: City Clerk

The Ave SW LLC,
an Illinois limited liability company

By: POAH Ave MM LLC, an
Illinois limited liability company, its
manager

By: PRESERVATION OF AFFORDABLE
HOUSING, INC., an Illinois not-for-profit
corporation, its manager

By: _____
Name:
Title:

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Name: Anna McCully
Title: Vice President

(Sub)Exhibits "A", "B" and "C" referred to in this Loan Agreement read as follows:

(Sub)Exhibit "A".
(To Loan Agreement)

Form Of Note.

This Note has not been registered under the Securities Act of 1933. Its transferability is restricted by the Bond Indenture and the Loan Agreement referred to herein.

\$ _____, 2024

THE AVE SW LLC, an Illinois limited liability company (the "**Borrower**"), for value received, promises to pay in installments to Zions Bancorporation, National Association, as trustee (the "**Trustee**") under the Indenture hereinafter referred to, the principal amount of

_____ MILLION _____ THOUSAND AND 00/100 DOLLARS

and to pay interest on the unpaid balance of such principal sum from and after the date hereof at the rate of _____% per annum through and including _____ 1, 202_, and thereafter at the applicable Remarketing Rate (as defined in the Indenture described below), until the payment of such principal sum has been made or provided for. The principal amount stated above shall be paid on or before _____ 1, 202_ (the "Final Mandatory Tender Date"). Interest shall be calculated on the basis of a 360-day year of 12 equal months. Interest on this Note shall be paid at least one Business Day prior to (a) each _____ 1 and _____ 1, commencing _____ 1, 202_, (b) each Redemption Date, (c) each Mandatory Tender Date, (d) the Maturity Date and (e) the date of acceleration of the Bonds (the "**Interest Payment Dates**"). Terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture, as defined below.

This Note has been executed and delivered by the Borrower to the Trustee pursuant to a certain Loan Agreement dated as of _____, 2024 (the "**Loan Agreement**"), between the City of Chicago, a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "**Issuer**") and the Borrower.

Under the Loan Agreement, the Issuer has loaned the Borrower the principal proceeds received from the sale of its \$ _____ Multi-Family Housing Revenue Bonds (The Ave SW Project), Series 2024 (the "**Bonds**"), to assist in the financing of the Project, and the Borrower has agreed to repay such loan by making payments ("**Loan Payments**") at the times and in the amounts set forth in this Note for application to the payment of principal of and interest on the Bonds as and when due. The Bonds have been issued, concurrently with the execution and delivery of this Note, pursuant to, and are secured by, the Indenture dated as of _____, 2024 (the "**Indenture**"), between the Issuer and the Trustee.

To provide funds to pay the principal of and interest on the Bonds as and when due as specified herein, the Borrower hereby agrees to and shall make Loan Payments in amounts on each Interest Payment Date equal to the Bond Service Charges on the Bonds payable on such Interest Payment Date. In addition, to provide funds to pay the Bond Service Charges on the Bonds as and when due at any other time, the Borrower hereby agrees to and shall make Loan Payments at least one Business Day prior to the date on which any Bond Service Charges on the Bonds shall be due and payable, whether at maturity, upon acceleration or otherwise, in an amount equal to those Bond Service Charges.

If payment or provision for payment in accordance with the Indenture is made in respect of the Bond Service Charges on the Bonds from money other than Loan Payments, this Note shall

be deemed paid to the extent such payments or provision for payment of Bonds has been made. Consistent with the provisions of the immediately preceding sentence, the Borrower shall have credited against its obligation to make Loan Payments any amounts transferred from the Project Fund or the Collateral Fund to the Bond Fund. Subject to the foregoing, all Loan Payments shall be in the full amount required hereunder.

All Loan Payments shall be made to the Trustee at its Designated Office for the account of the Issuer and deposited in the Bond Fund created by the Indenture. Except as otherwise provided in the Indenture, the Loan Payments shall be used by the Trustee to pay the Bond Service Charges on the Bonds as and when due.

The obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Borrower may have or assert against the Issuer, the Trustee or any other Person.

This Note is subject to prepayment, in whole or in part, upon the terms and conditions relating to the redemption of the Bonds set forth in Article 3 of the Indenture. Any prepayment is subject to satisfaction of any applicable notice, deposit or other requirements set forth in the Agreement or the Indenture.

Whenever an event of default under Section 6.01 of the Indenture shall have occurred and, as a result thereof, the principal of and any premium on all Bonds then Outstanding, and interest accrued thereon, shall have been declared to be immediately due and payable pursuant to Section 6.02 of the Indenture, the unpaid principal amount of and any premium and accrued interest on this Note shall also be due and payable in Federal Reserve funds on the date on which the principal of and premium and interest on the Bonds shall have been declared due and payable; provided that the annulment of a declaration of acceleration with respect to the Bonds shall also constitute an annulment of any corresponding declaration with respect to this Note.

The payment obligations of this Note are non-recourse to the Borrower to the extent set forth in Section 9.03 of the Loan Agreement.

Enforcement of the covenants in this Note will not result in, and neither the Issuer nor the Trustee has or shall be entitled to assert, any claim against the Project, the Mortgage Loan proceeds, or the rents or deposits or other income of the Project.

Failure of the Issuer or the Borrower to comply with any of the covenants set forth in this Note will not serve as a basis for default on the Mortgage Loan, the underlying mortgage, or any of the other Mortgage Loan Documents.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed in its name, as of the date first above written.

The Ave SW LLC,
an Illinois limited liability company

By: POAH Ave MM LLC, an
Illinois limited liability company, its
manager

By: PRESERVATION OF AFFORDABLE
HOUSING, INC., an Illinois not-for-profit
corporation, its manager

By: _____
Name:
Title:

ENDORSEMENT

Pay to the order of Zions Bancorporation, National Association, without recourse, as Trustee under the Indenture referred to in the within mentioned Note, as security for the Bonds issued under the Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Note.

This ____ day of _____, 2024.

CITY OF CHICAGO, as Issuer

By: _____
Name: Jill Jaworski
Title: Chief Financial Officer

(Sub)Exhibit "B".
(To Loan Agreement)

Form Of Requisition (Project Fund).

[Trustee]

\$ _____ **Multi-Family Housing Revenue Bonds**
(The Ave SW Project)
Series 2024

Ladies and Gentlemen:

Pursuant to Section 3.06 of the Loan Agreement dated as of _____, 2024 (the "**Loan Agreement**") among the **CITY OF CHICAGO** (the "**Issuer**"), **THE AVE SW LLC**, an Illinois limited liability company (the "**Borrower**"), and Zions Bancorporation, National Association, as Trustee (the "**Trustee**"), the undersigned Authorized Borrower Representative hereby requests and authorizes the Trustee, as depository of the Project Fund created by the Indenture dated as of _____, 2024 (the "**Indenture**"), between the Issuer and the Trustee, to pay to the Borrower, to _____, as Lender, or to the person(s) listed on the Schedule I hereto out of the money deposited in the Project Fund to pay the costs of the items listed in Schedule I.

1. REQUISITION NO.: _____
2. PAYMENT DUE TO: [SEE ATTACHED SCHEDULE I]
3. AMOUNT TO BE DISBURSED: \$ _____ [SEE ATTACHED SCHEDULE I]
4. The amount requested to be disbursed pursuant to this Requisition will be used to pay costs of the Project (as such term is defined in the Indenture) detailed in Schedule I attached to this Requisition.
5. With respect to a disbursement from the Project Fund, the undersigned certifies that:
 - (a) the amounts included in 3 above were made or incurred or financed and were necessary for the Project and were made or incurred in accordance with the construction contracts, plans and specifications heretofore in effect;
 - (b) the amount paid or to be paid, as set forth in this Requisition, represents a part of the funds due and payable for costs of the Project, such funds were not paid in advance of the time, if any, fixed for payment and such funds are due in accordance with the terms of any contracts applicable to the Project and in accordance with usual and customary practice under existing conditions;
 - (c) the expenditures for which amounts are requisitioned represent proper charges against the Project Fund, have not been included in any previous requisition, have been properly recorded on the Borrower's books and are set forth in Schedule I, with paid invoices attached for any sums for which reimbursement is requested;

(d) the moneys requisitioned are not greater than those necessary to meet obligations due and payable or to reimburse the Borrower for its funds actually advanced for costs of the Project and do not represent a reimbursement to the Borrower for working capital;

(e) the amount remaining in the Project Fund, together with expected investment income on the Project Fund will, after payment of the amount requested by this Requisition, be sufficient to pay the Costs of completing the Project substantially in accordance with the construction contracts, plans and specifications and building permits therefor, if any, currently in effect;

(f) all of the funds being requisitioned are being used in compliance with all tax covenants set forth in the Indenture, the Loan Agreement and the Land Use Restriction Agreement;

(g) the full amount of each disbursement will be applied to pay or to reimburse the Borrower for the payment of Costs and that, after taking into account the proposed disbursement,

(A) at least 95% of the proceeds of the Bonds pursuant to all written requisitions will be used for Qualified Project Costs to provide a qualified residential rental project (as defined in Section 142(d) of the Code); and

(B) less than 25% of the Net Proceeds of the Bonds will be disbursed to pay or to reimburse the Borrower for the cost of acquiring land;

(h) the Borrower is not in default under the Loan Agreement or the Land Use Restriction Agreement and nothing has occurred to the knowledge of the Borrower that would prevent the performance of its obligations under the Loan Agreement or the Land Use Restriction Agreement; and

(i) **[no amounts being requisitioned by this Requisition will be used to pay, or reimburse, any Costs of Issuance incurred in connection with the issuance of the Bonds.]**

6. The Borrower has on file, copies of invoices or bills of sale covering all items for which payment is being requested.

Requisition submitted this _____ day of _____, 202__.

The Ave SW LLC,
an Illinois limited liability company

By: POAH Ave MM LLC, an
Illinois limited liability company, its
manager

By: PRESERVATION OF AFFORDABLE
HOUSING, INC., an Illinois not-for-profit
corporation, its manager

By: _____
Name:
Title:

[Schedule I referred to in this Form of Requisition (Project Fund)
unavailable at time of printing.]

(Sub)Exhibit "C".
(To Loan Agreement)

Multi-Family Housing Revenue Bonds (The Ave SW Project) Series 2024.

Completion Certificate.

Pursuant to Section 3.09 of the Loan Agreement dated as of _____, 2024 (the "**Loan Agreement**") among the **CITY OF CHICAGO** (the "**Issuer**"), **THE AVE SW LLC**, an Illinois limited liability company (the "**Borrower**"), and Zions Bancorporation, National Association, as Trustee (the "**Trustee**") and relating to the above-captioned Bonds, the undersigned Authorized Borrower Representative hereby certifies that (with capitalized words and terms used and not defined in this Certificate having the meanings assigned or referenced in the Loan Agreement):

(a) The Project was substantially completed and available and suitable for use as multifamily housing on _____.

(b) The acquisition, construction, equipping and improvement of the Project and those other facilities have been accomplished in such a manner as to conform in all material respects with all applicable zoning, planning, building, environmental and other similar governmental regulations.

(c) The costs of the Project financed with the Loan were \$_____.

(d) Except [as provided in subsection (e) of this Certificate][for amounts retained by the Lender in the _____ for the payment of costs of the Project not yet due or for liabilities which the Borrower is contesting or which otherwise should be retained], all costs of that acquisition and installation due on or after the date of this Certificate and now payable have been paid.

[(e) The Trustee shall retain \$_____ in the Project Fund for the payment of costs of the Project not yet due or for liabilities which the Borrower is contesting or which otherwise should be retained, for the following reasons:]

(e) At least 95% of the proceeds of the Bonds were expended for Qualified Project Costs as defined in the Indenture.

(f) This Certificate is given without prejudice to any rights against third parties that now exist or subsequently may come into being.

IN WITNESS WHEREOF, the Authorized Borrower Representative has set his or her hand as of the ____ day of _____, 202__.

The Ave SW LLC,
an Illinois limited liability company

By: POAH Ave MM LLC, an
Illinois limited liability company, its
manager

By: PRESERVATION OF AFFORDABLE
HOUSING, INC., an Illinois not-for-profit
corporation, its manager

By: _____
Name:
Title:

Exhibit "D".
(To Ordinance)

Land-Use Restriction Agreement.

THIS LAND USE RESTRICTION AGREEMENT (this "**Agreement**"), entered into as of _____, 2024, between the **CITY OF CHICAGO**, a municipal corporation and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "**Issuer**"), and **THE AVE SW LLC**, an Illinois limited liability company (the "**Owner**"),

WITNESSETH:

WHEREAS, the Issuer has issued, sold and delivered its \$_____ Multi-Family Housing Revenue Bonds (The Ave SW Project), Series 2024 (the "**Bonds**"); and

WHEREAS, the Bonds are issued pursuant to the Indenture of even date herewith (the "**Indenture**"), between the Issuer and Zions Bancorporation, National Association, as trustee (the "**Trustee**"); and

WHEREAS, the proceeds derived from the issuance and sale of the Bonds are being lent by the Issuer to the Owner pursuant to the Loan Agreement of even date herewith (the "**Loan Agreement**"), between the Issuer and the Owner for the purpose of financing a portion of the costs of the acquisition, rehabilitation and equipping of a four-story building located generally at 3601-3625 West Chicago Avenue in Chicago, Illinois on land more particularly described on **Exhibit A** hereto (the "**Property**"), to contain fifty-two (52) residential units, including twenty-six (26) one-bedroom units, twenty-three (23) two-bedroom units and three (3) three-bedroom units for low-income, very low-income and extremely low-income families, along with certain common areas, including a community space in which Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation, will offer homeownership programs and education, laundry facilities, and approximately twenty-eight (28) enclosed parking spaces (collectively, the "**Project**"); and

WHEREAS, in order to assure the Issuer and the purchasers of the Bonds (the "**Holders**") that interest on the Bonds will be excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (the "**Code**"), and to further the public purposes of the Issuer, certain restrictions on the use and occupancy of the Project under the Code must be established;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the Owner and the Issuer agree as follows:

Section 1. Term of Restrictions

(a) **Occupancy Restrictions.** The term of the Occupancy Restrictions set forth in Section 3 hereof shall commence on the first day on which at least 10% of the Units are first occupied following completion of the Project and shall end on the latest of (i) the date which is 15 years after the date on which at least 50% of the Units in the Project are first occupied; (ii) the first date on which no tax-exempt note or bond (including any refunding note or bond) issued with respect to the Project is outstanding; or (iii) the date on which any housing assistance provided

with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates (which period is hereinafter referred with respect to the Project as the “**Qualified Project Period**”).

(b) **Rental Restrictions.** The Rental Restrictions with respect to the Project set forth in Section 4 hereof shall remain in effect during the Qualified Project Period.

(c) **Involuntary Loss or Substantial Destruction.** The Occupancy Restrictions set forth in Section 3 hereof, and the Rental Restrictions set forth in Section 4 hereof, shall cease to apply to the Project in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in federal law or an action of a federal City (with respect to the Project) after the date of delivery of the Bonds, which prevents the Issuer from enforcing the Occupancy Restrictions and the Rental Restrictions (with respect to the Project), or condemnation or similar event (with respect to the Project), but only if, within a reasonable time, (i) all of the Bonds are promptly retired, or amounts received as a consequence of such event are used to provide a new project which meets all of the requirements of this Agreement, which new project is subject to new restrictions substantially equivalent to those contained in this Agreement, and which is substituted in place of the Project by amendment of this Agreement; and (ii) an opinion from nationally recognized bond counsel (selected by the Issuer) is received to the effect that noncompliance with the Occupancy Restrictions and the Rental Restrictions applicable to the Project as a result of such involuntary loss or substantial destruction resulting from an unforeseen event with respect to the Project will not adversely affect the exclusion of the interest on the Bonds from the gross income of the Holders for purposes of federal income taxation; provided, however, that the preceding provisions of this paragraph shall cease to apply in the case of such involuntary noncompliance caused by foreclosure, transfer of title by deed in lieu of foreclosure or similar event if at any time during the Qualified Project Period with respect to the Project subsequent to such event the Owner or any Affiliated Party (as hereinafter defined) obtains an ownership interest in the Project for federal income tax purposes. “**Affiliated Party**” means a person whose relationship to another person is such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code; or (ii) such persons are members of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that “more than 50%” shall be substituted for “at least 80%” each place it appears therein).

(d) **Termination.** This Agreement shall terminate with respect to the Project upon the earliest of (i) termination of the Occupancy Restrictions and the Rental Restrictions with respect to the Project, as provided in paragraphs (a) and (b) of this Section 1; or (ii) delivery to the Issuer and the Owner of an opinion of nationally recognized bond counsel (selected by the Issuer) to the effect that continued compliance of the Project with the Rental Restrictions and the Occupancy Restrictions applicable to the Project is not required in order for interest on the Bonds to remain excludible from gross income for federal income tax purposes.

(e) **Certification.** Upon termination of this Agreement, the Owner and the Issuer shall execute and cause to be recorded (at the Owner’s expense), in all offices in which this Agreement was recorded, a certificate of termination, specifying which of the restrictions contained herein has terminated.

Section 2. Project Restrictions. The Owner represents, warrants and covenants that:

(a) The Owner has reviewed the provisions of the Code and the Treasury Regulations thereunder (the “**Regulations**”) applicable to this Agreement (including, without limitation, Section 142(d) of the Code and Section 1.103-8(b) of the Regulations) with its counsel and understands said provisions.

(b) The Project is being acquired and constructed for the purpose of providing a “qualified residential rental project” (as such phrase is used in Section 142(d) of the Code) and will, during the term of the Rental Restrictions and Occupancy Restrictions hereunder applicable to the Project, continue to constitute a “qualified residential rental project” under Section 142(d) of the Code and any Regulations heretofore or hereafter promulgated thereunder and applicable thereto.

(c) Substantially all (not less than 95%) of the Project will consist of a “building or structure” (as defined in Section 1.103-8(b)(8)(iv) of the Regulations), or several proximate buildings or structures, of similar construction, each containing one or more similarly constructed residential units (as defined in Section 1.103-8(b)(8)(i) of the Regulations) located on a single tract of land or contiguous tracts of land (as defined in Section 1.103-8(b)(4)(ii)-(B) of the Regulations), which will be owned, for federal tax purposes, at all times by the same person, and financed pursuant to a common plan (within the meaning of Section 1.103-8(b)(4)(ii) of the Regulations), together with functionally related and subordinate facilities (within the meaning of Section 1.103-8(b)(4)(iii) of the Regulations). If any such building or structure contains fewer than five (5) units, no unit in such building or structure shall be Owner-occupied.

(d) None of the Units in the Project will at any time be used on a transient basis, nor will the Project itself be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court for use on a transient basis; nor shall any portion of the Project be operated as an assisted living facility which provides continual or frequent nursing, medical or psychiatric services; *provided, however* that nothing herein shall be understood to prohibit single-room-occupancy units occupied under month-to-month leases.

(e) All of the Units in the Project will be leased or rented, or available for lease or rental, on a continuous basis to members of the general public (other than (i) Units for resident managers or maintenance personnel, (ii) Units for Qualifying Tenants as provided for in Section 3 hereof, and (iii) Units which may be rented under the Section 8 assistance program, which units (subject to the Section 8 assistance program) shall be leased to eligible tenants in accordance with Section requirements), subject, however, to the requirements of Section 3(a) hereof. Each Qualifying Tenant (as hereinafter defined) occupying a Unit in the Project shall be required to execute a written lease with a stated term of not less than 30 days nor more than one year.

(f) Any functionally related and subordinate facilities (*e.g.*, parking areas, swimming pools, tennis courts, etc.) which are included as part of the Project will be of a character and size commensurate with the character and size of the Project, and will be made available to all tenants in the Project on an equal basis; fees will only be charged with respect to the use thereof if the charging of fees is customary for the use of such facilities at similar residential rental properties in

the surrounding area (*i.e.*, within a one-mile radius), or, if none, then within comparable urban settings in the City of Chicago, and then only in amounts commensurate with the fees being charged at similar residential rental properties within such area. In any event, any fees charged will not be discriminatory or exclusionary as to the Qualifying Tenants (as defined in Section 3 hereof). No functionally related and subordinate facilities will be made available to persons other than tenants or their guests.

(g) Each residential unit in the Project will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or family.

(h) No portion of the Project will be used to provide any health club facility (except as provided in (f) above), any facility primarily used for gambling, or any store, the principal business of which is the sale of alcoholic beverages for consumption off premises, in violation of Section 147(e) of the Code.

Section 3. Occupancy Restrictions. The Owner represents, warrants and covenants with respect to the Project that:

(a) Pursuant to the election of the Issuer in accordance with the provisions of Section 142(d)(1)(B) of the Code, at all times during the Qualified Project Period with respect to the Project at least 40% of the completed Units in the Project shall be continuously occupied (or treated as occupied as provided herein) or held available for occupancy by Qualifying Tenants as herein defined. For purposes of this Agreement, "**Qualifying Tenants**" means individuals or families whose aggregate adjusted incomes do not exceed 60% of the applicable median gross income (adjusted for family size) for the area in which the Project is located, as such income and area median gross income are determined by the Secretary of the United States Treasury in a manner consistent with determinations of income and area median gross income under Section 8 of the United States Housing Act of 1937, as amended (or, if such program is terminated, under such program as in effect immediately before such determination).

(b) Prior to the commencement of occupancy of any unit to be occupied by a Qualifying Tenant, the prospective tenant's eligibility shall be established by execution and delivery by such prospective tenant of an Income Computation and Certification in the form attached hereto as **Exhibit B** (the "**Income Certification**") evidencing that the aggregate adjusted income of such prospective tenant does not exceed the applicable income limit. In addition, such prospective tenant shall be required to provide whatever other information, documents or certifications are reasonably deemed necessary by the Owner or the Issuer to substantiate the Income Certification.

(c) Not less frequently than annually, the Owner shall determine whether the current aggregate adjusted income of each tenant occupying any unit being treated by the Owner as occupied by a Qualifying Tenant exceeds the applicable income limit. For such purpose the Owner shall require each such tenant to execute and deliver the Income Certification; *provided, however*, that for any calendar year during which no unit in the Project is occupied by a new resident who is not a qualifying tenant, no Income Computation and Certification for existing tenants shall be required.

(d) Any unit vacated by a Qualifying Tenant shall be treated as continuing to be occupied by such tenant until reoccupied, other than for a temporary period not to exceed 31 days, at which time the character of such unit as a unit occupied by a Qualifying Tenant shall be redetermined.

(e) If an individual's or family's income exceeds the applicable income limit as of any date of determination, the income of such individual or family shall be treated as continuing not to exceed the applicable limit, provided that the income of an individual or family did not exceed the applicable income limit upon commencement of such tenant's occupancy or as of any prior income determination, and provided, further, that if any individual's or family's income as of the most recent income determination exceeds 140% of the applicable income limit, such individual or family shall cease to qualify as a Qualifying Tenant if, prior to the next income determination of such individual or family, any unit in the Project of comparable or smaller size to such individual's or family's unit is occupied by any tenant other than a Qualifying Tenant.

(f) The lease to be utilized by the Owner in renting any Unit in the Project to a prospective Qualifying Tenant shall provide for termination of the lease and consent by such person to eviction following 30 days' written notice, subject to applicable provisions of Illinois law (including for such purpose all applicable home rule ordinances), for any material misrepresentation made by such person with respect to the Income Certification with the effect that such tenant is not a Qualified Tenant.

(g) All Income Certifications will be maintained on file at the Project as long as the Bonds are outstanding and for five years thereafter with respect to each Qualifying Tenant who occupied a Unit in the Project during the period the restrictions hereunder are applicable, and the Owner will, promptly upon receipt, file a copy thereof with the Issuer.

(h) On the first day of the Qualified Project Period with respect to the Project, on the fifteenth days of January, April, July and October of each year during the Qualified Project Period with respect to the Project, and within 30 days after the final day of each month in which there occurs any change in the occupancy of a Unit in the Project, the Owner will submit to the Issuer a "Certificate of Continuing Program Compliance," in the form attached hereto as **Exhibit C** executed by the Owner with respect to the Project.

(i) The Owner shall submit to the Secretary of the United States Treasury (at such time and in such manner as the Secretary shall prescribe) with respect to the Project an annual certification on Form 8703 as to whether the Project continues to meet the requirements of Section 142(d) of the Code. Failure to comply with such requirement may subject the Owner to the penalty provided in Section 6652(j) of the Code.

Section 4. Rental Restrictions. The Owner represents, warrants and covenants with respect to the Project that once available for occupancy, each Unit in the Project will be rented or available for rental on a continuous basis to members of the general public (other than (a) Units for resident managers or maintenance personnel, (b) Units for Qualifying Tenants as provided for in Section 3 hereof, and (c) Units which may be rented under the Section 8 assistance program, which Units (subject to the Section 8 assistance program) shall be leased to eligible tenants in accordance with Section 8 requirements). If a Housing Assistance Payments Contract is

subsequently entered into with respect to the Project under the Section 8 assistance program, in administering the restrictions hereunder with respect to the Project the Owner will comply with all Section 8 requirements.

Section 5. Transfer Restrictions. The Owner covenants and agrees that no conveyance, transfer, assignment or any other disposition of title to any portion of the Project (a “Transfer”) shall be made prior to the termination of the Rental Restrictions and Occupancy Restrictions hereunder with respect to the Project, unless the transferee pursuant to the Transfer assumes in writing (the “Assumption Agreement”), in a form reasonably acceptable to the Issuer, all of the executory duties and obligations hereunder of the Owner with respect to such portion of the Project, including those contained in this Section 5, and agrees to cause any subsequent transferee to assume such duties and obligations in the event of a subsequent Transfer by the transferee prior to the termination of the Rental Restrictions and Occupancy Restrictions hereunder with respect to the Project. The Owner shall deliver the Assumption Agreement to the Issuer at least 30 days prior to a proposed Transfer. This Section 5 shall not apply to any involuntary transfer pursuant to Section 1(c) hereof. This Section shall not be deemed to restrict the transfer of any membership interest in the Owner or a transfer by foreclosure or deed in lieu of foreclosure.

Section 6. Enforcement

(a) Upon reasonable notice and during regular business hours, the Owner shall permit all duly authorized representatives of the Issuer to inspect any books and records of the Owner regarding the Project and the incomes of Qualifying Tenants which pertain to compliance with the provisions of this Agreement and Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

(b) In addition to the information provided for in Section 3(i) hereof, the Owner shall submit any other information, documents or certifications reasonably requested by the Issuer, which the Issuer deems reasonably necessary to substantiate continuing compliance with the provisions of this Agreement and Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

(c) The Issuer and the Owner each covenant that it will not take or permit to be taken any action within its control that it knows would adversely affect the exclusion of interest on the Bonds from the gross income of the Holders thereof for purposes of federal income taxation pursuant to Section 103 of the Code. Moreover, each covenants to take any lawful action within its control (including amendment of this Agreement as may be necessary in the opinion of nationally recognized bond counsel selected by the Issuer) to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service from time to time pertaining to obligations issued under Section 142(d) of the Code and affecting the Project.

(d) The Owner covenants and agrees to inform the Issuer by written notice of any violation of its obligations hereunder within five days of first discovering any such violation. If any such violation is not corrected to the satisfaction of the Issuer within the period of time specified by the Issuer, which shall be (i) the lesser of (A) 60 days after the effective date of any notice to or from the Owner, or (B) 75 days from the date such violation would have been

discovered by the Owner by the exercise of reasonable diligence, or (ii) such longer period as may be necessary to cure such violation, provided bond counsel (selected by the Issuer) of nationally recognized standing in matters pertaining to the exclusion of interest on municipal bonds from gross income for purposes of federal income taxation issues an opinion that such extension will not result in the loss of such exclusion of interest on the Bonds, without further notice, the Issuer shall declare a default under this Agreement effective on the date of such declaration of default, and the Issuer shall apply to any, court, state or federal, for specific performance of this Agreement or an injunction against any violation of this Agreement, or any other remedies at law or in equity or any such other actions as shall be necessary or desirable so as to correct noncompliance with this Agreement.

(e) The Owner and the Issuer each acknowledges that the primary purposes for requiring compliance with the restrictions provided in this Agreement are to preserve the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, and that the Issuer, on behalf of the owners of the Bonds, who are declared to be third-party beneficiaries of this Agreement, shall be entitled for any breach of the provisions hereof, to all remedies both at law and in equity in the event of any default hereunder.

(f) In the enforcement of this Agreement, the Issuer may rely on any certificate delivered by or on behalf of the Owner or any tenant with respect to the Project.

(g) Nothing in this Section shall preclude the Issuer from exercising any remedies it might otherwise have, by contract, statute or otherwise, upon the occurrence of any violation hereunder.

(h) Notwithstanding anything to the contrary contained herein, the Issuer hereby agrees that any cure of any default made or tendered by one or more of the Owner's members shall be deemed to be a cure by the Owner and shall be accepted or rejected on the same basis as if made or tendered by the Owner.

Section 7. Covenants to Run with the Land. The Owner hereby subjects the Project, the Property and the Units except the commercial space to the covenants, reservations and restrictions set forth in this Agreement. The Issuer and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants, reservations and restrictions running with the land to the extent permitted by law, and shall pass to and be binding upon the Owner's successors in title to the Project, the Units, and the Property, throughout the term of this Agreement. Each and every contract, deed, mortgage, lease or other instrument hereafter executed covering or conveying the Project, the Units or the Property, or any portion thereof or interest therein (excluding the commercial space or any transferee of a membership interest in the Owner), shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed, mortgage, lease or other instrument.

Section 8. Recording. The Owner shall cause this Agreement and all amendments and supplements hereto to be recorded in the conveyance and real property records of Cook

County, Illinois, and in such other places as the Issuer may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

Section 9. Agents of the Issuer. The Issuer shall have the right to appoint agents to carry out any of its duties and obligations hereunder, and shall, upon written request, certify in writing to the other party hereto any such City appointment.

Section 10. No Conflict with Other Documents. The Owner warrants and covenants that it has not and will not execute any other agreement with provisions inconsistent or in conflict with the provisions hereof (except documents that are subordinate to the provisions hereof), and the Owner agrees that the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth, which supersede any other requirements in conflict herewith.

Section 11. Interpretation. Any capitalized terms not defined in this Agreement shall have the same meaning as terms defined in the Bond Indenture and the Loan Agreement or Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

Section 12. Amendment. Subject to any restrictions set forth in the Bond Indenture, this Agreement may be amended by the parties hereto to reflect changes in Section 142(d) of the Code, the regulations hereafter promulgated thereunder and revenue rulings promulgated thereunder, or in the interpretation thereof.

Section 13. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 14. Notices. Any notice, demand or other communication required or permitted hereunder shall be in writing and shall be deemed to have been given if and when personally delivered and receipted for, or, if sent by private courier service or sent by overnight mail service, shall be deemed to have been given if and when received (unless the addressee refuses to accept delivery, in which case it shall be deemed to have been given when first presented to the addressee for acceptance), or on the first day after being sent by email, or on the third day after being deposited in United States registered or certified mail, postage prepaid. Any such notice, demand or other communication shall be given as provided for in the applicable sections of the Indenture.

Section 15. Governing Law. The laws of the State of Illinois shall govern the construction of this Agreement, without reference to its conflicts of laws principles.

Section 16. Limited Liability of Owner. Notwithstanding any other provision or obligation stated in or implied by this Agreement to the contrary, any and all undertakings and agreements of the Owner contained herein shall not (other than as expressly provided hereinafter in this paragraph) be deemed, interpreted or construed as the personal undertaking or agreement of, or as creating any personal liability upon, any past, present or future member of the Owner, and no recourse (other than as expressly provided hereinafter in this paragraph) shall be had against the property of the Owner or any past, present or future member of the Owner, personally or individually for the performance of any undertaking, agreement or obligation, or the payment of any money, under this Agreement or any document executed or delivered by or on behalf of the Owner pursuant hereto or in connection herewith, or for any claim based thereon. It is expressly

understood and agreed that the Issuer and the registered owner of the Bonds, and its respective successors and assigns, shall have the right to sue for specific performance of this Agreement and to otherwise seek equitable relief for the enforcement of the obligations and undertakings of the Owner hereunder, including, without limitation, obtaining an injunction against any violation of this Agreement or the appointment of a receiver to take over and operate all or any portion of the Project in accordance with the terms of this Agreement. This Section shall survive termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Land Use Restriction Agreement to be signed and sealed by their respective, duly authorized representatives, as of the day and year first above written.

CITY OF CHICAGO, as Issuer

By: _____
Name: Jill Jaworski
Title: Chief Financial Officer

Seal

ATTEST:

By: _____
Name: Andrea M. Valencia
Title: City Clerk

This Land Use Restriction Agreement

Acknowledged and agreed to:

The Ave SW LLC,
an Illinois limited liability company

By: POAH Ave MM LLC, an
Illinois limited liability company, its manager

By: PRESERVATION OF AFFORDABLE HOUSING,
INC., an Illinois not-for-profit corporation, its
manager

By: _____
Name:
Title:

STATE OF ILLINOIS)

COUNTY OF COOK) ss:
)

BEFORE ME, the undersigned authority, on this day personally appeared Jill Jaworski and Andrea M. Valencia, the Chief Financial Officer and the City Clerk, respectively, of the City of Chicago, a municipal corporation and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "Issuer"), known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that each executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of said Issuer.

GIVEN UNDER MY HAND and seal of office, this the _____ day of _____, 2024.

[SEAL]

Notary Public in and for the State of Illinois

My commission expires on:

COMMONWEALTH OF MASSACHUSETTS)

COUNTY OF _____) ss.
)

On this _____ day of _____, 2024, before me, the undersigned notary public, _____, personally appeared, proved to me through satisfactory evidence of identification, which was my personal knowledge, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that s/he signed it voluntarily, as the _____ of Preservation of Affordable Housing, Inc., the manager of POAH Ave MM LLC, the manager of The Ave SW LLC, for its stated purpose as the voluntary act of The Ave SW LLC.

Notary Public
My commission expires: _____

SEAL

(Sub)Exhibits "A", "B" and "C" referred to in this Land-Use Restriction Agreement read as follows:

(Sub)Exhibit "A".
(To Land-Use Restriction Agreement)

Legal Description Of Site.

Legal Description:

The south 18.00 feet of Lot 6 in McAuley's Subdivision of Block 1 of W.J. Morton's Subdivision, ante-fire, of the east half of the northwest quarter of Section 11, Township 39 North, Range 13, East of the Third Principal Meridian, all in Cook County, Illinois, said above described parcel containing 2,144 square feet or 0.044 acre, more or less.

Commonly Known As:

3601 -- 3625 West Chicago Avenue
Chicago, Illinois 60651.

Permanent Real Estate Index Numbers ("PINs"):

16-11-107-036; and

16-11-107-001.

(Sub)Exhibit "B".
(To Land-Use Restriction Agreement)

Income Computation And Certification.

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Development ("HUD") Regulations (24 CFR Part 5). You should make certain that this form is at all times up to date with HUD Regulations. All capitalized terms used herein shall have the meanings set forth in the Land Use Restriction Agreement, dated as of _____, 2024, among the City of Chicago and The Ave SW LLC, an Illinois limited liability company (the "Owner").

Re: The Ave SW Project
Chicago, IL

I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully and truthfully each of the following questions for all persons who are to occupy the unit in the above apartment project for which application is made. Listed below are the names of all persons who intend to reside in the unit:

Name of Members of the Household	Relationship to Head of Household	Age	Social Security Number	Place of Employment
	HEAD			
	SPOUSE			

6. **Total Anticipated Income.** The total anticipated income, calculated in accordance with this paragraph 6, of all persons listed above for the 12-month period beginning the date that I/we plan to move into a unit (i.e., _____) is \$ _____. Included in the total anticipated income listed above are:

- (a) the full amount, before payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (b) the net income from operation of a business or profession or net income from real or personal property (without deducting expenditures for business expansion or amortization or capital indebtedness); an allowance for depreciation of capital assets used in a business or profession may be deducted, based on _____

* The form of Income Computation and Certification shall be conformed to any amendments made to 24 CFR Part 5, or any regulatory provisions promulgated in substitution therefor.

straight-line depreciation, as provided in Internal Revenue Service regulation; include any withdrawal of cash or assets from the operation of a business or profession, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the above persons;

(c) interest and dividends (see 7(C) below);

(d) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump sum payment for the delayed start of a periodic payment;

(e) payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay;

(f) the amount of any public welfare assistance payment; if the welfare assistance payment includes any amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance City in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(i) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus

(ii) the maximum amount that the welfare assistance City could in fact allow the family for shelter and utilities (if the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph 6(f) shall be the amount resulting from one application of the percentage);

(g) periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from persons not residing in the dwelling; and

(h) all regular pay, special pay and allowances of a member of the Armed Forces.

Excluded from such anticipated total income are:

(a) income from employment of children (including foster children) under the age of 18 years;

(b) payment received for the care of foster children or foster adults;

(c) lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;

- (d) amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (e) income of a live-in aide;
- (f) the full amount of student financial assistance paid directly to the student or to the educational institution;
- (g) special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (h) amounts received under training programs funded by the Department of Housing and Urban Development ("HUD");
- (i) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- (j) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- (k) a resident service stipend in a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Owner, on a part-time basis, that enhances the quality of life in the Project, including, but not limited to, fire patrol, hall monitoring, lawn maintenance and resident initiatives coordination (no resident may receive more than one stipend during the same period of time);
- (l) compensation from state or local employment training programs in training of a family member as resident management staff, which compensation is received under employment training programs (including training programs not affiliated with a local government) with clearly defined goals and objectives, and which compensation is excluded only for the period during which the family member participates in the employment training program;
- (m) reparations payment paid by a foreign government pursuant to claims filed under the laws of that government for persons who were persecuted during the Nazi era;
- (n) earnings in excess of \$480 for each full-time student, 18 years or older, but excluding the head of household and spouse;
- (o) adoption assistance payments in excess of \$480 per adopted child;
- (p) deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment;

- (q) amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
- (r) amounts paid by a state City to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
- (s) temporary, nonrecurring or sporadic income (including gifts); and
- (t) amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply.

7. **Assets.**

- (a) Do the persons whose income or contributions are included in Item 6 above:
 - (i) have savings, stocks, bonds, equity in real property or other form of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles, equity in a housing cooperative unit or in a manufactured home in which such family resides, and interests in Indian trust land)? _____ Yes _____ No.
 - (ii) have they disposed of any assets (other than at a foreclosure or bankruptcy sale) during the last two years at less than fair market value? _____ Yes _____ No.
- (b) If the answer to (i) or (ii) above is yes, does the combined total value of all such assets owned or disposed of by -all such persons total more than \$5,000? _____ Yes _____ No.
- (c) If the answer to (b) above is yes, state:
 - (i) the total value of all such assets: \$ _____
 - (ii) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy of the unit that you propose to rent: \$ _____; and
 - (iii) the amount of such income, if any, that was included in Item 6 above: \$ _____.

8. **Full-time Students.**

- (a) Are all of the individuals who propose to reside in the unit full-time students? _____ Yes _____ No.

A full-time student is an individual enrolled as a full-time student (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended) during each of five calendar months during the calendar year in which occupancy of the unit begins at an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance or an individual pursuing a full-time course of institutional or farm training under the supervision of an accredited agent of such an educational organization or of a state or political subdivision thereof.

(b) If the answer to 8(a) is yes, are at least two of the proposed occupants of the unit a husband and wife entitled to file a joint federal income tax return?
_____ Yes _____ No.

9. **Relationship to Project Owner.** Neither I nor any other occupant of the unit I/we propose to rent is the Owner, has any family relationship to the Owner, or owns directly or indirectly any interest in the Owner. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member; ownership by a company, corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such company, corporation, partnership, estate or trust held by the individual or a family member; and ownership, direct or indirect, by a partner of the individual.

10. **Reliance.** This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit and is relevant to the status under federal income tax law of the interest on obligations issued to provide financing for the apartment development for which application is being made. I/We consent to the disclosure of such information to the issuer of such obligations, the holders of such obligations, any fiduciary acting on their behalf and any authorized agent of the Treasury Department or the Internal Revenue Service. I/We declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable, and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

11. **Further Assistance.** I/We will assist the Owner in obtaining any information or documents required to verify the statements made herein, including, but not limited to, either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding two calendar years.

12. **Misrepresentation.** I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit, and may entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct. Executed this _____ day of _____ in _____, Illinois.

Applicant

Applicant

Applicant

Applicant

[Signature of all persons over the age of 18 years listed in 2 above required.]

SUBSCRIBED AND SWORN to before me this ____ day of _____

(NOTARY SEAL)

Notary Public in and for the State of _____

My Commission Expires: _____

FOR COMPLETION BY APARTMENT OWNER ONLY:

1. Calculation of eligible income:
 - a. Enter amount entered for entire household in 6 above: \$ _____
 - b. (1) if the amount entered in 7(c)(i) above is greater than \$5,000, enter the total amount entered in 7(c)(ii), subtract from that figure the amount entered in 7(c)(iii) and enter the remaining balance (\$ _____);
 - (2) multiply the amount entered in 7(c)(i) times the current passbook savings rate as determined by HUD to determine what the total annual earnings on the amount in 7(c)(ii) would be if invested in passbook savings (\$ _____), subtract from that figure the amount entered in 7(c)(iii) and enter the remaining balance (\$ _____); and
 - (3) enter at right the greater of the amount calculated under (1) or (2) above: \$ _____.
 - c. TOTAL ELIGIBLE INCOME (Line 1.a plus line 1.b(3)): \$ _____
2. The amount entered in 1.c is:

_____ Less than 60% of Median Gross Income for Area.**
 _____ More than 60% of Median Gross Income for the Area.***

3. Number of apartment unit assigned: _____
 Bedroom Size: _____ Rent: \$ _____

4. The last tenants of this apartment unit for a period of 31 consecutive days [had/did not have] aggregate anticipated annual income, as certified in the above manner upon their initial occupancy of the apartment unit, of less than 60% of Median Gross Income for the Area.

5. Method used to verify applicant(s) income:
 - _____ Employer income verification.
 - _____ Copies of tax returns.
 - _____ Other (_____)

 Owner or Manager

** "Median Gross Income for the Area" means the median income for the area where the Project is located as determined by the Secretary of Housing and Urban Development under Section 8(0)(3) of the United States Housing Act of 1937, as amended, or if programs under Section 8(f) are terminated, median income determined under the method used by the Secretary prior to termination. "Median Gross Income for the Area" shall be adjusted for family size.

*** See footnote 2.

INCOME VERIFICATION

(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed by the City of Chicago. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual wages	_____
Overtime	_____
Bonuses	_____
Commissions	_____
Total current income	_____

I hereby certify that the statements above are true and complete to the best of my knowledge.

_____ Signature	_____ Date	_____ Title
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I hereby grant you permission to disclose my income to The Ave SW LLC, an Illinois limited liability company, in order that it may determine my income eligibility for rental of an apartment located in one of its projects which has been financed by the City of Chicago.

_____ Signature	_____ Date
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Please send to:

INCOME VERIFICATION

(for self-employed persons)

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding two calendar years and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

_____ Signature	_____ Date
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(Sub)Exhibit "C".
(To Land-Use Restriction Agreement)

Certificate Of Continuing Program Compliance.

The undersigned, on behalf of The Ave SW LLC, an Illinois limited liability company (the "Owner"), hereby certifies as follows:

1. The undersigned has read and is thoroughly familiar with the provisions of the Land Use Restriction Agreement, dated as of _____, 2024 (the "Land Use Restriction Agreement"), between the City of Chicago and the Owner. All capitalized terms used herein shall have the meanings given in the Land Use Restriction Agreement.

2. Based on Certificates of Tenant Eligibility on file with the Owner, as of the date of this Certificate the following number of completed Units in the Project (i) are occupied by Qualifying Tenants (as such term is defined in the Land Use Restriction Agreement), or (ii) were previously occupied by Lower-Income Tenants and have been vacant and not reoccupied except for a temporary period of no more than 31 days:

Occupied by Qualifying Tenants****. _____ No. of Units

Previously occupied by Qualifying Tenants
(vacant and not reoccupied except for a
temporary period of no more than 31 days): _____ No of Units

3. The total number of completed Units in the Project is _____.

4. The total number in 2 is at least 40% of the total number in 3 above.

**** A unit all of the occupants of which are full-time students does not qualify as a unit occupied by Qualifying Tenants, unless one or more of the occupants was entitled to file a joint tax return.

5. No Event of Default (as defined in the Land Use Restriction Agreement) has occurred and is subsisting under the Land Use Restriction Agreement, except as set forth in Schedule A attached hereto.

The Ave SW LLC,
an Illinois limited liability company

By: POAH Ave MM LLC, an
Illinois limited liability company, its manager

By: PRESERVATION OF AFFORDABLE HOUSING,
INC., an Illinois not-for-profit corporation, its
manager

By: _____
Name:
Title:

Exhibit "E".
(To Ordinance)

The Ave SW Redevelopment Agreement.

This agreement was prepared by and
after recording return to:
Isabella E. Moreira, Esq.
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

THE AVE SW REDEVELOPMENT AGREEMENT

This The Ave SW Redevelopment Agreement (this "Agreement") is made as of this ____ day of _____, 2024, by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), The Ave SW LLC, an Illinois limited liability company (the "Owner") and POAH TIF LLC, an Illinois limited liability company ("POAH", and collectively with the Owner, 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: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Chicago/Central Park Redevelopment Project Area" (the "Plan Adoption Ordinance"); (2) "An Ordinance of the City of Chicago, Illinois Designating the Chicago/Central Park Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for

the Chicago/Central Park Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The TIF Ordinances were adopted on February 27, 2002 and subsequently amended on June 8, 2011 and published in the Journal of the Proceedings of the City Council (the "Journal") for such respective dates. The redevelopment project-area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: Developer owns or intends to purchase (the "Acquisition") from Neighborhood Housing Services of Chicago, Inc., an Illinois not-for-profit corporation ("NHS"), one (1) parcel located within the Redevelopment Area commonly known as 3601 W. Chicago Ave., Chicago, Illinois (the "NHS Parcel"), and from the City one (1) parcel located within the Redevelopment Area commonly known as 3613-3625 W. Chicago Ave., Chicago, Illinois (the "City Parcel") both legally described on Exhibit B and depicted on Exhibit B-1 hereto and the existing public alley in between the NHS Parcel and City Parcel (the "City Alley") (the NHS Parcel, the City Parcel and the City Alley are collectively referred to herein as the "Property"). Within the time frames set forth in Section 3.01 hereof, Developer shall commence and complete construction of a mixed-use residential building with fifty-two (52) residential units, including twenty-six (26) one-bedroom units, twenty-three (23) two-bedroom units and three (3) three-bedroom units for low-income, very low-income and extremely low-income families, along with certain common areas, including a community space in which NHS will offer homeownership programs and education, laundry facilities, and approximately twenty-eight (28) enclosed parking spaces (the "Facility") thereon. Within the Facility, there will be a separate parcel for NHS to use as new offices. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Chicago/Central Park Tax Increment Financing Redevelopment Plan included in the Plan Adoption Ordinance, as amended and restated from time to time (the "Redevelopment Plan").

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes (as defined below), to pay for or reimburse Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

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, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A *Redevelopment Area
2. Definitions	B *Property
3. The Project	B-1 *Depiction of the Property
4. Financing	C *TIF-Funded Improvements
5. Conditions Precedent	D *Project Budget
6. Agreements with Contractors	E *MBE/WBE Budget
7. Completion of Construction	F Approved Prior Expenditures
8. Covenants/Representations/Warranties of Developer	(An asterisk (*) indicates which exhibits are to be recorded.)
9. Covenants/Representations/Warranties of the City	
10. Developer's Employment Obligations	
11. Environmental Matters	
12. Insurance	
13. Indemnification	
14. Maintaining Records/Right to Inspect	
15. Defaults and Remedies	
16. Mortgaging of the Project	
17. Notice	
18. Miscellaneous	

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, and unless otherwise specified, references to Recitals, Sections, Articles and Exhibits are references to Recitals, Sections, Articles and Exhibits of this Agreement:

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

"Acquisition" 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 Developer.

"Agent(s)" shall mean any agents, employees, contractors, subcontractors, or other persons acting under the control or at the request of the Developer, or its contractors or Affiliates.

"Annual Compliance Report" shall mean a signed report from Developer to the City (a) itemizing each of Developer's obligations under this Agreement during the preceding calendar year, (b) certifying Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer is not in default with respect to any provision of this Agreement, the agreements evidencing the Equity, if any, or any related agreements. The obligations to be covered by the Annual Compliance Report shall include, but not be limited to, the following: (1) compliance with Section 8.05; (2) Jobs Creation report (Section 8.06); (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance

certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (6) Compliance with the City's Sustainable Development Policy (Section 8.22); (7) Compliance with the Affordable Housing Covenant (Section 8.24); (8) delivery of a jobs report for each employee detailing the employee's status as a full-time or part-time employee or subcontractor, the ZIP code for each employee's primary residency, the employee's total employment tenure measured in months, the employee's wages above or below the "Living Wage" rate as defined for that year, and progress toward completing the local hiring requirements; and (9) compliance with all other executory provisions of this Agreement.

"Available Incremental Taxes" shall mean an amount equal to the Incremental Taxes (as defined below) deposited in the Redevelopment Project Area Special Tax Allocation Fund (as defined below) as adjusted to reflect the amount of the City Fee described in Section 4.05(c) hereof.

"Available Project Funds" shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Equity and other funds identified in Section 4.01; (iii) any other funds or financing obtained by Developer (including, without limitation, interim financing) and (iii) any other amounts deposited by Developer pursuant to this Agreement.

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

"Bond Ordinance" shall mean the City ordinance authorizing the issuance of Bonds.

"Business Day" means any day other than Saturday, Sunday or a legal holiday in the City.

"Certificate" shall mean the Certificate of Completion of Construction 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 Contract" shall have the meaning set forth in Section 8.01(m) hereof.

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

"City Fee" shall mean the fee described in Section 4.05(c) hereof.

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

"City Parcel" shall have the meaning set forth in the Recitals hereof.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement, and shall not be later than 180 days following the date of City Council's approval of the Project Ordinance or such other date acceptable to the commissioner of DOH; in their sole discretion.

"Contract" shall have the meaning set forth in Section 10.03 hereof.

"Contractor" shall have the meaning set forth in Section 10.03 hereof.

"Construction Contract" shall mean that certain contract, as approved by DOH on or prior to the Closing Date, to be entered into between Developer and the General Contractor providing for construction of the Project.

"Contaminant" means any of those materials set forth in 415 ILCS 5/3.165, as amended from time to time, that are subject to regulation under any Environmental Law.

"Corporation Counsel" shall mean the City's Department of Law.

"CSIR/ROR" shall mean the Comprehensive Site Investigation Report/Remediation Objectives Report required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter.

"Davis-Bacon Act" shall mean the Davis-Bacon Act (40 U.S.C. Section 3141 et seq.).

"Deed" shall have the meaning set forth in Section 3.13(c).

"DOH" shall mean the City's Department of Housing.

"EDS" shall mean the City's Economic Disclosure Statement and Affidavit, on the City's then-current form.

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

"Environmental Law(s)" means any Federal, state, or local law, statute, ordinance, code, rule, permit, plan, regulation, license, authorization, order, or injunction which pertains to health, safety, any Hazardous Substance or Other Regulated Material, or the environment (including, but not limited to, ground, air, water or noise pollution or contamination, and underground or above-ground tanks) and shall include, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; the Hazardous Material Transportation Act, 49 U.S.C. § 1801 *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*, as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 *et seq.*, as amended by the Superfund Amendments and Reauthorization Act of 1986; the Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.*; the Clean Air Act, 42 U.S.C. § 7401 *et seq.*; the Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.*; the Gasoline Storage Act, 430 ILCS 15/0.01 *et seq.*; the Sewage and Waste Control Ordinance of the Metropolitan Water Reclamation District of Greater Chicago; the Municipal Code of the City of Chicago; and any other local, state, or federal environmental statutes, and all rules, regulations, orders, and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

"Environmental Remediation Work" shall mean all investigation, sampling, monitoring, testing, reporting, removal (including, excavation, transportation and disposal), response, storage, remediation, treatment and other activities necessary to obtain a Final Comprehensive

Residential NFR Letter (as defined herein) for the Property in accordance with the terms and conditions of the RAP Approval Letter (as defined herein) for the Property issued by the IEPA (as defined below), the SRP Documents (as defined below), all requirements of the IEPA and all applicable federal, state, and local Laws, ordinances, and regulations, including, without limitation, all applicable Environmental Laws.

"Equity" shall mean all funds available for the Project described in Section 4.01 other than City Funds, which amount may be increased pursuant to Section 4.06 or Section 4.03(b).

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

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the Closing Date hereof by the City, the Title Company (or an affiliate of the Title Company), Developer and Developer's lender(s), if any, in a form acceptable to DPD and the Corporation Counsel.

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

"Existing Mortgage" shall have the meaning set forth in Article 16 hereof.

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

"Final Comprehensive Residential NFR Letter" shall mean a final comprehensive residential "No Further Remediation" letter issued by the IEPA approving the use of the Property for the construction, development and operation of the Project in accordance with the site plan approved by the City and the terms and conditions of the SRP Documents, as amended or supplemented from time to time. The Final Comprehensive Residential NFR Letter shall state that the Property meets remediation objectives for residential properties and the construction worker exposure route as set forth in 35 Ill. Adm. Code Part 742, but may be reasonably conditioned upon use and maintenance of engineered barriers and other institutional or engineering controls acceptable to the IEPA.

"Financial Interest" shall have the meaning set forth for such term in Section 2-156-010 of the Municipal Code.

"Financial Statements" shall mean complete audited financial statements of 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 contractor(s) hired by Developer pursuant to Section 6.01.

"General Partner Equity" shall mean the funds identified as "General Partner Equity" in Section 4.01 hereof.

"Hazardous Substance(s)" has the meaning set forth in 415 ILCS 5/3.215, as amended from time to time.

"Human Rights Ordinance" shall have the meaning set forth in Section 10 hereof.

"IEPA" shall mean the Illinois Environmental Protection Agency.

"In Balance" shall have the meaning set forth in Section 4.07 hereof.

"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 TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Indemnitee" and "Indemnitees" shall have the meanings set forth in Section 13.01 hereof.

"Investor Member" means Bank of America, N.A

"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 E, as described in Section 10.03.

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

"Municipal Code" shall mean the Municipal Code of the City of Chicago, as amended from time to time.

"New Mortgage" shall have the meaning set forth in Article 16 hereof.

"NHS Parcel" shall have the meaning set forth in the Recitals hereof.

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

"Other Regulated Material" means any Waste, Contaminant, material meeting 35 IAC Part 742.305, or any other material, not otherwise specifically listed or designated as a Hazardous Substance, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, materials known to contain per- and polyfluoroalkyl substances, i.e. PFAS, or (b) is a hazard to the environment or to the health or safety of persons.

"Permitted Liens" means (i) mortgages against the Property and/or the Project recorded on or before the date of this Agreement and securing the Equity, (ii) leases of portions of the Property entered into after the date hereof in Developer's ordinary course of business, if any, and (iii) those matters set forth as Schedule B title exceptions in the Title Policy, 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.

"Permitted Mortgage" shall have the meaning set forth in Article 16 hereof.

"Phase I ESA" shall mean a Phase I environmental site assessment of the Property in accordance with ASTM E-1527-13.

"Phase II ESA" shall mean a Phase II environmental site assessment of the Property in accordance with [ASTM E-1903-19].

"Plans and Specifications" shall mean initial 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.

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

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

"Project Ordinance" means the ordinance adopted by City Council on _____, 2024 and published in the Journal for such date.

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

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

"RACR" shall mean the Remedial Action Completion Report required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter under the Site Remediation Program.

"RAP" shall mean the Remedial Action Plan document required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter.

"RAP Approval Letter" shall mean written approval from the IEPA of the RAP. The Parties agree that a single RAP Approval Letter may cover more than one Development Parcel or portions thereof.

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

"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.

"Scope Drawings" shall mean preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project, as amended and updated from time to time in accordance with this Agreement.

"Senior Lender" shall mean Bank of America, N.A., a national association, and its successors and assigns.

"SRP" shall mean 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.

"SRP Documents" means all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the CSIR/ROR, the RAP, and the RACR and any and all related correspondence, data and other information prepared by either party pursuant to Section 11.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/NSPS land title survey of the Property, meeting the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2021, or another standard acceptable to the City, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Equity).

"Sustainable Development Policy" shall mean the Sustainable Development Policy of the City as in effect on the Closing Date.

"TACO" shall mean the Tiered Approach to Corrective Action Objectives codified at 35 Ill. Adm. Code Part 742 et seq.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the date that is the 30-year anniversary of the issuance of the Certificate.

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

"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.

"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 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 [_____]¹.

"Title Commitment" is defined in Section 3.13(e) hereof.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Owner as the insured, noting the recording of this Agreement as an encumbrance against the Property.

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

"Waste" means those materials defined in the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq. as waste and identified subcategories thereof, including but not limited to, construction or demolition debris, garbage, household waste, industrial process waste, landfill waste, landscape waste, municipal waste, pollution control waste, potentially infectious medical waste, refuse, or special waste.

"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, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than March 1, 2025; and (ii) complete construction and conduct business operations therein no later than [March 1, 2027], subject to the provisions of Section 18.16.

3.02 Scope Drawings and Plans and Specifications. Owner has delivered the Scope Drawings and Plans and Specifications to the City and the City has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DOH 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 and all applicable federal, state and local laws, ordinances and regulations. Owner 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. Owner has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than **\$44,605,088**. Owner hereby certifies to the City that (a) the City Funds, together with Equity and other funds described in Section 4.01 hereof, shall be sufficient to complete the Project, subject to causes outside the reasonable control of Owner; and (b) the Project Budget is true, correct and complete in all material respects. Owner shall promptly deliver to DOH certified copies of any Change Orders with respect to the Project Budget for approval to the extent required pursuant to Section 3.04 hereof.

¹ Developer to confirm.

3.04 Change Orders. All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by the Developer to DOH's Construction and Compliance division for DOH's prior written approval. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DOH'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 DPD Approval. Any approval granted by DOH 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 DOH pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 Other Approvals. Any DPD or DOH approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to the City'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. After the Closing Date, Owner shall provide DOH with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DOH's written approval pursuant to Section 3.04). Developer shall provide a copy of an updated Survey to DOH upon the request of DOH.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than Owner's architect) selected by one of the holders of either an Existing Mortgage or a Permitted Mortgage providing Equity (and approved by DOH) shall act as the inspecting agent or architect, at Owner's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect to these inspections to DPD, before Owner requests disbursement for costs related to the Project under this Agreement or the Escrow Agreement.

3.09 Barricades. Prior to commencing any construction requiring barricades, Owner 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. DOH 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. Owner 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 Developer, the Property and the Project in the City's promotional literature and communications.

3.11 Utility Connections. Owner 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 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, Owner 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 City Parcel. The following provisions shall govern the City's conveyance of the City Parcel to the Developer:

- (a) Purchase Price. The City hereby agrees to sell, and the Developer hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement, the City Parcel, for the sum of One Dollar (\$1.00) (the "Purchase Price"), which will be paid by the Developer to the City at the Closing. Except as specifically provided herein to the contrary, the Developer shall pay all escrow fees and other title insurance fees and closing costs. The Developer acknowledges and agrees that the City has only agreed to sell the City Parcel to the Owner for the Purchase Price because the Developer has agreed to execute this Agreement and comply with its terms and conditions.
- (b) The transfer of the City Parcel to the Developer (the "Closing," which occurs on the "Closing Date") shall take place at the offices of the Title Company. In no event shall the Closing occur (i) until and unless each of the conditions precedent set forth in Section 5 are satisfied, unless DPD, in its sole discretion, waives one or more of such conditions; and (ii) any later than six (6) months after passage and approval of the Project Ordinance (the "Outside Closing Date"); provided, however, DPD, in its sole discretion, may extend the Outside Closing Date. On or before the Closing Date, the City shall deliver to the Title Company the Déed, an ALTA statement, and all necessary state, county and municipal real estate transfer tax declarations.
- (c) Form of City Deed. The City shall convey the City Parcel to the Developer by quitclaim deed ("Deed"), subject to the terms of this Agreement and, without limiting the quitclaim nature of the deed, the following:
 - (i) the Redevelopment Plan for the Redevelopment Area;
 - (ii) the standard exceptions in an ALTA title insurance policy;
 - (iii) 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, its Affiliates or their Agents.
- (d) Recording. The Developer shall pay to record the Deed, this Agreement, and any other documents incident to the conveyance of the City Parcel to the Developer. This Agreement shall be recorded prior to any mortgage made in connection with any Equity. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number.
- (e) Title Commitment and Insurance. Not less than ten (10) Business Days before the Closing, the Developer shall obtain a commitment for an owner's policy of title insurance for the City Parcel, issued by the Title Company (the "Title Commitment"). The Developer shall be solely responsible for and shall pay all costs associated with updating the Title Commitment (including all search, continuation, and later-date fees), and obtaining the Title Policy and any endorsements.
- (f) Correction of Title. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate taxes due or unpaid prior to the Closing Date with respect to the City Parcel or liens for such unpaid property taxes, the City shall ask the County to void the unpaid taxes as provided in Section 21-100 of the Property Tax Code, 35 ILCS 200/21-100, or file an application for a Certificate of Error with the Cook County Assessor, or tax injunction suit or petition to vacate a tax sale in the Circuit Court of Cook County. If, after taking the foregoing actions and diligently pursuing same, the City Parcel remains subject to any tax liens, or if the City Parcel is encumbered with any other exceptions that would adversely affect the use and insurability of the City Parcel for the development of the Project, the Developer shall have the option to do one of the following: (a) accept title to the City Parcel subject to the exceptions, without reduction in the Purchase Price; or (b) terminate this Agreement by delivery of written notice to the City, in which event this Agreement shall be null and void, and except as otherwise specifically provided herein, neither party shall have any further right, duty or obligation hereunder. If the Developer elects not to terminate this Agreement as aforesaid, the Developer shall be deemed to have accepted title subject to all exceptions.
- (g) Survey. The Developer shall obtain a Survey at the Developer's sole cost and expense and deliver a copy of the Survey to the City not less than ten (10) Business Days before the Closing.
- (h) "As Is" Sale. The City makes no 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 has had adequate opportunity to inspect and evaluate the structural, physical and environmental conditions and risks of the City Parcel and accepts the risk that any inspection may not disclose all material matters affecting the City Parcel. The Developer agrees to accept the City Parcel in their "AS IS," "WHERE IS" and "WITH ALL FAULTS" condition at closing, with all faults and defects, latent or otherwise, and the City has not made and does not make any covenant, representation or warranty, express or implied,

of any kind, or give any indemnification of any kind to the Developer, with respect to the structural, physical or environmental condition of the value of the City Parcel, their compliance with any statute, ordinance or regulation, or their habitability, suitability, merchantability or fitness 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 its sole responsibility and obligation to perform at its expense any Environmental Remediation Work and take such other action as is necessary to put the City Parcel in a condition which is suitable for its intended use.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be **\$44,605,088**, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

SOURCES:

Private Loan	\$500,000
TIF	[\$18,251,374]
Tax Credit Equity	\$19,559,034*
City CRP	\$4,200,000
Bond Reinvestment Earnings	\$1,841,534
Investor Reimbursement (Legal)	\$108,300
Deferred Developer Fee	\$144,746
General Partner Equity	\$100
TOTAL:	\$44,605,088

*This tax credit equity will be generated by approximately \$25,000,000 in publicly placed bonds and approximately \$83,692 in Section 48 investment tax credits.

4.02 Developer Funds. Equity 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 reimburse Developer 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 paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD and DOH evidencing such cost and its eligibility as a Redevelopment Project Cost.

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

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available Incremental Taxes	[\$18,215,374]

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed \$[18,251,374]; and provided further, that the \$[18,251,374] to be derived from Available Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as (i) the amount of the Available Incremental Taxes deposited into the Redevelopment Project Area Special TIF Allocation Fund shall be sufficient to pay for such costs.

The Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$[18,251,374] is contingent upon the fulfillment of the conditions set forth in part (i) immediately above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed and/or obtained by Developer pursuant to Section 4.01 hereof shall increase proportionately.

The City and Developer acknowledge that some proceeds of the Equity provided by the Senior Lender in the amount of \$_____ (the "Construction Loan") will be used to bridge the City Funds and that some portion of the City Funds will be applied by Developer to the partial re-payment of the foregoing Construction Loan. The City and Developer also acknowledge that the City Funds may be used to collateralize the tax-exempt bond loan provided by the City in the amount of \$_____ (the "Bond Loan").

(c) Payment of City Funds. Subject to the conditions described in this Section 4.03, the City shall pay the City Funds to the Developer in four installments as follows:

- (i) \$5,003,750 upon completion of 25% of the construction of the Project;
- (ii) \$5,003,750 upon completion of 50% of the construction of the Project;
- (iii) \$5,003,750 upon completion of 75% of the construction of the Project;
- (iv) \$5,003,750 upon the issuance of the Certificate by DPD.

4.04 Construction Escrow. The City and the Developer hereby agree to enter into the Escrow Agreement. All disbursements of Project funds (except for the Prior Expenditures) 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, the terms of this Agreement shall control. The City must receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, shall be considered previously

contributed Equity hereunder (the "Prior Expenditures"). DPD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit F hereto sets forth the prior expenditures approved by DPD as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to Developer but shall reduce the amount of Equity required to be contributed by Developer pursuant to Section 4.01 hereof.

(b) [Reserved.]

(c) City Fee. Annually, the City may allocate an amount not to exceed 5% of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project. 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.

(d) Allocation Among Line Items. Disbursements 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 DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 individually or \$100,000 in the aggregate, may be made without the prior written consent of DPD.

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, Owner 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. Prior to each disbursement of City Funds hereunder, Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in their sole discretion. Delivery by Developer to DPD of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute Developer's certification to the City, as of the date of such request for disbursement, that:

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

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

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

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

(e) Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened in writing against the Property except for the Permitted Liens, or such liens have been bonded over by the Owner or insured by the Title Company;

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

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the Available Project Funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, defer the developer fee or other amounts due the Developer or deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require 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 Developer. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the Bond Ordinance, if any, the Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided in Section 15.02 hereof.

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

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

5.03 Other Governmental Approvals. 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 DPD and DOH.

5.04 Financing. Owner has furnished proof reasonably acceptable to the City that Developer has Equity committed in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. Any liens against the Property in

existence at the Closing Date, other than the Permitted Liens, 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 Owner, with the Office of the Cook County Clerk. The City agrees that the Owner may collaterally assign their interests in this Agreement to any of its lenders if any such lenders require such collateral assignment.

5.05 Acquisition and Title. On the Closing Date, Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing Owner as the named insured. The Title Policy is dated as of the Closing Date and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such 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), contiguity, location, access and survey. Developer has provided to DPD and DOH, 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 DPD's and DOH's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. Owner, at its own expense, has provided the City with searches as indicated in the chart below under Owner's name showing no liens against either the Owner, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

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

5.07 Surveys. Developer has furnished the City with a copy of the Survey.

5.08 Insurance. Owner, 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 DPD and DOH.

5.09 Opinion of Developer's Counsel. On the Closing Date, Developer has furnished the City with an opinion of counsel in a form acceptable to the Corporation Counsel.

5.10 Evidence of Prior Expenditures. Developer has provided evidence satisfactory to DPD and DOH in their sole discretion of the Prior Expenditures, if any, in accordance with the provisions of Section 4.05(a) hereof.

5.11 Financial Statements. Developer has provided Financial Statements to DPD and DOH for its most recent fiscal year and audited or unaudited interim financial statements.

5.12 [Reserved.]

5.13 Environmental. Developer has provided DPD and DOH with copies of that certain phase I environmental site assessment completed with respect to the Property and any phase II environmental site assessment with respect to the Property required by the City. Developer has provided the City with a letter from the environmental engineer(s) who completed such site assessment(s), authorizing the City to rely on such site assessment(s).

5.14 Corporate Documents; Economic Disclosure Statement. Developer has provided a copy of its articles of organization, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which Developer is qualified to do business; a manager's certificate in such form and substance as the Corporation Counsel may require; operating agreement; and such other corporate documentation as the City has requested.

Developer has provided to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer further will provide any other affidavits or certifications as may be required by federal, state or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

5.15 Litigation. Developer has provided to Corporation Counsel and DPD/DOH, a description of all pending or threatened litigation or administrative proceedings involving 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 Developer represents that prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer has solicited, or has caused the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago and has submitted all bids received to DOH for its inspection and written approval. (i) For the TIF-Funded Improvements, Developer has selected the General Contractor (or has caused the General Contractor to select the subcontractor) submitting the lowest responsible and responsive bid, who can complete the Project in a timely manner. If Developer selected a General Contractor (or the General Contractor selects any subcontractor) submitting other than lowest responsible and responsive bid, who can complete the Project in a timely manner, for the TIF-Funded Improvements, the difference between the lowest responsible and responsive bid, who can complete the Project in a timely manner and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if Developer selected a General Contractor (or the General Contractor selects any subcontractor) who did not submit the lowest

responsible and responsive bid, who can complete the Project in a timely manner, the difference between such lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. Developer has submitted copies of the Construction Contract to DOH 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 DOH within five (5) business days of the execution thereof. Developer represents that the General Contractor has not (and has caused the General Contractor to ensure that the subcontractors have not) begin work on the Project until the Plans and Specifications have been approved by DOH and all requisite permits have been obtained. By entering into this Agreement, the City represents that it agrees that the General Contractor selected by the Developer is the lowest responsible and responsive bid or that the City has provided prior written notice to Developer of the differences and subtractions set forth in this Section 6.01.

6.02 Construction Contract. Prior to the execution thereof, Developer shall deliver to DOH a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DOH'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 Developer, the General Contractor and any other parties thereto, Developer shall deliver to DOH and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

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

6.04 Employment Opportunity. 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 8.09 (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 DOH within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. (a) Upon satisfaction of the requirements set forth in this Section 7.01 for the Project, and upon the Developer's written request, DPD shall issue to the Developer a certificate of completion for the Project ("Certificate") in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with

the terms of this Agreement. Within forty-five (45) days after receipt of a written request by the Developer for a Certificate, the City shall provide the Developer with either the Certificate or a written statement indicating in adequate detail how the Developer has failed to complete the Project in compliance with this Agreement, or is otherwise in default, and what measures or acts are necessary, in the sole opinion of the City, for the Developer to take or perform in order to obtain the Certificate. If the City requires additional measures or acts to assure compliance, the Developer shall resubmit a written request for the Certificate upon compliance with the City's response. The Certificate shall be in recordable form, and shall, upon recording, constitute a conclusive determination of satisfaction and termination of the covenants in this Agreement and the Deed with respect to the Developer's obligations to construct the Project. The Certificate shall not, however, constitute evidence that the Developer has complied with any Laws relating to the construction of the Project, and shall not serve as any "guaranty" as to the quality of the construction. Nor shall the Certificate release the Developer from its obligation to comply with any on-going covenants as referenced in Section 8 of this Agreement.

(b) The Certificate will not be issued until the following requirements have been satisfied:

- (i) Evidence acceptable to DPD that the total Project cost equals or exceeds \$44,605,088; as described in Section 4.03(b), the City Funds will be reduced on a dollar-for-dollar basis if the Total Project Cost is less than this amount;
- (ii) Evidence that Developer has incurred TIF-eligible expenses in an amount equal to, or greater than, the total amount of City Funds for the Project (up to \$[18,251,374]);
- (iii) The Developer has obtained a Certificate of Occupancy from the City or other evidence reasonably acceptable to DPD that the Developer has complied with building permit requirements for all of the units;
- (iv) There exists neither an Event of Default (after any applicable cure period) which is continuing nor a condition or event which, with the giving of notice passage of time or both, would constitute an Event of Default as evidenced by an affidavit provided by the Developer and accepted by DPD;
- (v) The Facility is open for operation and in the process of being marketed for lease to tenants in accordance with the affordability provisions described in Section 8.24;
- (vi) Evidence acceptable to DPD in the form of a closeout letter from DPD's Compliance and Monitoring division stating that the Developer is in complete compliance with all City Requirements (MBE/WBE, City Residency, and Prevailing Wage); and
- (vii) Evidence acceptable to DPD that Developer has complied with the Chicago Sustainable Development Policy for the Project that was in effect as of the Closing Date.

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 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, 8.19 and 8.24 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 Developer or a permitted assignee of Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 Failure to Complete. If 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) upon not less than thirty (30) days prior written notice to Developer to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, 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 Developer.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide Developer, at 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 DEVELOPER.

8.01 General. The Owner and POAH each represents, warrants and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, as follows.

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

(b) POAH is an Illinois limited liability company, validly existing and in good standing;

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

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

(e) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, Developer shall acquire and shall maintain good, indefeasible and merchantable title to the Property (and all improvements thereon) throughout the Term of the Agreement free and clear of all liens (except for the Permitted Liens, the items listed in Section 8.01(l), and non-governmental charges that Developer is contesting in good faith pursuant to Section 8.15 hereof);

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

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

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

(i) 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 Developer is a party or by which Developer is bound;

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

(k) Developer shall not do any of the following without the prior written consent of DPD (except as otherwise permitted by this Agreement): (1) be a party to any merger, liquidation or consolidation (provided the foregoing shall not limit any sale or transfer of any interests in Investor Member); (2) except for Permitted Liens and collateral assignments to obtain Equity, sell, transfer, convey, lease 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) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity (other than in connection with the

Equity for the Project); or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

(l) Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto other than in connection with the Equity;

(m) Developer 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 Developer in violation of Chapter 2-156-120 of the Municipal Code;

(n) neither Developer nor any affiliate of 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 (n) 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.

(o) Developer understands that (i) the City Funds are limited obligations of the City, payable solely from moneys on deposit in the Redevelopment Project Area Special Tax Allocation Fund TIF Fund; (ii) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (iii) Developer will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

(p) Developer, or its manager or members, have sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds;

(q) Developer understands that there is no assurance as to the amount or timing of receipt of City Funds, and that the amounts of City Funds actually received by such party may be less than the maximum amounts set forth in Section 4.03(b);

(r) Developer understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except as otherwise permitted by this

Agreement or as approved in writing by the City in the City's sole discretion, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement; and

(s) Developer acknowledges that with respect to City Funds, the City has no obligation to provide any continuing disclosure to the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board, to any holder of a note relating to City Funds or any other person under Rule 15c2-12 of the Commission promulgated under the Securities Exchange Act of 1934 or otherwise, and shall have no liability with respect thereto.

8.02 Covenant to Redevelop. Upon DPD's and DOH's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and Developer's receipt of all required building permits and governmental approvals, 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 federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. 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 a Certificate with respect thereto.

8.03 Redevelopment Plan. Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, which is hereby incorporated by reference into this Agreement.

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

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

8.06 Job Creation.

The Developer anticipates that the Project will result in the creation of (i) two (2) full-time equivalent permanent jobs (the "Permanent Jobs"), and (ii) during the construction of the Project approximately two hundred eighty (280) construction jobs (the "Construction Jobs," and collectively with the Permanent Jobs, the "Jobs"). Throughout the Term of the Agreement, the Owner shall submit certified employment reports disclosing the number of Jobs at the Project to DPD and DOH as a part of the Owner's submission of the Annual Compliance Report. Notwithstanding any other provision in this Agreement to the contrary, the failure to create the specified number of Jobs shall not constitute an Event of Default.

8.07 Employment Opportunity; Progress Reports. Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 75% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Owner shall also deliver a plan to DOH which shall outline, to DOH's satisfaction, the manner in which Developer shall correct any shortfall.

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

8.09 Prevailing Wage. Unless compliance with the Davis-Bacon Act is required, 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, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions. Unless DPD has given its prior written consent with respect thereto, no Affiliate of 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. Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, 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 or Developer 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 Developer's business or the Property.

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

8.13 Financial Statements. Owner shall obtain and provide to DPD Financial Statements for Developer's most recent fiscal year and each fiscal year thereafter for the Term of the Agreement. In addition, Owner shall submit unaudited financial statements as soon as

reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, 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, 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. Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. 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 Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or

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

8.16 Developer's Liabilities. 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 Developer to any other person or entity. Developer shall immediately notify DPD of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing. [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. Developer also shall record the ordinance that authorized the vacation of the City Alley (the "Vacation Ordinance") and the plat of vacation included with such ordinance (the "Plat of Vacation"). Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, Developer shall immediately transmit to the City an executed original of this Agreement, and the Vacation Ordinance and Plat of Vacation showing the date and recording number of record]2.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon 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) relating to Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. 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. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.19(c) below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option:

(iii) Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by 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

(iv) Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient

2 NTD: Section to be revised by the City once the reservation easement is finalized.

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 Developer fails to pay any Governmental Charge or to obtain discharge of the same, Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by 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 Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

(c) Real Estate Taxes.

(i) Real Estate Tax Exemption. With respect to the Property or the Project, neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer shall, during the Term of the Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect.

(ii) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.19(c) are covenants running with the land and this Agreement shall be recorded by Developer as a memorandum thereof, at Developer's expense, with the Cook County Clerk on the Closing Date. These restrictions shall be binding upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this Section 8.19(c).

(d) Notification to the Cook County Assessor of Change in Use and Ownership. Prior to the Closing Date, and if applicable, Developer shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor that there will be a change in use and ownership of the Property. On the Closing Date, Developer shall pay to Developer's counsel or the Title Company the cost of sending the notification to the Cook County Assessor via certified mail, return receipt requested. After delivery of the notification, Developer shall forward a copy of the return receipt to DPD, with a copy to the City's Corporation Counsel's office.

8.20 Annual Compliance Report(s). (a) Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, Developer shall submit to DPD the Annual Compliance Report within 60 days after the end of the calendar year to which the Annual Compliance Report relates.

8.21 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapters 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.22 Chicago Sustainable Development Policy. Prior to the issuance of the Certificate, the Developer shall provide evidence acceptable to the City that it has complied with the Chicago Sustainable Development Policy for the Project that was in effect as of the Closing Date.

8.23. FOIA and Local Records Act Compliance.

(a) FOIA. The Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Developer receives a request from the City to produce records within the scope of FOIA, then the Developer covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that the Developer submits to the City under Section 8.20 (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) Local Records Act. The Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq, as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act

8.24 Affordable Housing Covenant. Developer agrees and covenants to the City that the following provisions shall govern the terms of the obligation to provide affordable housing under this Agreement:

(a) The Facility shall contain fifty-two (52) apartments that shall be operated and maintained in accordance with this Section 8.24;

(b) All fifty-two (52) of the units in the Facility shall be Affordable Housing Units. All of the Affordable Housing Units are restricted solely to occupancy by low-income, very low-income and extremely low-income families as defined in Section 8.24(e) hereof, and the rent for such Affordable Housing Units shall not exceed the rent restrictions set forth in Section 8.24(c) hereof.

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

(d) The Affordable Housing Units and remaining apartments shall have the following unit configuration with the following initial rents, provided, however, Developer shall, with the prior written approval of DOH, have the right to reconfigure the unit mix and distribution of income restriction set forth below:

	Affordable 30% AMI	Affordable 50% AMI:	Affordable 60% AMI:	Total:
One-Bedroom:	3	3	20	26
Two-Bedroom:	-	2	21	23
Three-Bedroom:	-	-	3	3
Total:	3	5	44	52

(e) As used in this Section 8.24, the following terms have the following meanings:

(i) "Affordable Housing Units" shall mean the fifty-two (52) units in the Project to be occupied by Low-Income, Very Low-Income and Extremely Low-Income Families financed with City Funds and required to comply with the terms of this Agreement.

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

(iii) "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.

(iv) "Very Low-Income Families" shall mean Families whose annual income does not exceed fifty percent (50%) 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.

(v) "Extremely Low-Income Families" shall mean Families whose annual income does not exceed thirty percent (30%) 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.

(f) The covenants set forth in this Section 8.24 shall run with the land and be binding upon any transferee for the Term of the Agreement.

(g) The City and Developer may enter into a separate agreement to implement the provisions of this Section 8.24.

8.25 Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of 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. Owner, 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 Owner operating on the Property (collectively, with Owner, the "Employers" and individually an "Employer") to agree, that for the Term of the Agreement with respect to Owner 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

sec., 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. Owner agrees for itself and its successors and assigns, and 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 (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, Owner, 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.

Owner 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 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.

Owner, 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 DOH in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

Upon 5 Business Days prior written notice, Owner, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Commissioner of DOH, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Owner, 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 DOH, affidavits and other supporting documentation will be required of Owner, 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 Owner, 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 Owner 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 Owner 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 Owner, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Owner pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Owner 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.

Owner 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. Owner 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 (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (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 E hereto) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 26 percent by MBEs.
- (2) At least six percent by WBEs.

(b) For purposes of this Section 10.03 only, Owner (and any party to whom a contract is let by Owner in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Owner 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, as applicable.

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

(d) Owner 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 Owner 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 Owner's compliance with this MBE/WBE commitment. Owner 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 Owner, on five Business Days' notice, to allow the City to review Owner'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, Owner 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, as applicable.

(f) Any reduction or waiver of Owner'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, as applicable.

(g) Prior to the commencement of the Project, Owner shall be required to meet with the City's monitoring staff with regard to Owner'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, Owner 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, Owner 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 Owner is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to 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 Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

11.01 Environmental Studies. The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, the Bond Ordinance, if any, and the Redevelopment Plan. The Developer represents and warrants that, as of the Closing Date, it shall deliver true and complete copies of all final environmental studies, reports, field data, correspondence with any environmental agency and similar documents prepared by or for the Developer (or otherwise obtained by the Developer) regarding the environmental condition of the Property (collectively, "Environmental Documents") as of the date hereof to the City.

- (a) The Project consists of three properties: 3601-3611 W. Chicago Ave. (PIN 16-11-107-036), 3613-3625 W. Chicago Ave. (PIN 16-11-107-001), and the City-owned alley immediately west of 3611 W. Chicago Ave. (no PIN). All three properties are required to receive a Final Comprehensive Residential NFR Letter. The existing alley will be vacated to the Developer, and a new alley will be constructed on the 3601-3611 W. Chicago Ave. parcel and dedicated to the City.
- (b) The Developer provided the City with a Phase I ESA of the Property dated July 20, 2022. The Phase I ESA identified Recognized Environmental Conditions ("RECs") in connection with the Property.
- (c) The Developer conducted Phase II ESA sampling on the Property in December 2022 to ascertain the presence of any environmental impacts that may be associated with the RECs. The Phase II ESA identified contamination above residential remediation objectives as determined by Title 35 of the Illinois Administrative Code ("IAC") Part 742. The results of the Phase II ESA sampling were incorporated into the report submitted to the IEPA.
- (d) The Developer has enrolled the Property in the SRP to pursue a Final Comprehensive Residential NFR Letter for the enrolled Property. The Developer has submitted a CSIR/ROR and RAP, dated May 2, 2024, to the IEPA.
- (e) Upon receipt of the RAP Approval Letter for the Property, the Developer covenants and agrees to complete all Environmental Remediation Work necessary to obtain a Final Comprehensive Residential NFR Letter for the Property using all reasonable means. The City shall have the right to review in advance and approve all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the SRP Documents and any changes thereto, and the Developer's estimate of the cost to perform the Environmental Remediation Work. The Developer shall bear sole responsibility for all costs of the Environmental Remediation Work necessary to obtain the Final Comprehensive Residential NFR Letter, and the costs of any other investigative and cleanup costs associated with the Property; [provided, however, that the Developer may use City Funds to perform the Environmental Remediation Work with the approval of the City, which shall not be

unreasonably conditioned, delayed, or withheld]. The Developer shall promptly transmit to the City copies of all Environmental Documents prepared or received with respect to the Environmental Remediation Work, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory agencies. The Developer acknowledges and agrees to not request a Certificate of Occupancy for the Project from the Department of Buildings until the IEPA has issued, and the Developer has recorded with the Cook County Clerk's Office and the City has approved, a Final Comprehensive Residential NFR Letter for the Property (to the extent required), which approval shall not be unreasonably withheld. If the Developer fails to obtain the Final Comprehensive Residential NFR Letter within six (6) months of the submission of the Remedial Action Completion Report to the IEPA, unless the City agreed to extend such time period, which agreement shall not be unreasonably withheld, then the City shall have the right to record a notice of default of this Agreement against the Property.

- (f) The Developer must abide by the terms and conditions of the Final Comprehensive Residential NFR Letter and must inform any subsequent owner and tenants of the Property to abide by the terms of the Final Comprehensive Residential NFR Letter. The entire Property, including the existing alley that will be vacated to the Developer and the new alley that will be dedicated to the City, must be included in the Final Comprehensive Residential NFR Letter. After the new alley is dedicated to the City, the City may elect to withdraw the new alley parcel from the SRP.
- (g) The Developer must provide the City with a new Phase I ESA for the Property prior to and conducted, or updated, within 180 days prior to the Closing Date.
- (h) The Developer must conduct a "Hazardous Building Material Survey" of the building on the NHS Parcel prior to conducting any work that could constitute renovation, demolition, or abatement under the Environmental Laws ("abatement work") on or within an existing physical structure located on the Property. The Hazardous Building Material Survey shall include (but is not limited to):
 - a. asbestos and lead-based paint surveys,
 - b. testing and visually inspecting and, as necessary, testing the Property to determine the presence and location of polychlorinated-biphenyl (PCB)-containing equipment and materials (such as lighting ballasts, switchgears, transformers, and hydraulic fluids),
 - c. mercury-containing equipment and materials (mercury lamps, thermostats, switches, thermometers, regulators, and gauges),
 - d. radioactive material-containing equipment and/or waste,
 - e. medical wastes (such as biological or infectious wastes, hazardous chemicals, and/or wastes),
 - f. refrigerants such as chlorofluorocarbons (CFCs),
 - g. large appliances or equipment,
 - h. mold,

- i. or any other materials that may require special handling or disposal during or after renovation, demolition, or abatement work (collectively, the "Hazardous Building Materials").
- (i) The Hazardous Building Material Survey must discuss each of the Hazardous Building Materials listed above and state whether or not they were identified. The Survey must document the type, location, quantity, and condition of each Hazardous Building Material that is identified.
- (j) Any Hazardous Building Materials that will be impacted by renovation or demolition activities, or are in poor or unstable condition, must be properly abated. A report documenting the Hazardous Building Material Survey results and an abatement plan shall be submitted to the City for review prior to beginning any renovation, demolition, or abatement work. Please note that abatement does not necessarily require removal and disposal of materials. Alternative methods to stabilize or prevent access to materials may be utilized if appropriate.
- (k) The Developer will incorporate the results of the Hazardous Building Material Survey into its Project documents and perform abatement work as part of the Project in accordance with all Environmental Laws. A report documenting the completion of the abatement work shall be submitted to the City prior to approval of the Property for occupancy. If abatement work activities are not deemed sufficient by the City, the Developer shall continue work at their own expense until approved.
- (l) The Developer shall remove any soil or soil gas not meeting the requirements of 35 IAC Section 742.305. Any underground storage tanks ("USTs") identified must be removed and closed in accordance with applicable regulations including Title 41 of IAC Part 175 and any identified leaking USTs must be properly addressed in accordance with 35 IAC Part 734.
- (m) For developments funded in whole, or in part, by City of Chicago HUD entitlement grant funds (e.g. CDBG, HOME, etc.), the Developer shall also abide by the terms and conditions included in the National Environmental Policy Act (NEPA) environmental compliance certification prepared by the City, under 24 CFR Part 58, or by HUD, under 24 CFR Part 50.
- (n) The City must be named in a reliance letter for all environmental assessment reports produced concerning the Property.
- (o) The Developer acknowledges that, except in the case of information specifically designated by the Developer to be treated confidentially as a trade secret or secret process, the City may make environmental assessments, hazardous material building surveys, IEPA site remediation program submittals, or similar environmental documents relating to the property publicly available, and the Developer consents to the City's publication of those documents.

11.02 Release and Indemnification. The Developer, on behalf of itself and its officers, directors, employees, successors, assigns and anyone claiming by, through or under them

(collectively, the "Developer Parties"), hereby releases, relinquishes and forever discharges the City, its officers, agents and employees (collectively, the "Indemnified Parties"), 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, foreseen or unforeseen, now existing or occurring after the Closing Date, based upon, arising out of or in any way connected with, directly or indirectly (i) 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 Substances, or threatened release, emission or discharge of Hazardous Substances and Other Regulated Materials; (ii) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Substances and Other Regulated Materials in, on, under or about the Property or the migration of Hazardous Substances and Other Regulated Materials from or to other Property; (iii) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or losses arising under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 6901 et seq; and (iv) 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"); provided, however, the foregoing release shall not apply to the extent such losses are proximately caused by the gross negligence or willful misconduct of the City following the Closing Date. Furthermore, the Developer shall indemnify, defend (through an attorney reasonably acceptable to the City) and hold the Indemnified Parties harmless from and against any and all losses which may be made or asserted by any third parties (including, without limitation, any of the Developer Parties) arising out of or in any way connected with, directly or indirectly, any of the Released Claims, except as provided in the immediately preceding sentence for the City's gross negligence or willful misconduct following the Closing Date. The Developer Parties waive their rights of contribution and subrogation against the Indemnified Parties.

11.03 Release Runs with the Property. The covenant of release in Section 11.02 above 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 provide financial assistance nor 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 Developer Parties arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, the Developer and any of the Developer Parties shall not assert that those obligations must be satisfied in whole or in part by the City, because Section 11.02 contains a full, complete and final release of all such claims, except as provided in such section for the City's gross negligence or willful misconduct following the Closing Date.

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

SECTION 12. INSURANCE

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per

occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

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

(d) Other Requirements:

Developer must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 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 the Agreement. Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form 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 Developer to obtain and maintain the specified coverages. 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, canceled, or non-renewed.

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

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 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 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.

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

(ii) 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 official statement, limited offering memorandum or private placement memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate of Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

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

provided, however, that Developer shall have no obligation to an Indemnitee arising from the gross negligence, wanton or willful misconduct of that Indemnitee or that Indemnitee's breach of

this Agreement or any other agreement relating hereto. 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. 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 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 Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by 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 Developer hereunder:

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

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

(c) the making or furnishing by Developer to the City of any written 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 as of the date made;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt by Developer to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens and the items listed in Section 8.01(I), 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 Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of 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 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 120 days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of 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 120 days after the commencement thereof;

(g) the entry of any judgment or order against Developer in excess of \$1,000,000 which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

(h) [reserved];

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

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

(k) prior to the expiration of the Term of the Agreement, and except with respect to transfers of the Property to a mortgagee under a Permitted Mortgage or an Existing Mortgage, the sale or transfer of the Property or Project and/or all or substantially all of the ownership interests of Developer without the prior written consent of the City;

(l) the failure of Developer, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer;

(m) Developer fails to submit the Annual Compliance Report to the City within 60 days after each anniversary of the Closing Date during the Term of the Agreement as provided in Section 8.20; or

(n) Developer fails to secure the Certificate by the date that is the second anniversary of the Closing Date.

For purposes of Section 15.01(j) hereof, a person with a material interest in Developer shall be one owning in excess of ten (10%) of Developer's membership interests.

15.02 Remedies. Upon the occurrence and during the continuation of an Event of Default, and the default is not cured in the time period provided for in Section 15.03 below, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties and pursue and secure any available remedy against the Developer in any court of competent jurisdiction by any action or proceeding at law or in equity, including, but not limited to, damages, injunctive relief and the specific performance of the agreements contained herein.

15.03 Curative Period.

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

(b) Right to Cure by Senior Lender and Investors. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in the termination of this Agreement, the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to the parties identified in Section 17 and to Senior Lender or any lender providing Equity or the members of the Developer shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

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

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

the party seeking such cure must have instituted appropriate legal proceedings to obtain possession.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date of this Agreement with respect to the Property or any portion thereof that were made before or on the date of this Agreement in connection with the Equity and which are Permitted Liens are referred to in this Agreement as the "Existing Mortgages." Any mortgage or deed of trust that 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 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 Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to Owner'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 Developer's interest hereunder in accordance with Section 18.14 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to 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, if any, that are covenants expressly running with the land, provided, however, the City shall recognize the Senior Lender or an affiliate of Senior Lender as such successor if Senior Lender or any such affiliate should succeed to the interest of Owner in the Property.

(b) In the event that any mortgagee shall succeed to Owner'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 Developer's interest hereunder in accordance with Section 18.14 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "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 Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer or other claim of the City against the Developer based on events which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. If the City placed a lien on the Project pursuant to Section 15.02 hereof in connection with an Event of Default of Developer or other claim of the City against the Developer based on events which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, the City shall release such lien upon written request to do so by such succeeding mortgagee. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of 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 by the City to Developer of a Certificate pursuant to Section 7 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 DPD.

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.

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Developer:</p> <p>The Ave SW LLC c/o POAH Ave MM LLC 2 Oliver Street, Suite 500 Boston, MA 02109 Attn: General Counsel Tele: 617-449-0866 / Fax: 617-261-6661 Email: generalcounsel@poah.org</p>
<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division</p>	<p>With copies To:</p> <p>Applegate & Thorne-Thomsen, P.C. 425 S. Financial Place, Suite 1900 Chicago, Illinois 60605 Attn: Diane K. Corbett, Esq. Tele: 312-491-4401 / Fax: 312-491-4411 Email: dcorbett@att-law.com</p>

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 except as otherwise set forth herein; provided, however, that the City, in its sole discretion, may amend, modify or supplement the Redevelopment Plan 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 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, official or employee of the City shall be personally liable to Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. 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 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 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 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.

18.09 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.

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

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

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

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

18.14 Assignment. Developer may not sell, assign or otherwise transfer their interests in this Agreement in whole or in part without the prior written consent of the City (which consent shall not be unreasonably withheld, conditioned or delayed); provided however, that the Developer may collaterally assign their interest in this Agreement to any of its lenders identified to the City as of the Closing Date if any such lenders require such collateral assignment and (i) any transfer of investor membership interests in the Owner to an affiliate of such investor member and (ii) any collateral assignment of membership interests in the Owner in favor of a Senior Lender, and the exercise of remedies by Senior Lender pursuant to such collateral assignment, shall not require City's consent and shall not be considered an Event of Default. Any successor in interest to 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 8.19 Real Estate Provisions and 8.25 (Survival of Covenants) hereof, for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

18.16 Force Majeure. Neither the City nor 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, pandemic, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond

the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.17 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, 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 Developer has locations in the State. Failure by 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.

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

18.19 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.

18.20 Business Relationships. Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (B) that they have read such provision and understand that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 of the Municipal Code)(a "Financial Interest"), 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, 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. 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.

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

DEVELOPER:

The Ave SW LLC,
an Illinois limited liability company

By: POAH Ave MM LLC, an
Illinois limited liability company, its manager

By: PRESERVATION OF AFFORDABLE HOUSING, INC.,
an Illinois not-for-profit corporation, its manager

By: _____
Name:
Title:

POAH TIF LLC,
an Illinois limited liability company,

BY: PRESERVATION OF AFFORDABLE HOUSING, INC.,
an Illinois not-for-profit corporation,
its sole member

By: _____
Name: _____
Title: _____

CITY OF CHICAGO:

CITY OF CHICAGO, ILLINOIS,
an Illinois municipal corporation

By: _____
Ciere Boatright
Commissioner
Department of Planning and Development

COMMONWEALTH OF MASSACHUSETTS)
)ss.
 COUNTY OF _____)

On this _____ day of _____, 2024, before me, the undersigned notary public, _____, personally appeared, proved to me through satisfactory evidence of identification, which was my personal knowledge, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that s/he signed it voluntarily, as the _____ of Preservation of Affordable Housing, Inc., the manager of POAH Ave MM LLC, the manager of The Ave SW LLC, for its stated purpose as the voluntary act of The Ave SW LLC.

 Notary Public
 My commission expires: _____

COMMONWEALTH OF MASSACHUSETTS)
) SS
 COUNTY OF SUFFOLK)

On this _____ day of _____, 2024, before me, the undersigned notary public, _____, personally appeared, proved to me through satisfactory evidence of identification, which was my personal knowledge, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that s/he signed it voluntarily, as the _____ of Preservation of Affordable Housing, Inc., the sole member of POAH TIF LLC, for its stated purpose as the voluntary act of POAH TIF LLC.

 Notary Public

My Commission Expires _____

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

GIVEN under my hand and official seal this ___ day of _____, 2024.

Notary Public

My Commission Expires _____

[(Sub)Exhibit "B" referred to in this The Ave SW Redevelopment Agreement constitutes Exhibit "F" to ordinance and printed on pages 17630 and 17631 of this *Journal*.]

[(Sub)Exhibits "A", "B-1" and "F" referred to in this The Ave SW Redevelopment Agreement unavailable at time of printing.]

(Sub)Exhibits "C", "D" and "E" referred to in this The Ave SW Redevelopment Agreement read as follows:

(Sub)Exhibit "C".
(To The Ave SW Redevelopment Agreement)

TIF-Funded Improvements.

Uses of Funds	Total	TIF Eligible	****
Demolition	250,000		100%
Construction - Residential*	26,653,491	12,391,221	46%
Construction - Site, Cap, Infrastructure, ROW	3,076,606	3,076,606	100%
Hard Cost Contingency**	1,486,505	773,391	52%
Soft Costs	8,726,801	1,191,010	14%
Reserves	831,038		0%
Developer Fee***	2,355,254		44%
Deferred Developer Fee	144,746		0%
Commercial Construction	811,443		0%
Commercial Soft Costs	459,305		0%
Commercial Dev Fee			
Commercial Contingency	40,572		0%
Commercial Reserves	19,326		0%
Total Uses of Funds	44,605,088	18,478,161	41%

(Sub)Exhibit "D".
(To The Ave SW Redevelopment Agreement)

Project Budget.

Construction Costs	\$ 21,371,137
Other Hard Costs	300,000
General Conditions	1,548,952
Overhead	516,317
Profit	1,548,952
Furniture, Fixtures and Equipment	263,000
Building Permits	175,000
Fencing	93,526
Landscaping	136,960
Other Construction	317,899
Contingency	1,486,505
Electrical and Gas	401,848
Sewer and Water	267,899
Other Infrastructure	150,000
Land Remediation	3,076,606
Other Environmental	23,000
Commercial Construction	711,792
Other Commercial	180,000
General Conditions	42,708
Overhead	14,236
Profit	42,708

Commercial Contingency	\$ 40,572
Architect -- Design	1,013,386
Architect -- Supervision	356,054
Engineering Fees	228,249
PNA Report	15,000
As-Is Plats and Surveys	30,000
Accountant -- General	40,000
Legal -- Organizational	335,000
Legal -- Syndication	163,300
Appraisal	12,500
Market Study	10,000
Phase I Environmental Report	12,000
Phase II Environmental Report	81,000
Title and Recording Fees	125,000
Other Professional Fees	90,000
Tax Credit Issuer Fees	144,200
Construction Points	215,000
Construction Inspection	35,000
Lender Legal Fees	150,000
Bond -- Trustee	50,000
Bond -- Underwriter	132,250
Bond -- Underwriter's Counsel	75,000
Bond -- Bond Counsel	115,000

Bond -- Other	\$ 435,000
Construction Interest	3,480,688
Other Lender Fees	60,000
Liability Insurance	25,000
Hazard Insurance	224,480
Real Estate Taxes	25,000
Other Construction Period	600,000
Other Marketing and Leasing	45,000
Other Tenant Relocation	72,000
Developer Fee	2,335,254
Deferred Developer Fee	144,746
Lease-Up Reserve	294,619
Insurance Reserve	156,000
Property Tax Reserve	85,800
Operating Reserve	294,619
Other Reserves	169,326
Total:	\$ 44,605,088

(Sub)Exhibit "E".
(To The Ave SW Redevelopment Agreement)

MBE/WBE Budget.

Project Hard Costs	\$ 30,541,540
Project Soft Costs (Arch., Eng., Etc.)	1,748,689

Project MBE/WBE Total Budgets	\$ 32,290,229
Project MBE Total at 26 percent	\$ 8,365,460
Project WBE Total at 6 percent	\$ 1,937,414

Exhibit "F".
(To Ordinance)

Project Site.

[Subject To Final Title Commitment And Survey.]

Legal Description.

City Land:

Lots 1, 2, 3, 4, 5 and 6 in the subdivision of Lots 44, 45 and 46 in McAuley's Subdivision of Block 1 of W.J. Morton's Subdivision of the east half of the northwest quarter of Section 11, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Commonly Known As:

3613 -- 3625 West Chicago Avenue
Chicago, Illinois 60651.

Permanent Real Estate Index Number:

16-11-107-001-0000.

To Be Vacated Alley:

That part of the 16-foot-wide north/south alley in McAuley's Subdivision of Block 1 of W.J. Morton's subdivision of the east half of the northwest quarter of Section 11, Township 39 North, Range 13 East of the Third Principal Meridian, described as follows: beginning at the northwest corner of Lot 1 in said McAuley's Subdivision; thence south 01 degree, 45 minutes, 59 seconds east along the west line of Lots 1, 2 and 3 in McAuley's Subdivision, 156.89 feet to the southwest corner of said Lot 3; thence south 88 degrees, 52 minutes, 25 seconds west along the south line of said Lot 3 extended west, 16.00 feet to the east line of Lot 5 in Merriman's Subdivision of Lots 44, 45 and 46; thence north 01 degree, 45 minutes, 59 seconds west along said east line, 78.44 feet to the northeast corner of Lot 5; thence north 88 degrees, 52 minutes, 50 seconds east, 16.00 feet to the point of beginning, all in Cook County, Illinois. Said parcel contains 0.029 acre (1,255 square feet), more or less.

NHS Parcel:

Lots 1, 2, 3, 4, 5 and 6 in McAuley's Subdivision of Block 1 of W.J. Morton's Subdivision of the east half of the northwest quarter of Section 11, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Commonly Known As:

3601 West Chicago Avenue
Chicago, Illinois 60651.

Permanent Real Estate Index Number:

16-11-107-036-0000.

REDEVELOPMENT AGREEMENT WITH AND ISSUANCE OF FINANCIAL ASSISTANCE TO SACRED APARTMENTS OWNER LLC FOR ACQUISITION, CONSTRUCTION AND EQUIPPING OF LOW-INCOME RESIDENTIAL FACILITIES AT 9212 S. BURLEY AVE.

[SO2024-0012435]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred a substitute ordinance concerning the execution of a redevelopment agreement and issuance of Multi-Family Bonds and other financial assistance with SACRED Apartments Owner LLC for acquisition, construction and equipping of low-income residential facilities at 9212 South Burley Avenue in the 10th Ward (SO2024-0012435), in an amount not to exceed \$5,000,000 in Tax Increment Financing (TIF) funds, \$23,500,000 in tax exempt bonds and \$8,476,758 in Multi-Family Program Funds, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with no dissenting votes on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed substitute ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, By virtue of Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the "Constitution"), the City of Chicago (the "City") is a home rule unit of government and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

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

WHEREAS, As a home rule unit and pursuant to the Constitution, the City is authorized and empowered to issue multi-family housing revenue bonds and multi-family tax-exempt bonds for the purpose of financing the cost of acquiring, constructing, and equipping affordable multi-family housing facilities for low-income and very-low-income individuals and families, located in the City ("Multi-Family Housing Financing"); and

WHEREAS, The City owns seven (7) parcels of vacant real property located in the Redevelopment Area (as defined herein) at 9216, 9220, 9224, and 9238 South Burley Avenue and 3211, 3223, and 3227 East 92nd Street, Chicago, Illinois, and legally described in Exhibit F and depicted in Exhibit F-1 attached hereto (the "City Property"); and

WHEREAS, The Cook County Land Bank Authority, an agency of Cook County, and a body politic and corporate (the "CCLBA") owns five (5) vacant parcels of real property located at 3215, 3217, 3219, and 3229 East 92nd Street and 9234 South Burley Avenue, Chicago, Illinois, and legally described in Exhibit F and depicted in Exhibit F-1 attached hereto (together with the City Property, the "Property"); and

WHEREAS, SACRED Apartments Owner LLC, an Illinois limited liability company (the "Borrower"), and The Interfaith Housing Development Corporation of Chicago, an Illinois not-for-profit corporation ("IHDC," and collectively with the Borrower, the "Developer"), have proposed to finance a portion of the costs of the acquisition of the Property and the construction thereon of a five (5) story, mixed-use building, consisting of a residential rental project for low-income and very low-income individuals and families, with a total of eighty-one (81) housing units on floors one (1) through five (5) and commercial space on the first floor of the building to be known as the SACRED Apartments as further described in Exhibit A (the "Project"); and

WHEREAS, IHDC is co-manager of the Borrower's manager; and

WHEREAS, The Borrower has submitted a proposal to the City's Department of Planning and Development ("DPD") for the purchase of the Property and development of the Project; and

WHEREAS, Based on an appraisal dated August 22, 2024, the City Property has an appraised market value of \$130,737, and shall be conveyed to IHDC for the price of One Dollar (\$1.00) per tax parcel (the "Purchase Price"); and

WHEREAS, IHDC shall immediately transfer ownership of the City Property to the Borrower. IHDC shall convey the commercial space to Sacred Commercial Owner, LLC, an Illinois limited liability company, subject to the approval of the Authorized DOH Officer (as defined herein) to own, manage and maintain the commercial space located on the first floor of the building. IHDC shall convey the residential space to the Borrower to own, manage and maintain the residential spaces located on floors one (1) through five (5) of the building; and

WHEREAS, By Resolution Number 22-CDC-31 adopted on July 12, 2022, the Community Development Commission authorized DPD to advertise and issue a request for proposals ("RFP") for the sale and redevelopment of the City Property; and

WHEREAS, Pursuant to Resolution Number 22-038-21 adopted on September 15, 2022, the Chicago Plan Commission approved the City's disposition of the City Property; and

WHEREAS, Public notices advertising DPD's intent to sell the City Property to the Borrower and requesting alternative proposals appeared in the *Chicago Tribune* on July 15, 22, and 29, 2022; and

WHEREAS, No other proposals were received by the deadline indicated in the aforesaid notices; and

WHEREAS, The Borrower has requested, and the City has agreed to convey the City Property to IHDC, which shall then convey the City Property to the Borrower; and

WHEREAS, By this ordinance, the City Council has determined that it is necessary and in the best interests of the City to provide Multi-Family Housing Financing by the City issuing its Multi-family Tax-Exempt Bonds (Fannie Mae MBS Secured) (SACRED Apartments) Series 2024A in a principal amount not to exceed \$5,000,000 (the "Series A Bonds") and its Multi-family Housing Revenue Bonds (SACRED Apartments), Series 2024B, in an aggregate principal amount not to exceed \$18,500,000 (the "Series B Bonds", and together with the Series A Bonds, individually or collectively as context may dictate, the "Bonds") pursuant to an Indenture of Trust (the "Bond Indenture") between the City and Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America (the "Bond Trustee"); and

WHEREAS, By this ordinance, the City Council has determined that it is necessary and in the best interests of the City to use the proceeds of the sale of the Bonds to make loans to the Borrower, pursuant to a Financing Agreement (the "Financing Agreement") among the City, the Borrower and the Bond Trustee, such loan to be evidenced by a Series A Bond Loan Note and a Series B Bond Loan Note (collectively, the "Bond Loan Notes"), to pay a portion of the costs of the acquisition, construction and equipping of the Project; and

WHEREAS, In connection with the issuance of the Bonds and the Bond Loan Notes, the City Council has determined by this ordinance that it is necessary and in the best interests of the City to enter into: (i) the Bond Indenture, providing for the security for and terms and conditions of the Bonds to be issued; (ii) the Financing Agreement, providing for the use of the proceeds of the Bonds to finance a portion of the costs of the Project; (iii) a Bond Purchase Agreement among the City, the Borrower and one or more underwriters for the Bonds, or, alternatively, another sale agreement among the City, the Borrower and one or more purchasers of the Bonds (in each case, a "Bond Purchase Agreement") providing for the sale of the Bonds and the preparation and circulation, if necessary, of a preliminary official statement for the Bonds or, alternatively, another type of disclosure document prepared in connection with the offer and sale of the Bonds (in either case, a "Preliminary Official Statement") and a final official statement or alternative disclosure document prepared in connection with the offer and sale of the Bonds (the "Official Statement"); and (iv) a Tax Regulatory Agreement and/or a tax certificate (a "Tax Certificate") executed by the City and the Borrower; and

WHEREAS, The principal and interest on the Bonds will be secured by the Trust Estate (as defined in the Bond Indenture), including the Bond Loan Notes and other funds, accounts and property; and

WHEREAS, In connection with the issuance of the Bonds and the financing of the Project with the proceeds thereof, the City Council has determined by this ordinance that it is necessary and in the best interests of the City to enter into a Land Use Restriction Agreement between the City and the Borrower (the "Land Use Restriction Agreement"); and

WHEREAS, The Bonds and the obligation to pay interest thereon do not now and shall never constitute an indebtedness of or an obligation of the City, the State of Illinois or any political subdivision thereof, within the purview of any Constitutional limitation or statutory provision, or a charge against the general credit or taxing powers of any of them. No owner of the Bonds shall have the right to compel the taxing power of the City, the State of Illinois or any political subdivision thereof to pay any principal installment of, prepayment premium, if any, or interest on the Bonds; and,

WHEREAS, Pursuant to ordinances adopted on April 12, 2000, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* (the "Journal") of the City Council at pages 28776 to 28896, for such date (the "TIF Ordinance"), a certain redevelopment plan and project (the "Redevelopment Plan") for the South Chicago Redevelopment Project Area (the "Redevelopment Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS 5/11-74.4-1, et seq. (the "Act"); and

WHEREAS, The Developer will be obligated to undertake the Project in accordance with the terms and conditions of a proposed redevelopment agreement between the City, through DPD, and the Developer (the "Redevelopment Agreement"), and of the Redevelopment Plan; and

WHEREAS, The Project will be financed in part by a grant of up to Five Million Dollars (\$5,000,000) from certain ad valorem taxes which, pursuant to Section 5/11-74.4-8(b) of the Act, are deposited into a special tax allocation fund created by the City (the "TIF Fund") to pay 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; and

WHEREAS, The City has certain funds available from a variety of funding sources ("Multi-Family Program Funds") to make loans and grants for the development of multi-family residential housing to increase the number of individuals and families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing, and such Multi-Family Program Funds are administered by the City's Department of Housing ("DOH"); and

WHEREAS, Pursuant to an ordinance adopted on April 19, 2024, and published at pages 11493 -- 11568 of the *Journal* for such date (the "2024 Bonds Ordinance"), the City Council authorized the issuance of certain general obligation bonds in one or more series, in an aggregate principal amount not to exceed \$1,250,000,000 for the Purposes as defined therein (the "2024 Bonds"); and

WHEREAS, For purposes of Section 2.19(h) of the 2024 Bonds Ordinance, this ordinance satisfies the requirement of City Council authorization; and

WHEREAS, DOH has preliminarily reviewed and approved the making of a loan to the Borrower in an amount not to exceed \$7,171,396 (the "City Loan") to be funded from 2024 Bonds funds, other bond funds, Multi-Family Program Funds, or corporate funds, pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; and

WHEREAS, Pursuant to an ordinance adopted on October 27, 2021, and published at pages 40213 -- 40503 of the *Journal* for such date, the City Council authorized the issuance of general obligation bonds in one or more series, in an aggregate principal amount not to exceed \$660,000,000 for the Chicago Recovery Plan to finance the costs of the Recovery Purposes (as defined therein); and

WHEREAS, DOH has preliminarily reviewed and approved the making of a grant to the Borrower in an amount not to exceed \$1,305,362 (the "CRP Grant"), to be funded from Chicago Recovery Plan funds pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; and

WHEREAS, There has been presented to this meeting of the City Council forms of the following documents in connection with the Governmental Note:

(a) the form of Bond Indenture, which includes a form of the Bonds to be issued by the City (attached as Exhibit B hereto);

(b) the form of Financing Agreement, which includes the form of Bond Loan Notes (attached as Exhibit C hereto);

(c) the form of the Land Use Restriction Agreement (attached as Exhibit D hereto); and

(d) the form of Redevelopment Agreement (attached as Exhibit E hereto); now, therefore,

Be It Ordained by the City Council of the City of Chicago, as follows:

SECTION 1. Incorporation Of Recitals. The recitals contained in the preambles to this ordinance are hereby incorporated into this ordinance by this reference. All capitalized terms used in this ordinance, unless otherwise defined herein, shall have the meanings ascribed thereto in the Bond Indenture.

SECTION 2. Sale Of City Property. The sale of the City Property to IHDC for the Purchase Price and subsequent transfer by such entity to the Borrower is hereby approved. This approval is expressly conditioned upon the City entering into the Redevelopment Agreement with the Developer.

SECTION 3. Deed. The Mayor or a proxy of the Mayor is authorized to execute, and the City Clerk or the Deputy City Clerk is authorized to attest one or more quitclaim deeds conveying the City Property to IHDC, or to a land trust of which IHDC is the sole beneficiary, or to an entity of which IHDC is the sole owner and the controlling party, subject to those covenants, conditions and restrictions set forth in this ordinance and the Redevelopment Agreement.

SECTION 4. Findings And Determinations. The City Council hereby grants authority to the Chief Financial Officer (the Chief Financial Officer, being referred to herein as the "Authorized Officer") to determine to sell the Bonds on such terms as and to the extent such officer determines that such sale or sales is desirable and in the best financial interest of the City. Any such designation and determination by the Chief Financial Officer shall be signed in writing by the Chief Financial Officer and filed with the City Clerk and shall remain in full force and effect for all purposes of this ordinance unless and until revoked, such revocation to be signed in writing by the Chief Financial Officer and filed with the City Clerk. As used herein, the term "Chief Financial Officer" shall have the meaning given to such term in Section 1-4-090(k) of the Municipal Code of Chicago (the "Municipal Code").

SECTION 5. Authorization Of Bonds. The issuance of the Series A Bonds in an aggregate principal amount not to exceed Five Million Dollars (\$5,000,000), and the issuance of the Series B Bonds in an aggregate principal amount not to exceed Eighteen Million Five Hundred Thousand Dollars (\$18,500,000) are hereby authorized.

The Bonds shall contain a provision that they are issued under authority of this ordinance. The Series A Bonds and the Series B Bonds shall mature (subject to prior redemption) on the dates, and shall bear interest at the rates per annum, set forth in the Bond Indenture.

The Bonds shall be dated, shall be subject to redemption or tender prior to maturity, shall be payable in such places and in such manner and shall have such other details and provisions as prescribed by the Bond Indenture and the form of the Bonds therein.

The provisions for execution, signatures, authentication, payment and prepayment, with respect to the Bonds shall be as set forth in the Bond Indenture and the form of the Bonds therein.

The Authorized Officer is hereby authorized to execute and deliver the Bond Indenture on behalf of the City, such Bond Indenture to be in substantially the form attached hereto as Exhibit B and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the City Council's approval of any changes or revisions from the form of the Bond Indenture attached to this ordinance.

The Authorized Officer is hereby authorized to execute and deliver the Financing Agreement on behalf of the City, such Financing Agreement to be in substantially the form attached hereto as Exhibit C and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the City Council's approval of any changes or revisions from the form of the Financing Agreement attached to this ordinance.

The Authorized Officer is hereby authorized to execute and deliver a Tax Certificate on behalf of the City, in substantially the form of tax certificates or tax regulatory agreements used in previous issuances of tax-exempt bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder, and with such other revisions in text as the Authorized Officer executing the same shall determine are necessary or desirable in connection with the exclusion from gross income for federal income tax purposes of interest on the Bonds. The execution of the Tax Certificate by the Authorized Officer shall be deemed conclusive evidence of the approval of the City Council of the terms provided in the Tax Certificate.

The Authorized Officer is hereby authorized to execute and deliver the Land Use Restriction Agreement on behalf of the City in connection with the issuance of the Bonds, such Land Use Restriction Agreement to be in substantially the form attached hereto as Exhibit D and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the City Council's approval of any changes or revisions from the form of the Land Use Restriction Agreement attached to this ordinance.

The City Clerk or Deputy City Clerk is hereby authorized to attest the signature of the Authorized Officer to any document referenced herein and to affix the seal of the City to any such document.

SECTION 6. Security For The Bonds. The Bonds shall be limited obligations of the City, payable solely from: (i) all right, title and interest of the City in and to all revenues, derived or to be derived by the City under the terms of the Bond Indenture and the Financing Agreement (other than certain reserved rights of the City); (ii) the proceeds of the Bonds and income from the temporary investment thereof, as provided in the Bond Indenture; and (iii) all funds, monies and securities and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds by the City or by anyone on its behalf. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds, such rights, proceeds and investment income are hereby pledged to the extent and for the purposes as provided in the Bond Indenture and are hereby appropriated for the purposes set forth in the Bond Indenture. The Bond Indenture shall set forth such covenants with respect to the application of such rights, proceeds and investment income as shall be deemed necessary by the Authorized Officer in connection with the sale of the Bonds.

SECTION 7. Sale And Delivery Of Bonds. The Bonds shall be sold and delivered to, or upon the direction of, one or more underwriters (the "Underwriters") to be selected by the Authorized Officer, subject to the terms and conditions of the Bond Purchase Agreement, or, alternatively, are hereby authorized to be sold and delivered directly to one or more investors to be selected by the Authorized Officer subject to the terms and conditions of the Bond Purchase Agreement. The Authorized Officer is authorized to execute and deliver on

behalf of the City, with the concurrence of the Chairman of the Committee on Finance of the City Council, the Bond Purchase Agreement in substantially the form of bond purchase agreements used in previous sales of bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and the fact that the Bonds may be sold to certain institutional investors, and with such other revisions in text as the Authorized Officer shall determine are necessary or desirable in connection with the sale of the Bonds. The execution of the Bond Purchase Agreement by the Authorized Officer shall be deemed conclusive evidence of the approval of the City Council of the terms provided in the Bond Purchase Agreement. The distribution of the Preliminary Official Statement and the Official Statement to prospective purchasers of the Bonds and the use thereof by the Underwriters in connection with the offering and sale of the Bonds are hereby authorized, provided that the City shall not be responsible for the content of the Preliminary Official Statement or the Official Statement except as specifically provided in the Bond Purchase Agreement executed by the Authorized Officer, and provided further that, if the Bonds are sold directly to institutional investors, the City may forgo the use of a Preliminary Official Statement or Official Statement, but only if such institutional investors execute and deliver to the City "sophisticated investor" letters satisfactory to the Authorized Officer. The compensation paid to the Underwriters in connection with the sale of the Bonds shall not exceed three quarters of one percent (0.75%) of the aggregate principal amount of the Bonds, exclusive of legal cost in connection therewith. In connection with the offer and delivery of the Bonds, the Authorized Officer, and such other officers of the City as may be necessary, are authorized to execute and deliver such instruments and documents as may be necessary to implement the transaction and to affect the issuance and delivery of the Bonds. Any limitation on the amount of Bonds issued pursuant to this ordinance as set forth herein shall be exclusive of any original issue discount or premium.

SECTION 8. Notification Of Sale. Subsequent to the sale of the Bonds, the Authorized Officer shall file in the Office of the City Clerk a Notification of Sale for the Bonds directed to the City Council setting forth: (i) the aggregate original principal amount of, maturity schedule, redemption provisions for and nature of the Bonds sold; (ii) the extent of any tender rights to be granted to the holder of the Bonds, including, without limitation, the right of the holder to tender the Bonds in exchange for one or more mortgage-backed securities held by the Bond Trustee under the Bond Indenture; (iii) the identity of the Bond Trustee; (iv) the interest rates on the Bonds; (v) the identity of any underwriters or institutional investors who purchase the Bonds directly from the City or through the Underwriters; and (vi) the compensation paid to the Underwriters in connection with such sale. There shall be attached to such notification the final form of the Bond Indenture.

SECTION 9. Use Of Proceeds. The proceeds from the sale of the Bonds shall be deposited as provided in the Bond Indenture and used for the purposes set forth in the fifth paragraph of the recitals of this ordinance.

SECTION 10. Declaration Of Official Intent. A portion of the cost of the acquisition and construction of the Project which the City intends to finance with the proceeds of the Bonds has been paid from available monies prior to the date of this ordinance. It is the intention of the City to utilize a portion of the proceeds of the Bonds to reimburse such

expenditures which have been or will be made for those costs, to the extent allowed by the Code and related regulations. As such, the City previously adopted an inducement resolution on October 26, 2022 declaring its official intent under Section 1.150-2 of the Treasury Regulations promulgated under the Code to utilize the proceeds of the Bonds as such.

SECTION 11. Additional Authorization. The Mayor, the Authorized Officer, the City Treasurer and, upon the approval and availability of the additional financing as shown in Exhibit A hereto (the "Additional Financing"), the Authorized DOH Officer (as defined below) are each hereby authorized to execute and deliver and the City Clerk and the Deputy City Clerk are each hereby authorized to enter into, execute and deliver such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the Bonds, including, but not limited to, the exercise following the delivery date of the Bonds of any power or authority delegated to such official under this ordinance with respect to the Bonds upon original issuance, but subject to any limitations on or restrictions of such power or authority as herein set forth.

SECTION 12. Public Hearing. The City Council directs that the Bonds shall not be issued unless and until the requirements of Section 147(f)(1) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied, and that no contract, agreement or commitment to issue the Bonds shall be executed or undertaken prior to satisfaction of the requirements of Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. To the extent that the requirements of Section 147(f)(1) of the Code, including the public hearing, have occurred prior to the date of this ordinance, this ordinance constitutes approval for purposes of Section 147(f) of the Code. The Authorized Officer is hereby authorized to prepare and publish notices, conduct hearings and take such other actions as are necessary to comply with the requirements of Section 147(f) of the Code. All such actions taken prior to the enactment of this ordinance are ratified and confirmed.

SECTION 13. Proxies. The Mayor and the Authorized Officer may each designate another to act as their respective proxy and to affix their respective signatures to each Obligation, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by the Mayor or the Authorized Officer pursuant to this ordinance or the Bond Indenture. In each case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor and the Authorized Officer, respectively. A written signature of the Mayor or the Authorized Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with signatures attached, shall be recorded in the *Journal* and filed with the City Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the

Mayor in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of the Authorized Officer is so affixed to an instrument, certificate or document at the direction of the Authorized Officer in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Authorized Officer in person.

SECTION 14. Volume Cap. The Bonds are obligations taken into account under Section 146 of the Code in the allocation of the City's volume cap.

SECTION 15. Financing Agreement Authorization. The Commissioner of DOH or a designee or successor thereof (the "Authorized DOH Officer") is hereby authorized, subject to approval by the Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Financing Agreement. The Authorized DOH Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Financing Agreement which do not substantially modify the terms described in Exhibit C hereto. Upon the execution and receipt of proper documentation, the Authorized DOH Officer is hereby authorized to disburse the proceeds of the Bonds to the Borrower pursuant to the Financing Agreement.

SECTION 16. Developer Designation And Redevelopment Agreement. The Developer or its affiliate is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

The Commissioner of DPD or his or her designee (the "Authorized DPD Officer") is hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver a redevelopment agreement among the Borrower, IHDC and the City substantially in the form attached hereto as Exhibit E and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, all of which are hereby approved with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

SECTION 17. City Funds. The City Council hereby finds that the City is authorized to pay \$5,000,000 ("City Funds") from Incremental Taxes deposited in the general account of the TIF Fund (the "General Account") to the Developer to finance a portion of the eligible costs included within the Project. The proceeds of the City Funds are hereby appropriated for the purposes set forth in this Section 17.

SECTION 18. TIF Fund. The Chief Financial Officer (or his or her designee) of the City is hereby directed to maintain the TIF Fund as a segregated interest-bearing account, separate and apart from the City's Corporate Fund or any other fund of the City. Pursuant to the TIF Ordinance, all Incremental Taxes received by the City for the Area shall be deposited into the TIF Fund. The City shall use the funds in the TIF Fund to make payments pursuant to the terms of the Redevelopment Agreement.

SECTION 19. City Loan And CRP Grant Agreements. Upon the approval and availability of the Additional Financing as shown in Exhibit A hereto, the Authorized DOH Officer is hereby authorized, with the approval of the City's Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the City Loan and the CRP Grant. The Authorized DOH Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the City Loan and the CRP Grant which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized DOH Officer is hereby authorized to disburse the proceeds of the City Loan and the CRP Grant to the Borrower.

SECTION 20. Authorization Of Fees And Expenses. The following fees and expenses are hereby authorized in connection with the Bonds: (i) an Issuer Fee in an amount equal to 1.5 percent of the par amount of the Bonds, payable to the City on the date of issuance of the Bonds; (ii) a Bond Legal Reserve Fee in the amount of 0.1 percent of the par amount of the Bonds, payable to the City on the date of issuance of the Bonds (such fee to be used to pay for other legal and other fees incurred by the City in connection with private activity bonds issued by the City); and (iii) a City Administrative Fee in an amount equal to 0.15 percent of the outstanding principal of the Bonds, accruing monthly but payable to the City on a semi-annual basis.

SECTION 21. Separability. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this ordinance.

SECTION 22. Inconsistent Provisions. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 23. No Impairment. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to impair the validity of this ordinance or the instruments authorized by this ordinance or to render any agreement or instrument authorized hereby voidable at the option of the City or to impair the rights of the owners of the Bonds to receive payment of the principal of, premium, if any, or interest on the Bonds or to impair the security for the Bonds; provided further, however, that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision under the Municipal Code.

SECTION 24. Effective Date. This ordinance shall be in full force and effect immediately upon its passage and approval.

Exhibits "A", "B", "C", "D", "E", "F" and "F-1" referred to in this ordinance read as follows:

*Exhibit "A".
(To Ordinance)*

Project And Financing.

Borrower: SACRED Apartments Owner LLC, an Illinois limited liability company (the "Borrower"). The Interfaith Housing Development Corporation of Chicago, an Illinois not-for-profit corporation ("IHDC"), and Claretian Associates, Inc., an Illinois not-for-profit corporation ("Claretian"), are members and managers of SACRED Apartments Developer LLC, an Illinois limited liability company ("Manager"), which is a member and sole manager of Borrower.

Property: 9212 South Burley Avenue, Chicago, Illinois 60617, as further described on Exhibit F hereto (the "Property").

Project: Acquisition, construction and equipping of low-income residential facilities at the Property, consisting of eighty-one (81) residential units (of which seventeen (17) units shall be Permanent Supportive Housing (PSH) units), including fifteen (15) studios, eleven (11) one-bedroom units, twenty-one (21) two-bedroom units, twenty-five (25) three-bedroom units, and nine (9) four-bedroom units for low-income and very low-income individuals and families, along with certain common areas, a ground floor space for a front desk, community room, property management and social services offices and approximately forty-four (44) parking spaces, and to be known as SACRED Apartments (the "Project").

City Loan:

Amount: Up to \$7,171,396.

Source: Proceeds from 2024 Bond funds or other bond funds, or Multi-Family Program funds, corporate funds, or such other source acceptable to the Authorized DOH Officer.

Term: Not to exceed 40 years plus construction period or such other term acceptable to the Authorized DOH Officer.

Interest: Zero percent per annum.

Security: Non-recourse loan; second mortgage on the Property (the "City Mortgage").

Additional Financing:

1. **Series A Bonds and Series B Bonds:**

Amount: Not to exceed \$23,500,000 in the aggregate.

Source: Proceeds from Issuance of Bonds.

Term: Series A: Not to exceed 30 years.
Series B: Not to exceed 6 years.

Interest: Series A: Not to exceed 7 percent or such other interest rate acceptable to the Authorized Officer.
Series B: Not to exceed 6 percent or such other interest rate acceptable to the Authorized Officer.

Security: First mortgage on the Property (the "Senior Construction Mortgage"), senior to the lien of the City Mortgage.

2. Permanent Mortgage:

Amount: Not to exceed \$4,700,000 or such other amount acceptable to the Authorized Officer.

Source: Fannie Mae from Greystone or such other lender acceptable to the Authorized DOH Officer.

Term: Not to exceed 30 years.

Interest: Not to exceed 7 percent or such other interest rate acceptable to the Authorized Officer.

Security: First mortgage on the Property (the "Senior Permanent Mortgage") senior to the lien of the City Mortgage.

3. CRP Grant:

Amount: Not to exceed \$1,305,362.

Source: Chicago Recovery Plan funds for Permanent Supportive Housing or such other source acceptable to the Authorized DOH Officer.

4. IHDA Multi-Family Program Funds:

- Amount: Not to exceed \$4,017,305.
- Source: Illinois Affordable Housing Trust Fund Program Funds.
- Term: Not to exceed 40 years plus construction period or such other term acceptable to the Authorized DOH Officer.
- Interest: Not to exceed 0 percent or such other interest rate acceptable to the Authorized Officer.
- Security: Non-recourse loan; third mortgage on the Property (the "IHDA Mortgage"), junior to the lien of the City Mortgage.

5. TIF Loan:

- Amount: Not to exceed \$5,000,000.
- Source: Available Incremental Taxes from the City of Chicago, South Chicago Tax Increment Financing Redevelopment Project Area, which will be used to repay a portion of the Lender Financing (as defined in the Redevelopment Agreement).
- Term: Not to exceed 40 years plus construction period or such other term acceptable to the Authorized DOH Officer.
- Interest: Not to exceed 3.6 percent or such other interest rate acceptable to the Authorized Officer.
- Security: Fourth mortgage lien on the Property junior to the lien of the IHDA Mortgage.

6. Low-Income Housing Tax Credit ("LIHTC") Proceeds:

- Amount: Approximately \$20,756,773, or such amount as may be acceptable to the Authorized DOH Officer, all or a portion of which may be paid on a delayed basis.
- Source: To be derived from the syndication of the LIHTCs generated by the Property and the Project which shall be in an annual amount not to exceed \$2,400,000.

Exhibit "B".
(To Ordinance)

Indenture Of Trust.

This INDENTURE OF TRUST, made and entered into as of [MONTH OF CLOSING] 1, 2024, by and between the City of Chicago (together with its successors and assigns, the "Issuer"), a municipality and home rule unit of government duly organized and validly existing under the 1970 Constitution of the State of Illinois (the "Constitution") and the laws of the State of Illinois (the "State"), and Zions Bancorporation, National Association, a national banking association organized and existing under the laws of the United States of America and authorized to accept and execute trusts of the character herein set forth, including such entity's successors or any other corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee hereunder (the "Trustee");

WITNESSETH:

WHEREAS, pursuant its home rule powers under Article VII, Section 6 of the Constitution of the State, the Issuer is authorized to exercise any power and perform any function pertaining to its government and affairs, including the power to aid in providing an adequate supply of residential housing for low and moderate income persons or families within the jurisdiction of the Issuer, which constitutes a valid public purpose for the issuance of revenue bonds by the Issuer; and

WHEREAS, in order to provide the funds necessary for the acquisition, construction and equipping of the Project (as hereinafter defined, along with any other capitalized term used but not defined in the Recitals or Granting Clauses of this Indenture, in Section 1.01), the Issuer has, pursuant to its home rule powers and the Bond Ordinance (hereinafter defined), authorized the issuance of its Multifamily Tax-Exempt Bonds (Fannie Mae MBS Secured) (SACRED Apartments) Series 2024A in the principal amount of \$_____ (the "Series A Bonds") and its Multifamily Housing Revenue Bonds (SACRED Apartments), Series 2024B, in the aggregate principal amount of \$_____ (the "Series B Bonds," and together with the Series A Bonds, individually or collectively as context may dictate, the "Bonds"); and

WHEREAS, pursuant to the Financing Agreement dated as of the date hereof (the "Financing Agreement") among the Issuer, the Trustee and SACRED Apartments Owner LLC, an Illinois limited liability company (the "Borrower"), the Issuer will use the proceeds of the Bonds to make two loans to the Borrower, each evidenced by a promissory note (collectively, the "Bond Loan Notes"), to finance the acquisition, construction and equipping of the Project; and

WHEREAS, to assist in the financing of the Project, the Borrower will cause Eligible Funds (as hereinafter defined) to be periodically delivered to the Trustee for deposit into the Collateral Fund (as hereinafter defined) as security for (i) the Series A Bonds prior to the MBS Delivery Date (as hereinafter defined) and (ii) the Series B Bonds prior to the Initial Mandatory Tender Date (as hereinafter defined); and

WHEREAS, pursuant to the Financing Agreement, the Borrower has agreed, among other things, to (a) make payments on the Bond Loan Notes, (b) make payments on the Mortgage Note

(as hereinafter defined), and (c) pay all required fees associated with the Bonds and the Permanent Loan (as hereinafter defined); and

WHEREAS, to assist in financing the Project, at the direction of the Borrower, amounts on deposit in the Collateral Fund and, to the extent amounts in the Collateral Fund are insufficient, amounts in the Bond Proceeds Fund, will be used on the MBS Delivery Date to acquire the MBS (as hereinafter defined) from Fannie Mae, which MBS will be backed by a mortgage loan (the "Permanent Loan") from Greystone Servicing Company LLC, in its capacity as maker of the Permanent Loan (the "Permanent Lender") to the Borrower as evidenced by a multifamily note (the "Mortgage Note") and secured by the Mortgage (as hereinafter defined); and

WHEREAS, the MBS is to be held in trust by the Trustee and pledged under the terms of this Indenture to secure payment of the Series A Bonds; and

WHEREAS, the Issuer has authorized the execution of this Indenture in order to secure the payment of the principal of, premium, if any, and interest on the Bonds and the observance of the covenants and conditions herein contained; and

WHEREAS, the Issuer has determined that all things necessary to make the Bonds, when executed and delivered by the Issuer and authenticated by the Trustee and issued as provided in this Indenture, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid assignment and pledge of the MBS Revenues (as hereinafter defined) and other amounts pledged to the payment of the principal of, premium, if any, and interest on the Bonds and a valid and binding agreement for the uses and purposes herein set forth, have been duly taken, and the creation, execution and delivery of this Indenture and the creation, execution and delivery of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

The Issuer, in order to secure the payment of the principal of, the premium, if any, and the interest on all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant, bargain, sell, warrant, convey, confirm, assign, transfer in trust, grant a security interest in, pledge and set over unto the Trustee, the property of the Issuer, real and personal, hereinafter described, for the benefit of the Bondholders, subject only to the provisions hereof permitting the application thereof for or to the purposes and on the terms and conditions set forth herein (said property being herein sometimes referred to as the "Trust Estate"):

GRANTING CLAUSES

I.

To (a) the Holders of the Series A Bonds, all right, title and interest of the Issuer in and to the Series A Bond Loan Note and (b) the Holders of the Series B Bonds, all right, title and interest of the Issuer in and to the Series B Bond Loan Note (except, in each case, the Reserved Rights of the Issuer) including all payments and proceeds with respect thereto or replacement thereof;

II.

To the Holders of the Series A Bonds, all right, title and interest of the Issuer in and to amounts on deposit in the Series A Bond Proceeds Fund Account to be funded at closing in an amount equal to the principal amount of the Series A Bonds;

III.

To the Holders of the Series B Bonds, all right, title and interest of the Issuer in and to amounts on deposit in the Series B Bond Proceeds Fund Account to be funded at closing in an amount equal to the principal amount of the Series B Bonds;

IV.

To the Holders of the Series A Bonds, all right, title and interest of the Issuer in and to amounts on deposit in the Series A Collateral Fund Account, Series A Revenue Fund Account and the Series A Negative Arbitrage Subaccount;

V.

To the Holders of the Series B Bonds, all right, title and interest of the Issuer in and to amounts on deposit in the Series B Collateral Fund Account, the Series B Revenue Fund Account and the Series B Negative Arbitrage Subaccount;

VI.

Solely with respect to the Series A Bonds, the MBS, if issued by Fannie Mae and acquired by the Trustee, and all MBS Revenues;

VII.

All right, title and interest of the Issuer now owned or hereafter acquired in, to and under the Financing Agreement and the Regulatory Agreement (as hereinafter defined), except Reserved Rights (as hereinafter defined); and

VIII.

All other funds, accounts and property which by the express provisions of this Indenture is required to be subject to the lien hereof, and any additional property that, from time to time, by delivery or by writing of any kind, may be subjected to the lien hereof, by the Issuer or by anyone on its behalf, and the Trustee is hereby authorized to receive the same at any time as additional security hereunder; provided, however, that the Trust Estate shall not include amounts on deposit in the Rebate Fund;

TO HAVE AND TO HOLD all and singular with all privileges and appurtenances hereby given, granted, bargained, sold, conveyed, assigned, pledged, mortgaged and transferred or agreed or intended so to be, whether now owned or hereafter acquired, including any and all additional property that by virtue of any provision hereof or of any indenture supplemental hereto shall hereafter become subject to this Indenture and to the trusts hereby created, unto the Trustee and its successors in trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of the registered owners from time to time of any of the Bonds authenticated and delivered under this Indenture and issued by the Issuer and Outstanding, without preference, priority or distinction as to lien, or otherwise of any one Bond over any other Bond by reason of priority in the issue, sale or negotiation thereof, or of any other cause, and for the benefit of Fannie Mae as herein provided;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay, cause to be paid or make provision for payment to the Trustee of all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payment this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture shall remain in full force and effect;

AND IT IS HEREBY COVENANTED that all of the Bonds shall be issued, authenticated and delivered, and that the Trust Estate shall be held by the Trustee, subject to the further covenants, conditions, uses and trusts hereinafter set forth, and the Issuer agrees and covenants with the Trustee and with the registered owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Indenture and of any indenture supplemental hereto, have the following meanings:

“30/360” means a computation of interest accrual on the basis of a three hundred sixty (360) day year under the assumption that all months, regardless of length, are comprised of exactly 30 calendar days.

“Attesting Officer” means such officer or official of the Issuer who in accordance with the Bond Ordinance, the laws of the State, the bylaws or other governing documents of the Issuer or practice or custom, regularly certifies official acts and records of the Issuer, and includes any

officer of the Issuer or any assistant or deputy officer to the principal officer or officers exercising such responsibilities.

“Authorized Borrower Representative” means any person who, at any time and from time to time, is designated as the Borrower’s authorized representative by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by or on behalf of any authorized general partner of the Borrower if the Borrower is a general or limited partnership, by any authorized managing member of the Borrower if the Borrower is a limited liability company, or by any authorized officer of the Borrower if the Borrower is a corporation, which certificate may designate an alternate or alternates. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the Issuer) a written certificate revoking such person’s authority to act in such capacity. The initial Authorized Borrower Representative is _____.

“Authorized Denomination” means (a) with respect to the Series A Bonds, \$5,000 or any integral multiple of \$1.00 in excess thereof, and (b) with respect to the Series B Bonds, \$5,000, or any integral multiple of \$1,000 in excess thereof.

“Authorized Officer” means (a) any person or persons designated to act on behalf of the Issuer by the Bond Ordinance, and (b) any Senior Vice President, Vice President or Assistant Vice President of the Trustee having regular responsibility for corporate trust matters.

“Bankruptcy Code” means the Federal Bankruptcy Code, Title 11 of the United States Code.

“Beneficial Owner” means the purchaser of a beneficial interest in the Bonds.

“Bond” or “Bonds” means, individually or collectively as context may dictate, the Series A Bonds and the Series B Bonds.

“Bond Dated Date” means _____, 2024.

“Bond Loan Notes” means, collectively, the Series A Bond Loan Note and the Series B Bond Loan Note.

“Bond Maturity Date” means (a) with respect to the Series A Bonds, the applicable maturity date for each Bond as set forth in Section 2.02(c) hereof and (b) with respect to the Series B Bonds, [_____] 1, 20__].

“Bond Ordinance” means the ordinance adopted by the City Council of the Issuer on _____, 2024, authorizing the issuance, sale and delivery of the Bonds.

“Bond Proceeds Fund” means the Fund of that name established by Section 5.02 hereof.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated _____, 2024, among the Underwriter, the Issuer and the Borrower.

“Bond Register” means the registration books of the Issuer maintained by the Trustee as provided in this Indenture on which registration and transfer of the Bonds is to be recorded.

“Bond Registrar” has the meaning given to such term in Section 2.08 hereof.

“Bondholder” or “holder” or “owner” of any Bond or any similar term shall mean the person in whose name any Bond is registered.

“Book-Entry Bonds” means the Bonds for which a Depository or its Nominee is the Bondholder.

“Borrower” has the meaning given to such term in the Recitals hereto, and any permitted successors or assigns of such entity.

“Business Day” means any day other than a Saturday or Sunday, a day when the fiscal agent or paying agent for the MBS is closed, a day when the Federal Reserve Bank of New York is closed, or a day when the Federal Reserve Bank is closed in a district where a securities account is located if the related withdrawal is being made from that securities account, and, with respect to the Bonds, any such day that is also a day on which the Trustee is open for business.

“Cash Flow Projection” means cashflow projections prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, establishing, to the satisfaction of the Rating Agency, as applicable, (1) that (a) the amounts on deposit with the Trustee in the Bond Proceeds Fund, the Collateral Fund and the Revenue Fund, (b) projected investment income to accrue on amounts on deposit in the Bond Proceeds Fund, the Collateral Fund and the Revenue Fund during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower are sufficient to pay, as applicable, (i) amounts due and payable on the Bonds on each Payment Date, (ii) the MBS Purchase Price on the MBS Delivery Date, (iii) the costs of any proposed remarketing of the Series B Bonds, as provided in Section 3.07 hereof, (iv) the optional redemption of the Series B Bonds as provided in Section 3.01(g) hereof, including in the event that the Trustee intends to sell or otherwise dispose of Eligible Investments prior to maturity at a price below par, as described in Section 5.12 hereof, (v) the release of Excess Funds from the Series B Negative Arbitrage Subaccount, as provided in Section 5.05 hereof and (vi) the purchase sale or exchange of Eligible Investments as provided in Section 5.12 hereof, and (2) that following the release of Excess Funds above the \$20,000 minimum required to be retained in the Series A Revenue Fund Account pursuant to this Indenture, (a) there will remain on deposit in the Series A Revenue Fund Account sufficient funds (without consideration of investment income or Eligible Funds not currently on deposit therein) together with scheduled MBS Payments coming due prior to the next Payment Date, to make the Bond payment on such next Payment Date; and (b) the subsequent scheduled MBS Payments will be sufficient, together with any unreleased funds that are retained in the Series A Revenue Fund Account, to pay the Series A Bonds in the amount due on each subsequent Bond Payment Date. The cost and expense of obtaining such Cash Flow Projections shall be the sole responsibility of the Borrower.

“Closing Date” means _____, 2024.

“Co-Bond Counsel” means Ice Miller LLP and Zuber Lawler LLP or another attorney at law or a firm of attorneys of recognized expertise in the field of federal income tax matters relating to municipal securities selected by the Issuer.

“Code” means the United States Internal Revenue Code of 1986, as amended, in force and effect on the date hereof.

“Collateral Fund” means the Fund created and so designated in Section 5.02 hereof.

“Computation Date” has the meaning set forth in Section 1.148-1(b) of the Regulations. Unless otherwise directed in writing by the Borrower, the Computation Date shall be each fifth anniversary from the Closing Date, and upon the discharge of all the Bonds.

“Construction Lender” means Bank of America N.A., a national banking association, in its capacity as maker of the Construction Loan, and its successors and assigns.

“Construction Loan” means the loan made from the Construction Lender to the Borrower in the original principal amount of \$_____.

“Construction Loan Documents” means the documents executed and delivered in connection with the Construction Loan, including, without limitation, the mortgage securing the Construction Loan.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of [MONTH OF CLOSING] 1, 2024 between the Borrower and the Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Conversion Date” has the meaning set forth for such term in the Fannie Mae Forward Commitment and as set forth in a notice of the occurrence thereof delivered by the Permanent Lender to the Trustee.

“Costs of Issuance” means costs to the extent incurred in connection with, and allocable to, the issuance of the Bonds within the meaning of Section 147(g) of the Code. For example, “issuance costs” include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: Underwriter’s fee; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

“Costs of Issuance Deposit” means the amount, if any, deposited on the Closing Date into the Costs of Issuance Fund.

“Costs of Issuance Fund” means the Fund created and so designated in Section 5.02 hereof.

“Counsel’s Opinion,” “Opinion of Counsel,” or “Opinion” means a written opinion, including opinions supplemental thereto, signed by an attorney or firm of attorneys (who may be counsel for the Issuer, the Borrower or Fannie Mae) acceptable to the Trustee and the Issuer.

“Depository” means, initially, DTC and any replacement securities depository appointed under this Indenture.

“Dissemination Agent” means Zions Bancorporation, National Association, or any successor, as Dissemination Agent under the Continuing Disclosure Agreement.

“Dissemination Agent Fee” means the fee payable to the Dissemination Agent as compensation for its services and the reimbursement to the Dissemination Agent of its expenses in performing its obligations under the Continuing Disclosure Agreement, which shall be payable by the Borrower and not from funds pledged to the benefit of the Trust Estate.

“DTC” means The Depository Trust Company, New York, New York.

“Electronic Means” shall mean the following communications methods: email, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“Eligible Funds” means:

- (a) the proceeds of the Bonds or any other amounts received by the Trustee from the Underwriter;
- (b) moneys drawn on a letter of credit;
- (c) any amounts received by the Trustee representing advances to the Borrower of proceeds of the Construction Loan, the Permanent Loan and [_____];
- (d) remarketing proceeds of the Series B Bonds (including any additional amount paid to the Trustee as the purchase and or remarketing price thereof by the Remarketing Agent) received from the Remarketing Agent or any purchaser of the Series B Bonds;
- (e) any other amounts for which the Trustee has received an Opinion of Counsel to the effect that the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code (or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court) or be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;
- (f) any payments held by the Trustee for a continuous period of 123 days, provided that no act of bankruptcy with respect to the Borrower has occurred during such period; and

(g) investment income derived from the investment of the money described in (a) through (f) above.

“Eligible Investments” means, subject to the provisions of Section 5.12 hereof, any of the following obligations which mature (or are redeemable at the option of the Trustee without penalty) at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of this Indenture:

(a) Government Obligations; and

(b) Shares or units in any money market mutual fund rated “Aaa-mf” by Moody’s (or the equivalent Highest Rating Category given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consist solely of direct obligations of the government of the United States of America.

“Event of Default” means any occurrence or event specified in Section 8.01 hereof.

“Excess Funds” means an amount, (1) with respect to the Series A Bonds, calculated by a Cash Flow Projection, equal to the excess of (i) the sum of (a) the amounts on deposit in the Revenue Fund in excess of \$20,000 and (b) scheduled MBS income to be received prior to the subsequent Series A Bond payment over (ii) the subsequent Series A Bond payments when due and payable on the Series A Bonds and (2) with respect to the Series B Bonds, calculated by a Cash Flow Projection, equal to the excess of (i) the sum of (a) the amounts on deposit in the Series B Negative Arbitrage Subaccount and (b) projected investment income to accrue on amounts on deposit in such account over (ii) the aggregate Series B Bond payments, when due and payable on the Series B Bonds.

“Extension Deposit” means the deposit of Eligible Funds (a) with respect to the Series A Bonds, as described in Sections 3.04 and 5.05(b) hereof, and (b) with respect to the Series B Bonds, the amount due, if any, to provide adequate additional funds for the payment of principal and interest due with respect to the Series B Bonds during a Remarketing Period in connection with the change or extension of the Mandatory Tender Date pursuant to Section 3.07 hereof, and which shall be determined by a Cash Flow Projection.

“Extraordinary Issuer Fees and Expenses” means the expenses and disbursements payable to the Issuer under this Indenture for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by the Issuer, Co-Bond Counsel and counsel to the Issuer which are to be paid by the Borrower pursuant to Section 4.05 of the Financing Agreement.

“Extraordinary Services” and “Extraordinary Expenses” mean all services rendered and all reasonable expenses properly incurred by the Trustee or the Issuer under this Indenture or the Financing Agreement, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include but are not limited to services

rendered or expenses incurred by the Trustee or the Issuer in connection with, or in contemplation of, an Event of Default.

“Extraordinary Trustee Fees and Expenses” means the expenses and disbursements payable to the Trustee under this Indenture for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by the Trustee and the Trustee’s counsel which are to be paid by the Borrower pursuant to Section 4.05 of the Financing Agreement.

“Fannie Mae” means Fannie Mae, a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C., § 1716 et seq. and its successors.

“Fannie Mae Certificate” means a guaranteed mortgage pass-through Fannie Mae mortgage-backed security issued by Fannie Mae in book-entry form, recorded in the name of the Trustee or its nominee, guaranteed as to timely payment of principal of and interest by Fannie Mae, and backed by the Permanent Loan.

“Fannie Mae Forward Commitment” means the Fannie Mae Forward Commitment, dated as of _____, 2024, entered into between the Permanent Lender and Fannie Mae, as the same may be amended from time to time.

“Financing Agreement” has the meaning given to such term in the Recitals hereto.

“Financing Documents” means this Indenture, the Financing Agreement, the Regulatory Agreement, the Bond Loan Notes and the Bond Purchase Agreement.

“Fund” or “Account” or “Subaccount” means a fund, account or subaccount created by or pursuant to this Indenture.

“Government Obligations” means (i) noncallable, non-redeemable direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

“Gross Proceeds” means any proceeds, as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds, as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

“Highest Rating Category” means, with respect to an Eligible Investment, that the Eligible Investment is rated by a Rating Agency in the highest rating given by that Rating Agency for that Rating Category, provided that such rating shall include but not be below “Aaa” or “Aaa/VMIG 1” if rated by Moody’s or “A-1+” or “AA+” if rated by S&P.

“Indenture” means this Indenture of Trust as it may from time to time be amended, modified or supplemented by Supplemental Indentures.

“Initial Mandatory Tender Date” means _____ 1, 20__.

“Initial Payment Date” means _____, 20__, on which date interest shall be due on the Series A Bonds for the period from the Bond Dated Date to, but not including, [FIRST PAYMENT DATE].

“Initial Remarketing Date” means the Initial Mandatory Tender Date, but only if the conditions for remarketing the Series B Bonds on such date, as provided in Section 3.07 hereof, are satisfied.

“Initial Series B Bond Rate” means _____%.

“Initial Termination Date” means _____ 1, 20__.

“Interest Period” means with respect to the Series B Bonds, initially, the period from the Closing Date to, but not including [DAY BEFORE INITIAL MANDATORY TENDER DATE], 20__, and thereafter, the period commencing on each succeeding Series B Bond Payment Date and ending on the day preceding the next Series B Bond Payment Date.

“Investor Member” means USA Institutional SACRED LLC, a Delaware limited liability company, and its successors and/or assigns.

“Issuer” has the meaning given to such term in the Recitals hereto.

“Issuer Closing Fee” means the amount of \$ _____, which represents 1.50% of the par amount of the Bonds, paid by the Trustee on behalf of the Borrower to the Issuer on the Closing Date in connection with, and as consideration for, the issuance of the Bonds.

“Issuer Fees and Expenses” means, collectively, the Ordinary Issuer Fees and Expenses, the Issuer Closing Fee and the Extraordinary Issuer Fees and Expenses. The Issuer Fees and Expenses shall be payable by the Borrower, and not from funds pledged to the benefit of the Trust Estate.

“Issuer’s Tax Certificate” means the Certificate re Arbitrage executed by the Issuer and the Borrower and delivered on the Closing Date.

“Lender” means, prior to the Conversion Date, the Construction Lender, and after the Conversion Date, the Permanent Lender.

“Local Time” means the United States Central Time, as may be adjusted for daylight savings time.

“Mandatory Redemption Date” means any date on which the Bonds are subject to mandatory redemption pursuant to Section 3.01 hereof, as such date may be extended pursuant to Section 3.04 hereof.

“Mandatory Tender Date” means (a) the Initial Mandatory Tender Date and (b) if the Series B Bonds Outstanding on such date or on any subsequent Mandatory Tender Date are remarketed pursuant to Section 3.05 hereof for a Remarketing Period that does not extend to the final maturity of the Series B Bonds, the day after the last day of the Remarketing Period.

“MBS” shall mean the Fannie Mae Certificate identified in Section 4.01 hereof that is pledged by the Issuer to the Trustee pursuant to this Indenture.

“MBS Dated Date” means the 1st day of the month in which the MBS is delivered.

“MBS Delivery Date” means the date on which the Trustee receives the MBS backed by the Permanent Loan, which shall occur not later than the MBS Delivery Date Deadline.

“MBS Delivery Date Deadline” means _____, 20____, or, if such day is not a Business Day, the following Business Day, as such date may be extended pursuant to Section 3.04 hereof.

“MBS Maturity Date” means _____.

“MBS Purchase Price” means the principal amount outstanding on the Permanent Loan as of the MBS Delivery Date plus accrued interest on the MBS from the MBS Dated Date to the MBS Delivery Date at the Pass-Through Rate.

“MBS Revenues” means all payments made under and pursuant to the MBS.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by Fannie Mae, that assigns credit ratings.

“Mortgage” means the Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of the Conversion Date, together with all riders and exhibits, securing the Permanent Loan, executed by the Borrower in favor of the Permanent Lender, as the same may be amended from time to time.

“Mortgage Note” means the instrument evidencing the obligation to repay the Permanent Loan, dated the Conversion Date, if such Permanent Loan is originated, as the same may be amended from time to time.

“Multifamily Loan and Security Agreement” means the [Multifamily Loan and Security Agreement] executed by the Borrower and the Permanent Lender and dated the Conversion Date, if such agreement is entered into.

“Negative Arbitrage Account” means the Negative Arbitrage Account of the Revenue Fund created pursuant to Section 5.02 hereof.

“Negative Arbitrage Deposit” means individually or collectively, as applicable, the Series A Negative Arbitrage Deposit and the Series B Negative Arbitrage Deposit.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant hereto.

“Officer’s Certificate” means a certificate signed by an Authorized Officer or, if such certificate pertains to official action taken by the Issuer or official records of the Issuer, by an Attesting Officer.

“Optional Redemption Date” means any date the Series B Bonds are subject to optional redemption pursuant to Section 3.01(g) hereof.

“Ordinary Issuer Fees and Expenses” means the ongoing administrative fee of the Issuer payable in advance by the Borrower to the Issuer annually in an amount equal to ____% of the original principal amount of the Bonds, commencing on the Closing Date and ending on the later of the date (a) all Bonds issued for the Project have been paid in full or (b) the Project is no longer subject to any restrictions as to operation or occupancy imposed by the Issuer or federal or state law. The first two years of the Ordinary Issuer Fees and Expenses will be paid on the Closing Date in an amount equal to \$_____. The amount of Ordinary Issuer Fees and Expenses payable under this Indenture is limited to money withdrawn from the Costs of Issuance Fund and the Borrower will be responsible to pay the remaining amount of the Ordinary Issuer Fees and Expenses pursuant to Section 4.05 of the Financing Agreement. In addition, all amounts due to the Issuer for Extraordinary Services and all Extraordinary Expenses of the Issuer will be paid directly by the Borrower pursuant to Section 4.05 of the Financing Agreement.

“Ordinary Services” and “Ordinary Expenses” mean those services normally rendered, and those expenses normally incurred, by an issuer or a trustee under instruments similar to this Indenture.

“Ordinary Trustee Fees and Expenses” means amounts due to the Trustee for (a) the Ordinary Services and the Ordinary Expenses of the Trustee incurred in connection with its duties under this Indenture, payable annually in advance on the Closing Date and on each anniversary of the Closing Date in the amount of \$3,500 (together with an acceptance fee of \$4,500 payable upon execution of this Indenture) and (b) the annual Dissemination Agent Fee under the Continuing Disclosure Agreement as provided in the Trustee Schedule of Fees delivered to the Borrower; provided, however, the amount of Ordinary Trustee Fees and Expenses payable under this Indenture is limited to money withdrawn from the Costs of Issuance Fund and the Borrower will be responsible to pay the remaining amount of the Ordinary Trustee Fees and Expenses pursuant to Section 4.05 of the Financing Agreement. In addition, all amounts due to the Trustee for Extraordinary Services and all Extraordinary Expenses of the Trustee will be paid directly by the Borrower pursuant to Section 4.05 of the Financing Agreement.

“Outstanding” means, when used with respect to the Bonds and as of any date, all Bonds theretofore authenticated and delivered under this Indenture except:

- (a) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation;
- (b) any Bond for the payment or redemption of which either (i) moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (ii) specified types of Eligible Investments or moneys in the

amounts, of the maturities and otherwise as described and required under the provisions of Sections 3.01 and 3.03, shall have theretofore been deposited with the Trustee in trust (whether upon or prior to maturity or the redemption date of such Bond) and, except in the case of a Bond to be paid at maturity, as to which a redemption notice shall have been given or provided for in accordance with Section 3.02, and

(c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to this Indenture.

“Participant” means a member of, or a participant in, the Depository.

“Pass-Through Rate” means _____% per annum.

“Payment Date” means the Series A Bond Payment Date and the Series B Bond Payment Date, as applicable.

“Permanent Lender” has the meaning given to such term in the Recitals hereto.

“Permanent Loan” means the interest-bearing loan for multifamily housing relating to the Bonds, if originated on the Conversion Date, which is evidenced by the Mortgage Note and secured by the Mortgage and the Multifamily Loan and Security Agreement.

“Permanent Loan Amortization Schedule” means the mortgage loan amortization schedule delivered to the Trustee on the Closing Date and attached as an exhibit to the Series A Bond, as may be subsequently modified by the Permanent Lender on the Conversion Date.

“Permanent Loan Documents” means, collectively, the Mortgage Note, the Mortgage, the Multifamily Loan and Security Agreement, and all other documents, agreements and instruments delivered on the Conversion Date and evidencing, securing or otherwise relating to the Permanent Loan, as each such document, agreement or instrument may be amended, supplemented or restated from time to time. Neither the Financing Agreement nor the Regulatory Agreement is a Permanent Loan Document and neither document is secured by the Mortgage.

“Person” or “person” means any natural person, firm, partnership, association, limited liability company, corporation, company or public body.

“Project” means the multifamily rental housing development known as SACRED Apartments, located in the City of Chicago, Cook County, Illinois, on the site described in the Mortgage.

“Project Costs” means the following costs of the Project:

(a) Costs incurred directly or indirectly for or in connection with the acquisition, construction, improvement and equipping of the Project, including costs incurred in respect of the Project for preliminary planning and studies; architectural, legal, engineering, accounting, consulting, supervisory and other services; labor, services and materials; and recording of documents and title work and insurance.

(b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the construction period with respect to the Project.

(c) Taxes, assessments and other governmental charges in respect of the Project that may become due and payable during the construction period.

(d) Costs incurred directly or indirectly in seeking to enforce any remedy against any contractor or subcontractor in respect of any actual or claimed default under any contract relating to the Project.

(e) Subject to the limitations set forth in the Tax Certificate, Costs of Issuance, including, financial, legal, accounting, cash flow verification, printing and engraving fees, charges and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, including, without limitation, the fees and expenses of the Trustee properly incurred under this Indenture that may become due and payable during the construction period.

(f) Any other costs, expenses, fees and charges properly chargeable to the cost of acquisition, construction, improvement and equipping of the Project.

(g) Payment of interest on the Bonds during the construction period.

“Rating Agency” means Moody’s, S&P or any other nationally recognized securities rating agency rating the Bonds, or such rating agency’s successors or assigns, and initially means Moody’s so long as Moody’s is rating the Bonds.

“Rating Category” means one of the rating categories of the Rating Agency for the specific type and duration of the applicable Eligible Investment.

“Rebate Amount” with respect to the Bonds, has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Rebate Analyst” means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and retained by the Borrower to make the computations and give the directions required pursuant to the Tax Certificate. The initial Rebate Analyst will be _____.

“Rebate Analyst Fee” shall mean \$ _____ annually, paid in arrears on January 1 of each year, commencing January 1, 2026, so long as the Bonds are Outstanding.

“Rebate Fund” means the Fund created and so designated in Section 5.02 hereof.

“Record Date” means [QUERY – SINCE PAYMENT DATES FOR BOTH SERIES ARE SEMI-ANNUAL, WHY WOULDN’T THIS BE THE SAME FOR EACH SERIES?](a) with respect to the Series A Bonds, the close of business on the last day of the calendar month prior to the calendar month in which a payment occurs, and (b) with respect to the Series B Bonds,

the fifteenth (15th) day of the calendar month immediately preceding each Series B Bond Payment Date.

“Redemption Price” means the amount required to be delivered to pay principal of, interest on, and redemption premium, if any, in connection with a redemption of the Bonds in accordance with the provisions of Article III hereof.

“Regulations” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Regulatory Agreement” means the Land Use Restriction Agreement relating to the Project, dated as of [MONTH OF CLOSING] 1, 2024, by and between the Issuer and the Borrower, as it may be amended, supplemented or restated from time to time.

“Remarketing Agent” means, initially, Stifel, Nicolaus & Company, Incorporated, and thereafter any successor Remarketing Agent (which meets the requirements of Section 9.15 hereof) that may be appointed by the Borrower.

“Remarketing Agent’s Fee” means the fee of the Remarketing Agent for its remarketing services. The Remarketing Agent’s Fee shall be payable by the Borrower, and not from funds pledged to the benefit of the Trust Estate.

“Remarketing Agreement” means the Remarketing Agreement, dated as of [MONTH OF CLOSING] 1, 2024, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Remarketing Date” means the Initial Remarketing Date and, if the Series B Bonds Outstanding on such date or on any subsequent Remarketing Date are remarketed pursuant to Section 3.07 for a Remarketing Period that does not extend to the final maturity of the Series B Bonds, the day after the last day of the Remarketing Period.

“Remarketing Expense Account” means the Remarketing Expense Account within the Costs of Issuance Fund created in Section 5.02 hereof.

“Remarketing Expenses” means the costs and expenses, other than those set forth in Section 4.04 of the Financing Agreement, incurred by the Trustee and its counsel, the Remarketing Agent and its counsel and the Dissemination Agent in connection with the remarketing of the Series B Bonds, including bond printing and registration costs, costs of funds advanced by the Remarketing Agent, registration and filing fees, the cost of any Cash Flow Projections or other verification reports, rating agency fees and other costs and expenses incurred in connection with or properly attributable to the remarketing of Series B Bonds as certified to the Trustee by the Remarketing Agent in writing.

“Remarketing Notice Parties” means the Borrower, the Issuer, the Trustee, the Remarketing Agent, the Investor Member and the Lender.

“Remarketing Period” means the period beginning on a Remarketing Date and ending on the last day of the term for which Series B Bonds are remarketed pursuant to Section 3.07 or the final Bond Maturity Date of the Series B Bonds, as applicable.

“Remarketing Proceeds Account” means the Remarketing Proceeds Account of the Revenue Fund created in Section 5.02 hereof.

“Remarketing Rate” means the interest rate or rates established pursuant to Section 3.07(c) and borne by the Series B Bonds Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Bond Maturity Date of the Series B Bonds, as applicable.

“Representation Letter” has the meaning given to such term in Section 2.12 hereof.

“Reserved Rights” means those certain rights of the Issuer under the Financing Documents to which the Issuer is a party to indemnification and to payment or reimbursement of fees and expenses of the Issuer, its right to receive notices and to enforce notice and reporting requirements, its right to inspect and audit the books, records and premises of the Borrower and of the Project, its right to collect attorneys’ fees and related expenses, its right to specifically enforce the Borrower’s covenant to comply with applicable federal tax law and State law, and its right to give or withhold consent to amendments, changes, modifications and alterations to the Financing Documents relating to the Reserved Rights.

“Revenue Fund” means the Fund created and so designated in Section 5.02 hereof.

“S&P” means S&P Global Ratings, and its successors and assigns, or if it shall for any reason no longer perform the functions of a securities rating agency, then any other nationally recognized rating agency designated by the Borrower and acceptable to the Trustee and the Remarketing Agent.

“Series A Bond Proceeds Fund Account” means the Series A Account of the Bond Proceeds Fund created pursuant to Section 5.02 hereof.

“Series A Bond Loan Note” means, with respect to the Series A Bonds, the promissory note dated the Closing Date from the Borrower to the Issuer and assigned by the Issuer to the Trustee on the Closing Date, in substantially the form attached as an exhibit to the Financing Agreement, together with any amendments, supplements or modifications thereto.

“Series A Bonds” means the Issuer’s Multifamily Tax-Exempt Bonds (Fannie Mae MBS Secured) (SACRED Apartments) Series 2024A in the aggregate principal amount of \$ _____ authorized under, secured by and issued pursuant to this Indenture.

“Series A Bond Payment Date” means (i) with respect to interest, ____ 1 and ____ 1 of each year, commencing on the Initial Payment Date and (ii) with respect to principal and interest, the stated maturity date for any of the Bonds or any earlier date of redemption of any of the Bonds.

“Series A Collateral Fund Account” means the Series A Account of the Collateral Fund created pursuant to Section 5.02 hereof.

“Series A Negative Arbitrage Subaccount” means the Series A Subaccount of the Negative Arbitrage Account of the Revenue Fund created pursuant to Section 5.02 hereof.

“Series A Negative Arbitrage Deposit” means Eligible Funds in the amount of \$ _____ to be deposited on the Closing Date into the Series A Negative Arbitrage Subaccount and as otherwise set forth in Section 5.04 hereof.

[“Series A Negative Arbitrage Transfer” means the transfer by the Trustee, on the Closing Date, in the amount of \$ _____, from the Series B Bond Proceeds Fund Account into the Series A Negative Arbitrage Subaccount, as set forth in the Cash Flow Projection provided on the Closing Date in connection with the issuance of the Bonds.]

“Series A Revenue Fund Account” means the Series A Account of the Revenue Fund created pursuant to Section 5.02 hereof.

“Series B Bond Proceeds Fund Account” means the Series B Account of the Bond Proceeds Fund created pursuant to Section 5.02 hereof.

“Series B Bond Loan Note” means, with respect to the Series B Bonds, the promissory note dated the Closing Date from the Borrower to the Issuer and assigned by the Issuer to the Trustee on the Closing Date, in substantially the form attached as an exhibit to the Financing Agreement, together with any amendments, supplements or modifications thereto.

“Series B Bond Payment Date” means (i) _____ 1 and _____ 1 of each year, beginning on _____ 1, 20 ____, (ii) each Mandatory Redemption Date described in Section 3.01(f) hereof, (iii) each Mandatory Tender Date, (iv) the Bond Maturity Date and (v) the date of acceleration of the Series B Bonds.

“Series B Bonds” means the Issuer’s Multifamily Housing Revenue Bonds (SACRED Apartments), Series 2024 in the aggregate principal amount of \$ _____ authorized under, secured by and issued pursuant to this Indenture.

“Series B Collateral Fund Account” means the Series B Account of the Collateral Fund created pursuant to Section 5.02 hereof.

“Series B Negative Arbitrage Subaccount” means the Series B Subaccount of the Negative Arbitrage Account of the Revenue Fund created pursuant to Section 5.02 hereof.

“Series B Negative Arbitrage Deposit” means Eligible Funds in the amount of \$ _____ to be deposited on the Closing Date into the Series B Negative Arbitrage Subaccount and as otherwise set forth in Section 5.04 hereof.

“Series B Revenue Fund Account” means the Series B Account of the Revenue Fund created pursuant to Section 5.02 hereof.

“State” has the meaning given to such term in the Recitals hereto.

“Substitute Depository” means a securities depository appointed as successor to DTC hereunder.

“Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the Issuer and the Trustee amending or supplementing this Indenture in accordance with the provisions hereof.

“Tax Certificate” means, collectively, the Issuer’s Tax Certificate and the Tax Representation Certificate, as the same may be amended, supplemented or otherwise modified from time to time.

“Tax Representation Certificate” means the Tax Representation Certificate executed by Borrower and delivered on the Closing Date

“Termination Date” means (i) initially, the Initial Termination Date, and (ii) if the Borrower exercises its extension option, [_____ 1, 20__], in accordance with the Fannie Mae Forward Commitment and as set forth in a notice of the occurrence of such extension delivered by the Lender to the Trustee, subject to such additional extensions which have not been considered or agreed upon but may nevertheless be granted in the sole discretion of Fannie Mae.

“Trust Estate” means all the property, rights, moneys, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses hereof.

“Trustee” has the meaning given to such term in the Recitals hereto.

“Trustee Fees and Expenses” means, collectively, the Ordinary Trustee Fees and Expenses and the Extraordinary Trustee Fees and Expenses.

“Underwriter” means Stifel, Nicolaus & Company, Incorporated.

“Yield” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations, and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

“Yield Maintenance Period” means _____ months.

Section 1.02. Rules of Construction.

(a) The singular form of any word used herein, including the terms defined in Section 1.01, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include the correlative words of other genders.

(b) Except as otherwise stated herein, all references herein to “Articles,” “Sections” and other subdivisions hereof are to the corresponding Articles, Sections or subdivisions of this Indenture as originally executed; and the words “herein,” “hereof,” “hereunder,” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

(c) The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not limit or otherwise affect the meaning, construction or effect of this Indenture or describe the scope or intent of any provisions hereof.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as in effect from time to time.

(e) Every "request," "order," "demand," "application," "appointment," "notice," "statement," "certificate," "consent" or similar action hereunder by any party shall, unless the form thereof is specifically provided, be in writing signed by a duly authorized representative of such party with a duly authorized signature.

(f) The parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Indenture and the Financing Agreement. Accordingly, the parties agree that any rule of construction which disfavors the drafting party shall not apply in the interpretation of this Indenture or the Financing Agreement or any amendment or supplement or exhibit hereto or thereto.

(g) Whenever Fannie Mae is required to give its consent or approval to any matter, whether stated as "consent," "written consent," "prior written consent," "approval," "written approval," "prior written approval" or otherwise, the giving of such consent or approval by Fannie Mae shall be in its sole and complete discretion.

(h) Whenever Fannie Mae shall have any right or option to exercise any discretion, to determine any matter, to accept any presentation or to approve or consent to any matter, such exercise, determination, acceptance, approval or consent shall, without exception, be in Fannie Mae's sole and absolute discretion.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds. Bonds of the Issuer, to be entitled "City of Chicago Multifamily Tax-Exempt Bonds (Fannie Mae MBS Secured) (SACRED Apartments) Series 2024A" are hereby authorized to be issued in an aggregate principal amount of \$_____ and "City of Chicago Multifamily Housing Revenue Bonds (SACRED Apartments) Series 2024B" are hereby authorized to be issued in an aggregate principal amount of \$_____ and shall be issued subject to the terms, conditions and limitations established in this Indenture as hereinafter provided. The Bonds may be executed by or on behalf of the Issuer, authenticated by the Trustee and delivered or caused to be delivered by the Trustee to the original purchasers thereof upon compliance with the requirements set forth in this Indenture.

Section 2.02. Terms of Bonds.

(a) The Series A Bonds shall be dated as of the Bond Dated Date and shall be payable on each Series A Bond Payment Date. Interest shall be calculated on the basis of

a 360-day year consisting of twelve 30-day months. Except as otherwise provided in Section 3.01(d) hereof, the payment of interest on a Payment Date shall be in an amount equal to the interest accrued during the preceding six (6) calendar months; provided that the payment of interest on the Initial Payment Date shall be related to the interest accrued from the Bond Dated Date to the calendar day immediately preceding the Initial Payment Date.

(b) The Series B Bonds shall be dated as of the Bond Dated Date, shall bear interest, payable on each Series B Bond Payment Date, from the date of issuance to but not including the Initial Mandatory Tender Date at a rate per annum equal to the Initial Series B Bond Rate and thereafter shall bear interest at the Remarketing Rate for each subsequent Remarketing Period, and shall mature (subject to prior redemption as set forth herein) on the Bond Maturity Date. The payment of interest on a Series B Bond Payment Date shall be in an amount equal to the interest accrued during the Interest Period ending on the day preceding such Series B Bond Payment Date. Interest on the Series B Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(c) The Series A Bonds shall mature (subject to prior redemption set forth herein on the dates, and shall bear interest at the rates per annum, set forth below:

<u>Maturity Date</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>CUSIP Number</u>

(d) The Bonds shall be issued as registered bonds without coupons in Authorized Denominations. The Series A Bonds shall be lettered "RA" and shall be numbered separately from "1" consecutively upwards. The Series B Bonds shall be lettered "RB" and shall be numbered separately from "1" consecutively upwards. The Bonds shall be issued initially as Book-Entry Bonds.

(e) On each Payment Date, payment of the principal of and interest or premium, if any, on any Bond shall be made to the person appearing on the Bond Register as the registered owner thereof on the applicable Record Date. The principal of and the interest on the Bonds shall be payable in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts of the United States of America. Unless the Bonds are Book-Entry Bonds, the principal of the Bonds shall be payable to the registered owners thereof upon presentation (except in connection with a redemption of Bonds pursuant to Section 3.01(d) hereof and a maturity of the Series A Bonds pursuant to Section 2.2(c)) at the designated corporate trust office of the Trustee or its successors. Unless the Bonds are Book-Entry Bonds, payments of interest on the Bonds and redemption of the Bonds pursuant to Section 3.01(d) hereof shall be paid by check or draft mailed to the registered owner thereof at such owner's address as it appears on the registration books maintained by the Trustee on the applicable Record Date or at such other address as is furnished to the Trustee in writing by such owner. The

Trustee shall cause CUSIP number identification with appropriate dollar amounts for each CUSIP number to accompany all payments of interest, principal or Redemption Price made to such owners, whether such payment is made by check or wire transfer. All payments of principal of and interest on Book-Entry Bonds shall be made and given at the times and in the manner set out in the Representation Letter, as more fully specified in Sections 2.11 and 2.12 hereof.

(f) The Bonds shall be subject to redemption prior to maturity as provided in Article III.

(g) The date of authentication of each Bond shall be the date such Bond is registered.

Section 2.03. Execution; Limited Obligation. The Bonds shall be signed by, or bear the facsimile or manual signature of, the Mayor of the Issuer, and attested to by the manual or facsimile signature of its City Clerk or Deputy City Clerk, under the official seal, or a facsimile thereof, of the Issuer. Any facsimile signatures shall have the same force and effect as if said officers had manually signed said Bonds. Any reproduction of the official seal of the Issuer on the Bonds shall have the same force and effect as if the official seal of the Issuer had been impressed on the Bonds. In case any officer whose manual or facsimile signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery, and also any Bond may bear the facsimile signatures of, or may be signed by, such persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such persons may not have been such officers.

The Bonds and the interest thereon are limited obligations of the Issuer, payable solely from the revenues, receipts and security pledged therefor in the Granting Clauses hereof. The Bonds, together with premium, if any, and interest thereon, do not constitute an indebtedness, liability, general or moral obligation or a pledge of the full faith or loan of credit of the Issuer, the State, or any political subdivision of the State within the meaning of any constitutional or statutory provisions. None of the Issuer, the State or any political subdivision thereof shall be obligated to pay the principal of, premium, if any, or interest on the Bonds or other costs incident thereto except from the payments pledged with respect thereto and certain reserve funds established in connection therewith. Neither the faith and credit nor the taxing power of the United States of America, the Issuer, the State or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or other costs incident thereto. The Bonds are not a debt of the United States of America or any agency thereof, and are not guaranteed by the United States of America or any agency thereof.

Section 2.04. Authentication. The Bonds shall each bear thereon a certificate of authentication, substantially in the forms set forth in Exhibit A-1 and Exhibit A-2 hereto, as applicable, and executed by the Trustee. Only Bonds which bear thereon such executed certificate of authentication shall be entitled to any right or benefit under this Indenture, and no Bond shall be valid for any purpose under this Indenture until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of authentication upon any Bond shall be conclusive evidence that the Bond so authenticated has been duly issued under this Indenture and

that the holder thereof is entitled to the benefits of this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder. The certificate of authentication on all Bonds delivered by the Trustee hereunder shall be dated the date of its authentication.

Section 2.05. Form of Bonds. The form of the Bonds issued pursuant to this Indenture shall be in substantially the forms set forth in Exhibit A-1 and Exhibit A-2 hereto, as applicable with such variations, omissions or insertions as are permitted by this Indenture.

Section 2.06. Delivery of Bonds. Upon payment on the Closing Date of the purchase price of the Bonds, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Bonds and deliver them to the Underwriter as directed by the Issuer.

Prior to the delivery by the Trustee of any of the Bonds, there shall be filed with the Trustee:

- (a) an executed copy of the Bond Ordinance duly certified by City Clerk or Deputy City Clerk;
- (b) executed counterparts of this Indenture, the Financing Agreement, the Regulatory Agreement and the original, fully executed Bond Loan Notes;
- (c) opinions of Co-Bond Counsel, dated the Closing Date, stating that the Issuer has duly adopted the Bond Ordinance and has duly executed and delivered this Indenture, and that this Indenture and the Bonds each constitute a valid and binding limited obligation of the Issuer, subject to any applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors;
- (d) opinions of Co-Bond Counsel, dated the Closing Date, to the effect that, subject to any exceptions or qualifications stated therein, the interest on the Bonds is excludable from gross income for federal income tax purposes under existing laws;
- (e) a request and authorization to the Trustee by the Issuer to authenticate and deliver the Bonds to or at the direction of the Underwriter upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization, plus accrued interest thereon, if any, to the date of delivery, as specified in such request and authorization. The proceeds of such payment shall be paid over to the Trustee and deposited in the various Funds and Accounts pursuant to, and as specified in, Article V hereof; and
- (f) evidence from the Rating Agency that the Bonds have been rated the Highest Rating Category by the Rating Agency.

Upon receipt of these documents, the Trustee shall authenticate and deliver the Bonds to or upon the order of the Underwriter but only upon payment to the Trustee of the purchase price of the Bonds, together with accrued interest thereon, if any.

Section 2.07. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Issuer, at the expense of the owner of such Bond shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of, the Issuer. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence shall be satisfactory to it and indemnity satisfactory to the Trustee shall be given, the Issuer, at the expense of the owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond authenticated and delivered under this Section and of the expenses which may be incurred by the Issuer and the Trustee in connection therewith. Any Bond authenticated and delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Issuer whether or not the Bond so alleged to be lost, destroyed or stolen shall be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture. If any such Bond shall have matured, or is about to mature, instead of issuing a new Bond the Trustee may pay the same without surrender thereof upon receipt of the aforementioned indemnity.

Section 2.08. Registration, Transfer and Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration, transfer and exchange of the Bonds as provided in this Indenture to be kept by the Trustee, which is hereby constituted and appointed the bond registrar with respect to the Bonds (the "Bond Registrar"). At reasonable times and under reasonable regulations established by the Trustee, said books may be inspected and copied by the Issuer or by owners (or a designated representative thereof) of a majority in aggregate principal amount of the Bonds then Outstanding. The Trustee is also hereby appointed as paying agent for the Bonds.

The registration of each Bond is transferable by the registered owner thereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Trustee. Upon surrender for registration of transfer of any Bond at such office, the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond of the same maturity or maturities and Authorized Denomination for the same aggregate principal amount. Bonds to be exchanged shall be surrendered at said designated corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange therefor a Bond of equal aggregate principal amount of the same maturity and Authorized Denomination.

All Bonds presented for registration of transfer, exchange or payment (if so required by the Issuer or the Trustee) shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the registered owner or by its duly authorized attorney.

The Issuer, the Bond Registrar and the Trustee shall not be required (i) to issue, register the transfer of or exchange any Bonds during a period beginning at the Trustee's opening of business on the applicable Record Date and ending at the Trustee's close of business on the applicable Payment Date; or (ii) to register the transfer of or exchange any Bond selected, called

or being called for redemption as provided herein. No charge shall be made to any Bondholder for the privilege of registration of transfer as herein provided, but any Bondholder requesting any such registration of transfer shall pay any tax or governmental charge required to be paid therefor.

New Bonds delivered upon any registration of transfer or exchange shall be valid obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The person in whose name any Bond is registered shall be deemed the owner thereof by the Issuer and the Trustee, and any notice to the contrary shall not be binding upon the Issuer or the Trustee. Notwithstanding anything herein to the contrary, to the extent the Bonds are Book-Entry Bonds, the provisions of Section 2.11 shall govern the exchange and registration of Bonds.

Section 2.09. Cancellation of Bonds. Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment of the principal amount and interest represented thereby, for replacement pursuant to Section 2.07 or for transfer or exchange pursuant to Section 2.08, such Bond shall be canceled by the Trustee and returned to the Issuer and, upon written request of the Issuer, counterparts of a certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Issuer.

Section 2.10. Pledge Effected by Indenture. All amounts held in any Fund or Account under this Indenture are hereby ratably pledged to secure the payment of the principal of and the interest on the Bonds, subject only to the provisions of this Indenture permitting the application thereof for other purposes, provided that (i) the Series A Bond Proceeds Fund Account, the Series A Collateral Fund Account, the Series A Revenue Fund Account, and the Series A Negative Arbitrage Subaccount secure only the Series A Bonds and (ii) the Series B Bond Proceeds Fund Account, the Series B Collateral Fund Account, the Series B Revenue Fund Account and the Series B Negative Arbitrage Subaccount shall secure only the Series B Bonds. Additionally, following the MBS Delivery Date, the MBS held pursuant to this Indenture, all amounts that may be received under a Fannie Mae trust agreement, all rights of the Issuer or the Trustee under a Fannie Mae trust agreement and the MBS Revenues are hereby exclusively and ratably pledged to secure the payment of the principal of and the interest on the Series A Bonds, subject only to the provisions of this Indenture permitting the application thereof for other purposes. Each of the foregoing pledges shall be valid and binding and immediately effective, upon its being made or granted, without any physical delivery, filing, recording or further act, and shall be valid and binding as against, and superior to any claims of all others having claims of any kind against the Issuer or any other person, irrespective of whether such other parties have notice of the pledge. Fannie Mae is not responsible for the application of MBS payments to Bondholders. Fannie Mae has made no representation as to whether the scheduled MBS payments will be sufficient in amounts to provide for the scheduled payments on the Bonds, including interest payments, sinking fund payment pursuant to Section 3.01(d), or prepayments pursuant to Section 3.01(e).

Section 2.11. Book-Entry System; Limited Obligation. The Bonds shall be initially issued in the form of a separate single fully registered Bond (which may be typewritten) for each maturity of the Bonds. Upon initial execution, authentication and delivery, the ownership of each such global Bond shall be registered in the Bond Register in the name of the Nominee as nominee of

the Depository. Except as provided in Section 2.13, all of the Outstanding Bonds shall be registered in the Bond Register kept by the Trustee in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a Substitute Depository or to another nominee of the Depository or of a Substitute Depository. Each global Bond shall bear a legend substantially to the following effect: "UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THIS INDENTURE OF TRUST) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

With respect to Bonds registered in the Bond Register in the name of the Nominee, the Issuer and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (b) the delivery to any Participant, Beneficial Owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any redemption notice with respect to the Bonds, including any redemption notice following a failure to purchase the MBS, (c) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part in accordance with the operational arrangements of DTC and as set forth in Section 3.02(b), or (d) the payment to any Participant, Beneficial Owner or any other person, other than the Depository, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Issuer and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on such Bond, for the purpose of giving redemption notices pursuant to Section 3.02 and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Bondholders, as shown in the Bond Register kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid hereunder with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bondholder, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of principal of, premium, if any, and interest pursuant to this Indenture. Upon delivery by the Depository to the Trustee and the Issuer of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such new nominee of the Depository.

The Issuer and the Trustee will recognize the Depository or its nominee as the Bondholder of Book-Entry Bonds for all purposes, including receipt of payments, notices and voting, provided the Trustee may recognize votes by or on behalf of Beneficial Owners as if such votes were made by the Bondholders of a related portion of the Bonds when such votes are received in compliance with an omnibus proxy of the Depository or otherwise pursuant to the rules of the Depository or the provisions of the Representation Letter or other comparable evidence delivered to the Trustee by the Bondholders.

SO LONG AS A BOOK-ENTRY SYSTEM OF EVIDENCE OF TRANSFER OR OWNERSHIP OF ALL THE BONDS IS MAINTAINED IN ACCORDANCE HEREWITH, THE PROVISIONS OF THIS INDENTURE RELATING TO THE DELIVERY OF PHYSICAL BONDS SHALL BE DEEMED TO GIVE FULL EFFECT TO SUCH BOOK-ENTRY SYSTEM AND ALL DELIVERIES OF ANY SUCH BONDS SHALL BE MADE PURSUANT TO THE DELIVERY ORDER PROCEDURES OF DTC, AS IN EFFECT FROM TIME TO TIME.

Section 2.12. Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, if necessary, any Authorized Officer of the Issuer is hereby authorized to execute, countersign and deliver on behalf of the Issuer to such Depository a letter from the Issuer in substantially the Depository's standard form representing such matters as shall be necessary to so qualify the Bonds (the "Representation Letter"). The Representation Letter includes such letter as it may be amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor. The execution by the Issuer and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.11 or in any other way impose upon the Issuer any obligation whatsoever with respect to persons having beneficial interests in the Bonds other than the registered owners, as shown in the Bond Register kept by the Trustee. In the written acceptance by the Trustee of the Representation Letter, the Trustee shall agree, and hereby agrees, to take all actions necessary for all representations of the Issuer in the Representation Letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of the Representation Letter, any Authorized Officer is hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

The terms and provisions of the Representation Letter shall govern in the event of any inconsistency between the provisions of this Indenture and the Representation Letter. The Representation Letter may be amended without Bondholder consent.

Section 2.13. Transfers Outside Book-Entry System. If at any time the Issuer determines that continuation of the book-entry system through DTC (or a successor securities Depository) is not in the best interest of the owners of the Bonds, if at any time the Depository notifies the Issuer and the Trustee that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation and a Substitute Depository is not appointed by the Issuer within 90 days after the Issuer and the Trustee receive notice or become aware of such condition, as the case may be, the provisions of Section 2.11 shall no longer be applicable and the Issuer shall execute and the Trustee shall authenticate and deliver bonds representing the Bonds as provided below. In addition, the Issuer may determine at any time that the Bonds shall no longer be represented by global certificates and that the provisions of Section 2.11 shall no longer apply to the Bonds. In any such event, the Issuer shall

execute and the Trustee shall authenticate and deliver certificates representing the Bonds as provided below. Bonds issued in exchange for global certificates pursuant to this Section shall be registered in such names and delivered in such authorized denominations as the Depository, pursuant to instructions from the Participants or otherwise, shall instruct the Issuer and the Trustee. The Trustee shall deliver such certificates representing the Bonds to the persons in whose names such Bonds are so registered.

If the Issuer determines to replace the Depository with another qualified securities depository, the Issuer shall prepare or cause to be prepared a new fully registered global certificate for each of the maturities of each type of Bond, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the Issuer, the Trustee and such securities depository and not inconsistent with the terms of this Indenture.

Section 2.14. Payments and Notices to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

Section 2.15. Initial Depository and Nominee. The initial Depository under this Indenture shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

ARTICLE III

REDEMPTION, MANDATORY TENDER AND REMARKETING OF BONDS

Section 3.01. Terms of Redemption. The Bonds shall be subject to redemption prior to maturity as stated in this Section. Any redemption in part shall be in Authorized Denominations. The Permanent Lender shall furnish the Trustee with a revised Permanent Loan Amortization Schedule in connection with any redemption in part of the Series A Bonds.

(a) Series A Bonds - Mandatory Redemption Prior to MBS Delivery Date. On any Series A Bond Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, the Series A Bonds are subject to mandatory redemption in part in an amount equal to the amount due on the first day of the month in which such Payment Date occurs as shown in the Permanent Loan Amortization Schedule, payable with respect to principal first, from money on deposit in the Series A Collateral Fund Account and second, from money on deposit in the Series A Bond Proceeds Fund Account, and with respect to interest, from money on deposit in Series A Revenue Fund Account.

(b) Series A Bonds - Mandatory Redemption Upon Failure to Convert or Failure to Purchase the MBS by the MBS Delivery Date Deadline. The Series A Bonds are subject to mandatory redemption in whole five (5) calendar days after the MBS Delivery Date Deadline at a Redemption Price equal to 100% of the Outstanding principal amount thereof, plus interest accrued but unpaid from the first day of the month in which

the last Payment Date occurred (or, if no Payment Date has occurred, from the Bond Dated Date) to, but not including, such redemption date, if either the Conversion Date or the MBS Delivery Date has not occurred on or prior to the MBS Delivery Date Deadline, as such date may be extended, payable with respect to principal first, from money on deposit in the Series A Collateral Fund Account and second, from money on deposit in the Series A Bond Proceeds Fund Account, and with respect to premium, if any, and interest, from money on deposit in the Series A Revenue Fund Account.

(c) Series A Bonds – Mandatory Redemption on the MBS Delivery Date. The Series A Bonds are subject to mandatory redemption in part on the MBS Delivery Date at a Redemption Price equal to 101% of the principal amount of the Series A Bonds to be redeemed, plus interest accrued but unpaid from the first day of the month in which the last Payment Date occurred to, but not including, the MBS Delivery Date, in an amount equal to the difference between (i) the principal amount of the MBS purchased on the MBS Delivery Date and (ii) the aggregate principal amount of the Series A Bonds Outstanding as of the first day of the month in which the MBS Delivery Date occurred, payable with respect to principal first, from money on deposit in the Series A Collateral Fund Account and second, from money on deposit in the Series A Bond Proceeds Fund Account, and with respect to interest and premium, if any, from money on deposit in the Series A Revenue Fund Account and other Eligible Funds.

(d) Series A Bonds – Mandatory Sinking Fund Redemption. The Series A Bonds are subject to mandatory redemption on the respective dates set forth in the schedule below, at the Redemption Price equal to the principal amount thereof, plus accrued interest to, but not including, the redemption date.

<u>Sinking Fund Payment Date</u>	<u>Amount (\$)</u>	<u>Sinking Fund Payment Date</u>	<u>Amount (\$)</u>

(e) Series A Bonds – Mandatory Redemption Following Unscheduled Prepayment of the Permanent Loan.

(i) The Series A Bonds are subject to mandatory redemption in whole or in part one Business Day after the date on which any unscheduled MBS principal payment or prepayment is received by the Trustee at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest and premium, if any, received pursuant to the MBS. Any scheduled principal payments made pursuant to the Permanent Loan Amortization Schedule shall be retained by the Trustee and used to make sinking fund payments as set forth in Section 3.01(d) hereof.

(ii) The Permanent Loan is subject to optional prepayment by the Borrower. Any yield maintenance or prepayment penalty in connection with

prepayment of the Permanent Loan that is received by the Trustee as holder of the MBS will be distributed to Bondholders, as applicable; however, no assurance can be given that all or any portion of such yield maintenance or prepayment penalty will be received by the Trustee as holder of the MBS.

(f) Series B Bonds – Mandatory Redemption for Failure to Remarket. The Series B Bonds are subject to mandatory redemption in whole at a redemption price of 100% of the Outstanding principal amount thereof, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Series B Bonds; (ii) the conditions to remarketing set forth in Section 3.07(b) or Section 3.07(f) hereof have not been met by the dates and times set forth therein; or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Series B Bonds on such Mandatory Tender Date. Series B Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Series B Collateral Fund Account, (ii) amounts on deposit in the Series B Negative Arbitrage Subaccount of the Negative Arbitrage Account of the Revenue Fund, (iii) amounts on deposit in the Series B Bond Proceeds Fund Account, and (iv) any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

(g) Series B Bonds – Optional Redemption of Series B Bonds. The Series B Bonds are subject to optional redemption, in whole but not in part, by the Issuer at the written direction of the Borrower on any date on or after the later to occur of (i) the date the Project is complete and placed in service by the Borrower for purposes of Section 42 of the Code and (ii) the Initial Mandatory Tender Date (the “Optional Redemption Date”) at a redemption price equal to 100% of the principal amount of the Series B Bonds plus accrued interest, but without premium, to the Optional Redemption Date. After the Initial Remarketing Date, the Borrower, in consultation with the Remarketing Agent, may establish an optional redemption date with respect to any subsequent Remarketing Period and, thereafter, the Series B Bonds are subject to optional redemption in whole or in part by the Issuer at the written direction of the Borrower (with delivery of a Cash Flow Projection and written notice to the Trustee at least 30 days prior to the proposed redemption date and, in the case of a redemption in part, specifying the principal amount of the Series B Bonds to be redeemed) on or after the applicable redemption date at a redemption price of 100% of the principal amount of such Series B Bonds to be redeemed plus accrued interest to the applicable redemption date.

(h) Selection of Bonds for Redemption. If less than all of the Series A Bonds are redeemed pursuant to Section 3.01(d), the Series A Bonds shall be redeemed in accordance with the respective schedules set forth in this Indenture. In the event the Series A Bonds are redeemed in part and not in whole pursuant to Section 3.01(d), the Series A Bonds shall be redeemed by lot across all maturities and the scheduled principal payments on the Series A Bonds to remain outstanding and the mandatory redemption requirements for each maturity described in this Indenture shall be adjusted so that the resulting debt service on the Series A Bonds (including scheduled mandatory redemption payments) during each six-month period commencing on each Payment Date is proportional, as nearly

as practicable, to the payments on the MBS during each such six-month period, without exceeding the amount available from MBS payments, and other available funds under this Indenture that may be used to pay debt service on the Bonds, during each such six-month period. All Series A Bonds to be redeemed within the same maturity shall be selected by lot.

Except as otherwise described above, any Bond to be called for redemption shall be selected by the Trustee by lot, such selection to be made prior to the date on which notice of such redemption must be given and Bonds shall be redeemed as soon as practicable after an event causing a redemption shall have occurred. The Trustee shall have no liability for such selections made without gross negligence or willful misconduct.

If it is determined that less than all of the principal amount represented by any Bond is to be called for redemption, then, following notice of intention to redeem such principal amount, the holder thereof shall surrender such Bond to the Trustee on or before the applicable redemption date for (a) payment on the redemption date to such Bondholder of the Redemption Price of the amount called for redemption and (b) delivery to such Bondholder of a new Bond or Bonds of such Series in an aggregate principal amount equal to the unredeemed balance of such Bond. A new Bond representing the unredeemed balance of such Bond shall be issued to the registered owner thereof, without charge therefor. If the registered owner of any Bond selected for redemption shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the amount called for redemption (and to that extent only).

Section 3.02. Notice of Redemption.

(a) Anytime the Bonds are subject to redemption in whole or in part pursuant to Section 3.01 hereof (except for a redemption pursuant to Section 3.01(a) or a sinking fund redemption pursuant to Section 3.01(d)), the Trustee, in accordance with the provisions of this Indenture, shall give at least five (5) calendar days' notice, in the name of the Issuer, of the redemption of the Series A Bonds and at least five (5) but not more than ten (10) calendar days' notice, in the name of the Issuer, of the redemption of the Series B Bonds, which notice shall specify the following: (i) the maturity and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption; (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee's name and address with a contact person and a phone number; and (xi) that on the redemption date, the Redemption Price shall be paid. Notice delivered as required in this Section 3.02(a) with respect to a redemption pursuant to Section 3.01(b) hereof may be rescinded and annulled on or before the redemption date set forth in such notice if (i) the MBS is delivered on or prior to such redemption date or (ii) the MBS Delivery Date Deadline is extended pursuant to Section 3.04 hereof. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders shall be a condition precedent to the effectiveness of any such redemption. Notwithstanding anything herein to the contrary, no notice of redemption shall be required with respect to redemptions pursuant to Sections 3.01(a) or (b) hereof.

With respect to a mandatory redemption pursuant to Section 3.01(f), the notice of Mandatory Tender provided to Holders pursuant to Section 3.06 shall serve as the notice of redemption required by this Section 3.02 and shall satisfy the requirements of this Section 3.02, and no further notice of redemption will be required to the Bondholders.

(b) The Bonds to be redeemed in part pursuant to Section 3.01 hereof will be selected in accordance with the operational arrangements of DTC or any successor Substitute Depository, and any partial prepayments pursuant thereto shall be made in accordance with the "Pro Rata Pass-Through Distributions of Principal" procedures of DTC or comparable procedures of any successor Substitute Depository.

(c) In the event that the MBS has not been purchased by and delivered to the Trustee, ten (10) Business Days prior to the MBS Delivery Date Deadline (as such date may be extended under this Indenture), the Trustee shall provide, ten (10) Business Days prior to the MBS Delivery Date Deadline, written notice of such non-purchase to the Borrower, the Lender, the Issuer and the Underwriter.

(d) Notices of optional redemption of the Series B Bonds shall be revocable in the event that there is not on deposit with the Trustee prior to the date of redemption money sufficient to pay the redemption price of the Series B Bonds to be redeemed or, in the case of any redemption premium on the Series B Bonds, there are not on deposit Eligible Funds sufficient to pay such redemption premium.

Notwithstanding this Section 3.02, no prior notice shall be a prerequisite to the effectiveness of any redemption under Section 3.01 hereof which redemption shall occur and be effective irrespective of whether the Trustee fulfills its obligation to provide the notice with respect to Section 3.01 hereof required by this Section 3.02.

Section 3.03. Payment of Redemption Price. With respect to any redemption pursuant to Section 3.01 hereof, notice having been given in the manner provided in Section 3.02 hereof (or not required to be given as a result of a redemption pursuant to Section 3.01(d) hereof), and all conditions to the redemption contained in such notice, if applicable, having been met, the Bonds so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price specified in Section 3.01 hereof and upon presentation and surrender thereof at the offices specified in such notice, together with, in the case of Bonds presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or its duly authorized attorney; provided, however, that so long as the Bonds are registered in the name of the Depository, payment for such redeemed Bonds shall be made in accordance with the Representation Letter of the Issuer. If, on the redemption date, moneys for the redemption of all of the Bonds to be redeemed, together with all accrued interest on such Bonds (which, with respect to the Series A Bonds only, shall equal all interest accrued on the MBS), if delivered, to the redemption date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, interest on the Bonds so called for redemption shall cease to accrue.

Section 3.04. Extension of MBS Delivery Date Deadline. At any time prior to the MBS Delivery Date Deadline, the Borrower may extend the MBS Delivery Date Deadline by (i)

providing to the Trustee, the Lender, the Issuer, the Rating Agency and the Underwriter written notice of any extension of the MBS Delivery Date Deadline, (ii) depositing with the Trustee Eligible Funds for the credit of the Series A Negative Arbitrage Subaccount of the Negative Arbitrage Account of the Revenue Fund in an amount, taking into account amounts already on deposit therein, sufficient to pay interest due on the Series A Bonds to the date that is five (5) calendar days after the extended MBS Delivery Date Deadline (the "Extension Deposit"), (iii) delivering to the Trustee and the Rating Agency a Cash Flow Projection establishing the sufficiency of the Extension Deposit, and (iv) delivering to the Trustee confirmation by the Rating Agency of the then-current rating on the Series A Bonds. Extension Deposits may continue to be made by or on behalf of the Borrower until the MBS Delivery Date occurs or the Borrower declines to make an Extension Deposit resulting in a mandatory redemption of the Series A Bonds pursuant to Sections 3.01(b) or (c), as applicable; provided, however, the MBS Delivery Date Deadline may not be extended to a date that is later than the [third anniversary] of the Bond Dated Date unless, prior to any extension beyond such date, there shall be filed with the Trustee and the Issuer an opinion of Co-Bond Counsel to the effect that such extension will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. The cost of such opinion shall be the sole responsibility of the Borrower.

Section 3.05. Mandatory Tender of Series B Bonds.

(a) Purchase of Series B Bonds on Mandatory Tender Dates. All Outstanding Series B Bonds shall be subject to mandatory tender by the Bondholders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Series B Bond shall be payable in lawful money of the United States of America by wire, check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

(b) Holding of Tendered Series B Bonds. While tendered Series B Bonds are in the custody of the Trustee pending purchase pursuant hereto, the tendering Bondholders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Series B Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Series B Bonds had not been tendered for purchase.

(c) Purchase of Tendered Series B Bonds. The Trustee shall utilize amounts representing proceeds of remarketed Series B Bonds on deposit in the Remarketing Proceeds Account to pay the principal amount, plus accrued interest, of Series B Bonds tendered for purchase not later than 11:30 a.m. Local Time on the Mandatory Tender Date.

(d) Cancellation of Remarketing. In the event the Series B Bonds must be redeemed as a result of the occurrence of any of the events listed in Section 3.01(f), the remarketing shall be cancelled and all Bonds outstanding on the Mandatory Tender Date shall be redeemed in accordance with Section 3.01(f).

(e) Undelivered Bonds. Series B Bonds shall be deemed to have been tendered for purposes of this Section 3.05 whether or not the Bondholders shall have delivered such undelivered Series B Bonds to the Trustee, and subject to the right of the holders of such

undelivered Series B Bonds to receive the purchase price of such undelivered Series B Bonds on the Mandatory Tender Date, such undelivered Series B Bonds shall be null and void. If such undelivered Bonds are to be remarketed, the Trustee shall authenticate and deliver new Series B Bonds in replacement thereof pursuant to the remarketing of such undelivered Bonds.

Section 3.06. Notice of Mandatory Tender.

(a) Notice to Holders. No later than the 30th day prior to a Mandatory Tender Date, the Trustee shall give written notice of a mandatory tender on the Mandatory Tender Date to the holders of the Series B Bonds Outstanding (with a copy to the Borrower, the Issuer, the Investor Member, the Lender and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

(i) the Mandatory Tender Date and that (A) if certain conditions are met, all Outstanding Series B Bonds are subject to Mandatory Tender for purchase on the Mandatory Tender Date, (B) all Outstanding Series B Bonds must be tendered for purchase no later than 9:00 a.m., Local Time, on the Mandatory Tender Date and (C) Bondholders will not have the right to elect to retain their Series B Bonds;

(ii) the address of the designated corporate trust office of the Trustee at which Bondholders should deliver their Series B Bonds for purchase and the date of the required delivery;

(iii) that all Outstanding Series B Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to the Mandatory Tender Date;

(iv) that if, in the event that the conditions to remarketing set forth in Section 3.07(b) or Section 3.07(d) hereof are not met as set forth therein, or, if proceeds from the remarketing are insufficient to pay the purchase price of the Series B Bonds on the Mandatory Tender Date, all of the Series B Bonds will be redeemed, without further notice, on the Mandatory Tender Date; and

(v) that any Series B Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

(b) Second Notice. In the event that any Series B Bond required to be delivered to the Trustee for payment of the purchase price of such Series B Bond shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the holder of the Bond at its address as shown on the Register setting forth the requirements set forth in this Indenture for delivery of the Series B Bond to the Trustee and stating that delivery of the Series B Bond to the Trustee (or compliance with the provisions of this Indenture concerning payment of lost, stolen or destroyed Bonds) must be accomplished as a condition to payment of the purchase price applicable to the Series B Bond.

(c) Failure to Give Notice. Neither failure to give or receive any notice described in this Section 3.06, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for in this Section 3.06.

Section 3.07. Remarketing of Series B Bonds.

(a) Notice of Mandatory Tender. No later than 11:00 a.m. Local Time on the 35th day prior to each Mandatory Tender Date, the Trustee shall give notice to the Borrower and the Remarketing Agent by Electronic Means, confirmed on the same day in writing, which states that all Outstanding Series B Bonds shall be tendered or deemed to be tendered pursuant to Section 3.05 hereof.

(b) Preliminary Conditions to Remarketing. No later than 11:00 a.m. Local Time on the 30th day prior to the Mandatory Tender Date then in effect, if the Borrower elects to cause the Series B Bonds to be remarketed, the Borrower must give notice to the Remarketing Notice Parties by telephone or Electronic Means, confirmed on the same day in writing, of such election. A remarketing of the Series B Bonds shall be permitted only if the following conditions are satisfied no later than the time the foregoing election notice is given:

(i) notice by the Borrower to the Remarketing Agent of the Remarketing Period, approved in writing by the Remarketing Agent;

(ii) delivery to the Trustee and the Remarketing Agent of a preliminary Cash Flow Projection with respect to the proposed Remarketing Period; and

(iii) the Borrower shall have notified the Trustee in writing that it has approved as to form and substance any disclosure document or offering materials which, in the opinion of counsel to the Remarketing Agent, are necessary to be used in connection with the remarketing of the Outstanding Series B Bonds or that no such disclosure document or offering material are required.

If the foregoing conditions are not satisfied by 11:00 a.m. Local Time on the 15th day prior to the Mandatory Tender Date then in effect, the remarketing shall be cancelled and the Series B Bonds shall be redeemed in accordance with Section 3.01(f).

(c) Establishment of Remarketing Rate. The Remarketing Agent shall establish the interest rate on the Series B Bonds Outstanding for each Remarketing Period at the Remarketing Rate in accordance with this Section 3.07. Not less than ten (10) Business Days preceding each Remarketing Date, the Remarketing Agent, taking into consideration prevailing market conditions, shall, using its best professional judgment, determine the minimum rate(s) of interest which, if borne by the Series B Bonds Outstanding for the Remarketing Period specified by the Remarketing Agent at the direction of the Borrower as provided in this Section, would enable such Series B Bonds to be remarketed at a price equal to 100% of the principal amount of such Series B Bonds that would not exceed the maximum interest rate permitted by applicable State law. The rate of interest determined in accordance with the previous sentence shall be the Remarketing Rate for the specified

Remarketing Period; provided that if the rate of interest so determined for such period would exceed the maximum interest rate per annum permitted by applicable State law, the Series B Bonds Outstanding shall be remarketed for the longest Remarketing Period for which the minimum rate of interest that would enable such Bonds to be remarketed at a price equal to 100% of the principal amount of such Series B Bonds that would not exceed the maximum interest rate permitted by applicable State law. Notwithstanding the foregoing, if the rate of interest so determined for any Remarketing Period would exceed the maximum interest rate permitted by applicable State law, the Series B Bonds Outstanding shall not be remarketed.

(d) Notice of Remarketing Rate. The Remarketing Agent shall, upon determination of the Remarketing Rate and Remarketing Period, immediately (and in no event later than the Business Day following the day on which the Remarketing Agent makes its determination of the Remarketing Rate and the Remarketing Period) give notice of its determination by telephone or Electronic Means, promptly confirmed in writing, to the Trustee, the Issuer, the Investor Member, the Lender and the Borrower. The Remarketing Rate and the Remarketing Period shall be conclusive and binding upon the Trustee, the Issuer, the Borrower and the Holders for the purposes of this Indenture.

(e) Remarketing. No later than the 10th day prior to each Mandatory Tender Date, the Remarketing Agent shall offer for sale and use its best efforts to sell the Series B Bonds Outstanding on the Mandatory Tender Date at a price equal to 100% of the principal amount of such Series B Bonds plus accrued interest on such Series B Bonds. No later than the Business Day following the day on which the Remarketing Agent makes its determination of the Remarketing Rate and the Remarketing Period, the Remarketing Agent shall give notice, by telephone or electronic mail, promptly confirmed in writing, to the Remarketing Notice Parties specifying the principal amount of Series B Bonds, if any, it has remarketed (including Series B Bonds to be purchased on the Mandatory Tender Date for its own account), the Remarketing Rate(s) and the Remarketing Period applicable to the Series B Bonds.

The Remarketing Agent shall have the right to remarket the Series B Bonds tendered pursuant to Section 3.05 hereof; provided, however, that no Series B Bond shall be remarketed unless all of the Outstanding Series B Bonds are remarketed and all such Series B Bonds shall be remarketed at a price not less than the amount equal to 100% of the principal amount thereof plus accrued interest (if any). The Remarketing Agent shall have the right to purchase any Series B Bond tendered or deemed tendered pursuant to Section 3.05 hereof at the purchase price thereof, and to thereafter sell such Series B Bond. Any such purchase shall constitute a remarketing hereunder.

The Remarketing Agent shall not remarket any Series B Bond to the Issuer, the Borrower, any guarantor of the Bonds or any person which is an "insider" of the Issuer, the Borrower, or any such guarantor within the meaning of the Bankruptcy Code.

(f) Final Conditions to Remarketing. (A) If, no later than four (4) Business Days prior to a Mandatory Tender Date (i) the Remarketing Agent shall have notified the Trustee in writing of the remarketing of the Outstanding Series B Bonds and that the

proceeds from the remarketing (including proceeds of remarketing of Outstanding Series B Bonds to be purchased by the Remarketing Agent on the Mandatory Tender Date for its own account) or other funds equal to the amount needed to purchase the remarketed Series B Bonds on the Mandatory Tender Date are expected to be available to the Trustee on the Mandatory Tender Date for deposit into the Remarketing Proceeds Account; and (ii) the Trustee shall have received written notice from the Remarketing Agent that the Remarketing Agent has received written confirmation from the Rating Agency that the then-current rating assigned to the Outstanding Series B Bonds will continue to be effective on the Remarketing Date; and (B) if, no later than two (2) Business Days prior to a Mandatory Tender Date, there shall be on deposit with the Trustee, from funds provided by or on behalf of the Borrower, any additional amount required to pay the Extension Deposit and the estimated Remarketing Expenses as determined by the Remarketing Agent and certified to the Trustee; then the Trustee shall immediately give notice by Electronic Means, which notice shall be immediately confirmed in writing, to the Remarketing Agent, the Borrower, the Lender and the Investor Member that (a) all conditions precedent to the remarketing of the Outstanding Series B Bonds have been satisfied and (b) the sale and settlement of the Outstanding Series B Bonds is expected to occur on the Mandatory Tender Date. Following the Trustee's notice, the Outstanding Series B Bonds shall be sold to the purchasers identified by the Remarketing Agent for delivery and settlement on the Mandatory Tender Date, and the Trustee shall apply (i) the funds in the Remarketing Proceeds Account of the Revenue Fund on the Remarketing Date to payment of the purchase price of the Outstanding Series B Bonds and (ii) the funds in the Remarketing Expense Account to payment of the Remarketing Expenses.

(g) Remarketing Proceeds. On or before the Business Day next preceding each Remarketing Date, the Remarketing Agent shall pay to the Trustee, in immediately available funds, the proceeds theretofore received by the Remarketing Agent from the remarketing of Series B Bonds tendered for purchase on such Mandatory Tender Date. The proceeds from the remarketing of the Series B Bonds shall be deposited into the Remarketing Proceeds Account, segregated from any funds of the Borrower and the Issuer and shall in no case be considered to be or be assets of the Borrower or the Issuer. Funds representing remarketing proceeds received by the Remarketing Agent after 10:00 a.m. Local Time on each Mandatory Tender Date shall be paid to the Trustee as soon as practicable upon such receipt.

(h) Delivery of Purchased Bonds. No later than the 10th day prior to each Mandatory Tender Date, the Remarketing Agent, by Electronic Means, shall notify the Trustee of (i) the principal amount of Series B Bonds to be sold by the Remarketing Agent pursuant to this Section 3.07 and the purchase price, and, unless the Series B Bonds are then in the book-entry system, the names, addresses and social security numbers or other tax identification numbers of the proposed purchasers thereof and (ii) the principal amount of Series B Bonds tendered for purchase on such Mandatory Tender Date which will not be sold by the Remarketing Agent pursuant to this Section 3.07. Such telephonic advice shall be confirmed by written notice delivered or electronically communicated at the same time as the telephonic advice.

Series B Bonds purchased by the Trustee on a Mandatory Tender Date that have been remarketed shall be delivered to the purchasers thereof as directed by the Remarketing Agent. Series B Bonds delivered as provided in this Section shall be registered in the manner directed by the recipient thereof.

Section 3.08. Cancellation. All Bonds which have been redeemed, paid or retired or received by the Trustee for exchange shall not be reissued but shall be canceled and held by the Trustee in accordance with Section 2.09 hereof.

ARTICLE IV

DELIVERY OF MBS

Section 4.01. Conversion on or Prior to Termination Date; Delivery of MBS.

(a) Conversion on or Prior to Termination Date. If the Conversion Date occurs on or prior to the Termination Date, the Borrower shall cause to be delivered to the Trustee (i) a Cash Flow Projection and (ii) Eligible Funds, if any, as set forth in the Cash Flow Projection.

(b) Delivery of MBS. The obligation of the Trustee to purchase the MBS on the MBS Delivery Date shall be subject to receipt by the Trustee of written notification from the Permanent Lender upon which the Trustee may rely and act without further investigation certifying that the MBS duly executed by Fannie Mae is available for purchase by the Trustee at the MBS Purchase Price and such other information relating to the MBS as may reasonably be requested by the Trustee, and the Trustee shall confirm that such MBS meets the following requirements:

(i) the MBS shall bear interest at the Pass-Through Rate payable on the 25th day of each month, commencing on the 25th day of the month following the month in which the Trustee purchases the MBS, or if any such 25th day is not a Business Day, the next succeeding Business Day, and have a final maturity date that is the same as the Bond Maturity Date; and

(ii) the MBS shall be acquired by the Trustee on behalf of the Issuer, shall be held at all times by the Trustee in trust for the benefit of the Bondholders and shall be held only in book-entry form through the United States Federal Reserve Bank book-entry system, pursuant to which the MBS shall have been registered on the records of the Federal Reserve Bank in the name of the Trustee.

The MBS shall be registered in the name of the Trustee or its designee. Upon purchase of the MBS on the MBS Delivery Date, the Trustee shall post a notification to this effect on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board.

ARTICLE V

TRUST ESTATE AND FUNDS

Section 5.01. Pledge of Trust Estate. The pledge and assignment of and the security interest granted in the Trust Estate pursuant to the Granting Clauses hereof for the payment of the principal of, premium, if any, and interest on the Bonds, in accordance with their terms and provisions, and for the payment of all other amounts due hereunder, shall attach, be perfected and be valid and binding from and after the time of the delivery of the Bonds by the Trustee or by any person authorized by the Trustee to deliver the Bonds. The Trust Estate so pledged and then or thereafter received by the Trustee shall immediately be subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest shall be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

Section 5.02. Establishment of Funds. The Trustee shall establish, maintain and hold in trust the following funds, each of which shall be maintained by the Trustee as a separate and distinct fund or account, and each of which shall be disbursed and applied only as herein authorized:

- (a) Revenue Fund, including therein (i) a Series A Revenue Fund Account, (ii) a Series B Revenue Fund Account, (iii) a Negative Arbitrage Account, including therein a Series A Negative Arbitrage Subaccount and a Series B Negative Arbitrage Subaccount; and (iv) a Remarketing Proceeds Account;
- (b) Bond Proceeds Fund, including therein (i) a Series A Bond Proceeds Fund Account and (ii) a Series B Bond Proceeds Fund Account;
- (c) Collateral Fund, including therein (i) a Series A Collateral Fund Account and (ii) a Series B Collateral Fund Account;
- (d) Costs of Issuance Fund, and therein, a Remarketing Expense Account; and
- (e) Rebate Fund.

The Trustee shall, at the written direction of an Authorized Borrower Representative and may, in its discretion, establish such additional accounts within any fund, and subaccounts within any of the accounts, as the Issuer or the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that fund and its accounts, or for the purpose of complying with the requirements of the Code, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of this Indenture with respect to a deposit or use of money in the respective Funds, or result in commingling of funds not permitted hereunder.

Section 5.03. Application of Funds on MBS Delivery Date. On the MBS Delivery Date, the Trustee shall remit to the Permanent Lender as payment for the MBS, an amount equal to the aggregate principal amount of the MBS (from amounts on deposit in the Series A Collateral

Fund Account and, to the extent sufficient funds are not otherwise available in the Series A Collateral Fund Account, from the Series A Bond Proceeds Fund Account), plus accrued and unpaid interest on the MBS at the Pass-Through Rate from the first of the month in which the MBS was delivered to, but not including, the MBS Delivery Date (from amounts on deposit in the Series A Revenue Fund Account, and, to the extent amounts in the Series A Revenue Fund Account are insufficient for such purposes, from the Series A Negative Arbitrage Subaccount).

Section 5.04. Initial Deposits. On the Closing Date, the Trustee shall make the following deposits:

(a) \$ _____, representing the Costs of Issuance Deposit, shall be deposited into the Costs of Issuance Fund;

(b) \$ _____, representing the principal amount of the Series A Bonds, shall be deposited into the Series A Bond Proceeds Fund Account to be used as set forth in this Article V;

(c) \$ _____, representing the principal amount of the Series B Bonds shall be deposited into the Series B Bond Proceeds Fund Account to be used as set forth in this Article V;

(d) \$ _____, representing the Series A Negative Arbitrage Deposit, shall be delivered to the Trustee for deposit into the Series A Negative Arbitrage Subaccount; and

(e) [\$ _____, representing the Series A Negative Arbitrage Transfer, shall be transferred from the Series B Bond Proceeds Fund Account into the Series A Negative Arbitrage Subaccount;][\$ _____], representing the Series B Negative Arbitrage Deposit shall be delivered to the Trustee for deposit into the Series B Negative Arbitrage Subaccount.

Section 5.05. Revenue Fund.

(a) (i) On any Series A Bond Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, the Trustee shall disburse from the Series A Revenue Fund Account (and, to the extent amounts in the Series A Revenue Fund Account, are insufficient for such purposes, from the Series A Negative Arbitrage Subaccount), an amount equal to the amount of interest due on the Series A Bonds pursuant to the Permanent Loan Amortization Schedule and (ii) on each Series B Bond Payment Date, the Trustee shall disburse from the Series B Revenue Fund Account (and, to the extent amounts in the Series B Revenue Fund Account are insufficient for such purposes, from the Series B Negative Arbitrage Subaccount) an amount equal to the amount of interest due on the Series B Bonds.

(b) There shall be deposited into the Series A Negative Arbitrage Subaccount and the Series B Negative Arbitrage Subaccount, as applicable, the Series A Negative Arbitrage Deposit and the Series B Negative Arbitrage Deposit. Any Extension Deposit

shall be deposited into the Series A Negative Arbitrage Subaccount or the Series B Negative Arbitrage Subaccount, as applicable.

(c) There shall be deposited into the Series A Revenue Fund Account, as and when received, (i) following the MBS Delivery Date, all moneys received by the Trustee representing principal payments or repayments, and premium, if any, under the MBS, together with all other amounts required pursuant to this Indenture to be deposited therein, (ii) accrued interest on the MBS from the first (1st) day of the month in which the MBS is delivered, to the MBS Delivery Date, (iii) any other amounts specified in this Indenture, and (iv) all moneys received by the Trustee representing interest payments under the MBS, to be held therein pending distribution in accordance with the terms hereof.

(d) There shall be deposited into the Series B Revenue Fund Account all amounts paid by the Borrower pursuant to Section 4.03 of the Financing Agreement.

(e) On the MBS Delivery Date, the Trustee shall remit from the Series A Revenue Fund Account (and, to the extent amounts in the Series A Revenue Fund Account, other than amounts on deposit of the Series A Negative Arbitrage Subaccount therein, are insufficient for such purposes, from the Series A Negative Arbitrage Subaccount) to the Permanent Lender accrued and unpaid interest on the MBS at the Pass-Through Rate from and including the first calendar day of the month in which the MBS was delivered to, but not including, the MBS Delivery Date.

(f) On any Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, the Trustee shall disburse from the Series A Revenue Fund Account (and, to the extent amounts in the Series A Revenue Fund Account, other than amounts in the Series A Negative Arbitrage Subaccount therein, are insufficient for such purposes, from the Series A Negative Arbitrage Subaccount), an amount equal to the amount of principal, if any, and interest due on the Series A Bonds on such Payment Date. On the first Business Day following the first Payment Date following the MBS Delivery Date, the Trustee shall transfer from (i) from the Series A Negative Arbitrage Subaccount to the Series A Revenue Fund Account an amount that, when added to the balance in the Series A Revenue Fund Account, equals a total of **[\$Post MBS Transfer Total]** and (ii) any remaining balance in the Series A Negative Arbitrage Subaccount to the Borrower.

(g) On each Payment Date, the Trustee shall pay to the Bond owners, from the applicable account of Revenue Fund, the amount listed in the applicable maturity, sinking fund and interest payment schedule set forth herein. All payments of principal and interest shall be paid to Bond owners in proportion to the principal amount of Bonds owned by each Bond owner as set forth on the records of the Trustee at the close of business on the applicable Record Date.

(h) If the Trustee does not receive a scheduled payment on the MBS by 5:00 p.m. Eastern Time on the 25th day of any month (or the next succeeding Business Day if such day of the month is not a Business Day), the Trustee shall immediately notify Fannie Mae and immediately demand payment under the terms of the guaranty thereof.

(i) The Trustee is authorized to release Excess Funds (in excess of \$[EXCESS FUNDS MINIMUM]) from the Series A Revenue Fund Account or the Series B Negative Arbitrage Subaccount, as applicable, to or upon the direction of the Borrower, upon receipt by the Trustee of (1) a written notice from the Borrower to the Trustee to release such Excess Funds, and (2) a Cash Flow Projection acceptable to the Rating Agency and prepared in accordance with the terms hereof.

Section 5.06. Rebate Fund. The Rebate Fund shall not be subject to the lien or encumbrance of this Indenture, but shall be held in trust for the benefit of the United States of America, and shall be subject to the claim of no other person, including that of the Trustee and Bondholders. The interest on any Eligible Investments representing an investment of moneys in the Rebate Fund and any profit arising from the sale thereof shall be retained in the Rebate Fund. Any moneys deposited therein in accordance with the provisions of this Indenture shall be used for no other purpose than to make payments to the United States Treasury, at the time and in the manner and amount specified in Section 9.12.

Section 5.07. Costs of Issuance Fund. On or before the Closing Date, the Borrower shall deliver to the Trustee the Costs of Issuance Deposit, from amounts other than Bond proceeds, to be deposited to the Costs of Issuance Fund to pay Costs of Issuance incurred in connection with the issuance of Bonds. The Trustee shall use amounts in the Costs of Issuance Fund on the Closing Date or as soon as practicable thereafter in accordance with written instructions to be given to the Trustee by the Borrower, upon delivery to the Trustee of appropriate invoices for such expenses. Any unexpended amounts attributable to deposits made by the Borrower remaining on deposit in the Costs of Issuance Fund three months after the Closing Date shall be returned to the Borrower and the Costs of Issuance Fund shall be closed.

Any funds received by the Trustee in connection with an extension of the Mandatory Tender Date pursuant to Section 3.07 hereof designated in writing for the payment of Remarketing Expenses shall be deposited into the Remarketing Expense Account of the Costs of Issuance Fund. The Trustee shall apply money on deposit in the Remarketing Expense Account solely for the purpose of paying Remarketing Expenses. To the extent money in the Remarketing Expense Account is not sufficient to pay the foregoing fees and expenses, such deficiency shall be paid by the Borrower pursuant to Section 4.05 of the Financing Agreement immediately upon written demand.

Section 5.08. Bond Proceeds Fund. Except as otherwise set forth in Section 5.04 hereof, upon (a) deposit of Eligible Funds into the applicable Account of the Collateral Fund, if any, as provided in Section 5.09 hereof, (b) delivery of a corresponding requisition executed by an Authorized Borrower Representative (and approved by the Lender) in the form of Exhibit A attached to the Financing Agreement and (c) subject to the provisions of this Section 5.08, the Trustee shall disburse proceeds of the Series A Bonds or Series B Bonds, as applicable, in an amount equal to such corresponding deposit made into the applicable Account of the Collateral Fund to fund Project Costs pursuant to such requisition. Prior to making any such disbursement from the applicable Account of the Bond Proceeds Fund, the Trustee shall confirm that, with respect to each of the Series A Bonds and the Series B Bonds, as applicable, the aggregate principal amount that will be held in both (a) the applicable Account of the Collateral Fund and (b) the applicable Account of the Bond Proceeds Fund, after the requested disbursement, and, with respect

to the Series B Bond Proceeds Fund Account, including projected investments earnings thereon, any transfer permitted at Closing under Section 5.04 hereof, will at least equal the Outstanding principal amount of the Series A Bonds and the Series B Bonds, as applicable. Notwithstanding anything to the contrary, the Trustee shall not disburse money from the Bond Proceeds Fund (other than (1) as permitted pursuant to Section 5.04 hereof and (2) to pay amounts due on the Bonds pursuant to Section 3.01 hereof), unless and until Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited into the applicable Account of the Collateral Fund; provided, however, that the Trustee shall transfer funds from the applicable Account of the Bond Proceeds Fund to the applicable Account of the Collateral Fund upon receipt of an opinion of Co-Bond Counsel to the effect that such transfer shall not cause the interest on any of the Bonds to be or become includible in the gross income of the owners thereof for federal income tax purposes. To the extent money on deposit in the applicable Account of the Bond Proceeds Fund is invested in Eligible Investments that have not yet matured, the Trustee is hereby authorized to make the following sale and exchange, which sale and exchange shall occur prior to the disbursement of amounts on deposit in the applicable Account of the Bond Proceeds Fund to pay Project Costs without the need to sell or terminate such Eligible Investments prior to their stated maturity date: (i) sell all or a portion of the Eligible Investments in the applicable Account of the Bond Proceeds Fund, in the amount specified in the request for disbursement, to the applicable Account of the Collateral Fund for a price of par and (ii) transfer a like amount of available funds from the applicable Account of the Collateral Fund to the applicable Account of the Bond Proceeds Fund representing proceeds of the Series A Bonds or Series B Bonds, as applicable, as the purchase price thereof.

Upon the satisfaction of the provisions set forth in this Section, the Trustee shall be irrevocably and unconditionally obligated to disburse Bond proceeds from the applicable Account of the Bond Proceeds Fund equal to the amount deposited to the applicable Account of the Collateral Fund, as set forth in the corresponding requisition and to the extent the Trustee is unable to do so, the Trustee shall return the amount deposited into the applicable Account of the Collateral Fund, within one Business Day of receipt of such deposit, to the party that made such deposit as set forth in the requisition.

The Trustee shall not disburse any amounts on deposit in the Series A Bond Proceeds Fund Account until all amounts on deposit in the Series B Bond Proceeds Fund Account have been applied to pay Project Costs.

On the Closing Date, the Trustee shall transfer amounts permitted under Section 5.04 hereof, if any, and no additional amounts shall be disbursed from the Bond Proceeds Fund except in accordance with this Section 5.08.

To the extent sufficient funds are not otherwise available to the Trustee, including money on deposit in the applicable Account of the Revenue Fund, the applicable Account of the Collateral Fund or the applicable Subaccount of the Negative Arbitrage Account, the Trustee shall transfer from the applicable Account of the Bond Proceeds Fund to the applicable Account of the Revenue Fund sufficient money to pay amounts due on the Series A Bonds or Series B Bonds, as applicable, pursuant to Section 3.01 hereof.

On the MBS Delivery Date, amounts remaining in the Series A Bond Proceeds Fund Account shall be used by the Trustee in the following order: (i) to the extent sufficient funds are not otherwise available in the Series A Collateral Fund Account, to pay the MBS Purchase Price, (ii) to transfer funds to the Series A Revenue Fund Account in an amount equal to the difference, if any, between (x) the aggregate principal amount of and interest due on the Series A Bonds Outstanding as of the first day of the month in which the MBS Delivery Date occurs and (y) the principal amount of the MBS purchased on the MBS Delivery Date, plus interest accrued but unpaid to the redemption date, for redemption pursuant to Section 3.01(c) hereof, and (iii) to pay any remaining Project Costs as approved by the Lender in writing.

Section 5.09. Collateral Fund. The Trustee shall deposit into the applicable Account of the Collateral Fund all Eligible Funds received pursuant to Section 4.06 of the Financing Agreement and any other Eligible Funds received by the Trustee for deposit into the applicable Account of the Collateral Fund. Except (i) as permitted under Section 5.04 and 5.08 hereof, Section 4.07 of the Financing Agreement requires the Borrower to cause Eligible Funds to be paid to the Trustee for deposit into the applicable Account of the Collateral Fund in a principal amount equal to, and as a prerequisite to the disbursement of, the corresponding amount of Series A Bond proceeds and Series B Bond proceeds, as applicable, on deposit in the applicable Account of the Bond Proceeds Fund to be disbursed by the Trustee to pay Project Costs.

Subject to the provisions hereof, (i) until the purchase of the MBS on the MBS Delivery Date, each deposit into the Series A Collateral Fund Account shall constitute an irrevocable deposit solely for the benefit of the holders of the Series A Bonds, and (ii) each deposit into the Series B Collateral Fund Account shall constitute an irrevocable deposit solely for the benefit of the holders of the Series B Bonds.

Money in the Collateral Fund shall be used by the Trustee as follows: (i) to the extent money is not otherwise available, the Trustee shall transfer from the applicable Account of the Collateral Fund to the applicable Account of the Revenue Fund an amount necessary to pay amounts due on the applicable Bonds pursuant to Section 3.01 hereof, and (ii) on the MBS Delivery Date, the Trustee shall use money in the Series A Collateral Fund Account (and, to the extent there are not sufficient funds on deposit in the Series A Collateral Fund Account, from the Series A Bond Proceeds Fund Account) to pay for the principal amount of the MBS.

The Bonds shall not be, and shall not be deemed to be, paid or prepaid by reason of any deposit into the Collateral Fund unless and until the amount on deposit in the applicable Subaccount of the Collateral Fund is transferred to the applicable Subaccount of the Revenue Fund and applied to the payment of the principal of any of the Bonds, or the principal component of the redemption price of any of the Bonds, all as provided in this Indenture.

Notwithstanding anything herein to the contrary, the Trustee is authorized to transfer amounts permitted under Section 5.04 hereof, if any, without a corresponding deposit of Eligible Funds into the Collateral Fund.

Section 5.10. Accounting Records. The Trustee shall maintain accurate books and records for all Funds and Accounts established hereunder.

Section 5.11. Amounts Remaining in Funds. After full payment of the Bonds (or provision for payment thereof having been made in accordance with Section 7.01) and full payment of the fees and expenses of the Trustee and other amounts required to be paid hereunder and under the Financing Agreement including fees payable to the Issuer and Fannie Mae, any amounts remaining in any Fund hereunder other than the Rebate Fund shall be paid to the Lender for the payment of any amounts due and payable to the Lender and/or Fannie Mae and thereafter, to the Borrower; provided, however, that if a default shall have occurred and remain uncured under the Permanent Loan of which the Trustee shall have received written notice from Fannie Mae or the Lender, then any such amounts remaining in any Fund or Account hereunder shall be paid to Fannie Mae.

Section 5.12. Investment of Funds. The moneys held by the Trustee shall constitute trust funds for the purposes hereof. Any moneys attributable to each of the Funds and Accounts hereunder shall be invested by the Trustee at the written direction of the Borrower in Eligible Investments which, except as otherwise provided in this Section 5.12, mature or are redeemable at par without penalty on or before the date on which such funds are expected to be needed for the purposes for which they are held. Written direction may include written direction by Electronic Means. Notwithstanding anything herein to the contrary except as otherwise set forth in this sentence, all amounts in the Bond Proceeds Fund, the Revenue Fund and the Collateral Fund shall be invested solely in Eligible Investments as directed in writing by the Borrower; provided, however, that following the MBS Delivery Date, payments received with respect to the MBS shall be held uninvested. All investment earnings from amounts on deposit in the Bond Proceeds Fund, the Revenue Fund and the Collateral Fund shall be credited to the applicable Account of the Revenue Fund. If the Trustee does not receive written direction from the Borrower regarding the investment of funds, the Trustee shall invest such moneys in [NAME OF TREASURY MONEY MARKET FUND], CUSIP _____. The Trustee shall have no discretion for investing funds or advising any parties regarding the investment of funds. The Borrower acknowledges receipt of a prospectus for the funds, which among other things, describes the fees and expenses paid by the fund, including fees paid to the Trustee for servicing the fund (which affect the return on investment). The Borrower acknowledges that the fund is not an FDIC-insured bank deposit, is not an obligation of or guaranteed by the Trustee or its affiliates, and may involve investment risk, including loss of principal. The Trustee may make any and all such investments through its own banking department or the banking department of any affiliate and may invest in its own proprietary money market funds or deposit products.

Eligible Investments representing an investment of moneys attributable to any Fund or Account shall be deemed at all times to be a part of such Fund. Subject to the following sentence, investments shall be sold at the best price obtainable (at least par) whenever it shall be necessary to do so in order to provide moneys to make any transfer, withdrawal, payment or disbursement from such Fund. With respect to the Series A Bonds, prior to the MBS Delivery Date, at the written direction of the Borrower, the Trustee is permitted to invest in Eligible Investments that mature on or before the MBS Delivery Date Deadline but is not permitted to sell or otherwise dispose of such Eligible Investment prior to maturity at a price below par without first receiving (i) a Cash Flow Projection and (ii) Eligible Funds, if any, as set forth in the Cash Flow Projection. With respect to the Series B Bonds, prior to the Initial Mandatory Tender Date, at the written direction of the Borrower, the Trustee is permitted to invest in Eligible Investments that mature on or before the Initial Mandatory Tender Date but is not permitted to sell or otherwise dispose of

such Eligible Investment prior to maturity at a price below par without first receiving (i) a Cash Flow Projection and (ii) Eligible Funds, if any, as set forth in the Cash Flow Projection. In the case of any required transfer of moneys to another such Fund, such investments may be transferred to that Fund in lieu of the required moneys if permitted hereby as an investment of moneys in that Fund. Following the Closing Date, at the written direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Eligible Investments with a Cash Flow Projection. Notwithstanding anything herein to the contrary, (i) earnings received by the Trustee with respect to Eligible Investments purchased for the purpose of paying debt service on the Bonds shall be held uninvested and (ii) Bond proceeds and the Negative Arbitrage Deposit shall be held uninvested until the Trustee has purchased, sold or exchanged Eligible Investments.

The Trustee may conclusively rely upon the Borrower's written instructions as to both the suitability and legality of the directed investments. Such written directions shall be deemed to be a certification that such directed investment is an Eligible Investment and legal investment. Ratings of an Eligible Investment shall be determined at the time of the initial purchase of such Eligible Investment, and without regard to ratings subcategories, and the Trustee shall have no responsibility to monitor the ratings of Eligible Investments after the initial purchase of such Eligible Investments, including at the time of reinvestment of earnings thereof.

All Eligible Investments acquired by the Trustee pursuant hereto shall be purchased in the name of the Trustee and shall be held for the benefit of the Bondholders pursuant to the terms of this Indenture. The Trustee shall take such actions as shall be necessary to ensure that such Eligible Investments are held pursuant to the terms of this Indenture and are subject to the trust and security interest herein created.

The Trustee shall not be liable or responsible for any loss, financial or otherwise, resulting from any investment made in accordance herewith, including depreciation of value. The Trustee or its affiliates may act as sponsor, principal or agent in the acquisition or disposition of investments. The Trustee may commingle investments made under the Funds and Accounts established hereunder, but shall account for each separately. The parties acknowledge that the Trustee is not providing investment supervision, recommendations or advice.

In computing for any purpose hereunder the amount in any Fund or Account on any date, obligations so purchased shall be valued at market value one (1) time per month, at month end.

The Issuer acknowledges that regulations of the Comptroller of the Currency grant the Borrower the right to receive brokerage confirmations of the security transactions as they occur. The Borrower specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements that will detail all investment transactions.

Section 5.13. Moneys Held for Particular Bonds. The amounts held by the Trustee for the payment of the interest, principal or premium, if any, due on any date with respect to particular Bonds shall, pending such payment, be set aside and held in trust by it for the Bondholders entitled thereto, and for the purposes hereof such interest, principal or premium, if any, after the due date thereof, shall no longer be considered to be unpaid.

Section 5.14. Funds Held in Trust. All moneys held by the Trustee, as such, at any time pursuant to the terms of this Indenture shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and under the terms and conditions of this Indenture.

Section 5.15. Reports From the Trustee. The Trustee shall furnish to the Borrower (and to Fannie Mae, the Permanent Lender, the Construction Lender (but only prior to the Conversion Date), the Investor Member and the Issuer upon written request) quarterly statements of the activity and assets held in each of the Funds and Accounts maintained by the Trustee hereunder. Upon the written request of the owner of a Bond, the Trustee, at the cost of the Borrower, shall provide a copy of such statement to the owner of the Bond.

Section 5.16. Covenants Respecting Arbitrage and Rebate. The Trustee shall keep and make available to the Borrower such records concerning the investment of the gross proceeds of the Bonds and the investments of earnings from those investments as may be requested by the Borrower in order to enable the Borrower to fulfill the requirements of Section 148(f) of the Code. The Trustee expressly covenants and agrees to all document retention and reporting requirements contained in the Tax Certificate.

ARTICLE VI

COVENANTS OF ISSUER

Section 6.01. Payment of Bonds. Subject to the other provisions of this Indenture, the Issuer shall duly and punctually pay or cause to be paid, solely from amounts available in the Trust Estate, the principal of, premium, if any, and interest on the Bonds, at the dates and places and in the manner described in the Bonds, according to the true intent and meaning thereof. The Bonds are not a general obligation of the Issuer and are payable solely from the Trust Estate.

The payment and other obligations of the Issuer with respect to the Bonds are intended to be, and shall be, independent of the payment and other obligations of the issuer or maker of the Bond Loan Notes, the Mortgage Note and the MBS, even though the principal amount of all three instruments is expected to be identical, except in the case of a default with respect to one or more of the instruments.

Section 6.02. Performance of Covenants by Issuer.

(a) In General. The Issuer covenants that it will faithfully perform on its part at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining thereto; provided, however, that, except for the matters set forth in Section 6.01 hereof relating to payment of the Bonds, the Issuer will not be obligated to take any action or execute any instrument pursuant to any provision hereof until it has been requested to do so by the Borrower or by the Trustee, or has received the instrument to be executed and, at the option of the Issuer, has received from the party requesting such execution assurance satisfactory to the Issuer that the Issuer will be reimbursed for its reasonable expenses incurred or to be incurred in connection with taking such action or executing such instrument. The Issuer covenants that it is duly authorized

by virtue of its home rule authority granted by the Constitution and the Bond Ordinance, to issue the Bonds authorized hereby and to execute this Indenture, to grant the security interest herein provided, to assign and pledge the Trust Estate (except as otherwise provided herein) and to assign and pledge the amounts hereby assigned and pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken and that the Bonds in the hands of the owners thereof are and will be valid and enforceable special, limited obligations of the Issuer according to the terms thereof and hereof. Anything contained in this Indenture to the contrary notwithstanding, it is hereby understood that none of the covenants of the Issuer contained in this Indenture are intended to create a general or primary obligation of the Issuer.

(b) Prohibited Activities. Subject to the limitations on its liability as stated herein, the Issuer represents, warrants, covenants and agrees that it has not knowingly engaged and will not knowingly engage in any activities and that it has not knowingly taken and will not knowingly take any action which might result in any interest on the Bonds becoming includable in the gross income of the owners thereof for purposes of federal income taxation.

(c) Rights Under Financing Agreement. The Financing Agreement sets forth covenants and obligations of the Issuer and the Borrower, and reference is hereby made to the same for a detailed statement of said covenants and obligations. The Issuer agrees to cooperate in the enforcement of all covenants and obligations of the Borrower under the Financing Agreement and agrees that the Trustee, in its name, may enforce all rights of the Issuer (other than the Reserved Rights) and all obligations of the Borrower under and pursuant to the Financing Agreement and on behalf of the Bondholders, whether or not the Issuer has undertaken to enforce such rights and obligations.

(d) Issuer's Further Assurance. The Issuer covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered by the parties within its control, such instruments supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, mortgaging, conveying, pledging, assigning, and confirming unto the Trustee, the Issuer's interest in and to all interests, revenues, proceeds, and receipts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds in the manner and to the extent contemplated herein. The Issuer shall be under no obligation to prepare, record, or file any such instruments or transfers.

(e) Unrelated Bond Issues. The Issuer, prior to the issuance of the Bonds, has issued, and subsequent to the issuance of the Bonds, the Issuer expects to issue various series of bonds in connection with the financing of other projects (said bonds together with any bonds issued by the Issuer between the date hereof and issuance of the Bonds shall be referred to herein as the "Other Bonds"). Any pledge, mortgage, or assignment made in connection with any Other Bonds shall be protected, and any funds pledged or assigned for the payment of principal, premium, if any, or interest on the Other Bonds shall not be used for the payment of principal, premium, if any, or interest on the Bonds. Correspondingly, any pledge, mortgage, or assignment made in connection with the Bonds shall be protected,

and any funds pledged or assigned for the payment of the Bonds shall not be used for the payment of principal, premium, if any, or interest on the Other Bonds.

Section 6.03. Tax Covenants.

(a) The Issuer shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction, or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on the Bonds to become includable in the gross income, as defined in Section 61 of the Code, of the owners thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Issuer shall have received a written opinion of Co-Bond Counsel to the effect that failure to comply with such covenant will not adversely affect the excludability from federal income tax of the interest on the Bonds, the Issuer shall comply with each of the specific covenants in this Section.

(b) The Issuer shall not direct or make any investment of the proceeds of the Bonds or any other funds of the Issuer in a manner which would result in the Bonds becoming "arbitrage bonds" within the meaning of Section 148 of the Code or "hedge bonds" within the meaning of Section 149 of the Code. In the event the Issuer or the Borrower is of the opinion that it is necessary to restrict or limit the Yield on the investment of any money paid to or held by the Trustee hereunder in order to avoid classification of the Bonds as "arbitrage bonds" or "hedge bonds," the Issuer or the Borrower may issue to the Trustee a written instrument to such effect (along with appropriate written instructions), in which event the Trustee will take such action as is necessary to effect such written instructions so to restrict or limit the Yield on such investment in accordance with such instrument and instructions, irrespective of whether the Trustee shares such opinion. The Trustee may conclusively rely upon any such instructions and shall not be responsible for any loss resulting from investment of any money held hereunder in accordance with such instructions.

(c) Except to the extent permitted by Section 149(b) of the Code and Regulations and rulings thereunder, the Issuer shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the Regulations and rulings thereunder.

(d) The Issuer shall timely file or cause to be timely filed the information required by Section 149(e) of the Code with the Secretary of the Treasury on such form and in such place as such Secretary may prescribe.

(e) Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the Issuer shall not, at any time prior to the earlier of the stated maturity or final payment of the Bonds enter into any transaction that reduces the amount required to be paid to the United States pursuant to Section 9.12 hereof because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(f) The Issuer hereby directs the Borrower to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as it deems necessary or appropriate in connection with the Bonds.

(g) Based solely upon the representations of the Borrower with respect to the Project, the weighted average maturity of the Bonds does not exceed 120% of the reasonably expected economic life, within the meaning of Section 147(b) of the Code, of the Project.

Section 6.04. Compliance with Conditions Precedent. Upon the Closing Date, all conditions, acts and things required by law regarding the Issuer to exist, to have happened or to have been performed precedent to or in the issuance of such Bonds shall exist, shall have happened and shall have been performed, and such Bonds, together with all other indebtedness of the Issuer, shall be within every debt and other limit prescribed by law.

Section 6.05. Extension of Payment of Bonds. The Issuer shall not directly or indirectly extend or assent to the extension of the maturity of the principal due on any of the Bonds or the time of payment of interest due on the Bonds, and if the time for payment of any such claims for interest shall be extended through any other means, such Bonds or claims for interest shall not be entitled in case of any default hereunder to any payment out of the Trust Estate or the funds (except funds held in trust for the payment of particular Bonds pursuant hereto) held by the Trustee, except subject to the provisions of Section 7.02 and subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has occurred and has not been extended and of such portion of the accrued interest on the Bonds which is not represented by such extended claims for interest.

If an Extension Deposit has not been made pursuant to Sections 3.04 and 5.05(b) hereof, such that the aggregate balance in the Series A Bond Proceeds Fund Account, the Series A Collateral Fund Account and the Series A Revenue Fund Account is equal to 100% of the principal amount of the Series A Bonds plus interest accrued on the Series A Bonds to the date which is five (5) calendar days following the MBS Delivery Date Deadline (as such date may be extended hereunder), then the Series A Bonds shall be subject to mandatory redemption as set forth in Section 3.01(b) hereof.

Section 6.06. Further Assurances. At any time and at all times the Issuer shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances and enter into such further agreements as may be necessary or desirable for the better assuring, conveying, granting, assigning or confirming all and singular the rights in, pledge and grant of a security interest in the Trust Estate hereby pledged or assigned in trust, or intended so to be, or which the Issuer may hereafter become bound to pledge or assign in trust.

Section 6.07. Powers as to Bonds and Pledge. The Issuer is duly authorized pursuant to law to authorize and issue the Bonds, to enter into this Indenture and to pledge, assign, transfer and set over unto the Trustee in trust the Trust Estate herein purported to be so pledged, assigned, transferred and set over unto the Trustee in trust hereby in the manner and to the extent provided herein. The Trust Estate so pledged, assigned, transferred and set over in trust is and will

be free and clear of any pledge, lien, charge or encumbrance thereon with respect thereto prior to, or of equal rank with, the pledge and assignment in trust created hereby, and all action on the part of the Issuer to that end has been duly and validly taken. The Bonds and the provisions hereof are and will be the valid and binding limited obligations of the Issuer in accordance with their terms and the terms hereof. The Trustee shall at all times, to the extent permitted by law, defend, preserve and protect the pledge and assignment in trust of the Trust Estate created hereby and all the rights of the Bondholders hereunder against all claims and demands of all persons whomsoever. The Bonds shall not be deemed to constitute a debt or liability of the State or any political subdivision thereof, other than the Issuer to the limited extent herein provided, or a pledge of the faith and credit or the taxing power of the State or of any such political subdivision, but shall be payable solely from funds provided therefor pursuant hereto.

Section 6.08. Preservation of MBS Revenues; Amendment of Agreements. The Issuer shall not take any action to interfere with or impair the pledge and assignment hereunder of the Trust Estate, or the Trustee's enforcement of any rights hereunder or under the Financing Agreement or the Regulatory Agreement without the prior written consent of the Trustee. The Trustee may give such written consent, and may itself take any such action or consent to an amendment or modification to the Financing Agreement, the Regulatory Agreement or the MBS, only with the written consent of Fannie Mae and the Construction Lender (but only prior to the Conversion Date), and following receipt by the Trustee of written confirmation from the Rating Agency that the taking of such action or the execution and delivery of such amendment or modification will not adversely affect the rating then assigned to the Bonds by the Rating Agency, and if the Trustee shall have received an opinion of Co-Bond Counsel to the effect that such action or such amendment or modification will not affect adversely the validity of the Bonds or the exclusion from gross income for federal income tax purposes of interest on the Bonds. Notwithstanding the foregoing, Fannie Mae and the Borrower may amend the Mortgage Note and the Mortgage without the consent of the Issuer, the Trustee or the holders of the Bonds so long as any such amendment does not change the amount of principal due under, or the rate of interest payable on the unpaid principal amount of, the MBS or otherwise reduce or modify the payments due under the MBS or adversely impact the tax-exempt status of the Bonds.

Section 6.09. Assignment. Any assignment of the Issuer's rights in favor of the Trustee shall not include Reserved Rights.

Section 6.10. Request and Indemnification. Where the consent of or other action on the part of the Issuer is required in this or any other document, the Issuer shall have no obligation to act unless first requested to do so, and the Issuer shall have no obligation to expend time or money or to otherwise incur any liability unless indemnity satisfactory to the Issuer has been furnished to it.

Section 6.11. Limitations on Liability. Notwithstanding anything in this Indenture or in the Bonds, the Issuer shall not be required to advance any money derived from any source other than the Trust Estate, consisting of MBS Revenues and other assets pledged under this Indenture for any of the purposes of this Indenture.

No agreements or provisions contained in this Indenture, nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in

connection with the Project, or the issuance, sale and delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way except from the application of the Trust Estate, consisting of MBS Revenues and other proceeds pledged to the payment of the Bonds and the proceeds of the Bonds. No failure of the Issuer to comply with any term, condition, covenant or agreement herein or in any document executed by the Issuer in connection with the Project, or the issuance, sale and delivery of the Bonds shall subject the Issuer to liability for any claim for damages, costs or other financial and pecuniary charge except to the extent that the same can be paid or recovered from the Financing Agreement or the Trust Estate, consisting of MBS Revenues and other assets pledged to the payment of the Bonds or the proceeds of the Bonds.

ARTICLE VII

DISCHARGE OF INDENTURE

Section 7.01. Defeasance. (a) If all Bonds shall be paid and discharged as provided in this Section, then all obligations of the Trustee and the Issuer under this Indenture with respect to all Bonds shall cease and terminate, except only (i) the obligation of the Trustee to pay or cause to be paid to the owners thereof all sums due with respect to the Bonds and to register, transfer and exchange Bonds pursuant to Section 2.08, (ii) the obligation of the Issuer to pay the amounts owing to the Trustee under Section 9.02 from the Trust Estate, and (iii) the obligation of the Issuer to comply with Sections 6.03 and 9.12. Any funds held by the Trustee at the time of such termination which are not required for payment to Bondholders or for payment to be made by the Issuer, shall be paid as provided in Section 5.11.

Any Bond or portion thereof in an Authorized Denomination shall be deemed no longer Outstanding under this Indenture if paid or discharged in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of, premium, if any, and interest on such Bond which have become due and payable; or

(ii) by depositing with the Trustee, in trust, cash which, together with the amounts then on deposit in the Revenue Fund and dedicated to this purpose, is fully sufficient to pay when due all principal of, and premium, if any, and interest on such Bond to the maturity or earlier redemption date thereof; or

(iii) by depositing with the Trustee, in trust, any investments listed under the definition of Eligible Investments in Section 1.01, or a combination of cash and such investments, in such amount as in the written opinion of a certified public accountant or nationally recognized verification agent will, together with the interest to accrue on such Eligible Investments without the need for reinvestment, be fully sufficient to pay when due all principal of, and premium, if any, and interest on such Bond to the maturity or earlier redemption date thereof, notwithstanding that such Bond shall not have been surrendered for payment.

(b) Notwithstanding the foregoing, no deposit under clauses (ii) and (iii) of subsection (a) above shall be deemed a payment of such Bond until the earlier to occur of:

(i) if such Bond is by its terms subject to redemption within 45 days, proper notice of redemption of such Bond shall have been previously given in accordance with Section 3.02 to the holder thereof or, in the event such Bond is not by its terms subject to redemption within 45 days of making the deposit under clauses (ii) and (iii) of subsection (a) above, the Issuer shall have given the Trustee irrevocable written instructions to mail by first-class mail, postage prepaid, notice to the holder of such Bond as soon as practicable stating that the deposit required by clauses (ii) or (iii) of subsection (a) above, as applicable, has been made with the Trustee and that such Bond is deemed to have been paid and further stating such redemption date or dates upon which money will be available for the payment of the principal and accrued interest thereon; or

(ii) the maturity of such Bond.

(c) The Trustee shall be entitled to receive a report from a nationally recognized accounting firm to provide for the payment of all Bonds to be defeased pursuant to this Section.

Section 7.02. Unclaimed Moneys. Anything herein to the contrary notwithstanding, and subject to applicable escheatment laws of the State, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for three (3) years after the date when such Bonds have become due and payable, either at maturity or by call for redemption, if such moneys are held by the Trustee at said date, or for three (3) years after the date of deposit of such moneys if deposited with the Trustee after the date when such Bonds became due and payable, shall be paid by the Trustee to the State.

Section 7.03. No Release of MBS. Except as provided in this Section and in Section 7.04, the Trustee shall not release and discharge the MBS from the lien of this Indenture until the principal of, premium, if any, and interest on the Bonds shall have been paid or duly provided for under this Indenture. The Trustee shall not release or assign the MBS to any person other than a successor Trustee so long as Fannie Mae shall not be in default thereunder.

Section 7.04. Transfer of MBS. While the Bonds are Outstanding, the Trustee shall maintain the MBS in book-entry form in the name of the Trustee and may not sell, assign, transfer or otherwise dispose of the MBS.

Section 7.05. Issuance of Additional Obligations. The Issuer shall not hereafter create or permit the creation of or issue any obligations or create any additional indebtedness secured by a charge and lien on the Trust Estate, consisting of MBS Revenues and other moneys, securities, funds and property pledged by this Indenture, other than the Bonds authorized under Section 2.01.

ARTICLE VIII**DEFAULT PROVISIONS AND REMEDIES
OF TRUSTEE AND BONDHOLDERS**

Section 8.01. Events of Default. Each of the following shall constitute an Event of Default under this Indenture:

(a) On and after the MBS Delivery Date, failure by Fannie Mae to pay principal, interest or premium, if any, due under the MBS (upon such failure, the Trustee shall notify Fannie Mae not later than the next Business Day (all such notices to be promptly confirmed in writing) and require the failure to be remedied);

(b) (i) Failure to pay the principal, interest or premium, if any, on the Series A Bonds when the same shall become due, or (ii) failure to pay any interest or principal on the Series B Bonds when the same shall become due; or

(c) Default in the observance or performance of any other covenant, agreement or condition on the part of the Issuer in this Indenture and the continuation of such default for a period of 90 days after written notice to the Issuer from the Trustee or the registered owners of not less than 75% in aggregate principal amount of the Bonds Outstanding at such time specifying such default and requiring the same to be remedied.

The Trustee will promptly notify in writing the Issuer, the Bondholders, the Investor Member, the Permanent Lender, the Construction Lender (but only prior to the Conversion Date) and Fannie Mae after an Authorized Officer obtains actual knowledge or receives written notice of the occurrence of an Event of Default or an event which would become an Event of Default with the passage of time or the giving of notice, or both.

Anything herein to the contrary notwithstanding, the Issuer and the Trustee hereby agree that any cure of any default made or tendered by any member of the Borrower or any affiliate of any such member or Lender, shall be deemed to be the act of the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Section 8.02. Acceleration; Rescission of Acceleration.

(a) Upon (i) the occurrence of an Event of Default under Section 8.01(a) or (ii) prior to the MBS Delivery Date, the occurrence of an Event of Default under Section 8.01(b) with respect to the Series A Bonds, the Trustee may, and upon the written request of the holders of not less than seventy-five percent (75%) in aggregate principal amount of the Series A Bonds Outstanding, shall declare (and shall deliver written notice of such declaration to the Issuer, the Lender, the Borrower and Fannie Mae) the principal of all Series A Bonds Outstanding, premium, if any, and the interest accrued thereon immediately due and payable.

(b) An Event of Default (i) following the MBS Delivery Date, under Section 8.01(b) or (ii) under Section 8.01(c) shall not give rise to an acceleration pursuant to Section 8.02(a), provided, however, that following such an Event of Default, the holder of one hundred percent (100%) of the Series A Bonds Outstanding may direct the Trustee in writing to transfer

the MBS to it or its designee, in which case, the Trustee shall transfer and deliver to such requesting Beneficial Owner the Trustee's beneficial ownership interest in the MBS. The transfer described in this Section 8.02(b) shall take effect as set forth in, and shall be governed by, the following terms:

(i) The Trustee shall transfer and deliver to such requesting owner the Trustee's beneficial ownership interest in the MBS promptly following (i) delivery to the Trustee (via DTC withdrawal or of the Bonds being exchanged), and (ii) payment by the requesting owner of the Trustee's exchange fee (\$1,000) with respect to such Bonds;

(ii) The MBS will be in book-entry form;

(iii) Transfers of the MBS will be made in accordance with current market practices, including the applicable provisions of the SIFMA's Uniform Practices for the Clearance and Settlement of Mortgage Backed Securities and Other Related Securities;

(iv) Upon receipt of such Bonds from the requesting Beneficial Owner, the Trustee will promptly cancel the Bonds being exchanged, which will not be reissued;

(v) An MBS delivered in such an exchange will not be exchangeable for Bonds;

(vi) The MBS delivered in such an exchange will also be subject to any applicable disclosure requirements concerning MBSs that have been issued in connection with the multifamily mortgage lending program of a governmental housing finance agency and financed by tax-exempt obligations; and

(vii) Interest on such MBS is not excludable from gross income for federal income tax purposes. Owners of Bonds should consult their own tax advisors concerning that and other tax consequences of any exchange of a Bond for the MBS.

(c) The acceleration of the Series A Bonds will not constitute a default under, or by itself cause the acceleration of, the MBS. If at any time after the Series A Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Issuer, the Borrower, the Investor Member, the Lender, or Fannie Mae, as applicable, shall pay to or deposit with the Trustee a sum sufficient to pay all principal of the Series A Bonds then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) on all the Series A Bonds then due with interest at the rate borne by the Series A Bonds on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable fees and expenses of the Trustee shall have been made good or cured or adequate provisions shall have been made therefor, and all other defaults hereunder have been made good or cured or waived in writing by the holders of a majority in principal amount of the Series A Bonds Outstanding, then and in every case, the Trustee on behalf of the holders of all the Series A Bonds shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, nor shall it impair or exhaust any right or power consequent thereon.

(d) Upon the occurrence of an Event of Default under Section 8.01(b) with respect to the Series B Bonds, the Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of the Series B Bonds Outstanding, by a notice in writing delivered to the Issuer and the Borrower, shall, declare the principal of all of the Series B Bonds Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately. Upon the occurrence of any Event of Default with respect to the Series B Bonds described in Section 8.01(c), the Trustee may, with the written consent of all Holders of the Series B Bonds Outstanding, declare by a notice in writing delivered to the Issuer and the Borrower, the principal of all Series B Bonds Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately. Following such declaration, interest on any unpaid principal or Redemption Price of Series B Bonds Outstanding shall continue to accrue from such date through but not including the tender of payment to the Holders of those Series B Bonds.

Section 8.03. Other Remedies; Rights of Bondholders. Subject to Section 8.13, upon the happening and continuance of an Event of Default the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the holders of the Series A Bonds or the Series B Bonds, as applicable, may also proceed to protect and enforce any rights of the Trustee and, to the full extent that the holders of such Bonds themselves might do, the rights of such Bondholders under the laws of the State or under this Indenture by such of the following remedies as the Trustee shall deem most effectual to protect and enforce such rights:

(a) By pursuing any available remedies under the Financing Agreement, the Regulatory Agreement or the MBS; provided, that available remedies under the MBS may only be pursued following an Event of Default under paragraph (a) under the heading "Events of Default," above, or paragraph (b) under the heading "Events of Default," above, with respect to the Series A Bonds;

(b) Upon an Event of Default under Section 8.01(a) only, by realizing or causing to be realized through sale or otherwise upon the security pledged hereunder (including the sale or disposition of the MBS); and

(c) By action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Issuer allowed in any bankruptcy or other proceeding.

If an Event of Default shall have occurred, and if requested by the holders of not less than 75% (or 100% as set forth in Section 8.02(b) hereof) in aggregate principal amount of the Series A Bonds or the Series B Bonds Outstanding, as applicable, and upon being indemnified to its satisfaction, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem to be in the best interests of the Bondholders subject to the limitations set forth above and in this Indenture.

No right or remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each

and every such right and remedy shall be cumulative and shall be in addition to any other right or remedy given to the Trustee or to the Bondholders hereunder or under the Financing Agreement, the Regulatory Agreement or the MBS or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein and every such right and power may be exercised from time to time as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

For avoidance of doubt, no Event of Default with respect to the Series A Bonds shall, by itself, constitute an Event of Default with respect to the Series B Bonds, and vice versa.

Section 8.04. Representation of Bondholders by Trustee. The Trustee is hereby irrevocably appointed (and the Bondholders, by accepting and holding their Bonds, shall be conclusively deemed to have so appointed the Trustee and to have mutually covenanted and agreed, each with the other, not to revoke such appointment) the true and lawful attorney in fact of the Bondholders with power and authority, in addition to any other powers and rights heretofore granted the Trustee, at any time to make and file, in any proceeding in bankruptcy or judicial proceedings for reorganization or liquidation of the affairs of the Issuer, either in the respective names of the Bondholders or on behalf of all the Bondholders as a class, any proof of debt, amendment of proof of debt, petition or other document, to receive payment of any sums becoming distributable to the Bondholders, and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Issuer allowed in any bankruptcy or other proceeding.

In the enforcement of any rights and remedies hereunder, the Trustee in its own name and as trustee of an express trust on behalf of and for the benefit of the holders of all Bonds, shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any Event of Default becoming, and at any time remaining, due from the Issuer for principal, premium, if any, interest or other moneys, under any provision hereof or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders.

Section 8.05. Action by Trustee. All rights of action hereunder or upon any of the Bonds enforceable by the Trustee may be enforced by the Trustee without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee may be brought in its name for the ratable benefit of the holders of such Bonds subject to the provisions hereof.

In any action, suit or other proceeding by the Trustee, the Trustee shall be paid fees, counsel fees and expenses in accordance with Section 9.02.

Section 8.06. Accounting and Examination of Records After Default. The Issuer covenants with the Trustee and the Bondholders that, if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Issuer relating to the Bonds and the Project shall at all times during normal business hours be subject to the inspection and use of the Trustee and of its agents and attorneys.

Section 8.07. Restriction on Bondholder Action. No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision hereof or for the execution of any trust hereunder or for any other remedy hereunder, unless (a)(i) such holder previously shall have given to the Issuer and the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (ii) after the occurrence of such Event of Default, a written request shall have been made of the Trustee to institute such suit, action or proceeding by the holders of not less than 25% in aggregate principal amount of the Series A Bonds or the Series B Bonds Outstanding, as applicable, and there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs and liabilities to be incurred therein or thereby, and (iii) the Trustee shall have been enjoined or restrained from complying or shall have refused or neglected or otherwise failed to comply with such request within a reasonable time; or (b)(i) such holder previously shall have obtained the written consent of the Trustee to the institution of such suit, action or proceeding, and (ii) such suit, action or proceeding is brought for the ratable benefit of the Bondholders subject to the provisions hereof.

Nothing in this Article contained shall affect or impair the right of any Bondholder to enforce the payment of the principal of, premium, if any, and interest on his or her Bonds or the obligation of the Issuer to pay the principal of, premium, if any, and interest on each Bond to the holder thereof, at the time and place and from the source expressed in such Bonds and pursuant to the terms of the Bonds and this Indenture.

No holder of any Bond shall have any right in any manner whatever by his or her action to affect, disturb or prejudice the pledge of the Trust Estate, consisting of MBS Revenues and any other moneys, funds or securities hereunder, or, except in the manner and on the conditions in this Section provided, to enforce any right or duty hereunder.

Section 8.08. Application of Moneys After Default. All moneys collected by the Trustee at any time pursuant to this Article shall, except to the extent, if any, otherwise directed by a court of competent jurisdiction, be credited by the Trustee to the Revenue Fund. Such moneys so credited to the Revenue Fund and all other moneys from time to time credited to the Revenue Fund shall at all times be held, transferred, withdrawn and applied as prescribed by the provisions of Article V and this Section.

Subject in all instances to the provisions of Section 8.11, in the event that at any time the moneys credited to the Revenue Fund, or any other funds held by the Issuer or the Trustee available for the payment of interest or principal then due with respect to the Series A Bonds or the Series B Bonds, as applicable, shall be insufficient for such payment, such moneys and funds (other than funds held for the payment or redemption of particular Bonds as provided in Section 5.13) shall be applied as follows:

(a) Only in the event that there has been an Event of Default hereunder pursuant to Section 8.01(a) as a result of a failure by Fannie Mae to make payments under the MBS, for payment of all amounts due to the Trustee incurred in performance of its duties under this Indenture and the other documents executed in connection therewith, including, without limitation, the payment of all reasonable fees and expenses of the Trustee incurred in exercising any remedies under this Indenture and the other documents executed in connection herewith;

(b) Unless the principal of all of the Series A Bonds or the Series B Bonds, as applicable, shall have become or have been declared due and payable:

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available is not sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any Bonds which shall have become due, whether at maturity or by call for redemption, in the order in which they became due and payable, and, if the amount available is not sufficient to pay in full all the principal of and premium, if any, on the Bonds so due on any date, then to the payment of principal ratably, according to the amounts due on such date, to the persons entitled thereto, without any discrimination or preference and then to the payment of any premium due on the Bonds, ratably, according to the amounts due on such date, to the persons entitled thereto, without any discrimination or preference; and

(c) If the principal of all of the Series A Bonds or the Series B Bonds, as applicable, shall have become or have been declared due and payable, to the payment of the principal of, premium, if any, and interest then due and unpaid upon the Series A Bonds or the Series B Bonds, as applicable, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Series A Bonds or the Series B Bonds, as applicable.

Section 8.09. Control of Proceedings. In the case of an Event of Default pursuant to Section 8.01(a) or Section 8.01(b), the holders of at least 75% in aggregate principal amount of the Series A Bonds Outstanding or the Series B Bonds Outstanding, as applicable, shall have the right, subject to the provisions of Section 8.07, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee; provided, however, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not be taken lawfully, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve

the Trustee in personal liability or otherwise adversely affect the Trustee or be unjustly prejudicial to Bondholders not parties to such direction.

Section 8.10. Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Series A Bonds or the Series B Bonds, as applicable, upon the written request of the holders of a majority in aggregate principal amount of all of the Series A Bonds or the Series B Bonds Outstanding, as applicable, with respect to which there is an Event of Default; provided, however, that there shall not be waived (a) any default in the payment of the principal amount of any Bonds at the date of maturity specified therein or upon proceedings for mandatory redemption, or (b) any default in the payment when due of the interest or premium, if any, on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all expenses of the Trustee in connection with such monetary default, shall have been paid or provided for, and in case of any such waiver or rescission, the Issuer, the Borrower, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder respectively.

No such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto; and no delay or omission of the Trustee or of any Bondholders to exercise any right or power accruing upon any Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein.

Section 8.11. Subordination. No claim for interest on any of the Series A Bonds or the Series B Bonds, as applicable, which claim in any way at or after maturity shall have been transferred or pledged by the holder thereof separate and apart from the Bond to which it relates, unless accompanied by such Bond, shall be entitled in case of an Event of Default hereunder to any benefit by or from this Indenture except after the prior payment in full of the principal of and premium, if any, on all of the Series A Bonds or the Series B Bonds, as applicable, then due and of all claims for interest then due not so transferred or pledged.

Section 8.12. Termination of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason or determined adversely to the Trustee, then in every such case the Issuer, the Borrower, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

Section 8.13. No Interference or Impairment of MBS. Notwithstanding any other provision of this Indenture to the contrary, following the MBS Delivery Date, so long as the MBS remains outstanding and Fannie Mae is not in default in its payment obligations thereunder, neither the Issuer, the Trustee nor any person under their control shall, without the prior written consent of Fannie Mae, exercise any remedies or direct any proceedings under this Indenture with respect to the Series A Bonds other than to (a) enforce rights under the MBS, (b) enforce the tax covenants in this Indenture and the Financing Agreement, or (c) enforce rights of specific performance under

the Regulatory Agreement; provided, however, that any enforcement under subsections (b) or (c) above shall not include seeking monetary damages other than actions for the Issuer Fees and Expenses or the Trustee Fees and Expenses.

Nothing contained in this Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of, the premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Trustee to pay the principal of, premium, if any, and interest on the Bonds issued hereunder to the respective holders thereof, at the time, in the place, from the sources and in the manner expressed herein and in said Bonds.

ARTICLE IX

THE TRUSTEE AND THE REMARKETING AGENT

Section 9.01. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions and no implied covenants or conditions shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically and expressly set forth in this Indenture, which duties shall be deemed purely ministerial in nature, and the Trustee shall not be liable except for the performance of such duties. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be answerable for the conduct of the same if appointed with reasonable care, and shall be entitled to request and rely on and shall not be liable for any action taken or omitted to be taken in accordance with the advice of counsel concerning all matters of the trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation and expenses to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof to be reimbursed by the Borrower. The Trustee may act upon the opinion or advice of any attorneys (who may be the attorney or attorneys for the Issuer, the Borrower or Fannie Mae) approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action taken in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds), or for insuring the Project or collecting any insurance moneys, or for the registration, filing or recording or re registration, re-filing or re-recording of this Indenture or the Mortgage or any

financing statements or amendments relating hereto or thereto or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the Project or otherwise as to the maintenance of the security hereof. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer or on the part of the Borrower under the Financing Agreement, nor shall it have any liability in connection with the malfeasance or nonfeasance by any party, and the Trustee may assume performance by such parties of their respective obligations and shall have no enforcement or notification obligations relating to breaches of representations or warranties of any party; but the Trustee may require of the Issuer or the Borrower full information and advice as to their performance of the covenants, conditions and agreements aforesaid. The Trustee acknowledges it has assumed certain duties of the Issuer under the Financing Agreement.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if it were not Trustee hereunder. To the extent permitted by law, the Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bondholders or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the holders of a majority in aggregate principal amount of the Bonds Outstanding.

(e) The Trustee may conclusively rely on and shall be protected in acting or refraining from acting under any resolution, statement, instrument, report, opinion, notice, request, direction, consent, certificate, order or decree of a court of competent jurisdiction, bond, debenture, note, judgment, affidavit, letter, transmission by Electronic Means, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons, not only as to due execution, validity and effectiveness, but also as to the truth and accuracy of any information contained therein. Any action taken by the Trustee pursuant to this Indenture upon the request, authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to, at the expense of the Borrower, request, rely (unless other evidence in respect thereof is herein specifically prescribed) upon an Officer's Certificate as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept an Officer's Certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee shall incur no

liability and shall be fully protected in acting or refraining from acting in accordance with such Officer's Certificate. The Trustee may accept a certificate signed by an Attesting Officer of the Issuer as conclusive evidence that a resolution or ordinance of the governing body of the Issuer, as applicable, has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its own gross negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default or Event of Default hereunder except a default in payment when due of the principal of, premium, if any, or interest on any Bond or the failure of the Issuer or the Borrower to file with the Trustee any documents required by this Indenture, the Financing Agreement or the Regulatory Agreement to be so filed subsequent to the issuance of the Bonds unless the Trustee shall be specifically notified in writing of such default or Event of Default by the Issuer or by the holders of at least 75% in aggregate principal amount of Series A Bonds or Series B Bonds Outstanding, as applicable, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the designated office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no default or Event of Default except as aforesaid.

(i) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right fully to inspect any and all of the property herein conveyed, including the Project and all books, papers and records of the Issuer pertaining to the Project and the Bonds, and to take such memoranda from and in regard thereto as may be desired, provided that such inspection be made and any such memoranda be taken and used on a basis that will insure the confidentiality thereof and of any results thereof.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers or otherwise in respect of the premises granted in this Indenture.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, the release of any property or the taking of any other action by the Trustee, but the resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warranty, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

(l) Before taking any action under Article VIII of this Indenture, the Trustee may require that a satisfactory indemnity bond or other indemnity satisfactory to the Trustee be furnished for the reimbursement of all expenses (including legal fees and expenses) to which it may be put and to protect it against all liability, except liability which is finally adjudicated by a court of competent jurisdiction to have resulted from its gross negligence or willful misconduct in conjunction with any action so taken.

(m) All moneys received by the Trustee, until used, applied or invested as herein provided, shall be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law.

(n) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(o) The Trustee's rights to indemnity, immunities and protection from liability hereunder and under the other Financing Documents, as applicable, and its rights to payment of the Trustee Fees and Expenses shall survive its resignation or removal and the final payment or the defeasance of the Bonds (or the discharge of the Bonds or the defeasance of the lien of this Indenture).

(p) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur liability in the performance of any of its duties or in the exercise of any of its rights or powers.

(q) The Trustee shall have no responsibility, opinion or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(r) The Trustee shall not be liable for any error of judgment made in good faith by any one of its officers, employees or agents unless it shall be established that the Trustee was negligent in ascertaining the pertinent facts. The Trustee shall have no responsibility or liability for any losses or damages of any nature that may arise from any action taken or not taken in accordance with a direction received by the holders of the Bonds pursuant to the terms of this Indenture.

(s) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions; loss or malfunction of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

(t) In the event that any portion of the Trust Estate shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, writ or decree shall be made or entered by any court order

affecting such assets, the Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

(u) In no event shall the Trustee be responsible or liable for special, indirect, punitive, incidental or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

All of the provisions of this Indenture related to the duties, obligations, standard of care, protections and immunities from liability afforded the Trustee under this Indenture shall apply to the Trustee in the performance of its duties and obligations under any of the Financing Documents, Construction Loan Documents, Permanent Loan Documents or other related documents or instruments.

Section 9.02. Fees, Charges and Expenses of Trustee. Notwithstanding any provision to the contrary herein, but subject to the limitations set forth in the Extraordinary Trustee Fees and Expenses as defined in Section 1.01 hereof, the Trustee shall be entitled to payment for reasonable fees for its services rendered hereunder and under the Financing Agreement and reimbursement for all advances, counsel fees and other expenses reasonably made or incurred by the Trustee (including any co-Trustee) in connection with such services which shall be paid from time to time as provided in the Financing Agreement; provided that no such amounts shall be paid to the Trustee from the Trust Estate (including, but not limited to, the proceeds of the MBS). Upon an Event of Default under Section 8.01(a) as a result of a failure by Fannie Mae to make payment under the MBS, but only upon such an Event of Default, the Trustee shall have a lien upon the Trust Estate for Trustee Fees and Expenses incurred by it. The Issuer shall require the Borrower to indemnify and save harmless the Trustee against any liabilities which the Trustee may incur in the exercise and performance of its powers and duties hereunder, and under the Financing Agreement which are not due to its own gross negligence or willful misconduct, and to reimburse the Trustee for any fees and expenses of the Trustee to the extent they exceed funds available under this Indenture for the payment thereof, subject only to the right of the Borrower to contest the reasonableness of any such fees or the necessity for any such expenses. The Trustee shall continue to perform its duties and obligations hereunder until such time as its resignation or removal is effective pursuant to Section 9.05 or Section 9.06, respectively.

Section 9.03. Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of the Bonds, the Trustee may intervene on behalf of the Bondholders and shall do so if requested in writing by the owners of at least 75% in aggregate principal amount of Series A Bonds or Series B Bonds Outstanding, as applicable, subject to receipt of indemnity as provided in Section 9.01(l). The rights and obligations of the Trustee under this Section are subject to receipt of any approval of a court of competent jurisdiction which may be required by law as a condition to such intervention.

Section 9.04. Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto shall be and become successor Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 9.05. Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving thirty (30) calendar days' written notice to the Issuer, the Construction Lender (but only prior to the Conversion Date) and Fannie Mae, and such resignation shall only take effect upon the appointment, pursuant to Section 9.07, of, and acceptance by, a successor Trustee. The successor Trustee shall give notice of such succession by first class mail, postage prepaid, to each Bondholder at the address of such Bondholder shown on the Bond Register.

Section 9.06. Removal of Trustee. The Trustee may be removed at any time with thirty (30) days' notice by an instrument or concurrent instruments in writing delivered to the Trustee, Fannie Mae and the Construction Lender (but only prior to the Conversion Date), and signed by the Issuer (or if an Event of Default shall have occurred and be continuing, by the owners of a majority in aggregate principal amount of the Bonds Outstanding, in which event such instrument or instruments in writing shall also be delivered to the Issuer) provided that such removal shall not take effect until the appointment of a successor Trustee by the Issuer (or by the Bondholders).

Section 9.07. Appointment of Successor Trustee. In case at any time the Trustee or any successor thereto shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of such Trustee or of its property shall be appointed, or if any public officer shall take charge or control of such Trustee or of its property or affairs, a successor may be appointed by the Issuer with the approval of Fannie Mae (if it is not in default in its obligations under the MBS), or if Fannie Mae does not approve a successor the Issuer proposes to appoint, or if the Issuer is in default hereunder, by the holders of a majority in aggregate principal amount of the Bonds Outstanding, excluding any Bonds held by or for the account of the Issuer, by an instrument or concurrent instruments in writing signed by such Bondholders, or their attorneys duly authorized in writing, and delivered to such successor Trustee, notification thereof being given to the Issuer, Fannie Mae, the Borrower, the Lender, the Investor Member and the predecessor Trustee. If in a proper case no appointment of a successor Trustee shall have been made pursuant to the foregoing provisions of this Section within thirty (30) days after the Trustee shall have given to the Issuer written notice as provided in Section 9.05 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder may, at the expense of the Borrower, apply to any court of competent jurisdiction to appoint a successor. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of this Section shall be a bank, trust company or national banking association, having a designated office within the State, having trust powers, with prior experience as trustee under indentures under which multifamily housing revenue bonds of public agencies or authorities are issued, and having a capital and surplus acceptable to the Issuer, the Permanent Lender, the Construction Lender (but only prior to the Conversion Date) and Fannie Mae, willing and able to accept the office on reasonable and customary terms in light of the circumstances under which the appointment is tendered and authorized by law to perform all the duties imposed upon it hereby, if there be such an institution meeting such qualifications willing to accept such appointment.

Section 9.08. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Issuer and Fannie Mae, and any Bondholder which shall request the same, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if named herein as such Trustee, but the Trustee ceasing to act shall nevertheless, on the written request of the Issuer, Fannie Mae or the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as reasonably may be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any properties held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth and thereafter the predecessor Trustee shall have no further duties, responsibilities or obligations hereunder. Should any deed, conveyance or instrument in writing from the Issuer be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, on request, and so far as may be authorized by law, shall be executed, acknowledged and delivered by the Issuer.

Section 9.09. Successor Trustee as Bond Registrar, Custodian of Funds and Paying Agent. In the event of a change in the Trustee, the Trustee which has resigned or been removed shall cease to be Bond Registrar, custodian of the Funds and Accounts created under this Indenture and paying agent for the Bonds, and the successor Trustee shall become such Bond Registrar, custodian and paying agent.

Section 9.10. Collection of MBS Payments. Following the MBS Delivery Date, the Trustee shall cause the MBS to be registered in the name of the Trustee or in the name of the nominee of the Trustee with such additional recitals as appropriate to indicate that the MBS is to be held by the Trustee in its capacity as Trustee hereunder subject to the provisions of Sections 7.03 and 7.04. In the event that any amount payable to the Trustee under the MBS is not received by the Trustee within one Business Day of the date such payment is due, the Trustee shall notify Fannie Mae or (if directed by Fannie Mae) the paying agent for the MBS by telephone (such notification to be promptly confirmed by Electronic Means) that such payment has not been received in a timely manner and request that such payment be made by wire transfer of immediately available funds to the account of the Trustee or such custodian, as the case may be.

Section 9.11. Requests from Rating Agency. The Trustee shall promptly respond in writing, or in such other manner as may be reasonably requested, to requests from the Rating Agency for information deemed necessary by the Rating Agency in order to maintain the rating assigned thereby to the Bonds. The Trustee shall promptly furnish any such requested information in its possession to the Rating Agency and shall, as may be reasonably requested by the Rating Agency, assist in efforts to obtain any necessary information from the Issuer or the Borrower or Fannie Mae as applicable.

Section 9.12. Arbitrage Covenants.

(a) The Trustee shall deposit or transfer to the credit of the account of the Rebate Fund each amount delivered to the Trustee by the Borrower for deposit thereto and each amount directed by the Borrower to be transferred thereto. The Trustee shall credit all earnings and debit all losses from the investment of money held for the account of the Rebate Fund to such fund.

(b) (i) Within 30 days after each Computation Date, the Trustee, on behalf of the Issuer, shall withdraw from the Rebate Fund and pay to the United States of America the appropriate portion of the Rebate Amount (determined by the Rebate Analyst on behalf of the Borrower) in the installments, to the place and in the manner required by Section 148(f) of the Code, the Regulations, and rulings thereunder as instructed by the Borrower or its legal counsel and as provided in subsection (iii) below.

(ii) Within five days after receipt from the Borrower or the Rebate Analyst of written notification of any amount due to the United States of America pursuant to Section 1.148-3(h) of the Regulations accompanied by relevant IRS forms including IRS Form 8038-T, the Trustee shall withdraw from the Rebate Fund an amount which when added to all prior payments to the United States of America equals the correct appropriate portion of the Rebate Amount, plus any penalties and interest and pay such correction amount to the United States of America.

(iii) All payments to the United States of America pursuant to this Subsection shall be made by the Trustee for the account and in the name of the Issuer and shall be paid by draft posted by certified United States Mail (return receipt requested), addressed to the appropriate Internal Revenue Service Center (and, if appropriate, accompanied by the relevant Internal Revenue Service Form, such as Form 8038-T or such other statements, explanations or forms required pursuant to the Regulations or other Internal Revenue Service promulgations).

(c) The Trustee shall preserve all statements, forms, and explanations received from the Borrower or the Issuer pursuant to this Section and all records of transactions in the Rebate Fund until six years after the discharge of the Bonds.

(d) The Trustee may conclusively rely on the information provided, instructions of and forms prepared by the Borrower or the Rebate Analyst with regard to any actions to be taken by it, including payments to be made, pursuant to this Section and shall have no

liability for any consequences of any failure of the Borrower to supply accurate or sufficient instructions or to compute correctly any payment due pursuant to this Section. The Trustee shall have no responsibility or duty to perform any rebate calculation or to expend its own funds to make any rebate payments.

(e) If at any time during the term of this Indenture the Borrower, the Issuer or the Trustee desires to take any action which would otherwise be prohibited by the terms of this Section, such Person shall be permitted to take such action if it shall first obtain and provide at the expense of the Borrower to the other Persons named herein an opinion of Co-Bond Counsel to the effect that such action shall not adversely affect the exclusion of interest on the Bonds from gross income of the owners of any Bond for federal income tax purposes and shall be in compliance with the laws of the State of Illinois.

(f) Notwithstanding any provision of the Financing Documents, Construction Loan Documents or the Permanent Loan Documents and unless otherwise specifically agreed to in a separate written agreement, the Trustee shall not be liable or responsible for any method of calculation, or any calculation or determination which may be required in connection with or for the purpose of complying with Section 148 of the Code or any successor statute or any regulation, ruling, or other judicial or administrative interpretation thereof, including, without limitation, the calculation of amounts required to be paid the United States of America or the determination of the maximum amount which may be invested in "nonpurpose investments" having a higher yield than the yield on the Bonds, in connection with any such investments. The method of calculation and determination required by Section 148 of the Code shall be accomplished by a Rebate Analyst engaged by the Trustee on behalf of the Borrower. The Trustee shall not be liable or responsible for the negligence or misconduct of the Rebate Analyst. The Trustee shall not be liable or responsible for monitoring the compliance by the Borrower or the Issuer of any of the requirements of Section 148 of the Code or any applicable regulation, ruling, or other judicial or administrative interpretation thereof (except for the administrative functions described in this Section and in this Indenture), it being acknowledged and agreed that the sole obligation of the Trustee in this regard shall be (i) to invest the moneys received by the Trustee pursuant to the written instructions of the Borrower in the specific investments identified by the Borrower or, in the absence of such identification, to invest such moneys in [NAME OF TREASURY MONEY MARKET FUND], and (ii) to follow instructions contained in this Section and in this Indenture. The Trustee shall not be liable for the Bonds becoming "arbitrage bonds" within the meaning of the Code, as a result of investments it makes in compliance with the instructions it receives or pursuant to or in compliance with the terms of this Indenture.

(g) Moneys and securities held by the Trustee in the Rebate Fund are not pledged or otherwise subject to any security interest in favor of the Trustee to secure the Bonds or any other payments required to be made hereunder or any other document executed and delivered in connection with the issuance of the Bonds.

(h) Moneys in the Rebate Fund shall be held separate and apart from all other Funds and Accounts established under this Indenture and shall be separately invested and reinvested by the Trustee in Eligible Investments. The interest accruing thereon and any

profit realized therefrom shall be credited to the Rebate Fund, and any loss resulting therefrom shall be charged to the Rebate Fund. The Trustee shall sell and reduce to cash a sufficient amount of such Eligible Investments whenever the cash balance in the Rebate Fund is insufficient for its purposes.

(i) The Trustee covenants that it will invest funds held under this Indenture in accordance with the covenants and terms of this Indenture (this covenant shall extend through the Bond Maturity Date to all Funds and Accounts created under this Indenture and all money on deposit to the credit of any such Fund or Account). The Trustee covenants that, notwithstanding any other provisions of this Indenture or of any other Financing Document, it will not knowingly make or cause to be made any investment or other use of the money in the funds or accounts created hereunder which would cause the Bonds to be classified as "arbitrage bonds" within the meaning of Sections 103(b) and 148 of the Code or would cause the interest on the Bonds to be includable in gross income for federal income tax purposes (this covenant shall extend through the Bond Maturity Date to all Funds and Accounts created under this Indenture and all money on deposit to the credit of any such Fund or Account). Pursuant to this covenant, with respect to the investments of the Funds and Accounts under this Indenture, the Trustee obligates itself to comply, so long as any Bonds remain Outstanding, with the requirements of Sections 103(b) and 148 of the Code; provided that the Trustee shall be deemed to have complied with such requirements and shall have no liability to the extent it reasonably follows the written directions of the Borrower, the Issuer, Co-Bond Counsel or the Rebate Analyst. The Trustee further covenants that should the Issuer or the Borrower file with the Trustee (it being understood that neither the Issuer nor the Borrower has an obligation to so file), or should the Trustee receive, an Opinion of Co-Bond Counsel to the effect that any proposed investment or other use of proceeds of the Bonds would cause the Bonds to become "arbitrage bonds," then the Trustee will comply with any written instructions of the Issuer, the Borrower or Co-Bond Counsel regarding such investment (which shall, in any event, be an Eligible Investment) or use so as to prevent the Bonds from becoming "arbitrage bonds," and the Trustee will bear no liability to the Issuer or the Borrower for investments made in accordance with such instructions.

(j) In order to provide for the administration of this Section, the Trustee may provide for the employment of independent attorneys, accountants and consultants compensated on a reasonable basis and in addition and without limitation of the provisions of Section 9.01, the Trustee may rely conclusively upon and be fully protected from all liability in relying upon the opinions, determinations, calculations and advice of such attorneys, accountants and consultants employed hereunder.

(k) The Borrower shall be responsible for any fees and expenses incurred by the Issuer or the Trustee under or pursuant to this Section.

(l) Withdrawals from the Rebate Fund may be made to the extent the Rebate Analyst determines that amounts on deposit therein exceed amounts required to be on deposit therein pursuant to this Section. All amounts so withdrawn shall be transferred to the Revenue Fund.

(m) The provisions of this Section may be amended or deleted from this Indenture upon receipt by the Issuer and the Trustee of an Opinion of Co-Bond Counsel that such amendment or deletion will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes. Any moneys on deposit in the Rebate Fund may be applied by the Trustee as permitted in such Opinion. Fees and expenses incurred in connection with the determination of rebatable arbitrage shall be paid by the Borrower pursuant to the provisions of the Financing Agreement.

Section 9.13. [Reserved].

Section 9.14. Concerning the Remarketing Agent. The Remarketing Agent identified in Section 1.01 hereof shall serve as the Remarketing Agent for the Bonds. The Remarketing Agent shall designate to the Trustee its designated corporate trust office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer, the Borrower and the Trustee. In addition, the Remarketing Agent will agree particularly to:

(a) keep such records relating to its computations of interest rates for the Series B Bonds as shall be consistent with prudent industry practice and to make such records available for inspection by the Issuer, the Trustee, the Borrower, the Construction Lender (but only prior to the Conversion Date) and the Investor Member at all reasonable times; and

(b) perform all of its functions and duties under this Indenture.

The Remarketing Agent shall be entitled to advice of legal counsel on any matter relating to the Remarketing Agent's obligations hereunder and shall be entitled to act upon the opinion of such counsel in the exercise of reasonable care in fulfilling such obligations.

The Remarketing Agent shall be entitled to appoint additional co-Remarketing Agents to assist in the performance of the Remarketing Agent's obligations under this Indenture, and any such appointment shall be effective without any action by the Issuer or the Borrower being necessary; provided that any such co-Remarketing Agent, shall have a capitalization of at least \$15,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$15,000,000, shall be in conformity with all standards and requirements of the Municipal Securities Rulemaking Board and the Securities and Exchange Commission, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. The Remarketing Agent shall take responsibility for any co-Remarketing Agent it appoints.

Section 9.15. Qualification of Remarketing Agent. The Remarketing Agent shall be a member in good standing of the Financial Industry Regulatory Authority having a capitalization of at least \$15,000,000, or shall have a line of credit with a commercial bank in the amount of at least \$15,000,000, and shall be authorized by law to perform all the duties imposed upon it by this Indenture. Subject to the terms of the Remarketing Agreement, the Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 30 days' notice of such resignation to the Issuer, the Borrower, the Investor Member, the Construction Lender (but only prior to the Conversion Date) and the Trustee.

The Remarketing Agent may be removed, with prior notice to the Issuer, at any time by the Borrower, with at least 30 days' notice of such removal to the Remarketing Agent.

Upon any resignation or removal of the Remarketing Agent, the departing Remarketing Agent shall pay over, assign and deliver any money and Bonds held by it in such capacity to its successor.

The Trustee, within 30 days of the resignation or removal of the Remarketing Agent or the appointment of a successor Remarketing Agent, shall give notice thereof by registered or certified mail to the Rating Agency (if the Series B Bonds are then rated) and to the holders of the Series B Bonds.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 10.01. Supplemental Indentures Effective Upon Acceptance. For any one or more of the following purposes and at any time or from time to time, the Issuer and the Trustee may enter into a Supplemental Indenture which, upon the execution and delivery thereof by the Issuer and by the Trustee, and with the prior written consent of Fannie Mae (but only in connection with the Series A Bonds), the Permanent Lender and the Construction Lender (but only prior to the Conversion Date), but without the necessity of consent of the Bondholders, shall be fully effective in accordance with its terms:

- (a) To add to the covenants or agreements of the Issuer herein contained other covenants or agreements to be observed by the Issuer or to otherwise revise or amend this Indenture in a manner which are/is not materially adverse to the interests of the Bondholders;
- (b) To add to the limitations or restrictions herein contained other limitations or restrictions to be observed by the Issuer which are not contrary to or inconsistent with the provisions hereof as theretofore in effect;
- (c) To surrender any right, power or privilege reserved to or conferred upon the Issuer herein, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained herein and is not materially adverse to the interests of the Bondholders;
- (d) To confirm, as further assurance, any pledge of the Trust Estate hereunder and the subjection to any lien on or pledge of the Trust Estate created or to be created hereby;
- (e) To appoint a co-trustee or successor Trustee or successor co-trustee;
- (f) To cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision herein;

(g) To insert such provisions clarifying matters or questions arising hereunder as are necessary or desirable and are not materially adverse to the interests of the Bondholders; and

(h) To make such changes and modifications that are necessary or desirable to provide for all interest, principal and premium, if any, paid with respect to the Bonds are in the exact respective amounts of the payments of interest, principal and premium, if any, paid under and pursuant to the MBS.

Section 10.02. Supplemental Indentures Requiring Consent of Bondholders. In addition to those amendments to this Indenture which are authorized by Section 10.01, any modification or amendment of this Indenture may be made by a Supplemental Indenture with the written consent, given as hereinafter provided in Section 10.03, of Fannie Mae (but only in connection with the Series A Bonds) and the holders of at least two thirds in aggregate principal amount of the Bonds Outstanding at the time such consent is given; provided, however, that no such modification or amendment shall (a) permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or an extension of the date for payment of any installment of interest thereon or a reduction in the principal amount of, premium, if any, or the rate of interest on any Outstanding Bond without the consent of the holder of such Bond, (b) reduce the proportion of Bonds the consent of the holders of which is required to effect any such modification or amendment or to effectuate an acceleration of the Bonds prior to maturity, (c) permit the creation of a lien on the Trust Estate pledged under this Indenture prior to or on a parity with the lien of this Indenture, (d) deprive the holders of the Bonds of the lien created by this Indenture upon the Trust Estate (except as expressly provided in this Indenture), without (with respect to (b) through (d)) the consent of the holders of all Bonds Outstanding, or (e) change or modify any of the immunities, indemnities, rights, protections, limitation on liability or obligations of the Trustee without the written consent thereto of the Trustee. All fees, costs and expenses (including reasonable attorneys' fees, costs and expenses) incurred in connection with any modification, amendment or Supplemental Indenture shall be payable by the Borrower.

Section 10.03. Consent of Bondholders. The Issuer and the Trustee may, at any time, execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 10.02, to take effect when and as provided in this Section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto prepared by Co-Bond Counsel in a form satisfactory to the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Trustee to the Bondholders. Such Supplemental Indenture shall not be effective unless there shall have been filed with the Trustee (a) the written consents of Fannie Mae (but only in connection with the Series A Bonds) and the holders of the proportion of Outstanding Bonds specified in Section 10.02, and (b) an Opinion of Co-Bond Counsel stating that such Supplemental Indenture has been duly and lawfully entered into by the Issuer in accordance with the provisions of this Indenture, is authorized or permitted by the provisions of this Indenture, and, when effective, will be valid and binding upon the Issuer. Each such consent of the Bondholders shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 11.01. A certificate or certificates by the Trustee that it has examined such proof and that such proof is sufficient under the provisions of Section 11.01 shall be conclusive that the consents have been

given by the Bondholders described in such certificate or certificates. Any such consent shall be binding upon the Bondholder giving such consent and upon any subsequent holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent holder thereof has notice thereof). At any time after the holders of the required proportion of Bonds shall have filed their consents to such Supplemental Indenture, the Trustee shall make and file with the Issuer a written statement that the holders of such required proportion of Bonds have filed and given such consents. Such written statement shall be conclusive that such consents have been so filed and have been given. Within 90 days after filing such statement, the Trustee shall mail to the Bondholders a notice stating in substance that such Supplemental Indenture (which may be referred to as a Supplemental Indenture executed by the Issuer on a stated date, a copy of which is on file with the Trustee) has been consented to by the holders of the required proportion of Bonds and will be effective as provided in this Section, but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as provided in this Section 10.03. The Trustee shall provide confirmation to the Issuer proof of the mailing of such notice to the Bondholders. A record, consisting of the papers required or permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such modification or amendment shall be deemed conclusively binding upon the Issuer, the Trustee and the holders of all Bonds upon the execution thereof and the delivery by the Trustee to the Issuer of the statement that the required proportion of Bondholders have consented thereto.

Section 10.04. Modification by Unanimous Consent. Notwithstanding anything contained in the foregoing provisions of this Article, the terms and provisions hereof and the rights and obligations of the Issuer and the Bondholders hereunder, in any particular, may be modified or amended in any respect upon execution and delivery of a Supplemental Indenture by the Issuer and the Trustee making such modification or amendment and the consent to such Supplemental Indenture of Fannie Mae (but only in connection with the Series A Bonds), the Permanent Lender, the Construction Lender (but only prior to the Conversion Date) and the holders of all of the Bonds Outstanding, such consent to be given and proved as provided in Section 10.03 except that no notice to Bondholders shall be required; provided, however, that no such modification or amendment shall change or modify any of the rights, protections, privileges, immunities, indemnities, limitations on liability or obligations of the Trustee without the written consent thereto of the Trustee, in addition to the consent of the Bondholders.

Section 10.05. Exclusion of Bonds. Bonds owned or held by or for the account of the Issuer or the Borrower shall be excluded and shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article, unless all of the Bonds are owned or held by or for the account of the Issuer or the Borrower. In the event that not all of the Bonds are owned or held by or for the account of the Issuer or the Borrower, then neither the Issuer nor the Borrower, as the case may be, shall be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action under this Article, in the event that any Bonds (but not all of the Bonds) are then owned by or for the account of the Issuer, the Issuer shall furnish to the Trustee an Officer's Certificate, upon which the Trustee may rely, describing all Bonds so to be excluded. The Trustee shall be obligated to exclude as aforesaid only such Bonds as are shown by the Bond Register or are otherwise known by the Trustee to be so owned or held.

Section 10.06. Notation on Bonds. Bonds delivered after the effective date of any action taken as provided in this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Issuer and the Trustee as to such action, and in that case upon demand of the holder of any Bond Outstanding at such effective date and presentation of such Bond for such purpose at the principal office of the Trustee, suitable notation shall be made on such Bond by the Trustee as to any such action. If the Issuer or the Trustee shall so determine, new Bonds notated as in the opinion of the Trustee and the Issuer may be required to conform to such action shall be prepared and delivered, and upon demand of the holder of any Bond Outstanding, shall be exchanged, without cost to such Bondholder, for Bonds of the same series, designation, maturity and interest rate Outstanding upon surrender of such Bonds.

Section 10.07. Additional Contracts or Indentures. The Issuer, so far as it may be authorized by law, may enter, and if requested by the Trustee, shall enter into additional contracts or indentures with the Trustee giving effect to any modification or amendment of this Indenture as provided in this Article.

Section 10.08. Opinion of Co-Bond Counsel Concerning Supplemental Indentures. The Trustee shall not execute or consent to any Supplemental Indenture unless prior to the execution and delivery thereof the Trustee shall have received the written Opinion of Co-Bond Counsel to the effect that the modifications or amendments effected by such Supplemental Indenture will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or adversely affect the exemption of interest of the Bonds from personal income taxation by the State and are authorized and permitted under the provisions of this Indenture. All fees, costs and expenses (including reasonable attorneys' fees, costs and expenses) incurred in connection with any amendment, modification or supplement shall be payable by the Borrower.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, or the holding by any person of any Bonds, shall be sufficient for any purpose hereof if made in the following manner or in any other manner satisfactory to the Trustee which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

- (a) The fact and date of the execution by any Bondholder or his or her attorney of any such instrument (other than the Bond) may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act that the person signing such instrument acknowledged to him or her the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer, or (ii) by the

certificate, which need not be acknowledged or verified, of an officer of a bank, trust company or duly licensed securities broker or dealer satisfactory to the Trustee that the person signing such instrument acknowledged to such bank, trust company, broker or dealer the execution thereof;

(b) The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is authorized by a corporate resolution (a copy of which shall be delivered to the Trustee) and signed by a person purporting to be the president or a vice president of such corporation; and

(c) The holding of Bonds, the amount, numbers and other identification thereof, and the date of holding the same, shall be proved by the Bond Register.

Any request, consent or other instrument executed by the registered owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Trustee in accordance herewith in reliance on such request, consent or other instrument.

Section 11.02. Details of Documents Delivered to Trustee. Matters required to be stated in any document signed by any Authorized Officer or in any accountant's certificate, Counsel's Opinion or Officer's Certificate may be stated in separate documents of the required description or may be included in one or more thereof.

Section 11.03. Preservation and Inspection of Documents. All reports, certificates, statements and other documents received by the Trustee under the provisions hereof shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer, Fannie Mae or any Bondholder and their agents and representatives, any of whom may make copies thereof, but any such reports, certificates, statements or other documents may, at the election of the Trustee, be destroyed or otherwise disposed of at any time six years after such date as the pledge of the Trust Estate created hereby shall be discharged as provided in Section 7.01.

Section 11.04. No Recourse on Bonds. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any of its officers or employees or members of its governing body, past, present or future, in his or her individual capacity, and no recourse shall be had for the payment of the principal of, premium, if any, or Redemption Price or purchase price of or interest on the Bonds or for any claim based thereon or on this Indenture or any other Issuer Document or the Financing Documents against any such member, officer, employee or agent of the Issuer, past present or future, or any natural person executing the Bonds.

Section 11.05. Severability. If any one or more of the provisions, covenants or agreements in this Indenture on the part of the Issuer or the Trustee to be performed should be illegal, inoperative, unenforceable or contrary to law, then such provision or provisions, covenant or covenants, agreement or agreements, shall be deemed severable from the remaining provisions,

covenants and agreements, and shall in no way affect the validity of the other provisions hereof or of the Bonds.

Section 11.06. Notices. Unless otherwise specified in this Indenture, it shall be sufficient service or giving of any notice, request certificate, demand, direction or other communication if the same is sent by (and all notices required to be given by mail will be given by) first-class registered or certified mail, postage prepaid, return receipt requested, or by private courier service which provides evidence of delivery, or sent by Electronic Means which produces evidence of transmission, and in each case will be deemed to have been given on the date evidenced by the postal or courier receipt or other written evidence of delivery or electronic transmission. Unless a different address is given by any party as provided in this Section, all such communications will be addressed as follows:

To the Issuer: City of Chicago
Department of Housing
City Hall
121 N. LaSalle Street, Room 1006
Chicago, Illinois 60602
Attention: _____

With a copy to: City of Chicago
Office of the Corporation Counsel
City Hall – Room 600
121 N. LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division
Email: _____

And: City of Chicago
Department of Finance – Financial Policy
33 North LaSalle Street, Suite 600
Chicago, Illinois 60602
Attention: Deputy Comptroller
Email: _____

To the Trustee: Zions Bancorporation, National Association
111 West Washington Street, Suite 1860
Chicago, Illinois 60602
Attention: Bob Cafarelli
Telephone: (312) 763-4257
Email: Robert.cafarelli@zionsbancorp.com

To the Borrower: SACRED Apartments Owner LLC
 c/o Interfaith Housing Development Corporation
 411 S. Wells Street, Suite 401
 Chicago, Illinois 60607
 Attention: Perry B. Vietti
 Telephone: (312) 274-8200 (ext. 25)
 Email: pvietti@ihdc.org

With a copy to: Claretian Associates
 3039 E. 91st Street, Suite 1
 Chicago, Illinois 60617
 Attention: Angela Hurlock
 Telephone: (773) 734-9181
 Email: angelah@claretianassociates.org

And: Tiger Law
 220 North Green Street
 Chicago, Illinois 60637
 Attention: Nat Piggee
 Telephone: (872) 240-8422
 Email: nat@tigerlaw.com

And: Mandel Legal Aid Clinic
 6020 S. University Avenue
 Chicago, Illinois 60637
 Attention: Jeff Leslie
 Telephone: (773) 834-9903
 Email: jleslie@uchicago.edu

To the Manager of the
 Managing Member of the of
 Borrower: _____

 Attention: _____
 Telephone: () ____ - ____
 Email: _____

With a copy to: _____

 Attention: _____
 Telephone: () ____ - ____
 Email: _____

To the Rating Agency:

Moody's Investors Service, Inc.
7 World Trade Center
250 Greenwich Street, 16th Floor
New York, NY 10007
Attention: Public Finance Group – Housing Team
Email: Housing@moodys.com

To Fannie Mae:

Fannie Mae
1100 15th Street, NW
Washington, DC 20005
Attention: Director, Multifamily Asset Management
Telephone: (202) 752-6634
Facsimile: (240) 699-3880
RE: City of Chicago Multifamily Tax-Exempt Bonds
(Fannie Mae MBS Secured) (SACRED Apartments) Series
2024A;

with a copy to:

ArentFox Schiff LLP
1301 Avenue of the Americas
New York, NY 10019
Attention: Richard Krainin
Telephone: (212) 484-3918
Email: richard.krainin@afslaw.com

To the Underwriter:

Stifel, Nicolaus & Company, Incorporated
1401 Lawrence Street, Suite 900
Denver, Colorado 80202
Attention: Mark Risch
Telephone: (303) 291-5370
Email: rischm@stifel.com

with a copy to:

Tiber Hudson LLC
1800 M Street, NW, Suite 350 South
Washington, DC 20036
Attention: Kent S. Neumann
Telephone: (202) 973-0107
Email: kent@tiberhudson.com

To the Construction Lender
(prior to Conversion Date):

Bank of America, N.A.
Mail Code: IL4-110-10-01
Bank of America Tower Chicago
110 N. Wacker Drive
Chicago, Illinois 60606-1511
Attn: Stephanie Mack
Telephone: _____
Email: stephanie.a.mack@bofa.com

with a copy to:

Bank of America, N.A.
Mail Code: NC1-026-06-01
900 W. Trade Street, Suite 650
Charlotte, North Carolina 28255
Attention: CREB Loan Administration

with a copy to:

Tiber Hudson LLC
1340 Smith Avenue, Suite 200
Baltimore, Maryland 21209
Attention: Matthew Grant
Telephone: (410) 204-8510
Email: matthew@tiberhudson.com

To the Lender (on and after
Conversion Date):

Attention: _____
Telephone: () -
Email: @

with a copy to:

Attention: _____
Telephone: () -
Email: _____

To the Investor Member:

USA Institutional SACRED LLC
c/o Richmond Fund Manager, Inc.
777 West Putnam Avenue
Greenwich, Connecticut 06830
Attention: Joanne D. Flanagan, Esq.
Telephone: _____
Email: _____

With a copy to:

Kraus Lam LLC
2045 W. Grand Avenue, Suite B

PMB 27907
Chicago, Illinois 60606
Attention: Dan Kraus
Telephone: _____
Email: _____

Copies of all notices given to Fannie Mae must be given concurrently to the Permanent Lender, the Investor Member and the Construction Lender (but only prior to the Conversion Date). By notice given under this Indenture, any entity whose address is listed in this Section may designate any different address to which subsequent notices, certificates, requests, demands or other communications shall be sent, but no notice directed to any one such entity (except for Fannie Mae) will be required to be sent to more than two addresses. All approvals required under this Indenture will be given in writing. In addition, any notification received by the Trustee from the Lender shall be sent by the Trustee to the Bondholders as soon as practical after receipt thereof.

Section 11.07. Certain Notices to be Provided to the Rating Agency. In addition, the Trustee shall provide notice to the Rating Agency under the following circumstances: (i) prepayments with respect to the MBS, in whole or in part; (ii) defeasance or discharge of this Indenture; (iii) release from the Trust Estate of (A) the pledge of the MBS or (B) the assignment of the MBS Revenues received; (iv) supplements or amendments to the Financing Documents or Mortgage Note; (v) extension of the MBS Delivery Date Deadline; (vi) remarketing of the Series B Bonds; (vii) appointment of a successor Trustee; (viii) sale of Eligible Investments at a price below par; (ix) any change in the investment of funds subject to the lien of this Indenture and (x) Events of Default of which the Trustee has actual notice.

Section 11.08. Action Required to be Taken on a Non-Business Day. In any case where any Payment Date, any other date fixed for the payment of interest on or principal of the Bonds, any maturity date or any date fixed for redemption of any Bonds, shall be a day other than a Business Day, then any payment of interest or principal (and premium, if any) required to be made on such date need not be taken or made on such date but may be taken or made on the next succeeding Business Day with the same force and effect as if made or taken on the date herein otherwise provided and, in the case of any Payment Date, no interest shall accrue for the period from and after such date.

Section 11.09. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person, other than the Issuer, the Trustee, Fannie Mae and the holders of the Bonds, any right, remedy or claim under or by reason hereof, and any covenants, stipulations, obligations, promises and agreements in this Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, Fannie Mae and the Bondholders.

Section 11.10. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The parties agree that the electronic signature of a party to this Indenture shall be as valid as an original signature of such party and shall be effective to bind such party to this Indenture. For purposes hereof: (a) "electronic signature" means a manually signed original

signature that is then transmitted by electronic means; and (b) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

Section 11.11. Notification of Issuer of Amount of Outstanding Bonds. On or before each Calculation Date (as defined in the Regulatory Agreement), the Trustee shall promptly notify the Issuer, via mutually acceptable Electronic Means or by mail, of the aggregate principal amount of Outstanding Bonds as of the date of such notice.

Section 11.12. Tax Certificate. In the event of any conflict between this Indenture and the Tax Certificate, the requirements of the Tax Certificate shall control. The Trustee shall not have any responsibility hereunder or under the Tax Certificate to make or verify any calculations related to arbitrage restrictions or rebate requirements, or the excludability of the interest on the Bonds from gross income for Federal income tax purposes.

Section 11.13. Patriot Act Notice. The Trustee hereby notifies the Issuer that to help the government fight the funding of terrorism and money laundering activities pursuant to the requirements of the Patriot Act it is required to obtain, verify and record information that identifies the Issuer, which information includes the name and address of the Issuer and other information that will allow the Trustee to identify the Issuer in accordance with the Patriot Act. The Issuer hereby agrees that it shall promptly provide such information upon request by the Trustee.

Section 11.14. Applicable Provisions of Law; Venue. This Indenture and the Bonds are contracts made under the laws of the State and shall be construed in accordance with and governed by the Constitution and the laws of the State applicable to contracts made and performed in the State, excluding the conflict of law rules of the State to the extent such rules would apply the law of another jurisdiction. This Indenture and the Bonds shall be enforceable in the State. The parties hereby (i) irrevocably submit to the exclusive jurisdiction of any federal or state court sitting in Cook County, Illinois, (ii) waive any objection to laying of venue in any such action or proceeding in such courts, and (iii) waive any objection that such courts are an inconvenient forum or do not have jurisdiction over any party. Each of the parties hereto hereby waives the right to trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Indenture.

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be executed on its behalf by its Authorized Officer and the Trustee, to evidence its acceptance of the trusts created hereunder, has caused this Indenture to be executed in its name by its duly authorized signatory, all as of the day and year first above written.

CITY OF CHICAGO, as Issuer

By: _____
Chief Financial Officer

[SEAL]

Attest:

By: _____
City Clerk

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Trustee

By: _____

Name: _____

Title: _____

(Sub)Exhibits "A-1" and "A-2" referred to in this Indenture of Trust read as follows:

(Sub)Exhibit "A-1".
(To Indenture Of Trust)

Series A Bond.

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
CITY OF CHICAGO
MULTIFAMILY TAX-EXEMPT BONDS (FANNIE MAE MBS SECURED)
(SACRED APARTMENTS)
SERIES 2024A**

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE OF TRUST) TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. [RA-1] \$ _____

<u>Bond Interest Rate</u>	<u>Bond Maturity Date</u>	<u>Bond Dated Date</u>	<u>Bond CUSIP Number</u>
_____%	_____, 20__	_____, 20__	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ MILLION ___ HUNDRED THOUSAND DOLLARS

The City of Chicago (the "Issuer"), a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois, for value received, hereby promises to pay by check (but only from the sources specified in the Indenture hereinafter referred to) to the Registered Owner named above or registered assigns, on the Bond Maturity Date stated above subject to the provisions of the Indenture, including, but not limited to, the definition of Payment Date therein and as hereinafter defined (unless this Series A Bond shall have been previously called for redemption and payment of the Redemption Price shall have been made or duly provided for) the Principal Amount stated above in lawful money of the United States of America, and to pay interest thereon in like lawful money at the Bond Interest Rate specified above in the amounts as accrued and for the periods interest is paid (except in connection with a redemption of Series A Bonds upon failure to purchase the MBS as described in the Indenture) pursuant to the terms of the MBS, payable on each Payment Date. Interest shall be calculated on the basis of a year of 30/360.

The payment of interest on a Payment Date is the interest accrued during the preceding six (6) calendar months; provided that the payment of interest on the Initial Payment Date shall relate to the interest accrued from the Bond Dated Date to the calendar day immediately preceding the Initial Payment Date. Interest payable on the Series A Bonds if redeemed upon failure to purchase the MBS as described in the Indenture will be payable on the redemption date.

“Payment Date” means (i) with respect to interest, _____ 1 and _____ 1 of each year, commencing on the Initial Payment Date, and (ii) with respect to principal and interest, the stated maturity date for any of the Bonds or any earlier date of redemption of any of the Bonds

Interest hereon is payable by Zions Bancorporation, National Association (the “Trustee”). On each Payment Date, payment of the principal of and interest or premium, if any, on any Series A Bond shall be made to the person appearing on the Bond Register as the registered owner thereof on the applicable Record Date. The principal of and the interest on the Series A Bonds shall be payable in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts of the United States of America. Unless the Series A Bonds are Book-Entry Bonds, the principal of the Series A Bonds shall be payable to the registered owners thereof upon presentation (except in connection with a redemption of Series A Bonds from principal payments or prepayments on the MBS) at the designated corporate trust office of the Trustee or its successors. Unless the Series A Bonds are Book-Entry Bonds, payments of interest on the Series A Bonds and redemption of Series A Bonds from principal payments or prepayments on the MBS shall be paid by check or draft mailed to the registered owner thereof at such owner’s address as it appears on the registration books maintained by the Trustee on the applicable Record Date or at such other address as is furnished to the Trustee in writing by such owner. All payments of principal of and interest on Book-Entry Bonds shall be made and given at the times and in the manner set out in the representation letter of The Depository Trust Company, New York, New York and the provisions of the Indenture related thereto, or any replacement securities depository appointed under the Indenture.

The date of authentication of each Series A Bond shall be the date such Series A Bond is registered.

The Series A Bonds shall be subject to redemption prior to maturity as set forth in the Indenture.

Anytime the Series A Bonds are to be redeemed pursuant to the Indenture, the Trustee shall give at least five (5) calendar days’ notice, in the name of the Issuer, of the redemption of the Series A Bonds, which notice shall specify the following: (i) the maturity and principal amounts of the Series A Bonds to be redeemed; (ii) the CUSIP number, if any, of the Series A Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Series A Bonds; (v) the interest rate on the Series A Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption; (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee’s name and address and a phone number; and (xi) that on the redemption date, the Redemption Price shall be paid. Notice delivered as required in this paragraph with respect to a redemption upon failure to convert or failure to purchase the MBS by the MBS Delivery Date Deadline, may be rescinded and annulled on or before the redemption date set forth in such notice if (i) the MBS is delivered on or prior to

such redemption date or (ii) the MBS Delivery Date Deadline is extended pursuant to the Indenture. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders shall be a condition precedent to the effectiveness of any such redemption. Notwithstanding anything herein to the contrary, no notice of redemption shall be required with respect to mandatory redemptions prior to the MBS Delivery Date or mandatory sinking fund redemptions.

A Beneficial Owner of the Series A Bonds may file with the Trustee a written request to exchange Series A Bonds for a like principal amount of the MBS subject to and in accordance with the Indenture.

This Bond is one of the duly authorized bonds of the Issuer designated as City of Chicago Multifamily Tax-Exempt Bonds (Fannie Mae MBS Secured) (SACRED Apartments) Series 2024A (the "Series A Bonds"), limited in aggregate principal amount to \$ _____ issued pursuant to the Issuer's home rule powers under the Constitution of the State of Illinois, an Ordinance adopted by the City Council of the Issuer (the "Ordinance") and pursuant to an Indenture of Trust, dated as of [MONTH OF CLOSING] 1, 2024, by and between the Issuer and the Trustee (the "Indenture"). The Series A Bonds are limited obligations of the Issuer payable from and all equally secured by the lien of the Indenture, and the other security pledged thereby, including certain funds and accounts created pursuant thereto. The Series A Bonds are issued for the benefit of SACRED Apartments Owner LLC, an Illinois limited liability company (the "Borrower"), to finance a multifamily rental housing development within the City of Chicago, Illinois, known as SACRED Apartments (the "Project"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned in the Indenture.

The payment and other obligations of the Issuer with respect to the Series A Bonds are intended to be, and shall be, independent of the payment and other obligations of the Issuer or maker of the Series A Bond Loan Note, the Mortgage Note and the MBS (as hereafter defined), even though the principal amount of all three instruments is expected to be identical, except in the case of a default with respect to one or more of the instruments.

The Series A Bonds are secured by certain funds held under the Indenture as described therein, and after the MBS Delivery Date, if any, by (i) the pledge of a MBS (the "MBS") issued by the Federal National Mortgage Association ("Fannie Mae") and delivered to the Trustee, under the terms of which timely payment of principal of and interest on the MBS is guaranteed by Fannie Mae regardless of whether corresponding payments on the Permanent Loan are paid when due, and (ii) amounts payable under and pursuant to the MBS. After the MBS Delivery Date, the MBS is held in trust and pledged under the Indenture to secure the payment of the Series A Bonds.

Reference is hereby made to the Indenture, a copy of which is on file at the principal office of the Trustee, and all indentures supplemental thereto for a description of the rights thereunder of the registered owners of the Series A Bonds, of the payments and funds pledged and assigned as security for payment of the Series A Bonds and the nature and extent thereof, of the terms on which the Series A Bonds are issued and the terms and conditions on which the Series A Bonds will be deemed to be paid at or prior to maturity or redemption upon provision for payment thereof in the manner set forth in the Indenture, of the rights, duties and immunities of the Trustee and of

the rights and obligations of the Issuer thereunder, to all of the provisions of which Indenture the registered owner of this Series A Bond, by acceptance hereof, assents and agrees.

THE BONDS, TOGETHER WITH PREMIUM, IF ANY, AND INTEREST THEREON, DO NOT CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION OR A PLEDGE OF THE FULL FAITH OR LOAN OF CREDIT OF THE ISSUER, THE STATE OF ILLINOIS, OR ANY POLITICAL SUBDIVISION OF THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS. NONE OF THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND ASSETS PLEDGED WITH RESPECT THERETO. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE UNITED STATES OF AMERICA, THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF, AND ARE NOT GUARANTEED BY THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF.

The Series A Bonds are subject to redemption in the amounts and on the dates, in whole or in part, in the event of optional prepayment of amounts payable under the Permanent Loan and a corresponding prepayment of the MBS.

The registered owner of this Series A Bond shall have no right to enforce the provisions of the Indenture or to institute actions to enforce the pledge, assignments in trust or covenants made therein or to take any action with respect to an Event of Default under the Indenture or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

If an Event of Default shall occur, the principal of all Series A Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture. The Indenture provides that in certain events such declaration and its consequences may be rescinded by the holders of at least a majority in aggregate principal amount of the Series A Bonds Outstanding.

The Series A Bonds are issuable only as fully registered Series A Bonds without coupons in denominations of \$5,000.00 or any integral multiple of \$1.00 in excess thereof (an "Authorized Denomination"). Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Indenture, Series A Bonds may be exchanged at the designated corporate trust office of the Trustee for Series A Bonds in the same aggregate principal amount.

The registration of this Series A Bond is transferable by the registered owner hereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Trustee. Upon surrender for registration of transfer of this Series A Bond at such office, the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Series A Bond of the same maturity or maturities and Authorized Denomination for the same aggregate

principal amount. Series A Bonds to be exchanged shall be surrendered at said designated corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange therefore a Series A Bond of equal aggregate principal amount of the same maturity and Authorized Denomination.

In any case where any Payment Date, any other date fixed for the payment of interest on or principal of the Series A Bonds, any maturity date or any date fixed for redemption of any Series A Bonds, shall be a day other than a Business Day, then any payment of interest or principal (and premium, if any) required to be made on such date need not be taken or made on such date but may be taken or made on the next succeeding Business Day with the same force and effect as if made or taken on the date herein otherwise provided and, in the case of any Payment Date, no interest shall accrue for the period from and after such date.

The Issuer and the Trustee shall treat the registered owner of this Series A Bond as the owner hereof for all purposes, and any notice to the contrary shall not be binding on the Issuer and the Trustee.

The Indenture contains provisions permitting the Issuer and the Trustee, with the written consent of Fannie Mae and the registered owners of not less than two thirds in aggregate principal amount of the Series A Bonds Outstanding, as specified in the Indenture, and in certain instances without such consent, to execute supplemental indentures adding any provisions to, or changing in any manner, or eliminating any of the provisions of, the Indenture; provided, however, that no such supplemental indenture shall (a) permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Series A Bond or an extension of the date for payment of any installment of interest thereon or a reduction in the principal amount of, premium, if any, or the rate of interest on any Outstanding Series A Bond without the consent of the holder of such Series A Bond, (b) reduce the proportion of Series A Bonds the consent of the holders of which is required to effect any such modification or amendment or to effectuate an acceleration of the Bonds prior to maturity, (c) permit the creation of a lien on the Trust Estate pledged under the Indenture prior to or on a parity with the lien of the Indenture, (d) deprive the holders of the Series A Bonds of the lien created by the Indenture upon such Trust Estate (except as expressly provided in the Indenture), without (with respect to clauses (b) through (d)) the consent of the holders of all Series A Bonds Outstanding, or (e) change or modify any of the rights, protections, privileges, immunities, indemnities, limitations on liability or obligations of the Trustee without the written consent thereto of the Trustee.

Neither the members of the governing body of the Issuer nor any officer, agent, representative or employee of the Issuer nor any person executing this Series A Bond shall be subject to any personal liability or accountability by reason of the issuance hereof, whether by virtue of any Constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly waived as a condition of and in consideration for the execution of the Indenture and the issuance of the Series A Bonds.

This Series A Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

It is hereby certified and recited by the Issuer that all conditions, acts and things required by the Indenture or by the laws of the State of Illinois to exist, to have happened or to have been performed precedent to or in the issuance of this Series A Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the issuance of this Series A Bond and the issue of which it forms a part is within every debt and other limit prescribed by said Constitution or statutes.

In the event of any inconsistencies between the provisions of this Series A Bond and the provisions of the Indenture, the provisions of the Indenture shall control.

IN WITNESS WHEREOF, the City of Chicago has caused this Bond to be executed on its behalf by the manual or facsimile signature of its Mayor, and attested to by the manual or facsimile signature of its City Clerk, all as of the date of this Bond.

CITY OF CHICAGO, as Issuer

By: _____
Mayor

[SEAL]

ATTEST:

By: _____
City Clerk

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This Series A Bond is one of the bonds described in the within mentioned Indenture.

Date of Authentication: _____

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Signatory

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within registered Series A Bond and do(es) hereby irrevocably constitute and appoint, attorney, to transfer the same on the registration books of the Trustee, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agent Medallion Program or in such other guarantee program acceptable to the Registrar.

NOTICE: The signature on this assignment must correspond with the name(s) as written on the face of the within Series A Bond in every particular without alteration or enlargement or any change whatsoever.

Please insert social security number or other tax identification number of transferee.

DTC FAST RIDER

Each Series A Bond shall remain in the Trustee's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Trustee and DTC.

(Sub)Exhibit "A-2".
(To Indenture Of Trust)

Form Of Series B Bond.

NOTICE: Unless this bond is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED
No. [RB-1]

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS

CITY OF CHICAGO
MULTIFAMILY HOUSING REVENUE BONDS
(SACRED APARTMENTS)
SERIES 2024B

INITIAL SERIES B BOND RATE	MATURITY DATE	DATED AS OF	CUSIP
____%	____ 1, 20__	____, 2024	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ____ MILLION ____ THOUSAND DOLLARS (\$ _____)

INITIAL MANDATORY TENDER DATE: _____ 1, 20__

The City of Chicago (the "Issuer"), a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois, for value received, promises to pay to the Registered Owner specified above or registered assigns, but solely from the sources and in the manner referred to herein, the Principal Amount specified above on the Maturity Date specified above (subject to the rights of redemption and tender set forth herein), and to pay from those sources interest on the unpaid principal balance of said Principal Amount calculated at the aforesaid Initial Series B Bond Rate (a) _____ 1 and _____ 1 of each year, beginning on _____ 1, 20__, (ii) each Mandatory Redemption Date described in the Indenture, (iii) each Mandatory Tender Date, (iv) the Bond Maturity Date and (v) the date of acceleration of the Series B Bonds (the "Payment Dates") until the principal amount is paid or duly provided for. This Series B Bond will bear interest from the most recent date to which interest has been paid or

duly provided for or, if no interest has been paid or duly provided for, from its above dated as of date.

This Series B Bond shall be dated as of the Bond Dated Date, shall bear interest, payable on each Payment Date, from the date of issuance to but not including the Initial Mandatory Tender Date at a rate per annum equal to the Initial Series B Bond Rate and thereafter shall bear interest at the Remarketing Rate for each subsequent Remarketing Period (as defined in the Indenture), and shall mature (subject to prior redemption as set forth herein) on the Bond Maturity Date. Interest on this Series B Bond shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

On each Payment Date, payment of the principal of and interest or premium, if any, on any Series B Bond shall be made to the person appearing on the Bond Register as the registered owner thereof on the applicable Record Date. The principal of and the interest on the Series B Bonds shall be payable in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts of the United States of America. Unless the Series B Bonds are Book-Entry Bonds, the principal of the Series B Bonds shall be payable to the registered owners thereof upon presentation at the designated corporate trust office of Zions Bancorporation, National Association (the "Trustee") or its successors. Unless the Series B Bonds are Book-Entry Bonds, payments of interest on the Series B Bonds and redemption of the Series B Bonds pursuant to the Indenture shall be paid by check or draft mailed to the registered owner thereof at such owner's address as it appears on the registration books maintained by the Trustee on the applicable Record Date or at such other address as is furnished to the Trustee in writing by such owner. The Trustee shall cause CUSIP number identification with appropriate dollar amounts for each CUSIP number to accompany all payments of interest and/or principal made to such owners, whether such payment is made by check or wire transfer.

THE BONDS, TOGETHER WITH PREMIUM, IF ANY, AND INTEREST THEREON, DO NOT CONSTITUTE AN INDEBTEDNESS, LIABILITY, GENERAL OR MORAL OBLIGATION OR A PLEDGE OF THE FULL FAITH OR LOAN OF CREDIT OF THE ISSUER, THE STATE OF ILLINOIS, OR ANY POLITICAL SUBDIVISION OF THE STATE OF ILLINOIS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS. NONE OF THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND ASSETS PLEDGED WITH RESPECT THERETO. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE UNITED STATES OF AMERICA, THE ISSUER, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF, AND ARE NOT GUARANTEED BY THE UNITED STATES OF AMERICA OR ANY AGENCY THEREOF.

This Series B Bond is one of a duly authorized issue of City of Chicago Multifamily Housing Revenue Bonds (SACRED Apartments) Series 2024B (the "**Series B Bonds**"), issuable under the Indenture of Trust dated as of [MONTH OF CLOSING] 1, 2024 (the "**Indenture**"),

between the Issuer and the Trustee, aggregating in principal amount \$ _____ and used for the purpose of financing a loan to be made to SACRED Apartments Owner LLC, an Illinois limited liability company (the "**Borrower**"). The loan will be used by the Borrower to pay a portion of the costs of acquiring, constructing, equipping and improving the Project, as defined in the Indenture, as further provided in the Financing Agreement dated as of even date with the Indenture (the "**Financing Agreement**"), between the Issuer and the Borrower. The Series B Bonds are special limited obligations of the Issuer, issued or to be issued under and are to be secured and entitled equally and ratably to the protection given by the Indenture. The Series B Bonds are issued pursuant to, under authority of the Issuer's home rule authority and an Ordinance adopted by the Issuer's City Council (the "**Bond Ordinance**") and in compliance with Indenture.

The Series B Bonds are subject to redemption and tender prior to their stated maturity as set forth in the Indenture.

Reference is made to the Indenture for a more complete description of the Project, the provisions, among others, with respect to the nature and extent of the security for the Series B Bonds, the rights, duties and obligations of the Issuer, the Trustee and the Holders of the Series B Bonds, and the terms and conditions upon which the Series B Bonds are issued and secured. Each Holder assents, by its acceptance hereof, to all of the provisions of the Indenture.

The Borrower is required by the Financing Agreement to cause the Construction Lender (as defined in the Indenture) to deposit, on its behalf, Eligible Funds (as defined in the Indenture) with the Trustee in the amounts and at the times necessary to pay the principal of and interest (the "**Bond Service Charges**") on the Series B Bonds. In the Indenture, the Issuer has assigned to the Trustee, to provide for the payment of the Bond Service Charges on the Series B Bonds, the Issuer's right, title and interest in and to the Financing Agreement, except for Reserved Rights as defined in the Indenture. To secure its compliance with certain covenants in the Financing Agreement, the Borrower has executed and delivered the Land Use Restriction Agreement, dated as of [MONTH OF CLOSING] 1, 2024 (the "**Regulatory Agreement**"), between the Issuer and the Borrower.

Copies of the Indenture, the Financing Agreement and the Regulatory Agreement are on file in the designated corporate trust office of the Trustee.

The Bond Service Charges on the Series B Bonds are payable solely from the Trust Estate, as defined and as provided in the Indenture, and are an obligation of the Issuer only to the extent of amounts pledged under the Trust Estate. The Series B Bonds are not secured by an obligation or pledge of any money raised by taxation and do not represent or constitute a debt or pledge of the faith and credit of the Issuer.

The Series B Bonds are issuable only as fully registered bonds and, except as hereinafter provided, in printed or typewritten form, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"), which shall be considered to be the Holder for all purposes of the Indenture, including, without limitation, payment by the Issuer of Bond Service Charges, and receipt of notices to, giving of consents by and exercise of rights of, Holders. There shall be a single Bond representing each maturity, and all Series B Bonds shall be immobilized in the custody of DTC with the owners of beneficial interests in those Series B Bonds

(the "Book-Entry interests") having no right to receive from the Issuer Series B Bonds in the form of physical securities or certificates. Ownership of Book-Entry interests in the Series B Bonds shall be shown by Book-Entry on the system maintained and operated by DTC, its participants (the "**Participants**") and certain persons acting through the Participants, and transfers of ownership of Book-Entry interests shall be made only by that Book-Entry system, the Issuer and the Trustee having no responsibility therefor. DTC is to maintain records of the positions of Participants in the Series B Bonds, and the Participants and persons acting through Participants are to maintain records of the purchasers and owners of Book-Entry interests in the Series B Bonds. The Series B Bonds as such shall not be transferable or exchangeable, except for transfer to another Depository (as defined in the Indenture) or to another nominee of a Depository, without further action by the Issuer and otherwise at the expense of the Borrower.

If any Depository determines not to continue to act as a Depository for the Series B Bonds for use in a Book-Entry system, the Issuer may attempt to have established a securities depository/Book-Entry system relationship with another qualified Depository under the Indenture. If the Issuer does not or is unable to do so, the Issuer and the Trustee, after the Trustee has made provision for notification of the owners of Book-Entry interests by the then Depository, shall permit withdrawal of the Series B Bonds from the Depository, and authenticate and deliver Bond certificates in fully registered form (in denominations of \$5,000, or any integral multiple of \$1,000 in excess thereof) to the assignees of the Depository or its nominee, all at the cost and expense (including costs of printing or otherwise preparing and delivering replacement Bond certificates) of those persons requesting such authentication and delivery, if the event is not the result of Issuer action or inaction (including action at the request of the Borrower).

The Indenture permits certain amendments or supplements to the Indenture, the Financing Agreement, the Regulatory Agreement and the Series B Bond Loan Note not prejudicial to the Holders to be made without the consent of or notice to the Holders, and certain other amendments or supplements thereto to be made with the consent of the Holders of not less than a majority in aggregate principal amount of the Series B Bonds Outstanding.

The Holder of each Series B Bond has only those remedies provided in the Indenture.

This Series B Bond shall not be entitled to any security or benefit under the Indenture or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed.

IN WITNESS WHEREOF, the City of Chicago has caused this Bond to be executed on its behalf by the manual or facsimile signature of its Mayor, and attested to by the manual or facsimile signature of its City Clerk, all as of the date of this Bond.

CITY OF CHICAGO, as Issuer

By: _____
Mayor

[SEAL]

ATTEST:

By: _____
City Clerk

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This Series B Bond is one of the Series B Bonds described in the within-mentioned Indenture.

Date of Registration and Authentication: _____.

ZIONS BANCORPORATION, NATIONAL
ASSOCIATION

By: _____
Authorized Officer

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Series B Bond and irrevocably constitutes and appoints _____ attorney to transfer that Series B Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agent Medallion Program or in such other guarantee program acceptable to the Registrar.

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Series B Bond in every particular, without alteration or any change whatsoever.

Please insert social security number or other tax identification number of transferee

DTC FAST RIDER

Each Series B Bond shall remain in the Trustee's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Trustee and DTC.

Exhibit "C".
(To Ordinance)

Financing Agreement.

THIS FINANCING AGREEMENT (this "**Financing Agreement**"), is dated as of [MONTH OF CLOSING] 1, 2024, and entered into by and among the City of Chicago (the "**Issuer**"), Zions Bancorporation, National Association, as trustee under the Indenture referred to below (together with its successors and assigns, the "**Trustee**"), and SACRED Apartments Owner LLC (together with its successors and assigns, the "**Borrower**").

RECITALS:

A. Pursuant to its home rule authority under the 1970 Constitution of the State of Illinois (the "**State**") and the Bond Ordinance (as defined in the Indenture), the Issuer is authorized to exercise any power and perform any function pertaining to its government and affairs, including the power to aid in providing an adequate supply of residential housing for low and moderate income persons or families within the jurisdiction of the Issuer, which constitutes a valid public purpose for the issuance of revenue bonds by the Issuer.

B. As more fully set forth in the Indenture of Trust, of even date herewith, between the Issuer and the Trustee (the "**Indenture**"), the Issuer is issuing its Multifamily Tax-Exempt Bonds (Fannie Mae MBS Secured) (SACRED Apartments) Series 2024A, in the aggregate principal amount of \$ _____ (the "**Series A Bonds**") and its Multifamily Housing Revenue Bonds (SACRED Apartments) Series 2024B, in the aggregate principal amount of \$ _____ (the "**Series B Bonds**," and together with the Series A Bonds, individually or collectively as context may dictate, the "**Bonds**").

C. Pursuant to this Financing Agreement, the Issuer will use the proceeds of the Bonds to make one or more loans to the Borrower to finance the acquisition, construction and equipping of the Project.

D. To secure the payment of all of the principal of and premium, if any, and interest on the Bonds, the Issuer has assigned (with certain exceptions described herein) its rights, title and interests in, and delegated its duties under, this Financing Agreement, without recourse, to the Trustee.

E. The obligation of the Borrower to pay all amounts necessary to pay principal of, premium, if any, and interest on the Bonds will be evidenced by this Financing Agreement and two promissory notes, substantially in the forms attached hereto as Exhibit B-1 and B-2, as applicable, dated the date of delivery of the Bonds (the "**Bond Loan Notes**"), from the Borrower to the Issuer.

F. The parties hereto acknowledge the matters set forth in the Recitals to the Indenture.

NOW, THEREFORE, the parties hereto, in consideration of the premises and the mutual covenants and commitments of the parties set forth herein, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions. Capitalized terms used herein without definition shall have the respective meanings set forth in the Indenture. In addition to the terms elsewhere defined in this Financing Agreement, the following terms used in this Financing Agreement (including the Recitals) shall have the following meanings unless the context indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the terms herein defined:

“Bond Year” means each one-year period that ends at the close of business on the day selected by the Borrower. The first and last Bond Years may be short periods. If no day is selected by the Borrower before the earlier of the final maturity of the Bonds or the date that is five years after the Closing Date, Bond Years end on each anniversary of the Closing Date and on the date of final maturity.

“Determination of Taxability” means the receipt by the Trustee of (1) a copy of written notice from the Commissioner or any District Director of the Internal Revenue Service or a determination by any court of competent jurisdiction, or (2) an opinion of Co-Bond Counsel, in either case to the effect that interest on the Bonds is not excludable for regular federal income tax purposes under Section 103(a) of the Code from gross income of any Bondholder (other than a Bondholder who is a substantial user of the Project or a related person as defined in the Code).

“Event of Default” means any event of default specified and defined in Section 8.01 of this Financing Agreement.

“Managing Member” means SACRED Apartments Developer LLC, an Illinois limited liability company as the manager or managing member of the Borrower.

“Mortgage Note Rate” means a per annum rate of interest calculated in accordance with the Mortgage Note.

“Nonpurpose Investment” shall mean any investment property (as defined in Section 148(b) of the Code) that is acquired with the Gross Proceeds of the Bonds and which is not acquired to carry out the governmental purpose of the Bonds.

“Permitted Liens” shall mean any easements and restrictions listed in a schedule of exceptions to coverage in the title insurance policy delivered with respect to the Project as required by the Permanent Loan Documents, including without limitation, the Mortgage, and any liens that have been bonded.

“Person” means any natural person, firm, partnership, association, limited liability company, corporation or public body.

“Placed in Service Date” means the date the Project is placed in service for purposes of Section 42 of the Code.

“Qualified Project Period” shall have the meaning ascribed to such term in the Regulatory Agreement.

“Qualifying Tenants” shall have the meaning ascribed to such term in the Regulatory Agreement.

“Single Purpose Entity” means an entity that (i) is formed solely for the purpose of owning and operating a single asset; (ii) does not engage in any business unrelated to such asset, (iii) keeps its own books and records and its own accounts separate and apart from the books, records and accounts of any other Person, and (iv) holds itself out as being a legal entity, separate and apart from any other Person.

Section 1.02. Rules of Construction.

(a) The singular form of any word used herein, including the terms defined in Section 1.01, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders.

(b) All references herein to “Articles,” “Sections” and other subdivisions hereof are to the corresponding Articles, Sections or subdivisions of this Financing Agreement as originally executed; and the words “herein,” “hereof,” “hereunder” and other words of similar import refer to this Financing Agreement as a whole and not to any particular Article, Section or subdivision hereof.

(c) The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not limit or otherwise affect the meaning, construction or effect of this Financing Agreement or describe the scope or intent of any provisions hereof.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with applicable generally accepted accounting principles as in effect from time to time.

(e) Every “request,” “order,” “demand,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” or similar action hereunder by any party shall, unless the form thereof is specifically provided, be in writing signed by a duly authorized representative of such party with a duly authorized signature.

(f) The parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Financing Agreement and the Indenture. Accordingly, the parties agree that any rule of construction which disfavors the drafting party shall not apply in the interpretation of this Financing Agreement or the Indenture or any amendment or supplement or exhibit hereto or thereto.

Section 1.03. Effective Date. The provisions of this Financing Agreement shall be effective on and as of the Closing Date, immediately upon the effectiveness of the Indenture.

ARTICLE II

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 2.01. Representations, Warranties and Covenants by the Borrower. The Borrower represents, warrants and covenants as follows:

(a) The Borrower is a limited liability company organized and qualified to do business in the State. The Managing Member is a limited liability company organized and qualified to do business in the State. Each of the Borrower and the Managing Member has full power and authority to own its properties and to carry on its business as now being conducted and as contemplated to be conducted with respect to the Project, and to enter into, and to perform and carry out the transactions provided for in this Financing Agreement, all other Financing Documents contemplated hereby to be executed by the Borrower and/or the Managing Member and the Permanent Loan Documents. This Financing Agreement, the other Financing Documents to which the Borrower or the Managing Member is a party, the Permanent Loan Documents and all other documents to which the Borrower or the Managing Member is a party and contemplated hereby or thereby have been duly authorized, executed and delivered by the Borrower or the Managing Member and constitute the legal, valid and binding obligations of the Borrower or the Managing Member, respectively, enforceable against the Borrower or the Managing Member, each in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general equitable principles. The officers of the Borrower and/or the Managing Member executing this Financing Agreement, all other Financing Documents contemplated hereby to be executed by the Borrower or the Managing Member and the Permanent Loan Documents are duly and properly in office and fully authorized to execute the same.

(b) Neither the execution and delivery of this Financing Agreement, all other Financing Documents to be executed by the Borrower, the Permanent Loan Documents or any other documents contemplated hereby or thereby to be executed by the Borrower, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions of this Financing Agreement, all other Financing Documents to be executed by the Borrower, the Permanent Loan Documents or any other documents contemplated hereby or thereby, will, as of the Closing Date, violate or contravene any provision of law, any order of any court or other agency of government, or any of the organizational or other governing documents of the Borrower, or any indenture, agreement or other instrument to which the Borrower is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument or any license, judgment, decree, law, statute, order, rule or regulation of any governmental agency or body having jurisdiction over the Borrower or any of its activities or properties, or, except as provided hereunder, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower, except for Permitted Liens.

(c) The Borrower has and will have a fee simple interest in the Project, subject to the Permitted Liens. The Borrower is the sole borrower under the Permanent Loan. The Borrower enjoys the peaceful and undisturbed possession of all of the premises upon which it is operating its facilities. The Borrower possesses, and will at all times possess, all franchises, patents, copyrights, trademarks, trade names, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of its business substantially as now conducted or as it is intended to be conducted with respect to the Project, without known conflict with any rights of others.

(d) As of the Closing Date, no litigation or proceeding is pending or, to the knowledge of the Borrower or the Managing Member, threatened against or affecting the Borrower or the Managing Member or any of the Borrower's properties (including, without limitation, the Project) which has a reasonable probability of having a material adverse effect on its financial condition or business, or the transactions contemplated by this Financing Agreement, the Indenture, the other Financing Documents or the Permanent Loan Documents, or which in any way would adversely affect the validity or enforceability of the Bonds, the Indenture, this Financing Agreement, the other Financing Documents or the Permanent Loan Documents, or the exclusion from gross income for federal income tax purposes of interest on the Bonds, or the ability of the Borrower to perform its obligations under this Financing Agreement, the other Financing Documents or the Permanent Loan Documents executed by the Borrower.

(e) The Project and the operation of the Project (in the manner contemplated by the Financing Documents) conform in all material respects with all applicable zoning (or a legal non-conforming use), planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Project, all necessary utilities are available to the Project, and the Borrower has obtained or will obtain all requisite zoning, planning, building and environmental and other permits which may become necessary with respect to the Project. The Borrower has obtained or will obtain all licenses, permits and approvals necessary for the ownership, operation and management of the Project, including all approvals essential to the transactions contemplated by this Financing Agreement, the Indenture, the other Financing Documents, the Permanent Loan Documents and any other documents contemplated hereby or thereby.

(f) The financial statements which have been furnished by or on behalf of the Borrower to the Issuer, are complete and accurate in all material respects and present fairly the financial condition of the Borrower as of their respective dates in accordance with generally accepted accounting methods applied by the Borrower on a consistent basis, and since the date of the most recent of such financial statements there has not been any material adverse change, financial or otherwise, in the condition of the Borrower, and there have not been any material transactions entered into by the Borrower other than transactions in the ordinary course of business, and the Borrower does not have any material contingent obligations which are not otherwise disclosed in its financial statements. There (i) is no completed, pending or to the actual knowledge of the Borrower, threatened bankruptcy, reorganization, receivership, insolvency or like proceeding, whether voluntary or involuntary, affecting the Project, the Borrower, or any manager or managing member of the Borrower; and (ii) has been no assertion or exercise of jurisdiction over the Project, the

Borrower or any manager or managing member of the Borrower by any court empowered to exercise bankruptcy powers.

(g) No event has occurred and no condition exists with respect to the Borrower or the Project that would constitute an Event of Default or which, to the Borrower's actual knowledge, with the lapse of time, if not cured, or with the giving of notice, or both, would become an Event of Default. The Borrower is not in default under the Regulatory Agreement.

(h) The Borrower has complied with all the terms and conditions of the Tax Certificate, including the terms and conditions of the exhibits thereto, and the representations and warranties set forth in the Tax Certificate and the Regulatory Agreement pertaining to the Borrower and the Project are true and accurate in all material respects. The Borrower has furnished to the Issuer in the Tax Certificate all information necessary for the Issuer to file an IRS Form 8038 with respect to the Bonds, and all of such information is and will be on the date of filing, true, complete and correct.

(i) The Project is, as of the Closing Date, in compliance with all requirements of the Regulatory Agreement, including all applicable requirements of the Code. The Borrower intends to cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement, including all applicable requirements of the Code. All leases will comply with all applicable laws and the Regulatory Agreement. The Project meets, or will meet upon completion of the anticipated construction of the Project, the requirements of this Financing Agreement, the Regulatory Agreement, the Code with respect to multifamily rental housing.

(j) No information, statement or report furnished in writing to the Issuer, Fannie Mae, the Lender or the Trustee by the Borrower in connection with this Financing Agreement, the other Financing Documents or the Permanent Loan Documents or the consummation of the transactions contemplated hereby and thereby (including, without limitation, any information furnished by the Borrower in connection with the preparation of any materials related to the issuance, delivery or offering of the Bonds on the Closing Date) contains any material misstatement of fact or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and the representations and warranties of the Borrower and the statements, information and descriptions contained in the Borrower's closing certificates, as of the Closing Date, are true, correct and complete, do not and will not contain any untrue statement or misleading statement of a material fact, and do not and will not omit to state a material fact required to be stated therein or necessary to make the certifications, representations, warranties, statements, information and descriptions contained therein, in the light of the circumstances under which they were made, not misleading; and the estimates and the assumptions contained herein and in any certificate of the Borrower delivered as of the Closing Date are reasonable and based on the best information available to the Borrower. Each of the certifications, representations, warranties, statements, information and descriptions contained in the Tax Certificate is hereby incorporated into this Financing Agreement by reference, as if fully set forth herein.

(k) To the best knowledge of the Borrower, no officer, agent or employee of the Issuer has been or is in any manner interested, directly or indirectly, in that person's own name or in the name of any other person, in the Bonds, the Financing Documents, the Permanent Loan Documents, the Borrower or the Project, in any contract for property or materials to be furnished or used in connection with the Project, or in any aspect of the transactions contemplated by the Financing Documents or the Permanent Loan Documents.

(l) No authorization, consent, approval, order, registration declaration or withholding of objection on the part of or filing of or with any governmental authority not already obtained or made (or to the extent not yet obtained or made the Borrower has no reason to believe that such authorizations, consents, approvals, orders, registrations or declarations will not be obtained or made in a timely fashion) is required for the execution and delivery or approval, as the case may be, of this Financing Agreement, the other Financing Documents, the Permanent Loan Documents or any other documents contemplated by this Financing Agreement, the other Financing Documents or the Permanent Loan Documents, or for the performance of the terms and provisions hereof or thereof by the Borrower.

(m) The Borrower is not presently under any cease or desist order or other orders of a similar nature, temporary or permanent, of any federal or state authority which would have the effect of preventing or hindering performance of its duties hereunder, nor are there any proceedings presently in progress or to its knowledge contemplated which would, if successful, lead to the issuance of any such order.

(n) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Issuer is a party or of which it is a beneficiary including, without limitation, the Indenture; that it approves the initial appointment of the Trustee under the Indenture; that it understands the risks inherent in such transactions, including, without limitation, the risk of loss of the Project; and that it has not relied on the Issuer, the Lender or Fannie Mae for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this Financing Agreement and the Indenture or otherwise relied on the Issuer, the Lender or Fannie Mae in any manner.

(o) The Borrower has not received any notice that it is not in compliance with all provisions of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"); the Resource Conservation and Recovery Act; the Superfund Amendments and Reauthorization Act of 1986; the Toxic Substances Control Act and all environmental laws of the State (the "**Environmental Laws**"), or with any rules, regulations and administrative orders of any governmental agency, or with any judgments, decrees or orders of any court of competent jurisdiction with respect thereto; and the Borrower has not received any assessment, notice (primary or secondary) of liability or financial responsibility, and no notice of any action, claim or proceeding to determine such liability or responsibility, or the amount thereof, or to impose civil penalties with respect to a site listed on any federal or state listing of sites containing

or believed to contain “hazardous materials” (as defined in the Environmental Laws), nor has the Borrower received notification that any hazardous substances (as defined under CERCLA) that it has disposed of have been found in any site at which any governmental agency is conducting an investigation or other proceeding under any Environmental Law.

(p) The Borrower has not received any notice that it is not in full compliance with the Employment Retirement Income Security Act of 1974 (“ERISA”), as amended, and the Department of Labor regulations thereunder, with the Code and Regulations thereunder and with terms of such plan or plans with respect to each pension or welfare benefit plan to which the Borrower is a party or makes any employer contributions with respect to its employees, for the current or prior plan years of such plans.

(q) The average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the facilities of the Project financed with the original net proceeds.

(r) The Bonds are not and shall not be “federally guaranteed” as defined in Section 149(b) of the Code.

(s) The Borrower intends to hold the Project for its own account and has no current plans to sell and has not entered into any agreement to sell all or any portion of the Project.

(t) All tax returns (federal, state and local) required to be filed by or on behalf of the Borrower have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein.

(u) The Borrower shall make no changes to the Project or to the operation thereof which would impair the exclusion from gross income for federal income tax purposes of the interest on the Bonds. The Borrower shall operate the Project as required by the Regulatory Agreement.

(v) All of the ownership interests in the Borrower are validly issued and are fully registered, if required, with the applicable governmental authorities and/or agencies, and there are no outstanding options or rights to purchase or acquire those interests. Nothing in this Financing Agreement shall prevent the Borrower from issuing additional ownership interests if ownership interests are issued in accordance with all applicable securities laws.

(w) The Borrower is, and will at all times be, a Single Purpose Entity.

(x) The Project is located wholly within the State and within the jurisdiction of the Issuer.

(y) None of the Issuer, the Trustee or any director, member, officer or employee of the Issuer or the Trustee has any interest, financial, employment or other, in the Borrower, the Project or the transactions contemplated hereby.

(z) The Borrower is not an "employee benefit plan," as defined in Section 3(3) of ERISA, subject to Title I of ERISA, and none of the assets in the Borrower constitutes or will constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101.

(aa) No part of the proceeds of the loans to the Borrower evidenced by this Financing Agreement will be used for the purpose of acquiring any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose that would be inconsistent with such Regulation U or any other Regulation of such Board of Governors, or for any purpose prohibited by any Permanent Loan Document.

(bb) The Borrower is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (iii) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

(cc) Each requisition submitted by the Borrower shall contain an affirmation that the foregoing representations and warranties remain true and correct as of the date thereof.

(dd) Neither the Borrower nor a "related person" as defined in Section 144(a)(3) of the Code shall purchase any portion of the Bonds.

Section 2.02. Representations, Warranties and Covenants of the Issuer. The Issuer represents, warrants and covenants as follows:

(a) **Authority.** The Issuer is a municipal corporation and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois, is authorized and empowered by virtue of its home rule authority and the Bond Ordinance to enter into the transactions contemplated by this Financing Agreement and the Indenture and to carry out its obligations hereunder and thereunder, and by proper action of its City Council has been duly authorized to execute and deliver this Financing Agreement, the Indenture and the Issuer's Tax Certificate, and this Financing Agreement, the Indenture and the Issuer's Tax Certificate have been duly executed and delivered by the Issuer and are valid and binding obligations of the Issuer enforceable in accordance with their terms.

(b) **Pledge.** The Bonds are to be issued and secured by the Indenture, pursuant to which certain of the Issuer's interests in this Financing Agreement and the Indenture, and the revenues and income to be derived by the Issuer pursuant to this Financing Agreement and the Indenture, will be pledged and assigned to the Trustee as security for

payment of the principal, premium, if any, and interest on the Bonds. The Issuer covenants that it has not and will not pledge or assign its interest in the Indenture or this Financing Agreement, or the revenues and income derived pursuant to this Financing Agreement or the Indenture, excepting the Reserved Rights of the Issuer, other than to the Trustee under the Indenture to secure the Bonds.

(c) **Conflicts.** To the best knowledge of the Issuer, neither the execution and delivery of this Financing Agreement, the Indenture, the Regulatory Agreement and the Issuer's Tax Certificate, the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions of this Financing Agreement, the Indenture, the Regulatory Agreement or the Issuer's Tax Certificate conflicts with or results in a breach of the terms, conditions or provisions of any material restriction, agreement or instrument to which the Issuer is a party, or by which it or any of its property is bound, or constitutes a default under any of the foregoing.

ARTICLE III

THE BONDS AND THE PROCEEDS THEREOF

Section 3.01. Issuance of Bonds. The Issuer has authorized the issuance of the Series A Bonds in the aggregate principal amount of \$_____ and the Series B Bonds in the aggregate principal amount of \$_____, and the Bonds in such amount shall be issued and Outstanding as of the Closing Date. The obligations of the Issuer, the Trustee and the Borrower under this Financing Agreement are expressly conditioned upon (i) the sale, issuance and delivery of the Bonds, (ii) receipt by the Trustee of the amounts set forth in Section 5.04 of the Indenture, (iii) the making of the Construction Loan by the Construction Lender and (iv) the making of the Permanent Loan on the Conversion Date. Neither the Issuer, the Lender, the Trustee nor Fannie Mae shall have any liability for any fees, costs or expenses, including, without limitation, issuance costs relating to the Bonds; all of such fees, costs and expenses shall be paid by the Borrower.

The Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest, will mature and will be subject to redemption, mandatory tender and remarketing as set forth therein. The Borrower hereby approves the terms and conditions of the Indenture and the Bonds, and the terms and conditions under which the Bonds will be issued, sold and delivered and will comply with those provisions of the Indenture that contemplate action by the Borrower, all as if the Borrower were a party to the Indenture.

Section 3.02. Remarketing of Series B Bonds. The Authorized Borrower Representative, with the written consent of the Remarketing Agent is hereby granted the right to (a) request a remarketing of the Series B Bonds in the manner and to the extent set forth in Section 3.07 of the Indenture and (ii) designate the length of the Remarketing Period and the related Mandatory Tender Date in the manner and to the extent set forth in Sections 3.05 and 3.07 of the Indenture.

ARTICLE IV

THE BONDS, THE LOANS AND FEES

Section 4.01. Sources, Deposits and Uses. The Trustee shall apply the amounts deposited into the Series A Bond Proceeds Fund Account and the Series A Collateral Fund Account as provided in Sections 5.08 and 5.09 of the Indenture to secure the Series A Bonds until the MBS Delivery Date and then to purchase the MBS. The Trustee shall apply the amounts deposited into the Series B Bond Proceeds Fund Account and the Series B Collateral Fund Account as provided in Sections 5.08 and 5.09 of the Indenture to secure the Series B Bonds until the Initial Mandatory Tender Date and then to redeem the Series B Bonds unless the conditions to remarketing set forth in Section 3.07 of the Indenture are satisfied. The Borrower accepts the Construction Loan from the Construction Lender, upon the terms and conditions set forth in the Construction Loan Documents. The Borrower accepts the Permanent Loan from the Permanent Lender, upon the terms and conditions set forth herein, in the Permanent Loan Documents and in the Indenture, and subject to the terms and conditions of the Regulatory Agreement. The Issuer has caused the proceeds of the Bonds to be provided to the Trustee for deposit to the Bond Proceeds Fund. The Borrower acknowledges its obligation to pay all amounts necessary to pay principal of, premium, if any, and interest on the Bonds as provided in the Indenture. The Borrower has made arrangements for the delivery to the Trustee of the MBS and of certain other Eligible Funds as contemplated herein and in the Indenture. Payments on the MBS received by the Trustee shall be credited to amounts due from the Borrower for payment of principal of, premium, if any, and interest on the Series A Bonds.

Section 4.02. Loan of Proceeds. The Issuer agrees, upon the terms and conditions contained in this Financing Agreement and the Indenture, to lend to the Borrower the proceeds received by the Issuer from the sale of the Bonds. Such proceeds shall be disbursed to or on behalf of the Borrower as provided in Section 4.08 hereof.

Section 4.03. Amounts Payable.

(a) The Borrower hereby covenants and agrees to repay the Series A Bond Loan Note and Series B Bond Loan Note on or before any date that any payment of interest or principal is required to be made in respect of the Bonds pursuant to the Indenture, until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in any account of the Revenue Fund, will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or acceleration or otherwise) and interest on the Bonds as provided in the Indenture. Payments by the Trustee of principal and interest on the Bonds from amounts in the Revenue Fund shall be credited against the Borrower's obligation to pay principal and interest on the Series A Bond Loan Note and Series B Bond Loan Note, as applicable.

It is understood and agreed that all payments of principal and interest payable by the Borrower under subsection (a) of this Section 4.03 are assigned by the Issuer to the Trustee for the

benefit of the Bondholders (excluding amounts on deposit in the Rebate Fund). The Borrower consents to such assignment.

(b) In the event the Borrower should fail to make any of the payments required in this Section 4.03, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon, to the extent permitted by law, from the date when such payment was due, at the rate of interest borne by the Bonds.

Section 4.04. Obligations Unconditional. The obligations of the Borrower to make the payments required under this Financing Agreement, and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, irrespective of any defense or any right of notice, setoff, recoupment or counterclaim it might otherwise have against the Issuer, the Trustee or any other Person. Subject to termination as provided herein, the Borrower (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for under this Financing Agreement, (ii) will perform and observe all of its other agreements contained in this Financing Agreement and (iii) will not terminate this Financing Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Financing Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied.

Section 4.05. Payment of Fees and Expenses. In addition to all fees, costs, expenses and other amounts required to be paid by the Borrower under the Construction Loan Documents and the Permanent Loan Documents, the Borrower shall pay, without duplication, the following fees and expenses:

(a) All amounts required to (i) pay the Trustee Fees and Expenses for its duties and services as Trustee in connection with the Bonds (as such duties and services are set out in the Indenture), (ii) reimburse the Trustee for all out-of-pocket expenses, fees, costs and other charges, including reasonable counsel fees and expenses and taxes (excluding income, value added and similar business taxes), reasonably and necessarily incurred by the Trustee in performing its duties as Trustee under the Indenture, (iii) pay the fees of the Dissemination Agent for its duties and services as Dissemination Agent in connection with the Bonds (as such duties and services are set out in the Continuing Disclosure Agreement) and (iv) in connection with a remarketing of the Series B Bonds, to pay the Remarketing Expenses.

(b) The Ordinary Issuer Fees and Expenses, and the reasonable fees and expenses of the Issuer or any agents, attorneys, accountants, consultants selected by the Issuer to act on its behalf in connection with the Financing Documents, the Permanent Loan Documents or the Bonds, including, without limitation, any and all reasonable expenses

incurred in connection with the authorization, issuance, sale and delivery of the Bonds or in connection with any litigation which may at any time be instituted involving the Financing Documents, the Permanent Loan Documents or the Bonds or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of the foregoing.

(c) All taxes and assessments of any type or character charged to the Issuer or to the Trustee affecting the amount available to the Issuer or the Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby or thereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Trustee and taxes based upon or measured by the net income of the Trustee; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Issuer or the Trustee, at the Borrower's expense, to protest and contest any such taxes or assessments levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer or the Trustee.

(d) The Rebate Analyst Fee as defined in the Indenture and all out-of-pocket expenses of the Rebate Analyst.

(e) All Costs of Issuance of the Bonds, including, but not limited to, Rating Agency fees, printing expenses, attorneys' fees and the Underwriter's fees, and all expenses of originating the Construction Loan by the Construction Lender and Permanent Loan by the Permanent Lender, the Borrower acknowledging that all such fees, costs and expenses must be paid by the Borrower separate and apart from payments due under the Permanent Loan and will not be included in the Mortgage Note Rate.

(f) The Costs of Issuance Deposit to be made to the Costs of Issuance Fund on the Closing Date pursuant to Sections 5.04 and 5.07 of the Indenture.

(g) These obligations and those in Section 5.09 hereof shall remain valid and in effect notwithstanding repayment of the Permanent Loan hereunder or termination of this Financing Agreement or the Indenture.

All fees and expenses not included in the Mortgage Note Rate shall not be secured by the Mortgage, except as provided for therein, and shall be subordinate to the Borrower's obligations under the Permanent Loan in all respects. No such fees or expenses payable to the Issuer or the Trustee shall be paid from the proceeds of the MBS.

Section 4.06. Notification of Prepayment of Bond Loan Notes and Mortgage Note.

The Issuer and the Permanent Lender, as applicable, shall notify the Trustee promptly in writing of the receipt of any prepayment of the Series A Bond Loan Note and the Mortgage Note, whether upon acceleration, by reason of application of insurance or condemnation proceeds, optional

prepayment or otherwise. If such prepayment of the Series A Bond Loan Note or the Mortgage Note results in revisions to the Permanent Loan Amortization Schedule, the Borrower shall direct the Permanent Lender to provide the revised Permanent Loan Amortization Schedule to the Trustee.

Section 4.07. Collateral Payments. In consideration of and as a condition to the disbursement of Bond proceeds in the Bond Proceeds Fund to pay Project Costs (except as otherwise permitted under the Indenture), and to secure the Borrower's obligation to make payments on the Permanent Loan, the Borrower shall cause the delivery of Eligible Funds equal to the amount of the proposed disbursement to the Trustee on or before each such disbursement. All such Eligible Funds shall be paid to the Trustee for the account of the Issuer and shall be held in the Collateral Fund and disbursed in accordance with the provisions of the Indenture.

Section 4.08. Disbursements from the Bond Proceeds Fund. Subject to the provisions below and so long as no Event of Default hereunder has occurred and is continuing for which the principal amount of the Bonds has been declared to be immediately due and payable pursuant to Section 8.02 hereof and Section 8.02 of the Indenture, and no Determination of Taxability has occurred, disbursements from the Bond Proceeds Fund shall be made only to pay any of the Project Costs.

Except as otherwise permitted under the Indenture, any disbursements from the Bond Proceeds Fund for the payment of Project Costs shall be made by the Trustee only upon the receipt by the Trustee of: (a) a signed requisition in the form attached hereto as Exhibit A, on which the Trustee may conclusively rely; and (b) the receipt by the Trustee of Eligible Funds in an amount equal to the amount of any such disbursement request for deposit into the Collateral Fund as provided in Section 4.04 hereof. The Borrower hereby acknowledges and agrees that it shall submit disbursement requests to the Trustee no more frequently than once each calendar month. Each such disbursement request shall be consecutively numbered and accompanied by a copy of the approval of the Lender of the payments or reimbursements requested. Proceeds of the Bonds disbursed pursuant to the provisions of this Financing Agreement may only be used to pay the Project Costs or as otherwise permitted under the Indenture.

Any disbursement for any item not described in, or the cost for which item is other than as described in, the information statement filed by the Issuer in connection with the issuance of the Bonds as required by Section 149(e) of the Code, and in the notice of public hearing pertaining to the Bonds shall be accompanied by an opinion of Co-Bond Counsel to the effect that such disbursement will not adversely affect the status of the interest on the Bonds as excludible from gross income for federal income tax purposes of the Bondholders (except on Bonds while held by a substantial user or related person, each as defined in the Code).

Any money in the Bond Proceeds Fund remaining after the MBS Delivery Date shall be applied as provided in Section 5.11 of the Indenture.

Notwithstanding any provision of this Financing Agreement or any provision of the Indenture to the contrary, except as set forth in this paragraph, the Trustee shall not disburse funds from the Bond Proceeds Fund unless and until the Trustee confirms that Eligible Funds in the applicable Account of the Collateral Fund plus Eligible Funds in the applicable Account of the

Bond Proceeds Fund, less the amount of the requested disbursement from the applicable Account of the Bond Proceeds Fund, is at least equal to the then-Outstanding principal amount of the Series A Bonds or Series B Bonds, as applicable; provided, however, the Trustee shall be permitted to transfer funds from the applicable account of the Bond Proceeds Fund to the applicable account of the Collateral Fund as set forth under the Indenture, provided that, as a result of any such transfer, with respect to (i) the Series A Bonds, the amount of Eligible Funds remaining on deposit in the Series A Bond Proceeds Fund Account plus Eligible Funds on deposit in the Series A Collateral Fund Account is at least equal to the then-Outstanding principal amount of the Series A Bonds and (ii) the Series B Bonds, the amount of Eligible Funds remaining on deposit in the Series B Bond Proceeds Fund Account plus Eligible Funds on deposit in the Series B Collateral Fund Account, plus scheduled investment earnings on Eligible Investments in such accounts, is at least equal to the then-Outstanding principal amount of the Series B Bonds.

Section 4.09. Borrower's Obligations Upon Tender of Series B Bonds.

If the Series B Bonds are not remarketed on any Mandatory Tender Date and a sufficient amount is not available in the Series B Collateral Fund Account, the Series B Negative Arbitrage Account of the Negative Arbitrage Account of the Revenue Fund and the Series B Bond Proceeds Fund Account, as provided in Section 3.01(f) of the Indenture, for the purpose of paying the redemption price of such Series B Bonds, the Borrower will cause to be paid to the Trustee by the Mandatory Tender Date, an amount equal to the amount by which the redemption price of the Series B Bonds exceeds the amount otherwise available pursuant to the Indenture.

ARTICLE V

COVENANTS, UNDERTAKINGS AND OBLIGATIONS OF THE BORROWER

Section 5.01. Taxes, Other Governmental Charges and Utility Charges. The Borrower shall pay, or cause to be paid, promptly as the same become due and payable, every lawful cost, expense and obligation of every kind and nature, foreseen or unforeseen, for the payment of which the Issuer, the Trustee, the Lender or Fannie Mae is or shall become liable by reason of its or their estate or interest in the Project or any portion thereof, by reason of any right or interest of the Issuer, the Trustee, the Lender or Fannie Mae in or under this Financing Agreement, or by reason of or in any manner connected with or arising out of the possession, operation, maintenance, alteration, repair, rebuilding, use or occupancy of the Project or any portion thereof, including, without limitation, all taxes (except income and similar taxes of such entities), assessments, whether general or special, all costs of maintenance and repair, insurance premiums (including public liability insurance and insurance against damage to or destruction of the Project) concerning or in any way related to the Project, or any part thereof, and any expenses or renewals thereof, all utility and other charges and assessments concerning or in any way related to the Project, and governmental charges and impositions of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project or any machinery, equipment or other property installed or brought by the Borrower therein or thereon; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to request the Issuer or the Trustee, at the Borrower's expense, to protest and contest any such taxes or assessments levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or

contest would materially adversely affect the rights or interests of the Issuer, the Trustee, Fannie Mae, or the Lender; provided further, however, that any amounts payable hereunder that are also required to be paid by the terms of the Mortgage shall be paid without duplication on the terms provided in the Mortgage.

Upon request, the Borrower shall furnish to the Issuer, the Trustee, Fannie Mae and the Lender proof of the payment of any such tax, assessment or other governmental or similar charge, or any other charge which is payable by the Borrower as set forth above.

Section 5.02. Compliance With Laws. The Borrower shall, throughout the term of this Financing Agreement and at no expense to the Issuer, the Trustee, the Lender or Fannie Mae promptly comply or cause compliance with all laws, ordinances, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project or to the repair and alteration thereof, or to the use or manner of use of the Project, including, but not limited to, the applicable provisions of the Americans With Disabilities Act and all applicable federal, State and local environmental, labor, health and safety laws, rules and regulations.

Section 5.03. Maintenance of Legal Existence. During the term of this Financing Agreement, the Borrower shall maintain its existence as set forth in Section 2.01(a) and shall not terminate, dissolve or dispose of all or substantially all of its assets; provided, however, that the Borrower may, with the written permission of the Issuer, consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, or transfer all or substantially all of its assets to another entity, but only on the condition that the assignee entity or the entity resulting from or surviving such merger or consolidation (if other than the Borrower), or the entity to which such transfer shall be made, shall be duly organized and existing, in good standing and qualified to do business under the laws of the State, shall remain so continuously during the term hereof, and shall expressly assume in writing and agree to perform all of the Borrower's obligations hereunder and under all other documents executed by the Borrower in connection with the issuance of the Bonds; provided, further, that (i) the Borrower delivers an opinion of Co-Bond Counsel to the effect that such consolidation or merger shall not cause interest on the Bonds to be included in gross income for federal income tax purposes, and (ii) any transfer of the Project shall be effected in accordance with the Mortgage. Nothing in this Section 5.03 shall be deemed to relieve the Borrower of its obligations to comply with the provisions of the Permanent Loan Documents. Notwithstanding anything herein to the contrary, the Investor Member shall be permitted to transfer its membership interest in the Borrower.

Section 5.04. Operation of Project.

The Borrower will not sell, transfer or otherwise dispose of the Project except as provided in the Regulatory Agreement, the Permanent Loan Documents and Section 5.03 of this Financing Agreement.

Section 5.05. Tax Covenants. The Borrower hereby covenants and agrees as follows:

(a) It is the intention of the parties hereto that interest on the Bonds shall be and remain excludable from gross income for federal income tax purposes, and, to that end, the

covenants and agreements of the Issuer and the Borrower in this Section are for the benefit of the Trustee on behalf of and for each and every holder of the Bonds.

(b) The Borrower covenants and agrees that it will not knowingly use or permit the use of any of the funds provided by the Issuer hereunder or knowingly use or invest or permit the use or investment of any other funds of the Borrower directly or indirectly, or direct the Trustee to invest any funds held by it hereunder or under the Indenture or otherwise, in such manner as would cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, a "hedge bond" within the meaning of Section 149 of the Code, or "federally guaranteed" within the meaning of Section 149(b) of the Code and applicable regulations promulgated from time to time thereunder. The Borrower covenants and agrees that neither it, nor any "related person" (as defined in Section 147(a)(2) of the Code) will enter into any arrangement, formal or informal, for the purchase of Bonds. The Borrower covenants and agrees that it will observe and not violate the requirements of Section 148 of the Code and any such applicable regulations which, in the opinion of Co-Bond Counsel, are applicable to the Borrower or to the Bonds.

(c) In the event that at any time the Borrower is in receipt of an opinion of Co-Bond Counsel to the effect that for purposes of this Section or the Indenture it is necessary to further restrict or limit the Yield on the investment of any money held by the Trustee under the Indenture beyond those situations and periods outlined in this Financing Agreement or the Issuer's Tax Certificate dated the Closing Date, the Borrower shall notify the Trustee in writing of the limitations which, in the opinion of Co-Bond Counsel, apply to the investment of such funds and instruct the Trustee to comply with these limitations.

(d) As additional consideration for the purchase of the Bonds by the purchaser thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to insure the excludability from gross income of the interest thereon for federal income tax purposes, the Borrower shall deliver to the Trustee, within 25 days after each Computation Date,

(i) a statement, signed by the Rebate Analyst stating the applicable portion of the Rebate Amount as of such Computation Date which must be paid over to the United States of America under Section 148(f) of the Code taking into account all Gross Proceeds of the Bonds, and

(ii) if required, an Internal Revenue Service Form 8038-T completed as of such Computation Date and such other Internal Revenue Service forms or other statements or forms required by the Code, Regulations, or other administrative rule, procedure, announcement, or guidelines.

(e) If the Borrower shall discover or be notified as of any date that any payment made to the United States Treasury pursuant to Section 9.12 of the Indenture shall have failed to satisfy any requirement of the Regulations (whether or not such failure shall be due to any default by the Borrower, the Issuer, or the Trustee), the Borrower shall (i) deliver to the Trustee a brief written explanation of such failure and any basis for concluding that such failure was innocent and (ii) pay to the Trustee (for deposit to the Rebate Fund) and

cause the Trustee to pay to the United States Treasury from the Rebate Fund, within 60 days after such discovery or notice, the "correction amount" in respect thereof specified in Regulation Section 1.148-3(h) together with the explanation described in the immediately preceding clause (i) and the other documents required by Section 9.12 of the Indenture to accompany such payment from the Rebate Fund.

(f) The Borrower shall retain as part of the official transcript all of its accounting records relating to the funds held under the Indenture and the Rebate Fund and all calculations made in preparing the statements described in this Section for at least six years after the final payment of the Bonds, whether by reason of maturity or prior redemption.

(g) The Borrower shall not knowingly use or permit the use of any proceeds of Bonds or any funds of the Borrower, directly or indirectly, in any manner, and shall not knowingly take or permit to be taken any other action or actions, which would conflict with the covenants contained herein or in the Regulatory Agreement. The Borrower acknowledges that such covenants are designed for the purpose of ensuring that the Bonds are treated as an obligation described in Section 103(a) of the Code.

(h) Notwithstanding any provisions of this Section, if the Borrower shall provide to the Trustee and the Issuer an opinion of Co-Bond Counsel that any specified action required under this Section or Sections 6.03 and 9.12 of the Indenture is no longer required or that some further or different action is required to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Bonds, the Trustee, the Issuer and the Borrower may conclusively rely on such opinion in complying with the requirements of this Section and Sections 6.03 and 9.12 of the Indenture and be protected in so doing, and the covenants hereunder shall be deemed to be modified to that extent.

(i) The Issuer covenants and agrees that it has not taken and will not take, or permit to be taken by parties within its control, and the Borrower covenants and agrees that it has not taken or permitted to be taken and will not take or permit to be taken, any action which will cause the interest on the Bonds to become includable in gross income for purposes of federal income taxation pursuant to the provisions of Section 103(a) of the Code, provided that neither the Borrower nor the Issuer shall have violated these covenants if the interest on any of the Bonds issued in accordance with Section 103 of the Code becomes includable in gross income for purposes of federal income taxation to a person solely because such person is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code.

(j) The Borrower hereby covenants that the Project and each unit thereof constitute and will constitute a qualified residential rental project, as defined in Section 142(d) of the Code and the regulations thereunder, and that each residential unit in the Project (other than a reasonable number of units for resident manager or other administrative use) will be rented or available for rental on a continual basis to members of the general public for the period required by said Section. The Project consists of one or more proximate buildings or structures containing one or more similarly constructed accommodations containing separate and complete facilities for living, sleeping, eating,

cooking and sanitation which are to be used on other than a transient basis and facilities which are functionally related and subordinate to such accommodations. The Borrower and the Issuer each hereby elect to apply the requirements of Section 142(d)(1)(B) to the Project. Commencing on the date twelve months after the Closing Date and continuing throughout the remainder of the Qualified Project Period, the Borrower represents, covenants and agrees that no less than 40% of the total number of units of the Project shall be, at all times, rented to and occupied by Qualifying Tenants.

(k) The Borrower further agrees that it shall not discriminate on the basis of race, creed, color, sex or national origin in the lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the construction, operation and management of the Project.

(l) The Borrower further covenants that it has not executed and will not execute any other agreement, or any amendment or supplement to any other agreement, with provisions contradictory to, or in opposition to, the provisions hereof and of the Regulatory Agreement and that, in any event, the requirements of this Financing Agreement and the Regulatory Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith and therewith.

(m) The Borrower further covenants that it will not allow any proceeds of the Bonds to be used to provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling or facilities the primary purpose of which is the sale of alcoholic beverages for consumption off premises.

(n) The Borrower covenants and agrees not to allow the amount of Gross Proceeds invested during any Bond Year in Nonpurpose Investments with a Yield in excess of the Yield on the Bonds to exceed the amounts deposited in any other reserves required to be deposited or otherwise set aside by the Borrower to the extent that such amounts exceed 10% of the proceeds of the Bonds; and provided, further, that amounts invested in the Revenue Fund or for an initial temporary period until needed for the governmental purpose of the Bonds shall at no time be considered subject to such restriction.

(o) The Borrower covenants and agrees that with regard to the Revenue Fund (i) such fund will be depleted at least once a year, except possibly for a carryover amount not to exceed the greater of the previous Bond Year's earnings on the Revenue Fund or one-twelfth of the previous Bond Year's debt service requirements on the Bonds; (ii) all amounts deposited to such fund will be spent within 13 months of deposit; and (iii) all amounts received from investment of such fund will be deposited therein and will be expended within twelve months of receipt.

(p) As of the Closing Date, the Borrower is in compliance with all requirements pertaining to the Borrower set forth in the Issuer's Tax Certificate. The Borrower has complied and will comply with all the terms and conditions of the Tax Representation Certificate executed by the Borrower, including the terms and conditions of the exhibits thereto, and the representations set forth in the Tax Representation Certificate executed by the Borrower pertaining to the Borrower and the Project are true and accurate.

(q) In order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Bonds and to assure compliance with certain additional requirements of the Issuer, the Borrower hereby agrees that it shall, concurrently with or before the execution and delivery of the Bonds, execute and deliver the Regulatory Agreement and shall cause such Regulatory Agreement to be recorded immediately. The Borrower shall comply with each and every term of the Regulatory Agreement, and the Borrower hereby acknowledges that a default under the Regulatory Agreement which is not cured within the time permitted therefor will constitute an Event of Default hereunder. The Borrower agrees to cause any amendments to the Regulatory Agreement to be recorded in the appropriate official public records.

Section 5.06. Further Assurances and Corrective Instruments. The parties hereto agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and to the other documents contemplated hereby as may reasonably be required to carry out the intention of or to facilitate the performance of this Financing Agreement, the Permanent Loan Documents or the other Financing Documents or to perfect or give further assurances of any of the rights granted or provided for herein, the Permanent Loan Documents or the other Financing Documents.

The Borrower shall execute and file, or shall cause to be executed and filed any and all financing statements, or any amendments thereof or continuation statements thereto, to perfect the security interests granted in the Indenture, in the manner prescribed in the Indenture. The Borrower shall pay all costs of filing such instruments and any fees and expenses (including reasonable attorney's fees) associated therewith

Section 5.07. Compliance With Other Documents. The Borrower shall make all payments and shall observe and perform all covenants, conditions and agreements required to be paid, observed or performed by the Borrower under the Financing Documents, the Mortgage Note, the Mortgage, the other Permanent Loan Documents, the Regulatory Agreement and all other documents, instruments or agreements which may at any time, or from time to time, be entered into by the Borrower with respect to the Project or the operation, occupancy or use thereof. The Indenture has been submitted to the Borrower for examination, and the Borrower, by execution of this Financing Agreement, acknowledges and agrees that it has participated in the negotiation of the Indenture that it has approved and agreed to each of the provisions of the Indenture and that it is bound by, shall adhere to the provisions of, and shall have the rights set forth by the terms and conditions of, the Indenture and covenants and agrees to perform all obligations required of the Borrower pursuant to the terms of the Indenture.

The Borrower hereby grants to the Trustee for the benefit of the Lender, Fannie Mae and the Bondholders a security interest in all of its rights in and to all funds created or established by the Trustee under the Indenture (other than the Rebate Fund) in the manner and subject to the terms and conditions of the Indenture.

Section 5.08. Notice of Certain Events. The Borrower hereby covenants to advise the Lender, the Issuer and the Trustee promptly in writing of the occurrence of any default by the Borrower in the performance or observance of any covenant, agreement, representation, warranty or obligation of the Borrower set forth in this Financing Agreement, in any of the other Financing

Documents or any other documents contemplated hereby or thereby, or of any Event of Default hereunder known to it or of which it has received notice, or any event which, with the passage of time or service of notice, or both, would constitute an Event of Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto. Such notice shall be given promptly, and in no event less than ten (10) Business Days after the Borrower receives notice or has knowledge of the occurrence of any such event. The Borrower further agrees that it will give prompt written notice to the Trustee and the Lender if insurance proceeds or condemnation awards are received with respect to the Project and are not used to repair or replace the Project, which notice shall state the amount of such proceeds or award.

The Borrower further covenants to provide such parties notice of the Placed in Service Date promptly upon its occurrence.

Section 5.09. Indemnification. The Borrower covenants and agrees to indemnify, hold harmless and defend the Issuer, the Trustee, the Lender, Fannie Mae, the Underwriter and their respective officers, members, directors, officials, agents and employees and each of them (each an “**indemnified party**”) from and against, (a) any and all claims, joint or several, by or on behalf of any person arising from any cause whatsoever in connection with transactions contemplated hereby or otherwise in connection with the Project, the Bonds or the execution or amendment of any document relating thereto, including, but not limited to, the Financing Documents; (b) any and all claims, joint or several, arising from any cause whatsoever in connection with the approval of financing for the Project or the making of the Bond Loan Notes, Permanent Loan or the execution or amendment of any document related thereto, including, but not limited to, the Permanent Loan Documents; (c) any and all claims, joint or several, arising from any act or omission of the Borrower or any of its agents, servants, employees or licensees, in connection with the Project or the Permanent Loan, including but not limited to, the Permanent Loan Documents; (d) all reasonable costs, counsel fees, expenses or liabilities incurred in connection with any such claim, or proceeding brought thereon; (e) any and all claims arising in connection with the issuance and sale, resale or remarketing of any Bonds or any certifications or representations made by any Person other than the party seeking indemnification in connection therewith and the carrying out by the Borrower of any of the transactions contemplated by the Bonds, the Financing Documents, and the Permanent Loan Documents; (f) any and all claims arising in connection with the operation of the Project, or the conditions thereof, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, construction, equipping, installation or construction of, the Project or any part thereof; and (g) any and all losses, claims, damages, liabilities or expenses, joint or several, arising out of or connected with the Trustee’s acceptance or administration of the trusts created by the Indenture and the exercise of its powers or duties thereunder or under this Financing Agreement or any other agreements in connection therewith to which it is a party; except (i) in the case of the foregoing indemnification of the Trustee or the Lender or any of their respective officers, members, directors, officials and employees, to the extent such damages are caused by the gross negligence or willful misconduct of such Person; or (ii) in the case of the foregoing indemnification of the Issuer or any of its officers, members, directors, officials and employees, to the extent such damages are caused by the willful misconduct of such Person. In the event that any action or proceeding is brought against any indemnified party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the indemnified party, shall assume the investigation and

defense thereof, including the employment of counsel selected by the Borrower, subject to the approval of the indemnified party in such party's sole but reasonable discretion, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Trustee, the Issuer and the Lender shall have the right to review and approve or disapprove any such compromise or settlement. Each indemnified party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that unless such separate counsel is employed with the approval of the Borrower, which approval shall not be unreasonably withheld, the Borrower shall not be required to pay the fees and expenses of such separate counsel.

Notwithstanding any transfer of the Project to another owner in accordance with the provisions of the Regulatory Agreement, the Borrower shall remain obligated to indemnify each indemnified party pursuant to this Section if such subsequent owner fails to indemnify any party entitled to be indemnified hereunder, unless such indemnified party has consented to such transfer and to the assignment of the rights and obligations of the Borrower hereunder.

During any period that the Lender or Fannie Mae owns the Project and that this Section 5.09 is applicable to the Lender and Fannie Mae, the obligations of the Lender or Fannie Mae, as applicable, under this Section 5.09 shall be limited to acts and omissions of the Lender or Fannie Mae occurring during the period of the Lender's or Fannie Mae's ownership of the Project.

Nothing contained in this Section 5.09 shall in any way be construed to limit the indemnification rights of the Issuer or the Trustee contained in the Regulatory Agreement. With respect to the Issuer, the Regulatory Agreement shall control in any conflicts between this Section 5.09 and the Regulatory Agreement.

Section 5.10. Right to Perform Borrower's Obligations. In the event the Borrower fails to perform any of its obligations under this Financing Agreement, the Issuer, the Lender, Fannie Mae and/or the Trustee, after giving the requisite notice, if any, may, but shall be under no obligation to, perform such obligation and pay all costs related thereto, and all such costs so advanced by the Issuer, the Lender, Fannie Mae or the Trustee shall become an additional obligation of the Borrower hereunder, payable on demand with interest thereon at the default rate of interest payable under the Permanent Loan Documents.

Section 5.11. Nonrecourse Provisions. Notwithstanding anything to the contrary, the obligations of the Borrower pursuant to this Financing Agreement shall not be secured by or create a lien or charge on in any manner the property of the Borrower or its partners, including the Project or the rents, issues and profits thereof, and except with respect to Sections 4.05, 5.09 and 9.08(d) hereof shall be non-recourse to the Borrower and its partners. Sections 4.05, 5.09 and 9.08(d) hereof shall be recourse to the Borrower but non-recourse to the partners of the Borrower.

Section 5.12. Indenture of Trust. The provisions of the Indenture concerning the Bonds and other matters therein are an integral part of the terms and conditions of the Permanent Loan, and this Financing Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or

obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

ARTICLE VI

PERMANENT LOAN DOCUMENTS

Section 6.01. Assurances. The Borrower, the Issuer and the Trustee mutually, and respectively, agree that they shall not enter into any contract or agreement, perform any act, or request any other party hereto to enter into any contracts or agreements or perform any acts, which would be reasonably anticipated to adversely affect the Permanent Loan Documents.

Section 6.02. Financial Obligations Personal to the Borrower. The Issuer acknowledges that the Project shall be encumbered by the Permanent Loan Documents. Notwithstanding any provisions of this Financing Agreement or the Regulatory Agreement to the contrary, all obligations of the Borrower under this Financing Agreement and the Regulatory Agreement for the payment of money and all claims for damages against the Borrower occasioned by breach or alleged breach by the Borrower of its obligations under the Regulatory Agreement or this Financing Agreement, including indemnification obligations, shall not be payable from the Trust Estate and shall not be secured by or in any manner constitute a lien on the Project, and no Person shall have the right to enforce such obligations other than directly against the Borrower. No subsequent owner of the Project shall be liable or obligated for the breach or default of any obligation of any prior owner under the Regulatory Agreement or this Financing Agreement, including but not limited to any payment or indemnification obligation. Such obligations are personal to the Person who was the owner at the time the default or breach was alleged to have occurred and such Person shall remain liable for any and all damages occasioned thereby even after such Person ceases to be the owner.

ARTICLE VII

TRUSTEE'S INTEREST IN AGREEMENT

Section 7.01. Issuer Assignment of Financing Agreement and Bond Loan Notes.

(a) Pursuant to the Indenture, the Issuer shall pledge, assign and transfer all of its right, title and interest in this Financing Agreement (other than the Reserved Rights of the Issuer), and the revenues, receipts and collections hereunder and thereunder, to the Trustee in the manner and to the extent provided in the Indenture as security for the payment of the principal of, premium, if any, and interest on the Bonds, and the parties hereby acknowledge that the covenants and agreements contained herein are for the benefit of the registered owners from time to time of the Bonds and may be enforced on their behalf by the Trustee. The Issuer shall execute and deliver from time to time, in addition to the instruments of assignment herein specifically provided for, such other and further instruments and documents as may be reasonably requested by the Trustee from time to time to further evidence, effect or perfect such pledge and assignment for the purposes contemplated in the Indenture.

(b) The Borrower hereby acknowledges and consents to the assignment and pledge (subject to the reservation by the Issuer of its Reserved Rights) by the Issuer to the Trustee in the manner and to the extent provided in the Indenture. The Borrower further acknowledges and consents to the right of the Trustee to enforce all rights of the Issuer and the Bondholders assigned under the Indenture.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default. Each of the following shall constitute an event of default under this Financing Agreement, and the term “**Event of Default**” shall mean, whenever used in this Financing Agreement, any one or more of the following events (after taking into account any applicable notice and cure period):

(a) Failure by the Borrower to pay any amounts due under this Financing Agreement at the times and in the amounts required hereby; or

(b) Failure by the Borrower to observe or perform any covenants, agreements or obligations in this Financing Agreement on its part to be observed or performed (other than as provided in clause (a) above) for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be remedied, given to the Borrower by any party to this Financing Agreement; provided, however, that if said failure shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if the failure is correctable without material adverse effect on the Bonds and if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected, and provided further that any such failure shall have been cured within ninety (90) days of receipt of notice of such failure; or

(c) Breach of any of the covenants, agreements or obligations of the Borrower under or the occurrence of a default which is continuing under the Regulatory Agreement, including any exhibits to any of the foregoing; or

(d) The occurrence of an Event of Default caused by the Borrower under and as defined in the Indenture or under any of the other Financing Documents.

Nothing contained in this Section 8.01 is intended to amend or modify any of the provisions of the Permanent Loan Documents or to bind the Borrower, the Lender or Fannie Mae to any notice and cure periods other than as expressly set forth in the Permanent Loan Documents.

Section 8.02. Remedies Upon an Event of Default.

(a) Subject to Section 8.02(d), whenever any Event of Default shall have occurred and be continuing, the Issuer or the Trustee may take any one or more of the following remedial steps:

(i) By any suit, action or proceeding, pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter

to become due under this Financing Agreement and the Bond Loan Notes, to enforce the performance of any covenant, obligation or agreement of the Borrower under this Financing Agreement and the Bond Loan Notes (subject to the nonrecourse provisions of this Financing Agreement and the Regulatory Agreement) or to enjoin acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee.

(ii) Take whatever other action at law or in equity may appear necessary or desirable to enforce any monetary obligation of the Borrower under this Financing Agreement and the Bond Loan Notes or to enforce any other covenant, obligation or agreement of the Borrower under (1) this Financing Agreement, (2) the Regulatory Agreement or (3) the Bond Loan Notes.

(iii) Have access to and inspect, examine, audit and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(b) The provisions of subsection (a) hereof are subject to the condition that if, after any Event of Default, except a default under the Regulatory Agreement, (i) all amounts which would then be payable hereunder by the Borrower if such Event of Default had not occurred and was not continuing shall have been paid by or on behalf of the Borrower, and (ii) the Borrower shall have also performed all other obligations in respect of which it is then in default hereunder and shall have paid the reasonable charges and expenses of the Issuer and the Trustee, including reasonable attorney fees and expenses paid or incurred in connection with such default, then and in every such case, such Event of Default shall be waived and annulled by the Trustee, but no such waiver or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(c) Subject to the limitations of the Regulatory Agreement and this Financing Agreement, the Issuer, without the consent of the Trustee, but only after written notice to the Trustee, the Borrower, the Lender and Fannie Mae, may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any Reserved Right of the Issuer; provided that, the Issuer may not (i) terminate this Financing Agreement or cause the Permanent Loan to become due and payable, (ii) cause the Trustee to declare the principal of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, or cause the Trustee to accelerate, foreclose or take any other action or seek other remedies under the Financing Documents, the Permanent Loan Documents or any other documents contemplated hereby or thereby to obtain such performance or observance, (iii) cause the acceleration, foreclosure or taking of any other action or the seeking of any remedies under the Permanent Loan Documents, (iv) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal, interest and other amounts due under the Permanent Loan, or (v) interfere with or attempt to influence the exercise by Fannie Mae of any of its rights under the Financing Documents or the Permanent Loan Documents.

(d) Except as required to be deposited in the Rebate Fund pursuant to the Financing Documents, any amounts collected pursuant to action taken under this Section 8.02 shall, after the payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, the Issuer, the Lender or Fannie Mae and their respective counsel, be applied in accordance with the provisions of the Indenture. No action taken pursuant to this Section shall relieve the Borrower from the Borrower's obligations pursuant to Section 5.09 hereof.

(e) No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing pursuant to any other agreement at law or in equity or by statute.

(f) Notwithstanding any other provision of this Financing Agreement to the contrary, after the MBS Delivery Date, so long as Fannie Mae is not in default under the MBS, none of the Issuer, the Trustee or any Person under their control shall exercise any remedies or direct any proceedings under this Financing Agreement or the Permanent Loan Documents, other than to (i) enforce rights under the MBS, (ii) enforce the tax covenants in the Indenture and this Financing Agreement, or (iii) enforce rights of specific performance under the Regulatory Agreement; provided, however, that any enforcement under (ii) or (iii) above shall not include seeking monetary damages.

Section 8.03. Default Under Regulatory Agreement.

(a) If the Borrower fails, at any time for any reason, to comply with the requirements of the Regulatory Agreement, then within thirty (30) days after the earlier of the date the violation is discovered by the Issuer or the Trustee or the date the Issuer or the Trustee received notice thereof, the Issuer (if necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes) or the Trustee, on behalf and at the request of the Issuer, shall, subject to receipt of an indemnity bond or other indemnity described in Section 9.01(l) of the Indenture, institute an action for specific performance to correct the violation. The Borrower hereby acknowledges and agrees that were money damages a remedy under the Regulatory Agreement, money damages alone would not be an adequate remedy at law for a default by the Borrower arising from a failure to comply with the Regulatory Agreement, and therefore the Borrower agrees that the remedy of specific performance (subject to the provisions of Section 8.02(c) hereof) shall be available to the Issuer and/or the Trustee in any such case.

(b) Notwithstanding the availability of the remedy of specific performance provided for in subsection (a) of this Section, promptly upon determining that a violation of the Regulatory Agreement has occurred, the Issuer shall, by notice in writing to the Lender and Borrower, inform the Lender and the Borrower that a violation of the Regulatory Agreement has occurred; notwithstanding the occurrence of such violation, neither the Issuer nor the Trustee shall have, and each of them acknowledges that they shall not have, any right to cause or direct acceleration of the Permanent Loan, to enforce the Mortgage Note or to foreclose on the Mortgage.

Section 8.04. Limitation on Waivers.

(a) No delay or omission to exercise any right or power occurring upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed appropriate. The Issuer and the Trustee agree to give only such notices as may be herein expressly required.

(b) In the event any covenant, agreement or condition contained in this Financing Agreement shall be breached by a party and thereafter waived by another party, such waiver shall not bind any party which has not waived the breach and shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder nor be a waiver of the same breach on a future occasion. By reason of the assignment and pledge of certain of the Issuer's rights and interests in this Financing Agreement to the Trustee, the Issuer shall have no power to waive or release the Borrower from any Event of Default or the performance or observance of any obligation or condition of the Borrower under this Financing Agreement without first requesting and receiving the prior written consent of the Trustee, but shall do so if, requested by the Trustee; provided that the Issuer shall not be required to grant such waiver or release unless it shall have been provided with (i) if deemed necessary, in the sole discretion of the Issuer, an Opinion of Counsel that such action will not result in any pecuniary liability to it and an Opinion of Co-Bond Counsel that such waiver shall not cause interest on the Bonds to be included in the gross income of the Bondholders thereof for federal income tax purposes, (ii) such indemnification as the Issuer shall deem reasonably necessary, and (iii) written notice from the Trustee of the request for such waiver or release.

Section 8.05. Notice of Default: Rights To Cure. The Issuer and the Trustee shall each give notice to the other and to the Investor Member and the Lender of the occurrence of any Event of Default by the Borrower hereunder of which it has actual knowledge. The Lender and the Investor Member, shall each have the right, but not the obligation, to cure any such default by the Borrower, and upon performance by the Lender or the Investor Member, to the satisfaction of the Issuer and the Trustee of the covenant, agreement or obligation of the Borrower with respect to which an Event of Default has occurred, the parties hereto shall be restored to their former respective positions, it being agreed that the Lender and the Investor Member, shall each have the right to repayment from the Borrower of moneys it has expended and any other appropriate redress for actions it has taken to cure any default by the Borrower; provided that the Borrower's reimbursement obligation shall be non-recourse to the same extent as the underlying obligation is non-recourse to the Borrower.

Section 8.06. Rights Cumulative. All rights and remedies herein given or granted to the Issuer and the Trustee are cumulative, nonexclusive and in addition to any and all rights and remedies that the Issuer and the Trustee may have or may be given by reason of any law, statute, ordinance or otherwise. Notwithstanding anything to the contrary contained in this Financing Agreement, neither the Trustee nor the Issuer may commence any action against the Borrower for specific performance or any other remedy at law or in equity, other than to enforce performance and observance of any Reserved Right of the Issuer and its rights under Section 8.03, without first obtaining the prior written consent of Fannie Mae.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Notices. All notices, certificates or other communications herein provided shall be given in writing to the Issuer, the Borrower, the Trustee, Fannie Mae, the Lender and the Investor Member, and shall be sufficiently given and shall be deemed given if given in the manner provided in the Indenture. Except as otherwise provided in the preceding sentence, copies of each notice, certificate or other communication given hereunder by any party hereto shall be given to all parties hereto. By notice given hereunder, any party may designate further or different addresses to which subsequent notices, certificates or other communications are to be sent. A duplicate copy of each notice, certificate, request or other communication given hereunder to the Issuer, the Borrower, the Lender or the Trustee shall also be given to Fannie Mae.

Section 9.02. Amendment. This Financing Agreement and all other documents contemplated hereby to which the Issuer is a party may be amended or terminated only if permitted by the Indenture, and no amendment to this Financing Agreement shall be binding upon, any party hereto until such amendment is reduced to writing and executed by the parties hereto; provided that no amendment, supplement or other modification to this Financing Agreement or any other Financing Document shall be effective without the prior written consent of the Permanent Lender and Fannie Mae.

Section 9.03. Entire Agreement. Except as provided in the other Financing Documents and the Permanent Loan Documents, this Financing Agreement contains all agreements among the parties hereto, and there are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among the parties hereto, unless reference is made thereto in this Financing Agreement or the Indenture.

Section 9.04. Binding Effect. This Financing Agreement shall be binding upon the Issuer, the Borrower and the Trustee and their respective successors and assigns. Notwithstanding anything herein to the contrary, to the extent Fannie Mae or its designee shall become the owner of the Project as a result of a foreclosure or a deed in lieu of foreclosure or similar conveyance, Fannie Mae, and its designee, if applicable, shall not be liable for any breach or default or any of the obligations of any prior owner of the Project under this Financing Agreement, and shall only be responsible for defaults and obligations incurred during the period Fannie Mae or its designee, if applicable, is the owner of the Project.

Section 9.05. Severability. If any clause, provision or section of this Financing Agreement shall be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision or section shall not affect any of the remaining clauses, provisions or sections.

Section 9.06. Execution in Counterparts. This Financing Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.07. Governing Law; Venue. This Financing Agreement shall be construed in accordance with and governed by the laws of the State applicable to contracts made and performed in the State. This Financing Agreement shall be enforceable in the State, and any action arising hereunder shall (unless waived by the Issuer in writing) be filed and maintained in the Circuit Court of Cook County, Illinois.

Section 9.08. Limited Liability of the Issuer.

(a) ***Reliance by Issuer on Facts or Certificates.*** Anything in this Financing Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Issuer by the Lender, the Trustee or the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer.

(b) ***Waiver of Personal Liability.*** No officer, elected official, agent or employee of the Issuer or any of its members or any director, officer, agent or employee of the Borrower shall be individually or personally liable for the payment of any principal of (or Redemption Price), premium, if any, or interest on the Bonds or any other sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Financing Agreement; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Financing Agreement.

(c) ***Non-Liability of Issuer.*** The Issuer shall not be obligated to pay the principal (or Redemption Price) of or interest on the Bonds, except from the Trust Estate. Neither the faith and credit nor the taxing power of the Issuer, the State or any political subdivision thereof, nor the faith and credit of the Issuer or any member is pledged to the payment of the principal (or Redemption Price) of, premium, if any, or interest on the Bonds. The Issuer shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Financing Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under this Financing Agreement or from the MBS.

The Borrower hereby acknowledges that the Issuer's sole source of moneys to repay the Bonds will be provided by the Trust Estate, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal (or Redemption Price) of, premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal (or Redemption Price) of, premium, if any, or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Trustee, the Issuer or any such third party, as the case may be, therefor.

(d) **Expenses.** The Borrower shall pay and indemnify the Issuer and the Trustee against all reasonable fees, costs and charges, including reasonable fees and expenses of attorneys, accountants, consultants and other experts, incurred in good faith (and with respect to the Trustee, without gross negligence or willful misconduct) and arising out of or in connection with the Financing Documents and the Permanent Loan Documents. These obligations and those in Section 5.09 hereof shall remain valid and in effect notwithstanding repayment of the Permanent Loan hereunder or termination of the Financing Agreement or the Indenture.

(e) **No Warranty by Issuer.** The Borrower recognizes that, because the components of the Project have been and are to be designated and selected by it, THE ISSUER HAS NOT MADE AN INSPECTION OF THE PROJECT OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE ISSUER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BORROWER. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OF THE STATE OR ANY OTHER LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE.

Section 9.09. Term of Financing Agreement. This Financing Agreement shall be in full force and effect from its date to and including such date as all of the Bonds shall have been fully paid or retired (or provision for such payment shall have been made as provided in the Indenture); provided, however, that the provisions of Sections 2.01, 5.05 and 5.09 of this Financing Agreement shall survive the termination hereof or the earlier resignation or removal of the Trustee, as applicable.

Section 9.10. Electronic Signatures. The parties agree that the electronic signature of a party to this Financing Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Financing Agreement. For purposes hereof: (a) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (b) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message.

IN WITNESS WHEREOF, the parties hereto have caused this Financing Agreement to be executed by their duly authorized representatives as of the date of execution set forth below.

CITY OF CHICAGO, as Issuer

By: _____
Chief Financial Officer

[Trustee signature page to Financing Agreement]

ZIONS BANCORPORATION,
NATIONAL ASSOCIATION

By: _____
Authorized Officer

[Borrower signature page to Financing Agreement]

SACRED APARTMENTS OWNER LLC, an Illinois
limited liability company

By: SACRED Apartments Developer LLC
Its: Manager

By: The Interfaith Housing Development
Corporation of Chicago
Its: Manager

By: _____
Perry Vietti, President

By: Claretian Associates, Inc.

By: _____
Angela Hurlock, Chief Executive Officer

(Sub)Exhibits "A", "B-1" and "B-2" referred to in this Financing Agreement read as follows:

(Sub)Exhibit "A".
(To Financing Agreement)

Form Of Requisition.

STATEMENT NO. _____ REQUESTING DISBURSEMENT OF FUNDS FROM
BOND PROCEEDS FUND PURSUANT TO SECTION 4.05 OF THE FINANCING
AGREEMENT

Pursuant to Section 4.08 of the Financing Agreement dated as of [MONTH OF CLOSING] 1, 2024 (the "Financing Agreement") between City of Chicago (the "Issuer"), SACRED Apartments Owner LLC (the "Borrower"), and Zions Bancorporation, National Association (the "Trustee"), the undersigned Authorized Borrower Representative hereby requests and authorizes the Trustee, as depository of the Bond Proceeds Fund created by the Indenture of Trust dated as of [MONTH OF CLOSING] 1, 2024 (the "Indenture"), between the Issuer and the Trustee, to pay [to the Borrower] [to [_____, as Construction Lender] [or to the person(s) listed on the Disbursement Schedule hereto as Schedule I] out of the money deposited in the Bond Proceeds Fund the aggregate sum of \$ _____ to pay the costs of the items listed in the Disbursement Schedule attached hereto as Schedule I.

In connection with the foregoing request and authorization, the undersigned hereby certifies that:

(a) All conditions precedent to the requested disbursement as provided for in the Indenture and Financing Agreement (including, without limitation, the deposit of sufficient Eligible Funds into the Collateral Fund as provided in the Indenture), have occurred.

(b) Each item for which disbursement is requested hereunder is an item described in Section 4.05 of the Financing Agreement, is properly payable out of the Bond Proceeds Fund in accordance with the terms and conditions of the Financing Agreement and none of those items has formed the basis for any disbursement heretofore made from said Bond Proceeds Fund.

(c) Each such item is or was necessary in connection with the acquisition, construction, construction, installation, equipment or improvement of the Project, as defined in the Indenture.

(d) The Borrower has received, or will concurrently with payment receive and deliver to the Trustee, appropriate waivers of any mechanics' or other liens with respect to each item for which disbursement is requested hereunder.

(e) Each item for which disbursement is requested hereunder, and the cost for each such item, is as described in the information statement filed by the Issuer in connection with the issuance of the Bonds (as defined in the Indenture), as required by Section 149(e) of the Code; provided that if any such item is not as described in that information statement, attached hereto is an Opinion of Co-Bond Counsel to the effect that such disbursement will not adversely affect the status of the interest on the Bonds as excludible from gross income for federal income tax purposes of the Bondholders (except on Bonds while held by a substantial user or related person, each as defined in the Code).

(f) There is no current or existing event of default pursuant to the terms of the Financing Agreement or the Regulatory Agreement and no event exists which by notice or passage of time or both would constitute an event of default under any of the foregoing documents.

(g) No amount for which disbursement is sought formed the basis for any prior disbursement.

(h) Each item for which disbursement is sought was or is necessary in connection with the Project and qualifies for disbursement pursuant to the provisions of the Financing Agreement.

(i) No representation or warranty of the Borrower contained in the Financing Agreement or the Regulatory Agreement is materially incorrect or inaccurate, and there has been no "Event of Default" or default under the terms of any of those documents which has occurred and is continuing after any applicable notice period and no event shall exist which by notice, passage of time or both would constitute an "Event of Default" or default under any of those documents.

(j) There are no liens on the Project except Permitted Liens and those permitted or provided for by the Financing Agreement.

(k) This statement and all exhibits hereto, including the Disbursement Schedule, shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection and authority to the Trustee for its actions taken pursuant hereto.

The Borrower will provide a copy of each payee's Form W-9 or Form W-8, as applicable (unless previously provided). The Borrower further acknowledges the Trustee cannot process such disbursement request until the Trustee is in receipt of a valid Form W-9 or Form W-8, as applicable, in accordance with Internal Revenue Service regulations and the Foreign Account Tax Compliance Act.

With respect to this requested disbursement, the Borrower (i) certifies that it has reviewed any wire instructions set forth in this written disbursement direction to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, or expense sustained, including but not limited to attorney fees and expenses resulting directly or indirectly as a result of making the disbursement requested, and (iii) agrees they will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with the disbursement direction.

[Remainder of page intentionally left blank]

This statement constitutes the approval of the Borrower of each disbursement hereby requested and authorized.

This ____ day of _____, 20__.

SACRED APARTMENTS OWNER LLC, an Illinois limited liability company

By: SACRED Apartments Developer LLC

Its: Manager

By: The Interfaith Housing Development Corporation of Chicago

Its: Manager

By: _____
Perry Vietti, President

By: Claretian Associates, Inc.

By: _____
Angela Hurlock, Chief Executive Officer

APPROVED:

[CONSTRUCTION LENDER SIGNATURE BLOCK]

By: _____
[name], [title]

(Sub)Exhibit "B-1".
(To Financing Agreement)

Series A Bond Loan Note.

\$ _____, 2024

FOR VALUE RECEIVED, SACRED Apartments Owner LLC, an Illinois limited liability company (the "Borrower"), promises to pay to City of Chicago (the "Issuer"), or its order, the principal sum of _____ MILLION _____ HUNDRED THOUSAND DOLLARS (\$ _____), with interest payable as set forth below. Capitalized terms used in this promissory note (the "Note") but not defined shall have the respective meanings set forth in the Indenture of Trust, dated as of [MONTH OF CLOSING] 1, 2024 (the "Indenture"), between the Issuer and Zions Bancorporation, National Association, as trustee thereunder (the "Trustee").

Borrower promises to pay to the Issuer the principal sum of this Note, together with interest at the _____ Rate, and all assessments, taxes and premiums as follows:

One business day preceding each Payment Date, the Borrower shall pay to the Issuer interest on the outstanding principal balance of this Note.

(a) The entire principal balance of this Note, plus any accrued but unpaid interest to and including the Maturity Date, shall be due and payable on the date on which the final payment is due with respect to the MBS.

(b) Payments made by the Trustee to the holders of the Series A Bonds, from funds available under the Indenture, will be credited against the Borrower's obligation to pay interest and principal under this Note. The Borrower shall be obligated to pay any deficiency between amounts due under this Note and amounts paid to bondholders by the Trustee pursuant to the Indenture.

(c) If any installment of interest, principal, or any other payment due under this Note is not paid within 10 days from the date that the installment or payment is due, the Borrower promises to pay to the Issuer a "late charge" equal to 5% of the aggregate monthly payment required by this Note.

(d) Upon an Event of Default, as defined in the Indenture, the unpaid principal, together with all accrued interest thereon, and all other sums due and payable shall, at the option of the holder of this Note, become immediately due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise this option in the event of any subsequent default.

(e) As to this Note, the Borrower and all guarantors, if any, severally waive all applicable exemption rights, whether under any state constitution, homestead laws or otherwise, and also severally waive valuation and appraisal, presentment, protest and

demand, notice of protest, demand and dishonor and nonpayment of this Note, and expressly agree that the maturity of this Note, or any payment under this Note, may be extended from time to time without in any way affecting the liability of the Borrower and all guarantors.

(f) All payments due under this Note shall be made during regular business hours at the principal corporate trust office of the Trustee or at any other place that the Issuer may designate in writing, and shall be made in coin or currency of the United States of America which at the time of payment is legal tender for the payment of public or private debts.

(g) The Borrower represents and warrants that it is a limited liability company organized and in good standing under the laws of the State of Illinois, and further represents and warrants that the obligation evidenced by this Note was incurred solely for the purpose of financing the costs of the Project.

(h) Neither the Borrower nor any partner, officer or director of the Borrower shall have any personal liability for principal or interest payments or any other payments due under this Note.

(i) The Borrower hereby acknowledges that, pursuant to the Indenture, the Issuer is assigning to the Trustee all of the Issuer's right, title, and interest in and to this Note, exclusive of the Reserved Rights of the Issuer. Such assignment is being made as security for the payment of the Series A Bonds of the Issuer. All of the terms, conditions and provisions of the Indenture are, by this reference thereto, incorporated herein as part of this Note.

(j) This Note shall be deemed paid if and when the Conversion Date occurs. On the Conversion Date, this Note shall terminate and no longer be of any force or effect, and thereafter be replaced by the Permanent Loan.

Notwithstanding any other provision contained in this Note, it is agreed that the execution of this Note shall impose no personal liability on the maker hereof for payment of the indebtedness evidenced hereby and in the event of a default, the holder of this Note will not seek or obtain any deficiency or personal judgment against the maker hereof except such judgment or decree as may be necessary to foreclose and bar its interest in the property.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed and delivered on its behalf on the date first written above.

SACRED APARTMENTS OWNER LLC, an Illinois limited liability company
By: SACRED Apartments Developer LLC
Its: Manager

By: The Interfaith Housing Development Corporation of Chicago
Its: Manager

By: _____
Perry Vietti, President

By: Claretian Associates, Inc.

By: _____
Angela Hurlock, Chief Executive Officer

ENDORSEMENT

Pay to the order of Zions Bancorporation, National Association, without recourse, as Trustee under the Indenture referred to above, as security for such Bonds issued under such Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Note.

CITY OF CHICAGO

By: _____
Mayor

Dated:

(Sub)Exhibit "B-2".
(To Financing Agreement)

Series B Bond Loan Note.

\$ _____; 2024

SACRED Apartments Owner LLC, an Illinois limited liability company (the "Borrower"), for value received, promises to pay in installments to Zions Bancorporation, National Association, as trustee (the "Trustee") under the Indenture hereinafter referred to, the principal amount of

___ MILLION ___ THOUSAND DOLLARS (\$ _____)

and to pay interest on the unpaid balance of such principal sum from and after the date hereof at the rate of ___% per annum to but not including _____ 1, 20___ (the "Initial Mandatory Tender Date"), and thereafter at the applicable Remarketing Rate (as defined in the Indenture described below), until the payment of such principal sum has been made or provided for. The principal amount stated above shall be paid on or before _____ 1, 20___. Interest shall be calculated on the basis of a 360-day year of 12 equal months. Interest on this Note shall be paid in Federal Reserve funds on (a) the 1st day of the month following the month in which the Closing Date occurs and the 1st day of each month thereafter, or the next succeeding Business Day if such 1st day is not a Business Day (ii) each Mandatory Redemption Date described in the Indenture, (iii) each Mandatory Tender Date, (iv) the Bond Maturity Date and (v) the date of acceleration of the Series B Bonds (the "Payment Dates") until the principal amount is paid or duly provided for.

This Note has been executed and delivered by the Borrower to the Trustee, as assignee of the Issuer, pursuant to a certain Financing Agreement dated as of [MONTH OF CLOSING] 1, 2024 (the "Financing Agreement"), between the City of Chicago (the "Issuer") and the Borrower. Terms used but not defined herein shall have the meanings ascribed to such terms in the Financing Agreement and the Indenture, as defined below.

Under the Financing Agreement, the Issuer has loaned the Borrower the principal proceeds received from the sale of the Issuer's \$ _____ City of Chicago Multifamily Housing Revenue Bonds (SACRED Apartments) Series 2024B (the "Series B Bonds") to assist in the financing of the Project, and the Borrower has agreed to repay such loan by making payments at the times and in the amounts set forth in this Note for application to the payment of amounts due on the Series B Bonds as and when due. The Series B Bonds have been issued, concurrently with the execution and delivery of this Note, pursuant to, and are secured by, the Indenture of Trust, dated as of [MONTH OF CLOSING] 1, 2024 (the "Indenture"), between the Issuer and the Trustee.

To provide funds to pay the principal of and interest on the Series B Bonds as and when due as specified herein, the Borrower hereby agrees to and shall make payments in Federal Reserve funds on each Payment Date in an amount equal to the principal and interest due on the Series B Bonds payable on such Payment Date. In addition, to provide funds to pay the principal and

interest due on the Series B Bonds as and when due at any other time, the Borrower hereby agrees to and shall make payments in Federal Reserve funds on any other date on which any principal and interest due on the Series B Bonds shall be due and payable, whether at maturity, upon acceleration or otherwise, in an amount equal to such principal and interest due.

If payment or provision for payment in accordance with the Indenture is made in respect of the principal and interest due on the Series B Bonds from money other than as set forth above, this Note shall be deemed paid to the extent such payments or provision for payment of the Series B Bonds has been made. Consistent with the provisions of the immediately preceding sentence, the Borrower shall have credited against its obligation to make payments required herein any amounts transferred from the Series B Subaccount of the Bond Proceeds Fund or the Series B Subaccount of the Collateral Fund to the Series B Subaccount of the Revenue Fund. Subject to the foregoing, all payments required hereunder shall be in the full amount required hereunder.

All payments required hereunder shall be made to the Trustee at its designated corporate trust office for the account of the Issuer and deposited into the Series B Subaccount of the Revenue Fund created by the Indenture. Except as otherwise provided in the Indenture, such payments shall be used by the Trustee to pay principal and interest due on the Series Bonds as and when due.

The obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set off, recoupment or counterclaim which the Borrower may have or assert against the Issuer, the Trustee or any other person.

This Note is subject to prepayment, in whole or in part, upon the terms and conditions set forth in Article IV of the Financing Agreement. Any prepayment is subject to satisfaction of any applicable notice, deposit or other requirements set forth in the Agreement or the Indenture.

Whenever an Event of Default under Section 8.01 of the Indenture shall have occurred and, as a result thereof, the principal of and any premium on all Series B Bonds then Outstanding, and interest accrued thereon, shall have been declared to be immediately due and payable pursuant to Section 8.02 of the Indenture, the unpaid principal amount of and any premium and accrued interest on this Note shall also be due and payable in Federal Reserve funds on the date on which the principal of and premium and interest on the Bonds shall have been declared due and payable; provided that the annulment of a declaration of acceleration with respect to the Bonds shall also constitute an annulment of any corresponding declaration with respect to this Note.

The payment obligations of this Note are non-recourse to the Borrower to the extent set forth in Section 5.11 of the Financing Agreement.

[Remainder of page intentionally left blank]

10/9/2024

REPORTS OF COMMITTEES

17781

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed in its name as of the date first above written.

SACRED APARTMENTS OWNER LLC, an Illinois
limited liability company

By: SACRED Apartments Developer LLC

Its: Manager

By: The Interfaith Housing Development
Corporation of Chicago

Its: Manager

By: _____
Perry Vietti, President

By: Claretian Associates, Inc.

By: _____
Angela Hurlock, Chief Executive Officer

Exhibit "D".
(To Ordinance)

Land-Use Restriction Agreement.

THIS LAND USE RESTRICTION AGREEMENT (this "**Agreement**"), entered into as of _____ 1, 2024, between the **CITY OF CHICAGO**, a municipal corporation and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "**Issuer**"), and **SACRED APARTMENTS OWNER LLC**, an Illinois limited liability company (the "**Owner**"),

WITNESSETH:

WHEREAS, the Issuer has issued, sold and delivered its Multifamily Tax-Exempt Bonds (Fannie Mae MBS Secured) (SACRED Apartments) Series 2024A in the principal amount of \$ _____ (the "**Series A Bonds**") and its Multifamily Housing Revenue Bonds (SACRED Apartments), Series 2024B, in the aggregate principal amount of \$ _____ (the "**Series B Bonds**," and together with the Series A Bonds, individually or collectively as context may dictate, the "**Bonds**"); and

WHEREAS, the Bonds are issued pursuant to the Indenture of Trust of even date herewith (the "**Indenture**"), between the Issuer and Zions Bancorporation, National Association, a national banking association having its principal corporate trust office in Chicago, Illinois, as trustee (the "**Trustee**"); and

WHEREAS, the proceeds derived from the issuance and sale of the Bonds are being lent by the Issuer to the Owner pursuant to the Financing Agreement of even date herewith (the "**Financing Agreement**"), among the Issuer, the Trustee and the Owner for the purpose of financing a portion of the costs of the acquisition of land and the construction thereon of a residential rental project for low-income, very low-income and extremely low-income families, consisting of a total of 81 housing units (the "**Units**" or "**Unit**") and located at 9212 S. Burley Avenue, Chicago, Illinois (as further described in **Exhibit A** hereto, the "**Site**") to be known as the SACRED Apartments (collectively, the Site and the Units are referred to herein as the "**Project**") (the Units specifically exclude the commercial space located within the Project); and

WHEREAS, in order to assure the Issuer and the Holders that interest on the Bonds will be excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "**Code**"), and to further the public purposes of the Issuer, certain restrictions on the use and occupancy of the Project under the Code must be established;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the Owner and the Issuer agree as follows:

Section 1. Term of Restrictions

(a) **Occupancy Restrictions.** The term of the Occupancy Restrictions set forth in Section 3 hereof shall commence on the first day on which at least 10% of the Units are first occupied following completion of the construction of such Units and shall end on the latest of (i) the date which is 15 years after the date on which at least 50% of the Units in the Project are first occupied; (ii) the first date on which no tax-exempt note or bond (including any refunding

note or bond) issued with respect to the Project is outstanding; or (iii) the date on which any housing assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates (which period is hereinafter referred with respect to the Project as the “**Qualified Project Period**”).

(b) **Rental Restrictions.** The Rental Restrictions with respect to the Project set forth in Section 4 hereof shall remain in effect during the Qualified Project Period.

(c) **Involuntary Loss or Substantial Destruction.** The Occupancy Restrictions set forth in Section 3 hereof, and the Rental Restrictions set forth in Section 4 hereof, shall cease to apply to the Project in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in federal law or an action of a federal agency (with respect to the Project) after the date of delivery of the Bonds, which prevents the Issuer from enforcing the Occupancy Restrictions and the Rental Restrictions (with respect to the Project), or condemnation or similar event (with respect to the Project), but only if, within a reasonable time, (i) all of the Bonds are promptly retired, or amounts received as a consequence of such event are used to provide a new project which meets all of the requirements of this Agreement, which new project is subject to new restrictions substantially equivalent to those contained in this Agreement, and which is substituted in place of the Project by amendment of this Agreement; and (ii) an opinion from nationally recognized bond counsel (selected by the Issuer) is received to the effect that noncompliance with the Occupancy Restrictions and the Rental Restrictions applicable to the Project as a result of such involuntary loss or substantial destruction resulting from an unforeseen event with respect to the Project will not adversely affect the exclusion of the interest on the Bonds from the gross income of the owner thereof for purposes of federal income taxation; provided, however, that the preceding provisions of this paragraph shall cease to apply in the case of such involuntary noncompliance caused by foreclosure, transfer of title by deed in lieu of foreclosure or similar event if at any time during the Qualified Project Period with respect to the Project subsequent to such event the Owner or any Affiliated Party (as hereinafter defined) obtains an ownership interest in the Project for federal income tax purposes. “**Affiliated Party**” means a person whose relationship to another person is such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code; or (ii) such persons are members of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that “more than 50%” shall be substituted for “at least 80%” each place it appears therein).

(d) **Termination.** This Agreement shall terminate with respect to the Project upon the earliest of (i) termination of the Occupancy Restrictions and the Rental Restrictions with respect to the Project, as provided in paragraphs (a) and (b) of this Section 1; or (ii) delivery to the Issuer and the Owner of an opinion of nationally recognized bond counsel (selected by the Issuer) to the effect that continued compliance of the Project with the Rental Restrictions and the Occupancy Restrictions applicable to the Project is not required in order for interest on the Bonds to remain excludable from gross income for federal income tax purposes.

(e) **Certification.** Upon termination of this Agreement, the Owner and the Issuer shall execute and cause to be recorded (at the Owner’s expense), in all offices in which this Agreement was recorded, a certificate of termination, specifying which of the restrictions contained herein has terminated.

(f) *[Reserved]*.

Section 2. Project Restrictions. The Owner represents, warrants and covenants that:

(a) The Owner has reviewed the provisions of the Code and the Treasury Regulations thereunder (the "**Regulations**") applicable to this Agreement (including, without limitation, Section 142(d) of the Code and Section 1.103-8(b) of the Regulations) with its counsel and understands said provisions.

(b) The Project is being acquired, constructed and equipped for the purpose of providing a "qualified residential rental project" (as such phrase is used in Section 142(d) of the Code) and will, during the term of the Rental Restrictions and Occupancy Restrictions hereunder applicable to the Project, continue to constitute a "qualified residential rental project" under Section 142(d) of the Code and any Regulations heretofore or hereafter promulgated thereunder and applicable thereto.

(c) Substantially all (not less than 95%) of the Project will consist of a "building or structure" (as defined in Section 1.103-8(b)(8)(iv) of the Regulations), or several proximate buildings or structures, of similar construction, each containing one or more similarly constructed residential units (as defined in Section 1.103-8(b)(8)(i) of the Regulations) located on a single tract of land or contiguous tracts of land (as defined in Section 1.103-8(b)(4)(ii)-(B) of the Regulations), which will be owned, for federal tax purposes, at all times by the same person, and financed pursuant to a common plan (within the meaning of Section 1.103-8(b)(4)(ii) of the Regulations), together with functionally related and subordinate facilities (within the meaning of Section 1.103-8(b)(4)(iii) of the Regulations). If any such building or structure contains fewer than five (5) units, no unit in such building or structure shall be Owner-occupied.

(d) None of the Units in the Project will at any time be used on a transient basis, nor will the Project itself be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court for use on a transient basis; nor shall any portion of the Project be operated as an assisted living facility which provides continual or frequent nursing, medical or psychiatric services; *provided, however* that nothing herein shall be understood to prohibit single-room-occupancy units occupied under month-to-month leases.

(e) All of the Units in the Project will be leased or rented, or available for lease or rental, on a continuous basis to members of the general public (other than (i) Units for resident managers or maintenance personnel, (ii) Units for Qualifying Tenants as provided for in Section 3 hereof, and (iii) Units which may be rented under the Section 8 assistance program, which Units (subject to the Section 8 assistance program) shall be leased to eligible tenants in accordance with Section requirements), subject, however, to the requirements of Section 3(a) hereof. Each Qualifying Tenant (as hereinafter defined) occupying a Unit in the Project shall be required to execute a written lease with a stated term of not less than 30 days nor more than one year.

(f) Any functionally related and subordinate facilities (*e.g.*, parking areas, swimming pools, tennis courts, etc.) which are included as part of the Project will be of a character and size commensurate with the character and size of the Project, and will be made available to all tenants

in the Project on an equal basis; fees will only be charged with respect to the use thereof if the charging of fees is customary for the use of such facilities at similar residential rental properties in the surrounding area (*i.e.*, within a one-mile radius), or, if none, then within comparable urban settings in the City of Chicago, and then only in amounts commensurate with the fees being charged at similar residential rental properties within such area. In any event, any fees charged will not be discriminatory or exclusionary as to the Qualifying Tenants (as defined in Section 3 hereof). No functionally related and subordinate facilities will be made available to persons other than tenants or their guests.

(g) Each residential Unit in the Project will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or family.

(h) No portion of the Project will be used to provide any health club facility (except as provided in (f) above), any facility primarily used for gambling, or any store, the principal business of which is the sale of alcoholic beverages for consumption off premises, in violation of Section 147I of the Code.

Section 3. Occupancy Restrictions. The Owner represents, warrants and covenants with respect to the Project that:

(a) Pursuant to the election of the Issuer in accordance with the provisions of Section 142(d)(1)(A) of the Code, at all times during the Qualified Project Period with respect to the Project at least 40% of the completed Units in the Project shall be continuously occupied (or treated as occupied as provided herein) or held available for occupancy by Qualifying Tenants as herein defined. For purposes of this Agreement, "**Qualifying Tenants**" means individuals or families whose aggregate adjusted incomes do not exceed 60% of the applicable median gross income (adjusted for family size) for the area in which the Project is located, as such income and area median gross income are determined by the Secretary of the United States Treasury in a manner consistent with determinations of income and area median gross income under Section 8 of the United States Housing Act of 1937, as amended (or, if such program is terminated, under such program as in effect immediately before such determination).

(b) Prior to the commencement of occupancy of any Unit to be occupied by a Qualifying Tenant, the prospective tenant's eligibility shall be established by execution and delivery by such prospective tenant of an Income Computation and Certification in the form attached hereto as **Exhibit B** (the "**Income Certification**") evidencing that the aggregate adjusted income of such prospective tenant does not exceed the applicable income limit. In addition, such prospective tenant shall be required to provide whatever other information, documents or certifications are reasonably deemed necessary by the Owner or the Issuer to substantiate the Income Certification.

(c) Not less frequently than annually, the Owner shall determine whether the current aggregate adjusted income of each tenant occupying any Unit being treated by the Owner as occupied by a Qualifying Tenant exceeds the applicable income limit. For such purpose the Owner shall require each such tenant to execute and deliver the Income Certification; *provided, however*, that for any calendar year during which no Unit in the Project is occupied by a new resident who

is not a Qualifying Tenant, no Income Computation and Certification for existing tenants shall be required.

(d) Any Unit vacated by a Qualifying Tenant shall be treated as continuing to be occupied by such tenant until reoccupied, other than for a temporary period not to exceed 31 days, at which time the character of such Unit as a Unit occupied by a Qualifying Tenant shall be redetermined.

(e) If an individual's or family's income exceeds the applicable income limit as of any date of determination, the income of such individual or family shall be treated as continuing not to exceed the applicable limit, provided that the income of an individual or family did not exceed the applicable income limit upon commencement of such tenant's occupancy or as of any prior income determination, and provided, further, that if any individual's or family's income as of the most recent income determination exceeds 140% of the applicable income limit, such individual or family shall cease to qualify as a Qualifying Tenant if, prior to the next income determination of such individual or family, any Unit in the Project of comparable or smaller size to such individual's or family's Unit is occupied by any tenant other than a Qualifying Tenant.

(f) The lease to be utilized by the Owner in renting any Unit in the Project to a prospective Qualifying Tenant shall provide for termination of the lease and consent by such person to eviction following 30 days' written notice, subject to applicable provisions of Illinois law (including for such purpose all applicable home rule ordinances), for any material misrepresentation made by such person with respect to the Income Certification with the effect that such tenant is not a Qualified Tenant.

(g) All Income Certifications will be maintained on file at the Project as long as the Bonds are outstanding and for five years thereafter with respect to each Qualifying Tenant who occupied a Unit in the Project during the period the restrictions hereunder are applicable, and the Owner will, promptly upon receipt, file a copy thereof with the Issuer.

(h) On the first day of the Qualified Project Period with respect to the Project, on the fifteenth days of January, April, July and October of each year during the Qualified Project Period with respect to the Project, and within 30 days after the final day of each month in which there occurs any change in the occupancy of a Unit in the Project, the Owner will submit to the Issuer a "Certificate of Continuing Program Compliance," in the form attached hereto as Exhibit C executed by the Owner with respect to the Project.

(i) The Owner shall submit to the Secretary of the United States Treasury (at such time and in such manner as the Secretary shall prescribe) with respect to the Project an annual certification on Form 8703 as to whether the Project continues to meet the requirements of Section 142(d) of the Code. Failure to comply with such requirement may subject the Owner to the penalty provided in Section 6652(j) of the Code.

Section 4. Rental Restrictions. The Owner represents, warrants and covenants with respect to the Project that once available for occupancy, each Unit in the Project will be rented or available for rental on a continuous basis to members of the general public (other than (a) Units for resident managers or maintenance personnel, (b) Units for Qualifying Tenants as provided for

in Section 3 hereof, and (c) Units which may be rented under the Section 8 assistance program, which Units (subject to the Section 8 assistance program) shall be leased to eligible tenants in accordance with Section 8 requirements). If a Housing Assistance Payments Contract is subsequently entered into with respect to the Project under the Section 8 assistance program, in administering the restrictions hereunder with respect to the Project the Owner will comply with all Section 8 requirements.

Section 5. Transfer Restrictions. The Owner covenants and agrees that no conveyance, transfer, assignment or any other disposition of title to any portion of the Project (a “**Transfer**”) shall be made prior to the termination of the Rental Restrictions and Occupancy Restrictions hereunder with respect to the Project, unless the transferee pursuant to the Transfer assumes in writing (the “**Assumption Agreement**”), in a form reasonably acceptable to the Issuer, all of the executory duties and obligations hereunder of the Owner with respect to such portion of the Project, including those contained in this Section 5, and agrees to cause any subsequent transferee to assume such duties and obligations in the event of a subsequent Transfer by the transferee prior to the termination of the Rental Restrictions and Occupancy Restrictions hereunder with respect to the Project. The Owner shall deliver the Assumption Agreement to the Issuer at least 30 days prior to a proposed Transfer. This Section 5 shall not apply to any involuntary transfer pursuant to Section 11 hereof. This Section shall not be deemed to restrict the transfer of any membership interest in the Owner or a transfer by foreclosure or deed in lieu of foreclosure.

Section 6. Enforcement

(a) The Owner shall permit all duly authorized representatives of the Issuer to inspect any books and records of the Owner regarding the Project and the incomes of Qualifying Tenants which pertain to compliance with the provisions of this Agreement and Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

(b) In addition to the information provided for in Section 3(i) hereof, the Owner shall submit any other information, documents or certifications reasonably requested by the Issuer, which the Issuer deems reasonably necessary to substantiate continuing compliance with the provisions of this Agreement and Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

(c) The Issuer and the Owner each covenant that it will not take or permit to be taken any action within its control that it knows would adversely affect the exclusion of interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation pursuant to Section 103 of the Code. Moreover, each of the Issuer and the Owner covenants to take any lawful action within its control (including amendment of this Agreement as may be necessary in the opinion of nationally recognized bond counsel selected by the Issuer) to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service from time to time pertaining to obligations issued under Section 142(d) of the Code and affecting the Project.

(d) The Owner covenants and agrees to inform the Issuer by written notice of any violation of its obligations hereunder within five days of first discovering any such violation. The

Issuer shall declare a default under this Agreement effective on the date of such declaration of default, and the Issuer shall apply, without further notice, to any court, state or federal, for specific performance of this Agreement or an injunction against any violation of this Agreement, or any other remedies at law or in equity or any such other actions as shall be necessary or desirable so as to correct noncompliance with this Agreement, if any such violation of the Owner's obligations hereunder is not corrected to the satisfaction of the Issuer within the period of time specified by the Issuer, which shall be (i) the lesser of (A) 60 days after the effective date of any notice to or from the Owner, or (B) 75 days from the date such violation would have been discovered by the Owner by the exercise of reasonable diligence, or (ii) such longer period as may be necessary to cure such violation, provided bond counsel (selected by the Issuer) of nationally recognized standing in matters pertaining to the exclusion of interest on municipal bonds from gross income for purposes of federal income taxation issues an opinion that such extension will not result in the loss of such exclusion of interest on the Bonds.

(e) The Owner and the Issuer each acknowledges that the primary purposes for requiring compliance with the restrictions provided in this Agreement are to preserve the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, and that the Issuer, on behalf of the owners of the Bonds, who are declared to be third-party beneficiaries of this Agreement, shall be entitled for any breach of the provisions hereof, to all remedies both at law and in equity in the event of any default hereunder.

(f) In the enforcement of this Agreement, the Issuer may rely on any certificate delivered by or on behalf of the Owner or any tenant with respect to the Project.

(g) Nothing in this Section shall preclude the Issuer from exercising any remedies it might otherwise have, by contract, statute or otherwise, upon the occurrence of any violation hereunder.

(h) Notwithstanding anything to the contrary contained herein, the Issuer hereby agrees that any cure of any default made or tendered by one or more of the Owner's members shall be deemed to be a cure by the Owner and shall be accepted or rejected on the same basis as if made or tendered by the Owner.

Section 7. Covenants to Run with the Land. The Owner hereby subjects the Project, the Site and the Units to the covenants, reservations and restrictions set forth in this Agreement. The Issuer and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants, reservations and restrictions running with the land to the extent permitted by law, and shall pass to and be binding upon the Owner's successors in title to the Project, the Units, and the Site, throughout the term of this Agreement. Each and every contract, deed, mortgage, lease or other instrument hereafter executed covering or conveying the Project, the Units or the Site, or any portion thereof or interest therein (excluding any transferee of a membership interest in the Owner), shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed, mortgage, lease or other instrument.

Section 8. Recording. The Owner shall cause this Agreement and all amendments and supplements hereto to be recorded in the conveyance and real property records of Cook County, Illinois, and in such other places as the Issuer may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

Section 9. Agents of the Issuer. The Issuer shall have the right to appoint agents to carry out any of its duties and obligations hereunder, and shall, upon written request, certify in writing to the other party hereto any such agency appointment.

Section 10. No Conflict with Other Documents. The Owner warrants and covenants that it has not and will not execute any other agreement with provisions inconsistent or in conflict with the provisions hereof (except documents that are subordinate to the provisions hereof), and the Owner agrees that the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth, which supersede any other requirements in conflict herewith.

Section 11. Interpretation. Any capitalized terms not defined in this Agreement shall have the same meaning as terms defined in the Indenture and the Financing Agreement or Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

Section 12. Amendment. Subject to any restrictions set forth in the Indenture, this Agreement may be amended by the parties hereto to reflect changes in Section 142(d) of the Code, the regulations hereafter promulgated thereunder and revenue rulings promulgated thereunder, or in the interpretation thereof.

Section 13. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 14. Notices. Any notice, demand or other communication required or permitted hereunder shall be in writing and shall be deemed to have been given if and when personally delivered and receipted for, or, if sent by private courier service or sent by overnight mail service, shall be deemed to have been given if and when received (unless the addressee refuses to accept delivery, in which case it shall be deemed to have been given when first presented to the addressee for acceptance), or on the first day after being sent by telegram, or on the third day after being deposited in United States registered or certified mail, postage prepaid. Any such notice, demand or other communication shall be given as provided for in the applicable sections of the Indenture.

Section 15. Governing Law. The laws of the State of Illinois shall govern the construction of this Agreement, without reference to its conflicts of laws principles.

Section 16. Limited Liability of Owner. Notwithstanding any other provision or obligation stated in or implied by this Agreement to the contrary, any and all undertakings and agreements of the Owner contained herein shall not (other than as expressly provided hereinafter in this paragraph) be deemed, interpreted or construed as the personal undertaking or agreement of, or as creating any personal liability upon, any past, present or future member of the Owner, and no recourse (other than as expressly provided hereinafter in this paragraph) shall be had against the property of the Owner or any past, present or future member of the Owner, personally or

individually for the performance of any undertaking, agreement or obligation, or the payment of any money, under this Agreement or any document executed or delivered by or on behalf of the Owner pursuant hereto or in connection herewith, or for any claim based thereon. It is expressly understood and agreed that the Issuer and the registered owner(s) of the Bonds, and their respective successors and assigns, shall have the right to sue for specific performance of this Agreement and to otherwise seek equitable relief for the enforcement of the obligations and undertakings of the Owner hereunder, including, without limitation, obtaining an injunction against any violation of this Agreement or the appointment of a receiver to take over and operate all or any portion of the Project in accordance with the terms of this Agreement. This Section shall survive termination of this Agreement.

Section 17. Fannie Mae Rider. The terms and conditions of the Fannie Rider to Land Use Restriction Agreement attached to this Agreement are incorporated herein and made a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed by their respective, duly authorized representatives, as of the day and year first above written.

CITY OF CHICAGO

By: _____
Jill Jaworski, Chief Financial Officer

(SEAL)

ATTEST:

Andrea M. Valencia, City Clerk

Acknowledged and agreed to:

SACRED APARTMENTS OWNER LLC,
an Illinois limited liability company

By: The Interfaith Housing Development
Corporation of Chicago, its Manager

By: _____
Perry Vietti, President

By: Claretian Associates, Inc.

By: _____
Angela Hurlock, Chief Executive Officer

STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

BEFORE ME, the undersigned authority, on this day personally appeared JILL JAWORSKI and ANDREA M. VALENCIA, the CHIEF FINANCIAL OFFICER and CITY CLERK, respectively, of the CITY OF CHICAGO, a municipal corporation and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "Issuer"), known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that each executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of said Issuer.

GIVEN UNDER MY HAND and seal of office, this the _____ day of _____, 2024.

[SEAL]

Notary Public in and for the State of Illinois

My commission expires on:

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Perry Vietti, personally known to me to be the President of The Interfaith Housing Development Corporation of Chicago, and the Manager of SACRED Apartments Owner LLC, an Illinois limited liability company (the "Limited Liability Company"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, he signed and delivered the said instrument, as the free and voluntary act of such person, and as the free and voluntary act and deed of the Limited Liability Company, for the uses and purposes therein set forth.

Given under my hand and official seal this ____ day of _____, 2024.

Notary Public

(SEAL)

My commission expires on:

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Angela Hurlock, personally known to me to be the Chief Executive Officer of Claretian Associates, Inc., and one of the members of SACRED Apartments Owner LLC, an Illinois limited liability company (the "Limited Liability Company"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officer, she signed and delivered the said instrument, as the free and voluntary act of such person, and as the free and voluntary act and deed of the Limited Liability Company, for the uses and purposes therein set forth.

Given under my hand and official seal this ____ day of _____, 2024.

Notary Public

(SEAL)

My commission expires on:

[(Sub)Exhibit "A" referred to in this Land-Use Restriction Agreement unavailable at time of printing.]

(Sub)Exhibits "B", "C" and "D" referred to in this Land-Use Restriction Agreement read as follows:

(Sub)Exhibit "B".
(To Land-Use Restriction Agreement)

Income Computation And Certification*.

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Development ("HUD") Regulations (24 CFR Part 5). You should make certain that this form is at all times up to date with HUD Regulations. All capitalized terms used herein shall have the meanings set forth in the Land Use Restriction Agreement, dated as of _____ 1, 2024, between the City of Chicago and SACRED Apartments Owner LLC, an Illinois limited liability company (the "Owner").

Re: SACRED Apartments
Chicago, IL

I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully and truthfully each of the following questions for all persons who are to occupy the unit in the above apartment project for which application is made. Listed below are the names of all persons who intend to reside in the unit:

Name of Members of the Household	Relationship to Head of Household	Age	Social Security Number	Place of Employment
_____	HEAD	_____	_____	_____
_____	SPOUSE	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

6. **Total Anticipated Income.** The total anticipated income, calculated in accordance with this paragraph 6, of all persons listed above for the 12-month period beginning the date that I/we plan to move into a unit (i.e., _____) is \$ _____. Included in the total anticipated income listed above are:

- (a) the full amount, before payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (b) the net income from operation of a business or profession or net income from real or personal property (without deducting expenditures for business expansion or amortization or capital indebtedness); an allowance for depreciation of capital assets used in a business or profession may be deducted, based on

* The form of Income Computation and Certification shall be conformed to any amendments made to 24 CFR Part 5, or any regulatory provisions promulgated in substitution therefor.

straight-line depreciation, as provided in Internal Revenue Service regulation; include any withdrawal of cash or assets from the operation of a business or profession, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the above persons;

(c) interest and dividends (see 7I below);

(d) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump sum payment for the delayed start of a periodic payment;

(e) payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay;

(f) the amount of any public welfare assistance payment; if the welfare assistance payment includes any amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(5) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus

(ii) the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities (if the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph 6(f) shall be the amount resulting from one application of the percentage);

(g) periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from persons not residing in the dwelling; and

(h) all regular pay, special pay and allowances of a member of the Armed Forces.

Excluded from such anticipated total income are:

(a) income from employment of children (including foster children) under the age of 18 years;

(b) payment received for the care of foster children or foster adults;

(c) lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;

- (d) amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (e) income of a live-in aide;
- (f) the full amount of student financial assistance paid directly to the student or to the educational institution;
- (g) special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (h) amounts received under training programs funded by the Department of Housing and Urban Development ("HUD");
- (i) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- (j) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- (k) a resident service stipend in a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Owner, on a part-time basis, that enhances the quality of life in the Project, including, but not limited to, fire patrol, hall monitoring, lawn maintenance and resident initiatives coordination (no resident may receive more than one stipend during the. Same period of time);
- (l) compensation from state or local employment training programs in training of a family member as resident management staff, which compensation is received under employment training programs (including training programs not affiliated with a local government) with clearly defined goals and objectives, and which compensation is excluded only for the period during which the family member participates in the employment training program;
- (m) reparations payment paid by a foreign government pursuant to claims filed under the laws of that government for persons who were persecuted during the Nazi era;
- (n) earnings in excess of \$480 for each full-time student, 18 years or older, but excluding the head of household and spouse;
- (o) adoption assistance payments in excess of \$480 per adopted child;
- (p) deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment;

(q) amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;

(r) amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;

(s) temporary, nonrecurring or sporadic income (including gifts); and

(t) amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609I apply.

7. Assets

(a) Do the persons whose income or contributions are included in Item 6 above:

(i) have savings, stocks, bonds, equity in real property or other form of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles, equity in a housing cooperative unit or in a manufactured home in which such family resides, and interests in Indian trust land)? _____ Yes _____ No.

(ii) have they disposed of any assets (other than at a foreclosure or bankruptcy sale) during the last two years at less than fair market value? _____ Yes _____ No.

(b) If the answer to (i) or (ii) above is yes, does the combined total value of all such assets owned or disposed of by -all such persons total more than \$5,000? _____ Yes _____ No.

(c) If the answer to (b) above is yes, state:

(i) the total value of all such assets: \$ _____

(ii) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy of the unit that you propose to rent: \$ _____; and

(iii) the amount of such income, if any, that was included in Item 6 above: \$ _____.

8. Full-time Students

(a) Are all of the individuals who propose to reside in the unit full-time students? _____ Yes _____ No.

A full-time student is an individual enrolled as a full-time student (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended) during each of five calendar months during the calendar year in which occupancy of the unit begins at an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance or an individual pursuing a full-time course of institutional or farm training under the supervision of an accredited agent of such an educational organization or of a state or political subdivision thereof.

(b) If the answer to 8(a) is yes, are at least two of the proposed occupants of the unit a husband and wife entitled to file a joint federal income tax return? Yes
 No.

9. **Relationship to Project Owner.** Neither I nor any other occupant of the unit I/we propose to rent is the Owner, has any family relationship to the Owner, or owns directly or indirectly any interest in the Owner. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member; ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trust held by the individual or a family member; and ownership, direct or indirect, by a partner of the individual.

10. **Reliance.** This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit and is relevant to the status under federal income tax law of the interest on obligations issued to provide financing for the apartment development for which application is being made. I/We consent to the disclosure of such information to the issuer of such obligations, the holders of such obligations, any fiduciary acting on their behalf and any authorized agent of the Treasury Department or the Internal Revenue Service. I/We declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable, and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

11. **Further Assistance.** I/We will assist the Owner in obtaining any information or documents required to verify the statements made herein, including, but not limited to, either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding two calendar years.

12. **Misrepresentation.** I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit, and may entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct. Executed this ____ day of ____ in _____, Illinois.

Applicant

Applicant

Applicant

Applicant

[Signature of all persons over the age of 18 years listed in 2 above required.]

SUBSCRIBED AND SWORN to before me this ____ day of ____

(NOTARY SEAL)

Notary Public in and for the State of _____

My Commission Expires: _____

FOR COMPLETION BY APARTMENT OWNER ONLY:

1. Calculation of eligible income:
 - a. Enter amount entered for entire household in 6 above: \$ _____
 - b. (1) if the amount entered in 7I(i) above is greater than \$5,000, enter the total amount entered in 7I(ii), subtract from that figure the amount entered in 7I(iii) and enter the remaining balance (\$ _____);
 - (2) multiply the amount entered in 7I(i) times the current passbook savings rate as determined by HUD to determine what the total annual earnings on the amount in 7I(ii) would be if invested in passbook savings (\$ _____), subtract from that figure the amount entered in 7I(iii) and enter the remaining balance (\$ _____); and
 - (3) enter at right the greater of the amount calculated under (1) or (2) above: \$ _____.
 - c. TOTAL ELIGIBLE INCOME (Line 1.a plus line 1.b(3)): \$ _____
2. The amount entered in 1.c is:

_____ Less than 80% of Median Gross Income for Area.**
 _____ More than 80% of Median Gross Income for the Area.***

3. Number of apartment unit assigned: _____
 Bedroom Size: _____ Rent: \$_____

4. The last tenants of this apartment unit for a period of 31 consecutive days [had/did not have] aggregate anticipated annual income, as certified in the above manner upon their initial occupancy of the apartment unit, of less than 80% of Median Gross Income for the Area.

5. Method used to verify applicant(s) income:
 - _____ Employer income verification.
 - _____ Copies of tax returns.
 - _____ Other (_____)

Owner or Manager

** "Median Gross Income for the Area" means the median income for the area where the Project is located as determined by the Secretary of Housing and Urban Development under Section 8(0(3) of the United States Housing Act of 1937, as amended, or if programs under Section 8(f) are terminated, median income determined under the method used by the Secretary prior to the termination. "Median Gross Income for the Area" shall be adjusted for family size.

*** See footnote 2.

INCOME VERIFICATION

(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed by the City of Chicago. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual wages	_____
Overtime	_____
Bonuses	_____
Commissions	_____
Total current income	_____

I hereby certify that the statements above are true and complete to the best of my knowledge.

_____	_____	_____
Signature	Date	Title

I hereby grant you permission to disclose my income to SACRED Apartments Owner LLC, an Illinois limited liability company, in order that it may determine my income eligibility for rental of an apartment located in one of its projects which has been financed by the City of Chicago.

_____	_____
Signature	Date

Please send to:

INCOME VERIFICATION

(for self-employed persons)

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding two calendar years and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

_____	_____
Signature	Date

(Sub)Exhibit "C".
(To Land-Use Restriction Agreement)

Certificate Of Continuing Program Compliance.

The undersigned, on behalf of SACRED Apartments Owner LLC, an Illinois limited liability company (the "Owner"), hereby certifies as follows:

1. The undersigned has read and is thoroughly familiar with the provisions of the Land Use Restriction Agreement, dated as of _____ 1, 2024 (the "Land Use Restriction Agreement"), between the City of Chicago and the Owner. All capitalized terms used herein shall have the meanings given in the Land Use Restriction Agreement.

2. Based on Certificates of Tenant Eligibility on file with the Owner, as of the date of this Certificate the following number of completed Units in the Project (i) are occupied by Qualifying Tenants (as such term is defined in the Land Use Restriction Agreement), or (ii) were previously occupied by Lower-Income Tenants and have been vacant and not reoccupied except for a temporary period of no more than 31 days:

Occupied by Qualifying Tenants****: _____ No. of Units

Previously occupied by Qualifying Tenants
(vacant and not reoccupied except for a
temporary period of no more than 31 days): _____ No of Units

3. The total number of completed Units in the Project is _____.

4. The total number in 2 is at least 40% of the total number in 3 above.

**** A unit all of the occupants of which are full-time students does not qualify as a unit occupied by Qualifying Tenants, unless one or more of the occupants was entitled to file a joint tax return.

5. No Event of Default (as defined in the Land Use Restriction Agreement) has occurred and is subsisting under the Land Use Restriction Agreement, except as set forth in Schedule A attached hereto.

SACRED APARTMENTS OWNER LLC,
an Illinois limited liability company

By: The Interfaith Housing Development
Corporation of Chicago, its Manager

By: _____
Perry Vietti, President

By: Claretian Associates, Inc.

By: _____
Angela Hurlock, Chief Executive Officer

[Schedule A referred to in this Certificate of Continuing Program
Compliance unavailable at time of printing.]

(Sub)Exhibit "D".
(To Land-Use Restriction Agreement)

Fannie Mae Rider To Land-Use Restriction Agreement.

**FANNIE MAE RIDER
TO LAND USE RESTRICTION AGREEMENT**

THIS FANNIE MAE RIDER TO LAND USE RESTRICTION AGREEMENT ("Rider") is attached to and forms a part of the Land Use Restriction Agreement ("**Regulatory Agreement**"), dated as of _____, 1, 2024, by and between SACRED Apartments Owner LLC ("**Borrower**"), its successors and assigns, and the City of Chicago ("**Issuer**").

1. **Definitions.** All capitalized terms used in this Rider have the meanings given to those terms in the Regulatory Agreement or the Indenture, as applicable.

2. **Applicability.** This Rider shall amend and supplement the Regulatory Agreement. In the event any provision of this Rider conflicts with the Regulatory Agreement, this Rider shall supersede the conflicting provision of the Regulatory Agreement. This Rider shall apply in spite of the fact that the covenants, reservations and restrictions of the Regulatory Agreement run with the land and may be deemed applicable to any successor in interest to the Borrower.

3. **Obligations not Secured by the Project.** The Regulatory Agreement shall not constitute a mortgage, equitable mortgage, deed of trust, deed to secure debt or other lien or security interest in the Project. None of the obligations of the Borrower or any subsequent owner of the Project under the Regulatory Agreement shall be secured by a lien on, or security interest in, the Project. All such obligations are expressly intended to be and shall remain unsecured obligations. The occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Security Instrument.

4. **Subordination.** The terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Sections 3 and 4 and this Rider, are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Mortgage Loan Documents. Upon a conveyance or other transfer of title to the Project by foreclosure, deed in lieu of foreclosure or comparable conversion of the Mortgage Loan, the Person who acquires title to the Project pursuant to such foreclosure, deed in lieu of foreclosure or comparable conversion of the Mortgage Loan (unless such Person is the Borrower or a Person related to the Borrower within the meaning of Section 1.103-10(e) of the Regulations, in which event the Regulatory Agreement shall remain in full force and effect in its entirety) shall acquire such title free and clear of the terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Sections 3 and 4 and this Rider and, from and after the date on which such Person acquires title to the Project, the terms, covenants and restrictions of the Regulatory Agreement, other than those set forth in Sections 3 and 4 and this Rider, shall automatically terminate and be of no force and effect; provided that Sections 3 and 4 and this Rider shall also terminate and be of no force or effect under the circumstances set forth in Section 1(c) and 1(d) of

the Regulatory Agreement.

5. **Obligations Personal.** The Issuer agrees that no owner of the Project (including Fannie Mae) subsequent to the Borrower will be liable for; assume or take title to the Project subject to:

(a) any failure of any prior owner of the Project to perform or observe any representation or warranty, affirmative or negative covenant or other agreement or undertaking under the Regulatory Agreement; and

(b) the payment of any indemnification, compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by any prior owner of the Project under the Regulatory Agreement.

The Borrower and each subsequent owner of the Project shall be responsible under the Regulatory Agreement for its own acts and omissions occurring during the period of its ownership of the Project. All such liability and obligations shall be and remain personal to such person even after such person ceases to be the owner of the Project.

6. **Sale or Transfer; or Incurrence of Additional Indebtedness**

(a) **Restrictions Not Applicable to Certain Transfers.** All provisions of the Regulatory Agreement regarding the sale or transfer of the Project or of any interest in the Borrower, including any requirement, limitation or condition precedent for any of (i) the consent of the Issuer or the Trustee to such transfer, (ii) an agreement by any transferee to abide by the requirements and restrictions of the Regulatory Agreement, (iii) transferee criteria or other similar requirements, (iv) an opinion of legal counsel and (v) the payment of any assumption fee, transfer fee, penalty or other charges, shall not apply to any of the following:

(1) any transfer of title to the Project to Fannie Mae or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of any lien on the Project or to any subsequent transfer by Fannie Mae (or a third party) following such foreclosure, deed in lieu of foreclosure or comparable conversion;

(2) any execution and delivery of a mortgage, deed of trust, deed to secure debt or other lien by the Borrower to secure any additional indebtedness of the Borrower which is originated by a lender for sale to Fannie Mae or guaranteed or otherwise credit enhanced by Fannie Mae; and

(3) provided that no Bonds are then Outstanding or all Bonds are to be simultaneously fully paid, redeemed or defeased, any execution and delivery of a mortgage, deed of trust, deed to secure debt or other lien by the Borrower to secure any indebtedness incurred by the Borrower which effectively refinances the Mortgage Loan.

(b) **Incurrence of Additional Indebtedness.** All the provisions of the Regulatory Agreement relating to the incurrence of additional indebtedness, including but not limited to any

requirement, limitation or condition precedent for the consent of the Issuer to such incurrence of additional indebtedness, will not apply to any "Supplemental Loan" or similar loan, originated by a Fannie Mae DUS lender and sold and/or assigned to Fannie Mae, which is secured by the Property and subordinate in priority of lien to the Mortgage Loan.

(c) **Fannie Mae Rights to Consent Not Impaired.** Nothing contained in the Regulatory Agreement shall affect any provision of the Security Instrument or any other Mortgage Loan Document which requires the Borrower to obtain the consent of Fannie Mae as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Project or of any direct or indirect interest in the Borrower, excluding transfers permitted by the Security Instrument.

(d) **Conclusive Evidence.** Any written consent to a sale or transfer obtained from the Issuer shall constitute conclusive evidence that the sale or transfer is not a violation of the transfer provisions of the Regulatory Agreement.

7. **Damage, Destruction or Condemnation of the Project.** In the event that the Project is damaged or destroyed or title to the property, or any part thereof, is taken through the exercise or the threat of the exercise of the power of eminent domain, the Borrower shall comply with all applicable requirements of the Security Instrument and the other Mortgage Loan Documents.

8. **Regulatory Agreement Default.** Notwithstanding anything contained in the Regulatory Agreement to the contrary:

(a) The occurrence of an event of default under the Regulatory Agreement shall not impair, defeat or render invalid the lien of the Security Instrument.

(b) The occurrence of an event of default under the Regulatory Agreement shall not be or be deemed to be a default under the Mortgage Loan Documents, except as may be otherwise specified in the Mortgage Loan Documents.

The Issuer and the Trustee acknowledge and agree that none of the Issuer, the Trustee or any Person under their control shall exercise any remedies or direct any proceedings under this Regulatory Agreement without the prior written consent of Fannie Mae other than to enforce rights of specific performance or injunctive relief under the Regulatory Agreement.

9. **Amendments.** The Issuer shall not consent to any amendment, supplement to, or restatement of the Regulatory Agreement without the prior written consent of Fannie Mae.

10. **Termination.** The Regulatory Agreement may be terminated upon agreement by the Issuer, the Trustee, and the Borrower upon receipt of an opinion of a nationally recognized bond counsel acceptable to the Trustee that such termination will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income purposes. So long as the Bonds have been redeemed or are redeemed within a reasonable period thereafter, the Regulatory Agreement shall terminate and be of no further force or effect from and after the date of any transfer of title to the Project by foreclosure, deed in lieu of foreclosure or comparable conversion of any lien on

the Project; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained in the Regulatory Agreement shall be reinstated if, at any time subsequent to the termination of such provisions as the result of the foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes.

11. **Third-Party Beneficiary.** The parties to the Regulatory Agreement recognize and agree that the terms of the Regulatory Agreement and the enforcement of those terms are essential to the security of Fannie Mae and are entered into for the benefit of various parties, including Fannie Mae. Fannie Mae shall accordingly have contractual rights in the Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Issuer and/or the Trustee, or to cause the Issuer or the Trustee to enforce, the terms of the Regulatory Agreement. In addition, the Borrower and the Issuer intend that Fannie Mae be a third-party beneficiary of the Regulatory Agreement.

12. **Copies of Notices under the Regulatory Agreement.** Copies of all notices under the Regulatory Agreement shall be sent to the Loan Servicer at the address set forth below or to such other address as the Loan Servicer may from time to time designate:

[ADDRESS]

13. **Notices.** Any notice to be given to Fannie Mae shall be sent to Fannie Mae at the address set forth below or to such other address as Fannie Mae may from time to time designate:

Fannie Mae
1100 15th Street, NW
Drawer AM
Washington, DC 20005
Attention: Director, Multifamily Asset Management
Telephone: (301) 204-8008
Facsimile: (301) 280-2065

**RE: [SPECIFY TRANSACTION NAME, PROPERTY NAME
AND LOAN SERVICER]**

with a copy to:

Fannie Mae
1100 15th Street, NW
Drawer AM

10/9/2024

REPORTS OF COMMITTEES

17807

Washington, DC 20005
Attention: Vice President, Multifamily Operations
Telephone: (301) 204-8422
Facsimile: (202) 752-8369

**RE: [SPECIFY TRANSACTION NAME, PROPERTY NAME
AND LOAN SERVICER]**

Exhibit "E".
(To Ordinance)

SACRED Apartments Redevelopment Agreement.

This agreement was prepared by and
after recording return to:
Isabella E. Moreira, Esq.
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

SACRED APARTMENTS REDEVELOPMENT AGREEMENT

This SACRED Apartments Redevelopment Agreement (this "Agreement") is made as of this ____ day of _____, 2024, by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD") SACRED Apartments Owner LLC, an Illinois limited liability company (the "Owner") and The Interfaith Housing Development Corporation of Chicago, an Illinois not-for-profit corporation ("IHDC"). The Owner and IHDC may collectively be referred to hereinafter as the "Developer" or individually as a "Developer Party".

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 April 12, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the South Chicago Redevelopment Project Area" (the "Plan Adoption Ordinance"); (2) "An Ordinance of the City of Chicago, Illinois Designating the South Chicago Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and

(3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the South Chicago Redevelopment Project Area" (the "TIF Adoption Ordinance")(items(1)-(3) collectively 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. Sale of Property: The City owns seven (7) parcels of vacant real property located in the Redevelopment Area at 9216, 9220, 9224, and 9238 South Burley Avenue and 3211, 3223, and 3227 East 92nd Street, Chicago, Illinois (the "City Parcels") that the City desires to be redeveloped for affordable housing, and which IHDC intends to purchase from the City and convey to the Owner for the same purpose. The Developer shall assemble the City Parcels with five (5) adjacent vacant parcels of real property, owned by The Cook County Land Bank Authority, an agency of Cook County, and a body politic and corporate, located at 3215, 3217, 3219, and 3229 East 92nd Street and 9234 South Burley Avenue, Chicago, Illinois (the "Land Bank Parcels" and together with the City Parcels are collectively referred to herein as the "Property" legally described in Exhibit B and depicted in Exhibit B-1 attached hereto).

E. The Project: IHDC intends to purchase the Property, and the Developer, within the time frames set forth in Section 3.01 hereof, shall commence and complete construction of a multi-use building (the "Building") with eighty-one (81) residential units (of which seventeen (17) units shall be Permanent Supportive Housing (PSH) units), including fifteen (15) studios, eleven (11) one-bedroom units, twenty-one (21) two-bedroom units, twenty-five (25) three-bedroom units, and nine (9) four-bedroom units for low-income and very low-income families, along with certain common areas on floors one (1) through five (5), commercial space on the first floor, and a ground floor space for a front desk, community room, property management and social services offices and approximately forty-four (44) parking spaces (the "Facility") thereon. The Building shall be subdivided into commercial and residential spaces through a recordation of a plat of subdivision. IHDC will convey the commercial space to, and enter into a reciprocal easement and operating agreement, with Sacred Commercial Owner, LLC, an Illinois limited liability company, subject to the approval of the Commissioner of DOH (as defined herein). The Owner will own and manage the residential space. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

F. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago South Chicago Tax Increment Financing Redevelopment Plan (the "Redevelopment Plan") included in the Plan Adoption Ordinance adopted by the City Council on April 12, 2000, and published at pages 28776 through 28881 of the Journal of the Proceedings of the City Council.

G. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes (as defined below), to pay for or reimburse Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date as described in Section 4.09 hereof, the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes (including any such payment made pursuant to any City Note provided to Developer pursuant to this Agreement), to make payments of principal and interest

on the City Note, or in order to reimburse the City for the costs of TIF-Funded Improvements; provided however, that in no event shall proceeds of tax-exempt TIF Bonds be used as the source of City Funds if such use would be adverse to the Project.

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, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A *Redevelopment Area
2. Definitions	B *Legal Description of Property
3. The Project	B-1 *Depiction of the Property
4. Financing	C *TIF-Funded Improvements
5. Conditions Precedent	D *Permitted Liens
6. Agreements with Contractors	E-1 *Project Budget
7. Completion of Construction	E-2 *MBE/WBE Budget
8. Covenants/Representations/Warranties of Developer	F Approved Prior Expenditures
9. Covenants/Representations/Warranties of the City	(An asterisk (*) indicates which exhibits are to be recorded.)
10. Developer's Employment Obligations	
11. Environmental Matters	
12. Insurance	
13. Indemnification	
14. Maintaining Records/Right to Inspect	
15. Defaults and Remedies	
16. Mortgaging of the Project	
17. Notice	
18. Miscellaneous	

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.

"Acquisition" 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 Developer.

"Agent(s)" shall mean any agents, employees, contractors, subcontractors, or other persons acting under the control or at the request of the Developer, or its contractors or Affiliates.

"Annual Compliance Report" shall mean a signed report from Owner to the City (a) itemizing each of Developer's obligations under this Agreement during the preceding calendar year, (b) certifying Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer is not in default with respect to any provision of this Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements. The obligations to be covered by the Annual Compliance Report shall include, but not be limited to, the following: (1) compliance with Section 8.05; (2) Jobs Creation data (Section 8.06); (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (6) Compliance with the City's Sustainable Development Policy (Section 8.22); (7) Compliance with the Affordable Housing Covenant (Section 8.24); (8) delivery of a jobs report for each employee detailing the employee's status as a full-time or part-time employee or subcontractor, the ZIP code for each employee's primary residency, and progress toward completing the local hiring requirements; and (9) compliance with all other executory provisions of this Agreement.

"Available Incremental Taxes" shall mean an amount equal to the Incremental Taxes (as defined below) deposited in the Redevelopment Project Area Special Tax Allocation Fund (as defined below) as adjusted to reflect the amount of the City Fee described in Section 4.05(c) hereof.

"Available Project Funds" shall have the meaning set forth for such term in Section 4.07 hereof.

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

"Bond Ordinance" shall mean the City ordinance authorizing the issuance of Bonds.

"Business Day" means any day other than Saturday, Sunday or a legal holiday in the City.

"Certificate" shall mean the Certificate of Completion of Construction 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 Contract" shall have the meaning set forth in Section 8.01(m) hereof.

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

"City Fee" shall mean the fee described in Section 4.05(c) hereof.

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

"City Parcels" shall have the meaning set forth in the Recitals hereof.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"CSI/ROR" shall mean the Comprehensive Site Investigation and Remediation Objectives Report required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter.

"Contract" shall have the meaning set forth in Section 10.03 hereof.

"Contractor" shall have the meaning set forth in Section 10.03 hereof.

"Construction Contract" shall mean that certain contract, as approved by DOH on or prior to the Closing Date, to be entered into between Developer and the General Contractor providing for construction of the Project.

"Contaminant" means any of those materials set forth in 415 ILCS 5/3.165, as amended from time to time, that are subject to regulation under any Environmental Law.

"Corporation Counsel" shall mean the City's Department of Law.

"Davis Bacon Act" shall mean the Davis Bacon Act (40 U.S.C. Section 3141 et seq.).

"Deed" shall have the meaning set forth in Section 3.13(c).

"DOH" shall mean the City's Department of Housing.

"EDS" shall mean the City's Economic Disclosure Statement and Affidavit, on the City's then-current form.

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

"Environmental Law(s)" means any Federal, state, or local law, statute, ordinance, code, rule, permit, plan, regulation, license, authorization, order, or injunction which pertains to health, safety, any Hazardous Substance or Other Regulated Material, or the environment (including, but not limited to, ground, air, water or noise pollution or contamination, and underground or above-ground tanks) and shall include, without limitation, the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; the Hazardous Material Transportation Act, 49 U.S.C. § 1801 *et seq.*; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 *et seq.*, as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 *et seq.* ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); the Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq.*; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 *et seq.*; the Clean Air Act, 42 U.S.C. § 7401 *et seq.*; the Illinois Environmental Protection Act, 415 ILCS 5/1 *et seq.*; the Gasoline Storage Act, 430 ILCS 15/0.01 *et seq.*; the Sewage and

Waste Control Ordinance of the Metropolitan Water Reclamation District of Greater Chicago ("MWRD"); the Municipal Code of the City of Chicago; and any other local, state, or federal environmental statutes, and all rules, regulations, orders, and decrees now or hereafter promulgated under any of the foregoing, as any of the foregoing now exist or may be changed or amended or come into effect in the future.

"Environmental Remediation Work" shall mean all investigation, sampling, monitoring, testing, reporting, removal (including, excavation, transportation and disposal), response, storage, remediation, treatment and other activities necessary to obtain a Final Comprehensive Residential NFR Letter (as defined herein) for the Property in accordance with the terms and conditions of the Remedial Action Plan Approval Letter for the Property issued by the Illinois Environmental Protection Agency ("IEPA"), the SRP Documents (as defined below), all requirements of the IEPA and all applicable federal, state, and local Laws, ordinances, and regulations, including, without limitation, all applicable Environmental Laws.

"Equity" shall mean all funds available for the Project described in Section 4.01 other than City Funds, 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 the Escrow Agreement establishing a construction escrow, to be entered into as of the Closing Date hereof by the City, the Title Company (or an affiliate of the Title Company), Developer and Developer's lender(s), if any, in a form acceptable to DPD and the Corporation Counsel.

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

"Existing Mortgage" shall have the meaning set forth in Article 16 hereof.

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

"Final Comprehensive Residential NFR Letter" shall mean a final comprehensive residential "No Further Remediation" letter issued by the IEPA approving the use of the Property for the construction, development and operation of the Project in accordance with the site plan approved by the City and the terms and conditions of the SRP Documents, as amended or supplemented from time to time. The Final Comprehensive Residential NFR Letter shall state that the Property meets remediation objectives for residential properties and the construction worker exposure route as set forth in 35 Ill. Adm. Code Part 742, but may be reasonably conditioned upon use and maintenance of engineered barriers and other institutional or engineering controls acceptable to the IEPA.

"Financial Interest" shall have the meaning set forth for such term in Section 2-156-010 of the Municipal Code.

"Financial Statements" shall mean complete audited financial statements of 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 contractor(s) hired by Owner pursuant to Section 6.01.

"General Partner Equity" shall mean the funds identified as "General Partner Equity" in Section 4.01 hereof.

"Hazardous Substances" has the meaning set forth in 415 ILCS 5/3.215, as amended from time to time.

"Human Rights Ordinance" shall have the meaning set forth in Section 10 hereof.

"IEPA" shall mean the Illinois Environmental Protection Agency.

"In Balance" shall have the meaning set forth in Section 4.07 hereof.

"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 TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Indemnitee" and "Indemnitees" shall have the meanings set forth in Section 13.01 hereof.

"Land Bank Parcels" shall have the meaning set forth in the Recitals hereof.

"Lender Financing" shall mean the funds borrowed by Owner from lenders and irrevocably available to pay for costs of the Project, in the amounts set forth in Section 4.01 hereof.1

"Limited Partner" means USA institutional SACRED LLC, a Delaware limited liability company, as nominee, the limited partner of the Owner.

"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 E-2, as described in Section 10.03.

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

"Municipal Code" shall mean the Municipal Code of the City of Chicago, as amended from time to time.

"New Mortgage" shall have the meaning set forth in Article 16 hereof.

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

1 To update once Section 4.01 is final.

"Other Regulated Material" means any Waste, Contaminant, material meeting 35 IAC Part 742.305, or any other material, not otherwise specifically listed or designated as a Hazardous Substance, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, materials known to contain per- and polyfluoroalkyl substances, i.e. PFAS, or (b) is a hazard to the environment or to the health or safety of persons.

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

"Permitted Mortgage" shall have the meaning set forth in Article 16 hereof.

"Phase I ESA" shall mean a Phase I environmental site assessment of the Property in accordance with ASTM E-1527-21.

"Phase II ESA" shall mean a Phase II environmental site assessment of the Property in accordance with ASTM E-1903-19.

"Plans and Specifications" shall mean initial 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.

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

"Project Budget" shall mean the budget attached hereto as Exhibit E-1, showing the total cost of the Project by line item, furnished by Developer to DPD, 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) hereof.

"RACR" shall mean the Remedial Action Completion Report required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter under the Site Remediation Program.

"RAP" shall mean the Remedial Action Plan document required by the IEPA in order to receive a Final Comprehensive Residential NFR Letter.

"RAP Approval Letter" shall mean written approval from the IEPA of the RAP. The Parties agree that a single RAP Approval Letter may cover more than one Development Parcel or portions thereof.

"Reconveyance Deed" shall mean a Special Warranty Deed from the Developer to the City for the City Parcels, in a form acceptable to the Corporation Counsel, to be executed on the Closing Date and held in trust by the City to secure the Developer's completion of construction of the Project.

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

"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.

"Senior Lender" shall mean Bank of America, N.A., a national association, and its successors and assigns.

"SRP" shall mean 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.

"SRP Documents" means all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the CSI/ROR, the RAP, and the RACR and any and all related correspondence, data and other information prepared by either party pursuant to Section 11.

"Scope Drawings" shall mean preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project, as amended and updated from time to time in accordance with this Agreement.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2021 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2021, or another standard acceptable to the City, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"TACO" shall mean the Tiered Approach to Corrective Action Objectives codified at 35 Ill. Adm. Code Part 742 et seq.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the date that is the 30-year anniversary of the issuance of the Certificate.

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

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

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

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

"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.

"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 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 Commitment" is defined in Section 3.13(e) hereof.

"Title Company" shall mean Greater Illinois Title Company.

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

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

"Waste" means those materials defined in the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq. as waste and identified subcategories thereof, including but not limited to, construction or demolition debris, garbage, household waste, industrial process waste, landfill waste, landscape waste, municipal waste, pollution control waste, potentially infectious medical waste, refuse, or special waste.

"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, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than December 31, 2024; and (ii) complete construction and conduct business operations therein no later than December 1, 2026, subject to the provisions of Section 18.16 (Force Majeure).

3.02 Scope Drawings and Plans and Specifications. Owner has delivered the Scope Drawings and Plans and Specifications to the City and the City has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DOH 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 and

all applicable federal, state and local laws, ordinances and regulations. Owner 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. Owner has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than **\$46,973,957**. Owner hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity and other funds described in Section 4.01 hereof, shall be sufficient to complete the Project, subject to causes outside the reasonable control of Owner; and (b) the Project Budget is true, correct and complete in all material respects. Owner shall promptly deliver to DOH certified copies of any Change Orders with respect to the Project Budget for approval to the extent required 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) relating to changes to the Project must be submitted by the Developer to DOH for DOH's prior written approval. The Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of DOH's written approval to the extent required pursuant to the immediately preceding sentence. 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 DPD/DOH Approval. Any approval granted by DPD or DOH 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 DPD or DOH pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 Other Approvals. Any DPD or DOH approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to the City'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. Owner shall provide DOH with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DOH's written approval pursuant to Section 3.04). Developer shall provide three (3) copies of an updated Survey to DOH upon the request of DOH.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than Owner's architect) selected by one of the Existing Mortgage holders or Permitted Mortgage holders providing Lender Financing (and approved by DOH) shall act as the inspecting agent or architect, at Owner'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 DOH, prior to requests for disbursement for costs related to the Project hereunder pursuant to the Escrow Agreement.

3.09 Barricades. Prior to commencing any construction requiring barricades, Owner 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. DOH 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. Owner 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 Developer, the Property and the Project in the City's promotional literature and communications.

3.11 Utility Connections. Owner 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 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, Owner 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 City Parcels. The following provisions shall govern the City's conveyance of the City Parcels to IHDC:

- (a) Purchase Price. The City hereby agrees to sell, and IHDC hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement, the City Parcels, for the sum of One Dollar (\$1.00) per tax parcel or Seven Dollars (\$7.00) in the aggregate (the "Purchase Price"), which will be paid by IHDC to the City at the Closing. Except as specifically provided herein to the contrary, IHDC shall pay all escrow fees and other title insurance fees and closing costs. IHDC acknowledges and agrees that the City has only agreed to sell the City Parcels to IHDC for the Purchase Price because the Developer has agreed to execute this Agreement and comply with its terms and conditions. Following the purchase of the City Parcels, IHDC shall transfer the City Parcels to the Owner.
- (b) The transfer of the City Parcels to IHDC (the "Closing," which occurs on the "Closing Date") shall take place at the downtown offices of the Title Company. In no event shall the Closing occur (i) until and unless each of the conditions precedent set forth in Section 5 are satisfied, unless DPD, in its sole discretion, waives one or more of such conditions; and (ii) any later than six (6) months after passage and approval of the Project Ordinance (the "Outside Closing Date"); provided, however, DPD, in its sole discretion, may extend the Outside Closing Date. On or before the Closing Date, the City shall deliver to the Title Company the Deed, an ALTA statement, and all necessary state, county and municipal real estate transfer tax declarations.

- (c) Form of City Deed. The City shall convey the City Parcels to IHDC by one or more quitclaim deeds ("Deed"), subject to the terms of this Agreement and, without limiting the quitclaim nature of the deed, the following:
- (i) the Redevelopment Plan for the Redevelopment Area;
 - (ii) the standard exceptions in an ALTA title insurance policy;
 - (iii) 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 IHDC, its Affiliates or their Agents.
- (d) Recording. IHDC shall pay to record the Deed, this Agreement, and any other documents incident to the conveyance of the City Parcels to IHDC. This Agreement shall be recorded prior to any mortgage made in connection with any Lender Financing. Upon recording, IHDC shall immediately transmit to the City an executed original of this Agreement showing the date and recording number.
- (e) Title Commitment and Insurance. Not less than ten (10) Business Days before the Closing, IHDC shall obtain a commitment for an owner's policy of title insurance for the City Parcels, issued by the Title Company (the "Title Commitment"). IHDC shall be solely responsible for and shall pay all costs associated with updating the Title Commitment (including all search, continuation, and later-date fees), and obtaining the Title Policy and any endorsements.
- (f) Correction of Title. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate taxes due or unpaid prior to the Closing Date with respect to the City Parcels or liens for such unpaid property taxes, the City shall ask the County to void the unpaid taxes as provided in Section 21-100 of the Property Tax Code, 35 ILCS 200/21-100, or file an application for a Certificate of Error with the Cook County Assessor, or tax injunction suit or petition to vacate a tax sale in the Circuit Court of Cook County. If, after taking the foregoing actions and diligently pursuing same, the City Parcels remain subject to any tax liens, or if the City Parcels are encumbered with any other exceptions that would adversely affect the use and insurability of the City Parcels for the development of the Project, IHDC shall have the option to do one of the following: (a) accept title to the City Parcels subject to the exceptions, without reduction in the Purchase Price; or (b) terminate this Agreement by delivery of written notice to the City, in which event this Agreement shall be null and void, and except as otherwise specifically provided herein, neither party shall have any further right, duty or obligation hereunder. If IHDC elects not to terminate this Agreement as aforesaid, IHDC shall be deemed to have accepted title subject to all exceptions.
- (g) Survey. IHDC shall obtain a Survey at IHDC's sole cost and expense and deliver a copy of the Survey to the City not less than ten (10) Business Days before the Closing.

(h) "As Is" Sale. The City makes no 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. IHDC acknowledges that it has had adequate opportunity to inspect and evaluate the structural, physical and environmental conditions and risks of the City Parcels and accepts the risk that any inspection may not disclose all material matters affecting the City Parcels. IHDC agrees to accept the City Parcels in their "AS IS," "WHERE IS" and "WITH ALL FAULTS" condition at closing, with all faults and defects, latent or otherwise, and the City has not made and does not make any covenant, representation or warranty, express or implied, of any kind, or give any indemnification of any kind to IHDC, with respect to the structural, physical or environmental condition of the value of the City Parcels, their compliance with any statute, ordinance or regulation, or their habitability, suitability, merchantability or fitness for any purpose whatsoever. IHDC 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. IHDC agrees that it is its sole responsibility and obligation to perform at its expense any environmental remediation work and take such other action as is necessary to put the City Parcels in a condition which is suitable for its intended use.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be **\$46,973,957**, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

SOURCES:	Amount
1st Mortgage	\$4,700,000
City loan – Taxable Bond Proceeds	\$7,171,396
City grant – CRP PSH	\$1,305,362
City grant – TIF	\$5,000,000
ComEd Energy Grant	\$349,642
IHDA Loan	\$4,017,305
Community Neighborhood Grants	
Accrued Interest & GIC Income	\$2,673,379
LIHTC Equity	\$20,756,773
GP Equity	\$100
Deferred Developer Fee	\$1,000,000
Total Sources	\$46,973,957

4.02 Developer Funds. Equity and/or Lending 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 reimburse Developer 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 paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD and DOH evidencing such cost and its eligibility as a Redevelopment Project Cost.

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

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Available Incremental Taxes and/or TIF Bond Proceeds	\$5,000,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed \$5,000,000; and provided further, that the \$5,000,000 to be derived from Available Incremental Taxes and/or TIF Bond proceeds, if any shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as (i) the amount of the Available Incremental Taxes deposited into the Redevelopment Project Area Special TIF Allocation Fund shall be sufficient to pay for such costs.

The Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$5,000,000 is contingent upon the fulfillment of the conditions set forth in part (i) immediately above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed and/or obtained by Developer pursuant to Section 4.01 hereof shall increase proportionately.

(c) City Funds. Subject to the conditions described in this Section 4.03, the City shall pay the City Funds to the Developer in four installments as follows:

- (i) **\$1,250,000 upon completion of 25% of the construction of the Project;**
- (ii) **\$1,250,000 upon completion of 50% of the construction of the Project;**
- (iii) **\$1,250,000 upon completion of 75% of the construction of the Project;**
- (iv) **\$1,250,000 upon the issuance of the Certificate by DPD.**

4.04 Construction Escrow. The City and the Developer hereby agree to enter into the Escrow Agreement. All disbursements of Project funds (except for the Prior Expenditures) 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, the terms of this Agreement shall control. The City must receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

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

(b) [intentionally omitted.]

(c) City Fee. Annually, the City may allocate an amount not to exceed 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. 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.

(d) Allocation Among Line Items. Disbursements 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 DPD or DOH, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 individually or \$100,000 in the aggregate, may be made without the prior written consent of DPD or DOH.

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, Owner 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. Prior to each disbursement of City Funds hereunder, Developer shall submit documentation regarding the applicable expenditures to DPD and DOH, which shall be satisfactory to DPD and DOH in their sole discretion. The monitoring and compliance unit of DOH shall verify the percentage of construction completion. Delivery by Developer to DPD and DOH of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

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

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

(c) Developer has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications in all material respects;

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

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

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

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the Available Project Funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "Available Project Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Equity and other funds identified in Section 4.01; (iii) any other funds or financing obtained by Developer (including, without limitation, interim financing) and (iii) any other amounts deposited by Developer pursuant to this Agreement. Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, defer developer fee or other amounts due the Developer or deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require 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 in all material respects; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by Developer. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the Bond Ordinance, if any, TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided in Section 15.02 hereof.

4.09 TIF Bonds. The Commissioner of DPD may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of TIF Bonds in an amount which, in the opinion of the City Comptroller, is marketable under the then current market conditions. The costs of issuance of the TIF Bonds would be borne solely by the City. The Developer will cooperate with the City in the issuance of the TIF Bonds, as provided in Section 8.05 hereof.

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

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

5.03 Other Governmental Approvals. 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 DPD and DOH.

5.04 Financing. Owner has furnished proof reasonably acceptable to the City that 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. Any liens against the Property in existence at the Closing Date, other than the Permitted Liens, 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 Owner, with the Office of the Recorder of Deeds of Cook County. The City agrees that the Owner may collaterally assign their interests in this Agreement to any of its lenders if any such lenders require such collateral assignment.

5.05 Acquisition and Title. On the Closing Date, Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing Owner as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit D hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such 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), contiguity, location, access and survey. Developer has provided to DPD and DOH, 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 DPD's and DOH's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. Developer, at its own expense, has provided the City with searches as indicated in the chart below under Developer's name showing no liens against either the Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

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

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

5.08 Insurance. Owner, 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 DPD and DOH.

5.09 Opinion of Developer's Counsel. On the Closing Date, Developer has furnished the City with an opinion of counsel in a form acceptable to the Corporation Counsel.

5.10 Evidence of Prior Expenditures. Developer has provided evidence satisfactory to DPD and DOH in their sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

5.11 Financial Statements. Developer has provided Financial Statements to DPD and DOH for its most recent fiscal year, and audited or unaudited interim financial statements.

5.12 [Reserved.]

5.13 Environmental. Developer has provided DPD and DOH with copies of that certain phase I environmental site assessment completed with respect to the Property and any phase II environmental site assessment with respect to the Property required by the City. Developer has provided the City with a letter from the environmental engineer(s) who completed such site assessment(s), authorizing the City to rely on such site assessment(s).

5.14 Corporate Documents; Economic Disclosure Statement. Developer has provided a copy of its certificate of organization, containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; operating agreement; and such other corporate documentation as the City has requested.

Developer has provided to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer further will provide any other affidavits or certifications as may be required by federal, state or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

5.15 Litigation. Developer has provided to Corporation Counsel and DPD/DOH, a description of all pending or threatened litigation or administrative proceedings involving 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.

5.16 Reconveyance Deed. On the Closing Date, the Developer shall execute and deliver a Reconveyance Deed in a form acceptable to the City to be held in trust. The Developer acknowledges and agrees that the City shall have the right to record the Reconveyance Deed and revest title in the City Parcels and all improvements thereon in the City in accordance with Section 15.02 hereof, if applicable.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. The Developer represents that prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer has solicited, or has caused the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago and has submitted all bids received to DOH for its inspection and written approval. (i) For the TIF-Funded Improvements, Developer has selected the General Contractor (or has caused the General Contractor to select the subcontractor) submitting the lowest responsible and responsive bid, who can complete the Project in a timely manner. If Developer selected a General Contractor (or the General Contractor selects any subcontractor) submitting other than lowest responsible and responsive bid, who can complete the Project in a timely manner, for the TIF-Funded Improvements, the difference between the lowest responsible and responsive bid, who can complete the Project in a timely manner and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if Developer selected a General Contractor (or the General Contractor selects any subcontractor) who did not submit the lowest responsible and responsive bid, who can complete the Project in a timely manner, the difference between such lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. Developer has submitted copies of the Construction Contract to DOH 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 DOH within five (5) business days of the execution thereof. Developer represents that the General Contractor has not (and has caused the General Contractor to ensure that the subcontractors have not) begin work on the Project until the Plans and Specifications have been approved by DOH and all requisite permits have been obtained.

6.02 Construction Contract. Prior to the execution thereof, Developer shall deliver to DOH a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DOH'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 Developer, the General Contractor and any other parties thereto, Developer shall deliver to DOH and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

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

6.04 Employment Opportunity. 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 8.09 (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 DOH within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificate of Completion of Construction. (a) Upon satisfaction of the requirements set forth in this Section 7.01 for the Project, and upon the Developer's written request, DPD shall issue to the Developer a certificate of completion for the Project ("Certificate of Completion") in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. Within forty-five (45) days after receipt of a written request by the Developer for a Certificate of Completion, the City shall provide the Developer with either the Certificate of Completion or a written statement indicating in adequate detail how the Developer has failed to complete the Project in compliance with this Agreement, or is otherwise in default, and what measures or acts are necessary, in the sole opinion of the City, for the Developer to take or perform in order to obtain the Certificate of Completion. If the City requires additional measures or acts to assure compliance, the Developer shall resubmit a written request for the Certificate of Completion upon compliance with the City's response. The Certificate of Completion shall be in recordable form, and shall, upon recording, constitute a conclusive determination of satisfaction and termination of the covenants in this Agreement and the Deed with respect to the Developer's obligations to construct the Project. The Certificate of Completion shall not, however, constitute evidence that the Developer has complied with any Laws relating to the construction of the Project, and shall not serve as any "guaranty" as to the quality of the construction. Nor shall the Certificate of Completion release the Developer from its obligation to comply with any on-going covenants as referenced in Section 8 of this Agreement.

(b) The Certificate of Completion will not be issued until the following requirements have been satisfied:

- (i) The Developer has obtained a Certificate of Occupancy from the City or other evidence reasonably acceptable to DPD and DOH that the Developer has complied with building permit requirements for all of the units;
- (ii) The Project, including all residential units, the community and office spaces and all related improvements, has been completed and has been constructed substantially according to the Plans and Specifications as evidenced by an affidavit provided by the Developer as evidenced by AIA Form G702;
- (iii) There exists neither an Event of Default (after any applicable cure period) which is continuing nor a condition or event which, with the giving of notice passage of time or both, would constitute an Event of Default as evidenced by an affidavit provided by the Developer and accepted by DPD;

- (iv) Developer has given the City written notification that construction of the Project, including all of the TIF-Funded Improvements, has been completed and has provided the City with an amount certified by final Owner's and Contractor's Sworn Statements, or other documentation requested by the City of 1) final total Project costs and 2) final TIF eligible costs; and 3) including, but not limited to any such further documentation as described in Section 14.01; and
- (v) The City's Monitoring and Compliance unit has determined in writing that the Developer is in complete compliance with all City requirements (M/WBE, City residency and prevailing wage) as required in this Agreement.

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 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, 8.19 and 8.24 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 Developer or a permitted assignee of Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 Failure to Complete. If 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) upon not less than thirty (30) days prior written notice to Developer to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, 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 Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of the TIF Bonds, if any.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide Developer, at 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 DEVELOPER.

8.01 General. Each Developer Party represents, warrants and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, as follows.

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

(b) IHDC is an Illinois not-for-profit corporation, validly existing and in good standing;

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

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

(e) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, Developer shall acquire and shall maintain good, indefeasible and merchantable title to the Property (and all improvements thereon) throughout the Term of the Agreement free and clear of all liens (except for the Permitted Liens, the items listed in Section 8.01(l), and non-governmental charges that Developer is contesting in good faith pursuant to Section 8.15 hereof);

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

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

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

(i) 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 Developer is a party or by which Developer is bound;

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

(k) Developer shall not do any of the following without the prior written consent of DPD (except as otherwise permitted by this Agreement): (1) be a party to any merger, liquidation or consolidation (provided the foregoing shall not limit any sale or transfer of any interests in Limited Partner); (2) sell, transfer, convey, lease 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) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

(l) Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; the liens evidencing, governing, or securing the Housing Assistance Payments Contract into which the Developer intends to enter, and the liens evidencing, governing, or securing the Illinois Affordable Housing Tax Credits allocated to the Project by Illinois Housing Development Authority, which the Developer intends to secure; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto; and

(m) Developer 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 Developer in violation of Chapter 2-156-120 of the Municipal Code;

(n) neither Developer nor any affiliate of 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 (n) 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.

(o) Developer understands that (i) the City Funds are limited obligations of the City, payable solely from moneys on deposit in the Redevelopment Project Area Special Tax Allocation

Fund TIF Fund; (ii) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (iii) Developer will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

(p) Developer, or its manager or members, have sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds;

(q) Developer understands that there is no assurance as to the amount or timing of receipt of City Funds, and that the amounts of City Funds actually received by such party may be less than the maximum amounts set forth in Section 4.03(b);

(r) Developer understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except as otherwise permitted by this Agreement or as approved in writing by the City in the City's sole discretion, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement; and

(s) Developer acknowledges that with respect to City Funds, the City has no obligation to provide any continuing disclosure to the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board, to any holder of a note relating to City Funds or any other person under Rule 15c2-12 of the Commission promulgated under the Securities Exchange Act of 1934 or otherwise, and shall have no liability with respect thereto.

8.02 Covenant to Redevelop. Upon DPD's and DOH's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and Developer's receipt of all required building permits and governmental approvals, 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 federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. 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 a Certificate with respect thereto.

8.03 Redevelopment Plan. Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, which is hereby incorporated by reference into this Agreement.

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

8.05 Other Bonds. Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source

of funds for the payment for, the TIF-Funded Improvements (the "Bonds"); provided, however, that any such amendments shall not have a material adverse effect on Developer or the Project. Developer shall, at Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

8.06 Job Creation. The Owner anticipates that the Project will result in the creation of (i) ten (1) full-time equivalent permanent jobs (the "Permanent Jobs"), and (ii) during the construction of the Project approximately eighty (80) construction jobs (the "Construction Jobs," and collectively with the Permanent Jobs, the "Jobs"). Throughout the Term of the Agreement, the Owner shall submit certified employment reports disclosing the number of Jobs at the Project to DPD and DOH as a part of the Owner's submission of the Annual Compliance Report. Notwithstanding any other provision in this Agreement to the contrary, the failure to create the specified number of Jobs shall not constitute an Event of Default.

8.07 Employment Opportunity; Progress Reports. Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 75% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Owner shall also deliver a plan to DOH which shall outline, to DOH's satisfaction, the manner in which Owner shall correct any shortfall.

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

8.09 Prevailing Wage. Unless compliance with the Davis Bacon Act is required, 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, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions. Unless DPD has given its prior written consent with respect thereto, no Affiliate of 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. Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, 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 or Developer 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 Developer's business or the Property.

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

8.13 Financial Statements. Owner shall obtain and provide to DPD Financial Statements for Owner's most recent fiscal year and each fiscal year thereafter for the Term of the Agreement. In addition, Owner shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, 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, 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. Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. 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 Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15);
or

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

8.16 Developer's Liabilities. 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 Developer to any other person or entity. Developer shall immediately notify DPD of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

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

8.19 Real Estate Provisions. Intentionally omitted.

8.20 Annual Report(s). (a) Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, Owner shall submit to DPD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.21 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant: (a) to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapters 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.22 Chicago Sustainable Development Policy. Prior to the issuance of the Certificate, the Developer shall provide evidence acceptable to the City that it has complied with the Chicago Sustainable Development Policy for the Project that was in effect as of the Closing Date.

8.23. FOIA and Local Records Act Compliance.

(a) FOIA. The Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Developer receives a request from the City to produce records within the scope of FOIA, then the Developer covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that the Developer submits to the City under Section 8.21 (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would

result in competitive harm. However, for documents submitted to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) Local Records Act. The Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq, as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act

8.24 Affordable Housing Covenant. Developer agrees and covenants to the City that the following provisions shall govern the terms of the obligation to provide affordable housing under this Agreement:

(a) The Facility shall contain eighty-one (81) apartments that shall be operated and maintained in accordance with this Section 8.24;

(b) All eighty-one (81) of the units in the Facility shall be Affordable Housing Units and seventeen (17) of the units in the Facility shall be Permanent Supportive Housing (PSH) units. All of the Affordable Housing Units are restricted solely to occupancy by Low-Income and Very Low-Income Families as defined in Section 8.24(e) hereof, and the rent for such Affordable Housing Units shall not exceed the rent restrictions set forth in Section 8.24(c) hereof.

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

(d) The Affordable Housing Units and remaining apartments shall have the following unit configuration with the following initial rents, provided, however, Developer shall, with the prior written approval of DOH, have the right to reconfigure the unit mix and distribution of income restriction set forth below:

	Affordable 50% AMI:	Affordable 60% AMI:	Total:
Studio:	15	-	15
One-Bedroom:	11	-	11
Two-Bedroom:	21	-	21
Three-Bedroom:	-	25	25
Four-Bedroom:	-	9	9
Total:	47	34	81

(e) As used in this Section 8.24, the following terms have the following meanings:

(i) "Affordable Housing Units" shall mean the eighty-one (81) units in the Project to be occupied by Low-Income and Very Low-Income Families financed with City Funds and required to comply with the terms of this Agreement.

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

(iii) "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.

(iv) "Very Low-Income Families" shall mean Families whose annual income does not exceed fifty percent (50%) 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.

(f) The covenants set forth in this Section 8.24 shall run with the land and be binding upon any transferee for the Term of the Agreement.

(g) The City and Developer may enter into a separate agreement to implement the provisions of this Section 8.24.

8.25 Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of 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. Owner, 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 Owner operating on the Property (collectively, with Owner, the "Employers" and individually an "Employer") to agree, that for the Term of the Agreement with respect to Owner 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. Owner agrees for itself and its successors and assigns, and 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 (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, Owner, 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.

Owner 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 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.

Owner, 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 DOH in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

Upon 5 Business Days prior written notice, Owner, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Commissioner of DOH, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Owner, 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 DOH, affidavits and other supporting documentation will be required of Owner, 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 Owner, 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 Owner 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 Owner 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 Owner, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Owner pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether Owner 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.

Owner 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. Owner 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 (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (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 E-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 26 percent by MBEs.
- (2) At least six percent by WBEs.

(b) For purposes of this Section 10.03 only, Owner (and any party to whom a contract is let by Owner in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Owner 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, as applicable.

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

(d) Owner 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 Owner 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 Owner's compliance with this MBE/WBE commitment. Owner 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 Owner, on five Business Days' notice, to allow the City to review Owner'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, Owner 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, as applicable.

(f) Any reduction or waiver of Owner'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, as applicable.

(g) Prior to the commencement of the Project, Owner shall be required to meet with the City's monitoring staff with regard to Owner'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, Owner 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, Owner 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 Owner is not complying with its obligations under this Section 10.03,

shall, upon the delivery of written notice to Owner, 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 Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

11.01 Environmental Studies. The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, the Bond Ordinance, if any, and the Redevelopment Plan. The Developer represents and warrants that, as of the Closing Date, it shall deliver true and complete copies of all final environmental studies, reports, field data, correspondence with any environmental agency and similar documents prepared by or for the Developer (or otherwise obtained by the Developer) regarding the environmental condition of the Property (collectively, "Environmental Documents") as of the date hereof to the City.

- (a) The Developer provided the City with a Phase I ESA for the Property prior to and conducted, or updated, within 180 days prior to the Closing Date and a Phase II ESA.
- (b) The Phase I ESA for the Property identified Recognized Environmental Conditions ("RECs") and the Developer performed a Phase II ESA to ascertain the presence of any environmental impacts that may be associated with the RECs.
- (c) The Phase II ESA identified contamination above residential remediation objectives as determined by Title 35 IAC Part 742, and the Developer must enroll the Property (or any portion thereof) in the IEPA SRP in order to obtain a Final Comprehensive Residential NFR Letter for the enrolled Property.
- (d) The Developer acknowledges and agrees that it may not commence construction on the Property or commence any other activity on the Property that could interfere with the prompt start and completion of the RAP until the IEPA issues a Remedial Action Plan Approval Letter ("RAP Approval Letter") for the Property.
- (e) Upon receipt of the RAP Approval Letter for the Property, the Developer covenants and agrees to complete all Remediation Work necessary to obtain a Final Comprehensive Residential NFR Letter for the Property using all reasonable means. The City shall have the right to review in advance and approve all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the SRP Documents and any changes thereto, and the Developer's estimate of the cost to perform the Remediation Work. The Developer shall bear sole responsibility for all costs of the Remediation Work necessary to obtain the Final Comprehensive Residential NFR Letter, and the costs of any other investigative and cleanup costs associated with the Property. The Developer shall promptly transmit to the City copies of all Environmental Documents prepared or received with respect to the Remediation Work, including, without limitation, any written communications delivered to or received from the IEPA or other regulatory

agencies. The Developer acknowledges and agrees to not request a certificate of occupancy for the Project from the Department of Buildings (DOB) until the IEPA has issued, and the Developer has recorded with the Cook County Clerk's Office and the City has approved, a Final Comprehensive Residential NFR Letter for the Property (to the extent required), which approval shall not be unreasonably withheld. If the Developer fails to obtain the Final Comprehensive Residential NFR Letter within six (6) months of the submission of the Remedial Action Completion Report to the IEPA, unless the City agreed to extend such time period, then the City shall have the right to record a notice of default of this Agreement against the Property.

- (f) If applicable, upon the later to occur of (i) the Department's issuance of the Certificate of Completion and (ii) the Developer's recording with the Cook County Clerk's Office, a Final Comprehensive Residential NFR Letter for the Property, the Developer shall submit a written request to the Department for the return of the Environmental Performance Deposit. The City will return the Environmental Performance Deposit within ninety (90) days of its receipt of such request.
- (g) The Developer must abide by the terms and conditions of the Final Comprehensive Residential NFR Letter and must inform any subsequent owner and tenants of the Property to abide by the terms of the Final Comprehensive Residential NFR Letter.

11.02 Release and Indemnification. The Developer, on behalf of itself and its officers, directors, employees, successors, assigns and anyone claiming by, through or under them (collectively, the "Developer Parties"), hereby releases, relinquishes and forever discharges the City, its officers, agents and employees (collectively, the "Indemnified Parties"), 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, foreseen or unforeseen, now existing or occurring after the Closing Date, based upon, arising out of or in any way connected with, directly or indirectly (i) 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 Substances, or threatened release, emission or discharge of Hazardous Substances and Other Regulated Materials; (ii) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Substances and Other Regulated Materials in, on, under or about the Property or the migration of Hazardous Substances and Other Regulated Materials from or to other Property; (iii) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 6901 et seq; and (iv) 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"); provided, however, the foregoing release shall not apply to the extent such Losses are proximately caused by the gross negligence or willful misconduct of the City following the Closing Date. Furthermore, the Developer shall indemnify, defend (through an attorney reasonably acceptable to the City) and hold the Indemnified Parties harmless from and against any and all Losses which may be made or asserted by any third parties (including, without limitation, any of the Developer Parties) arising out of or in any way connected with, directly or indirectly, any of

the Released Claims, except as provided in the immediately preceding sentence for the City's gross negligence or willful misconduct following the Closing Date. The Developer Parties waive their rights of contribution and subrogation against the Indemnified Parties.

11.03 Release Runs with the Property. The covenant of release in Section 11.02 above 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 provide financial assistance nor 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 Developer Parties arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, the Developer and any of the Developer Parties shall not assert that those obligations must be satisfied in whole or in part by the City, because Section 11.02 contains a full, complete and final release of all such claims, except as provided in such section for the City's gross negligence or willful misconduct following the Closing Date.

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

SECTION 12. INSURANCE

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

All Risk Property Insurance at replacement value of the property to protect against loss of,

damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

(c) Post Construction:

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

(d) Other Requirements:

Developer must furnish the City of Chicago, Department of Planning and Development, 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 the Agreement. 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 Developer to obtain and maintain the specified coverages. 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, canceled, or non-renewed.

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

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 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 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.

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

(ii) 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 official statement, limited offering memorandum or private placement memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate of Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

(iv) Developer's failure to cure any misrepresentation in this Agreement;

provided, however, that Developer shall have no obligation to an Indemnitee arising from the gross negligence, wanton or willful misconduct of that Indemnitee or that Indemnitee's breach of this Agreement or any other agreement relating hereto. 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. 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 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 Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by 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 Developer hereunder:

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

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

(c) the making or furnishing by Developer to the City of any written 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 as of the date made;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens and the items listed in Section 8.01(I), 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 Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of 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 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 120 days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of 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 120 days after the commencement thereof;

(g) the entry of any judgment or order against Developer in excess of \$1,000,000 which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

(h) [intentionally omitted];

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

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

(k) prior to the expiration of the Term of the Agreement, and except with respect to transfers of the Property to a mortgagee under a Permitted Mortgage or an Existing Mortgage, the sale or transfer of the Property or Project and/or all or substantially all of the ownership interests of Developer without the prior written consent of the City; or

(l) the failure of Developer, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer.

For purposes of Section 15.01(i) hereof, a person with a material interest in a Developer Party shall be one owning in excess of ten (10%) of such Developer Party's membership interests.

15.02 Remedies. Upon the occurrence and during the continuation of an Event of Default, and the default is not cured in the time period provided for in Section 15.03 below, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties and pursue and secure any available remedy against the Developer in any court of competent jurisdiction by any action or proceeding at law or in equity, including, but not limited to, damages, injunctive relief, the specific performance of the agreements contained herein, and the right to revest title to the City Parcels to the City pursuant to the Reconveyance Deed; provided, however, that the recording of the Reconveyance Deed shall not defeat, render invalid, or limit in any way, the lien of any mortgage authorized by this Agreement. If the Reconveyance Deed is recorded by the City, the Developer shall be responsible for all real estate taxes and assessments which accrued during the period the City Parcels were owned by the Developer, and the Developer shall cause the release of all unpermitted liens or encumbrances placed on the City Parcels during the period of time the City Parcels were owned by the Developer. The Developer will cooperate with the City to ensure that if the City records the Reconveyance Deed, such recording is effective for purposes of transferring title to the City Parcels to the City.

15.03 Curative Period.

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

(b) Right to Cure by Senior Lender and Investors. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in the termination of this Agreement, the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to the parties identified in Section 17 and to Senior Lender or any lender providing Lender Financing or the partners/members of the Developer, and such

parties shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

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

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

SECTION 16. MORTGAGING OF THE 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 D 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 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 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 Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to 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 Developer's interest hereunder in accordance with Section 18.14 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to 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 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 Developer's interest hereunder in accordance with Section 18.14 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "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 Developer's interest under this Agreement, such party has no

liability under this Agreement for any Event of Default of Developer or other claim of the City against the Developer based on events which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. If the City placed a lien on the Project pursuant to Section 15.02 hereof in connection with an Event of Default of Developer or other claim of the City against the Developer based on events which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, the City shall release such lien upon written request to do so by such succeeding mortgagee. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of 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 by the City to Developer of a Certificate pursuant to Section 7 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 DPD.

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.

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Developer:</p> <p>SACRED Apartments Developer LLC 411 S. Wells St Suite 401 Chicago, IL 60607</p>
<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division</p>	<p>With Copies To:</p> <p>TigerLaw 220 N. Green Street Chicago, IL 60607 Attention: Nat Piggee</p> <p>With Copies To:</p> <p>Bank of America, N.A. Mail Code: NC1-026-06-01 900 W. Trade Street, Suite 650 Charlotte, North Carolina 28255 Attention: CREB Loan Administration :</p> <p>With Copies To:</p> <p>Tiber Hudson LLC</p>

	<p>1340 Smith Ave., Ste. 200 Baltimore, MD 21209 Attention: Matthew M. Grant, Esq.</p> <p>With Copies To:</p> <p>USA Institutional SACRED LLC c/o Richman Fund Manager, Inc. 777 West Putnam Avenue Greenwich, Connecticut 06830 Attention: Joanne D. Flanagan, Esq.</p>
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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 except as otherwise set forth herein; provided, however, that the City, in its sole discretion, may amend, modify or supplement the Redevelopment Plan 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 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, official or employee of the City shall be personally liable to Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. 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 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 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 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.

18.09 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.

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

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

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

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

18.14 Assignment. Developer may not sell, assign or otherwise transfer their interests in this Agreement in whole or in part without the prior written consent of the City (which consent shall

not be unreasonably withheld, conditioned or delayed); provided however, that the Developer may collaterally assign their interest in this Agreement to any of its lenders identified to the City as of the Closing Date if any such lenders require such collateral assignment and any transfer of limited partnership interests in the Developer to an affiliate of such limited partner shall not require City's consent and shall not be considered an Event of Default. Any successor in interest to 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 8.19 Real Estate Provisions and 8.25 (Survival of Covenants) hereof, for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

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

18.17 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, 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 Developer has locations in the State. Failure by 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.

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

18.19 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.

18.20 Business Relationships. Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (B) that they have read such provision and understand that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a business relationship that creates a "Financial Interest" (as defined in Section 2-156-010 of the Municipal Code)(a "Financial Interest"), 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, 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. Developer hereby represents and warrant 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.

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.

DEVELOPER:

SACRED APARTMENTS OWNER LLC,
an Illinois limited liability company

By: SACRED APARTMENTS DEVELOPER LLC,
an Illinois limited liability company,
its manager

By: The Interfaith Housing Development Corporation of Chicago,
an Illinois not-for-profit corporation,
its manager

By: _____
Name: Perry B. Vietti
Title: President

By: Claretian Associates Inc.,
an Illinois not-for-profit corporation,
its manager

By: _____
Name: Angela Hurlock
Title: Chief Executive Officer

THE INTERFAITH HOUSING DEVELOPMENT CORPORATION OF CHICAGO,
an Illinois not-for-profit corporation

By: _____
Name: Perry B. Vietti
Title: President

CITY OF CHICAGO:

CITY OF CHICAGO, ILLINOIS,
an Illinois municipal corporation

By: _____
Cierra Boatright
Commissioner
Department of Planning and Development

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Perry B. Vietti, personally known to me to be the President of The Interfaith Housing Development Corporation of Chicago, an Illinois not-for-profit corporation, the manager of SACRED Apartments Developer LLC, an Illinois limited liability company, the managing member of SACRED Apartments Owner LLC, an Illinois limited liability company (the "Owner"), and known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me, acknowledged that he/she signed and delivered the said instrument pursuant to authority given by the Owner, and as his/her free and voluntary act and deed and as the free and voluntary act and deed of the Owner for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of _____, 2024.

Notary Public

My Commission Expires _____

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Angela Hurlock, personally known to me to be the Chief Executive Officer of Claretian Associates Inc., an Illinois not-for-profit corporation, the manager of SACRED Apartments Developer LLC, an Illinois limited liability company, the managing member of SACRED Apartments Owner LLC, an Illinois limited liability company (the "Owner"), and known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me, acknowledged that he/she signed and delivered the said instrument pursuant to authority given by the Owner, and as his/her free and voluntary act and deed and as the free and voluntary act and deed of the Owner for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of _____, 2024.

Notary Public

My Commission Expires _____

(SEAL)

(Sub)Exhibit "C".
 (To SACRED Apartments Redevelopment Agreement)

TIF-Funded Improvements.

<u>Category</u>	<u>Project Budget Amount*</u>	<u>% TIF Eligible***</u>	<u>TIF Eligible Cost**</u>
TIF-eligible Land Acquisition	\$ 105,000	100%	\$ 105,000
Public Works or Site Improvements		50%	\$ -
Affordable Housing Unit Hard Costs	\$ 29,536,822	50-100%	\$ 14,768,411
Other Hard Construction Costs	\$ 1,772,209	50%	\$ 886,105
Environmental Remediation	\$ 245,745	100%	\$ 245,745
Eligible soft costs related to construction			
Eligible Professional Fees		50%	\$ -
Relocation	\$ -	100%	\$ -
Developer Fee	\$ 1,500,000	100%	\$ 1,500,000
Soft Interest (can only count if not counting affordable hard costs)		30%	\$ -
Total			\$ 17,505,261

* With the exception of Land, Project Budget amounts above are based upon 100% affordable units.

** Notwithstanding the total of TIF eligible costs, the TIF assistance to be provided by the City shall not exceed \$5,000,000.

*** TIF Eligibility is further defined by the percentage of the building devoted to affordable units.

(Sub)Exhibit "D".
(To SACRED Apartments Redevelopment Agreement)

Permitted Liens.

1. Liens Or Encumbrances Against The Property:

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

2. Liens or encumbrances against Developer or the Project, other than liens against the Property, if any:

None.

3. Customary utility cable, internet and similar service easements, access easements, construction easements and other easements and agreements in the ordinary course which do not have a material adverse effect on the Property.

(Sub)Exhibit "E-1".
(To SACRED Apartments Redevelopment Agreement)

Project Budget.

Uses:	Amount
Land Acquisition	\$ 155,746
Hard Costs	
Construction	\$34,236,969
Construction Contingency	1,683,599
Total Hard Costs	\$35,920,568

Uses:	Amount
Soft Costs	
Architect	\$ 1,219,125
Loan Origination	423,000
Legal	447,500
Marketing	86,508
Construction Loan Interest	1,600,000
Environmental Reports	--
Reserves	616,195
Tax Credit Issuer Fees	111,596
Bond Issuance Costs	3,190,225
Developer Fee	2,500,000
Other Soft Costs	703,494
Total Soft Costs	10,897,643
Commercial	\$ --
Total Development Costs	\$46,973,957

(Sub)Exhibit "E-2".
(To SACRED Apartments Redevelopment Agreement)

MBE/WBE Budget.

Project Hard Costs	\$34,236,969
Project Soft Costs (Arch., Eng., Soil Testing)	
Project MBE/WBE Total Budgets	34,236,969
Project MBE Total at 26 percent	9,901,612
Project WBE Total at 6 percent	2,054,218

(Sub)Exhibit "F".
(To SACRED Apartments Redevelopment Agreement)

Approved Prior Expenditures.

None.

(Sub)Exhibit "B-1".
(To SACRED Apartments Redevelopment Agreement)

Depiction Of The Property.

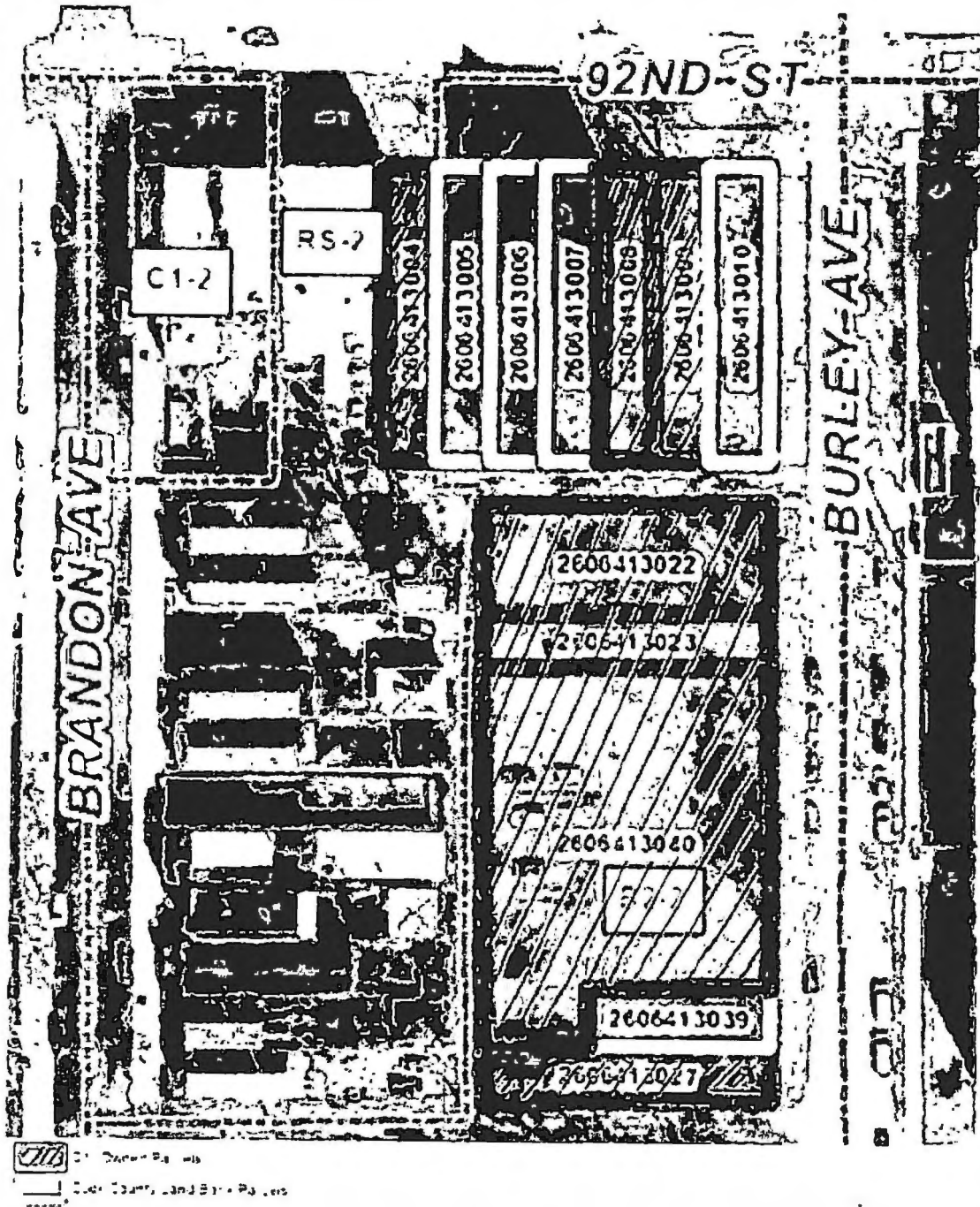


Exhibit "F".
(To Ordinance)

Legal Description Of Property.

[Subject To Final Survey And Title Commitment.]

City of Chicago, an Illinois municipal corporation, as to Parcel 2, and Lots 2, 3, 7, 12, 13, 14, 15, 16, 17, 18, 19 and 22, and Lot 20 except the east 83.50 feet of the south 2.50 feet, and Lot 21 except the east 83.50 feet of Parcel 1; and County of Cook, Illinois, a body politic and corporate, doing business as Cook County Land Bank Authority, as to Lots 1, 4, 5 and 6 and the east 83.50 feet of the south 2.50 feet of Lot 20, and the east 83.50 feet of Lot 21 of Parcel 1.

Parcel 1:

Lots 1 to 7, inclusive, and 12 to 22, inclusive, in Block 87 in the subdivision made by Calumet and Chicago Canal and Dock Company of parts of Sections 5 and 6, Township 37 North, Range 15, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

The 20 feet east-west alley lying north of Lot 12, south of Lots 1 to 5, inclusive, east of the west line of Lot 12 extended north, and west of the east line of Lot 12 extended north, in Block 87 in the subdivision made by Calumet And Chicago Canal and Dock Company of parts of Sections 5 and 6, Township 37 North, Range 15, East of the Third Principal Meridian, in Cook County, Illinois.

Common Address:

3211 -- 3227 East 92nd Street
Chicago, Illinois 60617.

City Property:

1. Address:

9238 South Burley Avenue
Chicago, Illinois.

Property Index Number (PIN):

26-06-413-027.

2. Address:

9224 South Burley Avenue
Chicago, Illinois.

Property Index Number (PIN):

26-06-413-040.

3. Address:

9220 South Burley Avenue
Chicago, Illinois.

Property Index Number (PIN):

26-06-413-023.

4. Address:

9216 South Burley Avenue
Chicago, Illinois.

Property Index Number (PIN):

26-06-413-022.

5. Address:

3227 East 92nd Street
Chicago, Illinois.

Property Index Number (PIN):

26-06-413-009.

6. Address:

3223 East 92nd Street
Chicago, Illinois.

Property Index Number (PIN):

26-06-413-008.

7. Address:

3211 East 92nd Street
Chicago, Illinois.

Property Index Number (PIN):

26-06-413-004.

Land Bank Property:

1. Address:

3215 East 92nd Street
Chicago, Illinois.

Property Index Number (PIN):

26-06-413-005.

2. Address:

3217 East 92nd Street
Chicago, Illinois.

Property Index Number (PIN):

26-06-413-006.

3. Address:

3219 East 92nd Street
Chicago, Illinois.

Property Index Number (PIN):

26-06-413-007.

4. Address:

3229 East 92nd Street
Chicago, Illinois.

Property Index Number (PIN):

26-06-413-010.

5. Address:

9234 South Burley Avenue
Chicago, Illinois.

Property Index Number (PIN):

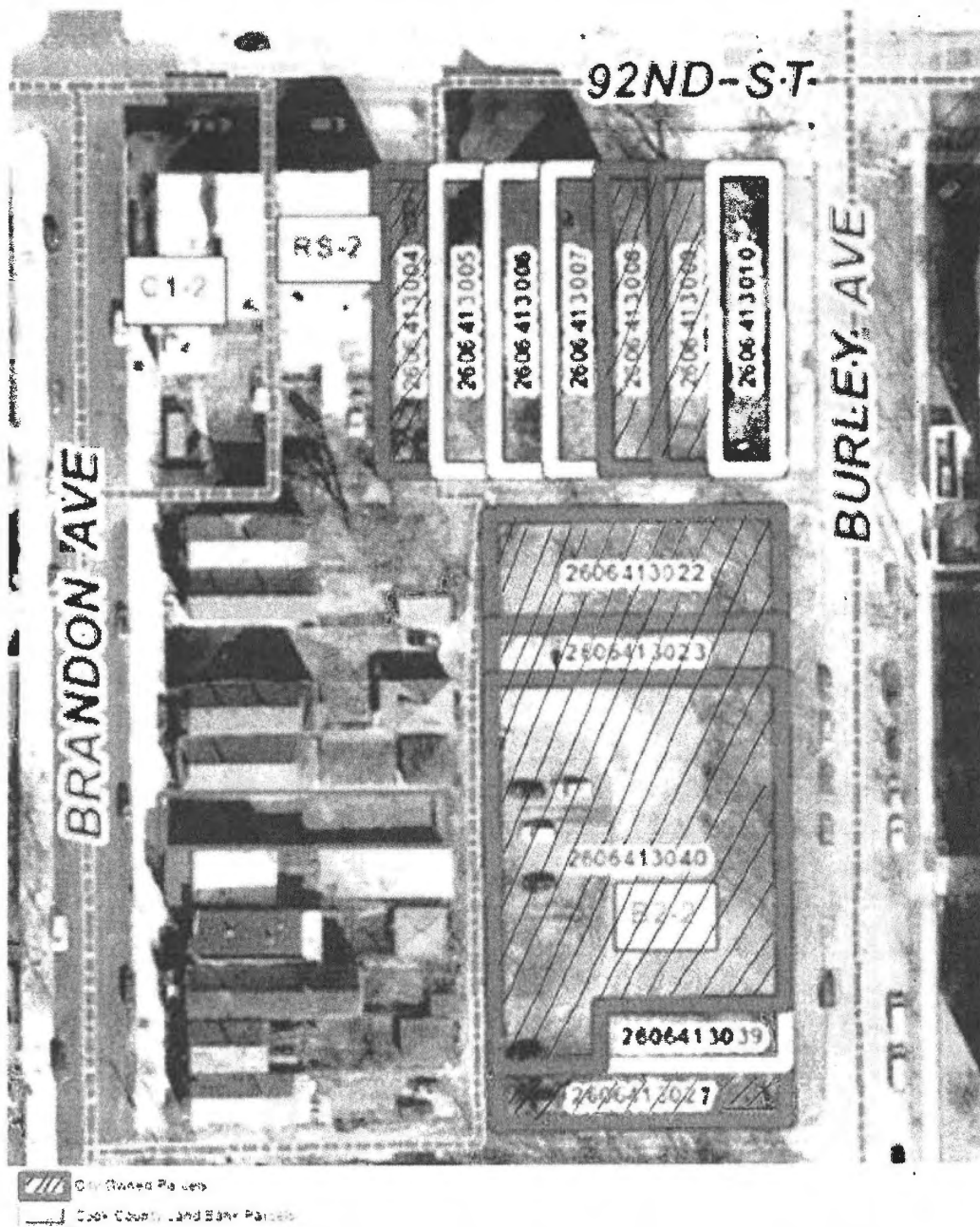
26-06-413-039.

Exhibit "F-1".
(To Ordinance)

Depiction Of Property.

Ordinance Exhibit F-1

Depiction of Property



REDEVELOPMENT AGREEMENT WITH AND ISSUANCE OF TAX INCREMENT
FINANCING GRANT TO BROWN DERBY LLC FOR ACQUISITION AND
REDEVELOPMENT OF PORTION OF EXISTING BUILDING AT 79 W. MONROE ST.
[SO2024-0012437]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred a substitute ordinance concerning the issuance of financial assistance and execution of a TIF redevelopment agreement, to Brown Derby LLC and R2 Development LLC, for the redevelopment of the building located at 79 West Monroe Street in the 34th Ward (SO2024-0012437), in an amount not to exceed \$28,000,000 in Tax Increment Financing (TIF) funds, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with no dissenting votes on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed substitute ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

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

WHEREAS, Brown Derby LLC, a Delaware limited liability company (the "Owner"), and R2 Development LLC, an Illinois limited liability company ("R2" and, collectively with Owner, the "Developer"), have submitted a proposal to the Department of Housing ("DOH") to redevelop certain real property located at 79 West Monroe Street, Chicago, Illinois 60603 (as legally described in Exhibit B, the "Property"). The project will include the redevelopment of approximately 117 residential units, of which 41 units (35 percent) will be rental units affordable to moderate- to low-income families (the "Affordable Units"), a tenant lounge, fitness center, outdoor areas, a dog run, and a small retail space on the lower ground floor (the "Project"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on November 15, 2006, and published at pages 92019 -- 92099 of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") of such date, a certain redevelopment plan and project, as amended (the "Plan") for the LaSalle Central Redevelopment Project Area (the "Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on November 15, 2006, and published at pages 92100 -- 92107 of the *Journal* of such date, the Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on November 15, 2006, and published at pages 92108 -- 92114 of the *Journal* of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Redevelopment Project Costs (as defined in the Act) incurred pursuant to the Plan (as amended from time to time, the "TIF Ordinance"); and

WHEREAS, The Property is located in the Area; and

WHEREAS, The Project is consistent with the goals and objectives of the Redevelopment Plan and necessary for the redevelopment of the Area; and

WHEREAS, Developer will be obligated to undertake the Project in accordance with the terms and conditions of a proposed redevelopment agreement to be executed by the Developer and the City, with the Project to be financed in part by a grant (the "TIF Grant")

of certain pledged incremental taxes deposited from time to time in the Special Tax Allocation Fund for the Area (the "TIF Fund") pursuant to Section 5/11-74.4-8(b) of the Act ("Incremental Taxes"); now, therefore,

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

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

SECTION 2. The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. Upon the approval and availability of the Additional Financing as shown on Exhibit A hereto, the Commissioner of the Department of Planning and Development ("DPD") or a designee or successor thereof (the "Authorized DPD Officer") are each hereby authorized, with the approval of the City's Corporation Counsel (the "Corporation Counsel") as to form and legality, to negotiate, execute and deliver a redevelopment agreement between the Developer and the City in connection with payment of the Redevelopment Project Costs with the tax increment financing ("TIF") funds, substantially in the form attached hereto as Exhibit C and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement, with such execution to constitute conclusive evidence of the Authorized DPD Officer's approval of any changes or revisions from the form of Redevelopment Agreement attached to this ordinance.

SECTION 4. The City Council hereby finds that the City is authorized to pay an aggregate amount equal to \$28,000,000 ("City Funds") from Incremental Taxes deposited in the general account of the TIF Fund (the "General Account"), to the Developer to finance a portion of costs included within the Project and eligible under the Act. The proceeds of the City Funds are hereby appropriated for the purposes set forth in this Section 4.

SECTION 5. Pursuant to the TIF Ordinance, the City has created the TIF Fund. The Chief Financial Officer (or his or her designee) is hereby directed to maintain the TIF Fund as a segregated interest-bearing account, separate and apart from the City's Corporate Fund or any other fund of the City. Pursuant to the TIF Ordinance, all Incremental Taxes received by the City for the Area shall be deposited into the TIF Fund. The City shall use the funds in the TIF Fund to make payments pursuant to the terms of the Redevelopment Agreement.

SECTION 6. The Mayor, the Chief Financial Officer, the City Comptroller, the City Clerk and the other officers of the City are authorized to execute and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this ordinance.

SECTION 7. The Project (as described on Exhibit A hereto) shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago (the "Municipal Code").

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

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

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

Exhibit "A".
(To Ordinance)

Additional Financing Terms.

Developer: Brown Derby LLC, a Delaware limited liability company, and R2 Development LLC, an Illinois limited liability company.

Project: Acquisition and redevelopment of a 99,969 square feet portion of the existing building located at 79 West Monroe Street, Chicago, Illinois, known as The Weatherbell Building, to contain approximately 117 residential units, of which 41 units (35 percent) will be affordable to moderate- to low-income families, a tenant lounge, fitness center, outdoor areas, a dog run, and a small retail space on the lower ground floor.

Grant: Source: Tax Increment Financing.
Amount: Not to exceed \$28,000,000.

Additional Financing:

1. Equity:

Amount: Approximately \$28,373,050 or such other amount acceptable to the Authorized DPD Officer.

Source: Owner.

2. Historic Tax Credit:

Proceeds: Approximately \$7,821,570.

Source: To be derived from the syndication of federal Historic Tax Credits.

3. Managing Member Equity:

Amount: Approximately \$100 or such other greater amount acceptable to the Authorized DPD Officer.

Source: Managing Member, or such other source acceptable to the Authorized DPD Officer.

Exhibit "B".
(To Ordinance)

Legal Description.

[Subject To Survey And Title Insurance.]

Lots 7 through 12 in County Clerk's Division of Block 120, all in Section 16, Township 39 North, Range 14, East of the Third Principal Meridian.

Property Address:

79 West Monroe Street
Chicago, Illinois.

Property Identification Numbers ("PINs"):

17-16-212-001-0000;

17-16-212-002-0000;

17-16-212-003-0000;

17-16-212-004-0000;

17-16-212-005-0000; and

17-16-212-006-0000.

Exhibit "C".
(To Ordinance)

79 West Monroe Redevelopment Agreement.

This agreement was prepared by and after recording return to:
Ashley B. Fawver, Esq.
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

This 79 W. Monroe Redevelopment Agreement (this "Agreement") is made as of this ____ day of ____, 2024, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), Brown Derby LLC, a Delaware limited liability company (the "Owner"), and R2 Development, LLC, an Illinois limited liability company (the "Developer", and collectively with the Owner, the "Developer Parties" or individually as a "Developer Party")

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, in accordance with the provisions of the Act, the City Council of the City (the "City Council"): (i) approved and adopted a redevelopment plan and project (the "Redevelopment Plan") for the LaSalle Central Redevelopment Project Area (the "Redevelopment Area"); (ii) designated the Redevelopment Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for the Redevelopment Area, pursuant to ordinances (item 3, the "TIF Adoption Ordinance" and items (1) – (3) collectively, the "TIF Ordinances") adopted on November 15, 2006 and subsequently amended on February 7, 2007 and May 9, 2007 and published in the Journal of the Proceedings of the City Council for such date.

D. The Project: The Owner currently owns certain property with existing building thereon located within the Redevelopment Area at 79 W. Monroe Street, Chicago, Illinois 60603 (the "Overall Property"). As of the [Closing Date], the Overall Property will consist of: (i) a portion of the ground floor and floors 7 through 14 (the "Property"), which shall be further divided into the "Project Property", as legally described on Exhibit A hereto, and (ii) the remainder of the Overall Property. Within the time frames set forth in Section 3.01 hereof, Developer Parties shall start and

complete construction and/or rehabilitate a portion of the existing building located at the Property into an approximately 99,969 square foot housing development containing 117 residential units on Floors 7 through 13, consisting of 76 market-rate units and 41 affordable units (the "Affordable Units"), a tenant lounge, fitness center, and outdoor areas on Floor 14, and a small retail space, bike room, and dog run on the lower ground floor (collectively, the "Facility"). The Overall Property includes ground floor retail and a charter school, which uses are allowed to continue and are not included in the Facility or the Project.

The "Project" means the Facility and related improvements, including but not limited to the TIF-Funded Improvements defined below and set forth on Exhibit B. The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: Developer Parties will carry out the Project in accordance with this Agreement and the Redevelopment Plan.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03, Incremental Taxes (as defined below), to pay for or reimburse Developer Parties for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

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

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define, or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits	A *Legal Description of the Property
2. Definitions	B *Project Budgets (Project Budget, MBE/WBE Budget and TIF-Funded Improvements)
3. The Project	C Requisition Form
4. Financing	D. [Approved Prior Expenditures]
5. Conditions Precedent	E. Permitted Liens
6. Agreements with Contractors	
7. Completion of Construction or Rehabilitation	
8. Covenants/Representations/Warranties of Developer	(An asterisk (*) indicates which exhibits are to be recorded.)
9. Covenants/Representations/Warranties of the City	
10. Developer's Employment Obligations	
11. Environmental Matters	
12. Insurance	

13. Indemnification 14. Maintaining Records/Right to Inspect 15. Defaults and Remedies 16. Mortgaging of the Project 17. Notice 18. Miscellaneous	
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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, and unless otherwise specified, references to Recitals, Sections, Articles and Exhibits are references to Recitals, Sections, Articles and Exhibits of this Agreement:

“Act” is defined in the Recitals.

“Affiliate” means any person or entity directly or indirectly controlling, controlled by or under common control with either Developer Party.

“Annual Compliance Report” means a signed report from Owner to the City (a) itemizing each of Developer Parties’ respective obligations under this Agreement during the preceding calendar year, (b) certifying each of the Developer Parties’ compliance or noncompliance with their respective obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer Parties are not in default with respect to any provision of this Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Operating Covenant (Section 8.06); (2) compliance with Jobs Creation (Section 8.06); (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (6) delivery of evidence of compliance with the Sustainable Development Policy (Section 8.22); (7) compliance with the Increment and Rate of Return Reporting (Section 8.25); (8) Compliance with the Affordability Requirements (Section 8.26); and (8) compliance with all other executory provisions of this Agreement.

“Available Project Funds” means: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by Owner pursuant to this Agreement.

“Capital Event” shall have the meaning set forth for such term in Section 4.09 hereof.

“Certificate” means the Certificate of Completion of Construction or Rehabilitation described in Section 7.01.

“City Contract” is defined in Section 8.01(l).

“City Council” is defined in the Recitals.

"City Funds" is defined in Section 4.03(b).

"City Regulatory Agreement" means the Inclusionary Housing Agreement by and between the City and the Owner dated [].

"Closing Date" means the date of execution and delivery of this Agreement by all parties to this Agreement, which shall be deemed to be the date appearing in the first paragraph of this Agreement, and shall not be later than 180 days following the date of City Council's approval of the Project Ordinance or such other date acceptable to the commissioner of DOH, in their sole discretion.

"Contract" is defined in Section 10.03.

"Contractor" is defined in Section 10.03.

"Construction Contract" means the construction contract to be entered into between Owner and the General Contractor providing for construction of the Project.

"Corporation Counsel" means the City's Department of Law.

"DOH" means the City's Department of Housing and any successor to said department.

"EDS" means the City's Economic Disclosure Statement and Affidavit, on the City's then-current form, whether submitted in paper or via the City's online submission process.

"Employer(s)" is defined in Section 10.

"Environmental Laws" means any and all Federal, State or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code (as defined below).

"Equity" means Owner funds (other than funds derived from Lender Financing, if any) irrevocably available for the Project, in the amount set forth in Section 4.01, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03(b).

"Escrow" means the construction escrow established pursuant to the Escrow Agreement.

"Escrow Agreement" means the Escrow Agreement establishing a construction escrow, to be entered into as of the date of this Agreement by the City, if applicable, the Title Company

(or an affiliate of the Title Company), Developer Parties and Owner's lender(s), in a form acceptable to the City.

"Event of Default" is defined in Section 15.

"Facility" is defined in the Recitals.

"Financial Interest" is defined in Section 2-156-010 of the Municipal Code.

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

"General Contractor" means the general contractor(s) hired by Owner pursuant to Section 6.01.

"Hazardous Substance" has the meaning set forth in 415 ILCS 5/3.215, as amended from time to time.

"HTC Investor" means the to-be-admitted member of Owner providing HTC Equity to Owner in exchange in part for the receipt of federal historic tax credits related to the Project.

"Human Rights Ordinance" is defined in Section 10.

"In Balance" is defined in Section 4.07.

"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 TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof, as adjusted to reflect the amount of the TIF District Administration Fee.

"Indemnitee" and "Indemnitees" are defined in Section 13.01.

"Investor Member" shall mean Lagfin SCA.

"Senior Mortgage" shall mean a Senior Mortgage executed by the [Owner] as mortgagor, in favor of the City, as mortgagee, securing certain of the Developer's obligations under this Agreement and the Senior Mortgage; and which shall be a first mortgage.

"Lender Financing, if any" means funds borrowed by Owner from lenders and irrevocably available to pay for costs of the Project, in the amount set forth in Section 4.01.

"MBE(s)" means 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” means the MBE/WBE Budget attached as Exhibit B, as described in Section 10.03.

“MBE/WBE Program” is defined in Section 10.03.

“Municipal Code” means the Municipal Code of the City of Chicago, as amended from time to time.

“New Mortgage” is defined in Article 16.

“Net Proceeds” means all cash proceeds from a Capital Event less (1) repayment of any Project debt, (2) all transaction costs, including but not limited to tax liability related to such Capital Event.

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

“Other Regulated Material” means any Waste, Contaminant, or any other material, not otherwise specifically listed or designated as a Hazardous Substance, that (a) is or contains: petroleum, including crude oil or any fraction thereof, motor fuel, jet fuel, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel or mixtures of natural gas and such synthetic gas, asbestos, radon, any polychlorinated biphenyl, urea, formaldehyde foam insulation, explosive or radioactive material, materials known to contain per- and polyfluoroalkyl substances, i.e. PFAS, or (b) is a hazard to the environment or to the health or safety of persons.

“Permitted Liens” means (i) mortgages against the Property and/or the Project recorded on or before the date of this Agreement and securing the Lender Financing, if any, (ii) leases of portions of the Property entered into after the date hereof in Owner’s ordinary course of business, if any, and (iii) those matters set forth as Schedule B title exceptions in the Title Policy, 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.

“Permitted Mortgage” is defined in Article 16.

“Permitted Transfer” shall mean (a) the transfer of membership interest in the Owner to an Affiliate or to the HTC Investor pursuant to the Operating Agreement of Owner upon the City’s receipt of its corporate documents, an EDS, and any other affidavits or certifications as requested by the City and as may be required by federal, state or local law in the award of public contracts as contemplated by Section 5.14; (b) the HTC’s Investor member’s sale of its interest in Owner to the Managing Member of an Affiliate of the Managing Member pursuant to the terms of the Owner Operating Agreement upon the City’s receipt of its corporate documents, an EDS, and any other affidavits or certifications as requested by the City and as may be required by federal, state or local law in the award of public contracts as contemplated by Section 5.14 and (c) lender financing for which the City has consented for project construction or refinancing of such project debt to a permanent mortgage in the ordinary course.

“Plans and Specifications” means 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 Expenditures" is defined in Section 4.05(a).

"Project" is defined in the Recitals.

"Project Budget" means the Project Budget attached as Exhibit B, showing the total cost of the Project by line item, furnished by Developer to DPD, in accordance with Section 3.03.

"Project Ordinance" means the ordinance adopted by City Council on _____, 2024 and published in the Journal for such date at pages _____ - _____.

"Property" is defined in the Recitals.

"RAP Approval Letter" shall mean written approval from the IEPA of a RAP.

"Redevelopment Area" is defined in the Recitals.

"Redevelopment Plan" is defined in the Recitals.

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

"Requisition Form" means the document, in the form to be provided by the City, to be delivered by Developer to DPD.

"Reporting Period" means the period of time starting on the date the Certificate is issued and continuing until the tenth anniversary of such date.

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

"Survey" means a plat of survey in the most recently revised form of ALTA/NSPS land title survey of the Property, meeting the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2021, dated within 75 days before 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(s) providing Lender Financing, if any).

"Sustainable Development Policy" shall mean the Sustainable Development Policy of the City as in effect on the Closing Date.

"Term of the Agreement" means the period of time starting on the Closing Date and ending on the thirtieth anniversary of the issuance of the Certificate.

"TIF Adoption Ordinance" is defined in the Recitals.

“TIF District Administration Fee” means the fee described in Section 4.05(b).

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

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

“TIF Ordinances” is defined in the Recitals.

“Title Company” means Chicago Title Insurance Company.

“Title Policy” means a title insurance policy in the most recently revised ALTA or equivalent form, showing fee simple title in the Owner’s name and naming the City as the insured mortgagee in the full amount of the City Funds, noting the recording of this Agreement and the Senior Mortgage as encumbrances against the Property, and a subordination agreement in a form acceptable to the City in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, if any, issued by the Title Company.

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

“Waste” means those materials defined in the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq. as waste and identified subcategories thereof, including but not limited to, construction or demolition debris, garbage, household waste, industrial process waste, landfill waste, landscape waste, municipal waste, pollution control waste, potentially infectious medical waste, refuse, or special waste.

“WBE(s)” means 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, Owner shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17: (i) start construction no later than 180 days after the Closing Date; and (ii) complete construction and conduct business operations in the Facility no later than 24 months after the Closing Date.

3.02 Scope Drawings and Plans and Specifications. Developer shall submit to DPD and/or DOH Scope Drawings and Plans and Specifications, and each respective department reserves the right to review and approve these documents. The Scope Drawings and Plans and Specifications shall always conform to the Redevelopment Plan and all applicable federal, state, and local laws, ordinances and regulations. Developer Parties shall submit all necessary documents to the City’s Building Department, Department of Transportation and such other City

departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. Developer Parties have furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than \$[64,194,720]. Owner hereby certifies to the City that (a) the City Funds, together with Lender Financing, if any, and Equity described in Section 4.02, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct, and complete in all material respects.

3.04 Intentionally omitted.

3.05 DPD Review. DPD's review of the Scope Drawings, Plans and Specifications 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 DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals). Developer Parties shall not start construction of the Project until Developer has obtained all necessary permits and approvals and proof of the General Contractor's and each subcontractor's bonding as required under this Agreement.

3.07 Progress Reports. If requested by DPD, Developer shall provide DPD with written progress reports detailing the status of the Project, including a revised completion date, if necessary. Written progress reports must be submitted to DPD electronically to the website and/or email specified by the City.

3.08 Intentionally omitted.

3.09 Barricades. Before starting any construction requiring barricades, 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. DPD 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. Developer Parties shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding Developer, the Property and the Project in the City's promotional literature and communications.

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

3.12 Permit Fees. In connection with the Project, Owner 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.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The estimated total cost of the Project is \$64,194,720, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	
Equity	\$28,373,150
Historic Tax Credit Equity	\$7,821,570
Lender Financing, if any	\$0
City Funds (subject to <u>Section 4.03</u>)	\$28,000,000
Estimated Total	\$64,194,720

The payment of City Funds, including the timing of payment, is subject to the terms and conditions of this Agreement, including but not limited to Section 4.03 and Section 5.

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

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse Developer Parties for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit B sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item in Exhibit B (subject to Sections 4.03(b) and 4.05(b)), contingent upon the City receiving documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

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

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Incremental Taxes	\$28,000,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of \$28,000,000 or []% of the actual total Project costs, with such amount to be further reduced by the TIF District Administration Fee; and provided

further, that the City Funds to be derived from Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of the Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs.

Developer Parties acknowledge and agree that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$28,000,000 is contingent upon the fulfillment of the conditions set forth in this subsection. If such condition is not fulfilled, the amount of Equity to be contributed by Owner pursuant to Section 4.01 shall increase proportionately.

(c) Disbursement of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03, the City shall disburse the City Funds in three (3) payments as follows:

(i) \$14,000,000 when the Developer incurs costs of the TIF-Funded Improvements in the amount of \$14,000,000 upon completion of 50% of the construction of the Project as certified to the City in a Requisition Form with required supporting documentation;

(ii) \$7,000,000 when the Developer incurs costs of the TIF-Funded Improvements in the amount \$21,000,000 upon completion of 75% of the construction of the Project as certified to the City in a Requisition Form with required supporting documentation; and

(iii) \$7,000,000 upon issuance of Certificate.

4.04 Intentionally Omitted.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Effect of Prior Expenditures on Equity or Lender Financing, if any, demonstrated before the Closing Date. If Developer Parties incur and pay Project expenses before the Closing Date and want these expenses to reduce the amount of Equity or Lender Financing, if any, Developer is required to demonstrate before the Closing Date, then Developer Parties shall provide documentation of these expenses satisfactory to DPD. Any such expenses reviewed and approved in writing by DPD, in its sole discretion, shall be referred to as "Prior Expenditures". Prior Expenditures made for TIF-Funded Improvements may be reimbursed to Developer Parties under the terms of this Agreement. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to Developer but shall reduce the amount of Equity and/or Lender Financing, if any, Developer is required to contribute under Section 4.01. Prior Expenditures, if applicable, shall be listed on Exhibit E.

(b) TIF District Administration Fee. Annually, the City may allocate from the TIF Fund an amount (the "TIF District Administration Fee") not to exceed five percent (5%) of the Incremental Taxes to pay costs the City incurred to administer and monitor the Redevelopment Area, including the Project. 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 before any City Funds are paid under this Agreement.

(c) Intentionally Omitted.

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03, or if the cost of completing the Project exceeds the Project Budget, Owner 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. Before each disbursement of City Funds, Developer Parties shall submit a requisition form and documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. The Developer Parties' delivery of any request for disbursement of City Funds shall, in addition to the items expressly set forth in such request, constitute Developer Parties certification to the City, as of the date of such request for disbursement, that:

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

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

(c) Developer Parties have approved all work and materials for the current disbursement request 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 each Developer Party is in compliance with any covenants contained in this Agreement which may be applicable to such Developer Party;

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

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

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the Available Project Funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require Developer Parties to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement 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 Developer. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Grant. The City Funds are being granted on a conditional basis, subject to Developer Parties' compliance with the provisions of this Agreement, and are subject to being reimbursed as provided in Section 15.02.

4.09 Return of City Funds Upon Refinance, Sale or Transfer. For purposes of this Section 4.09, the term "Capital Event" shall mean an arms-length sale, transfer, or refinancing of the Project, excluding (i) a refinancing of the construction loan (if any) to a permanent loan as part of the normal course of business, (ii) a refinance of the Historic Tax Credit Equity, or (iii) a Permitted Transfer. Upon the occurrence of a Capital Event, the Owner agrees to pay and remit to the City a one-time payment in accordance with the following schedule:

- (a) An amount equal to 75% of the amount by which the Net Proceeds exceed the amount needed for Owner to achieve a 1.8x equity multiple on the Equity amount specified in Section 4.01, if the Capital Event occurs from the Closing through the fifth anniversary of the issuance of the Certificate.
- (b) An amount equal to 20% of the amount by which the Net Proceeds exceed the amount needed for Owner to achieve a 1.8x equity multiple on the Equity amount specified in Section 4.01 (up to the full amount of City Funds actually paid as of the date of the Capital Event), if the Capital Event occurs from the fifth anniversary of the issuance of the Certificate through the Reporting Period.

For purposes of calculating the return of City funds provided for above, Net Proceeds shall be calculated based on a price allocation for the Facility relative to the Overall Property, determined by the Owner as follows: (1) If a sale or recapitalization occurs, the allocation will be determined by the buyer; (2) if the buyer does not allocate the price, the allocation will be determined by an investment sales broker, and (3) if the Capital Event is a refinancing, the price allocation will be determined by a capital markets broker.

4.10 Intentionally Omitted.

SECTION 5. CONDITIONS PRECEDENT

Developer Parties have complied with the following conditions to the City's satisfaction on or before the Closing Date:

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

5.02 Scope Drawings and Plans and Specifications. Developer Parties have submitted to DPD, and DPD has reviewed, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 3.02.

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

5.04 Financing. Developer Parties have furnished proof reasonably acceptable to the City that Owner has Equity and Lender Financing, if any, in the amounts set forth in Section 4.01 to complete the Project and satisfy its obligations under this Agreement. If such funds include Lender Financing, if any, Developer Parties have furnished proof as of the Closing Date that the proceeds of the Lender Financing, if any, (a) are available for Owner to draw upon as needed and (b) are sufficient, along with the Equity and/or other sources set forth in Section 4.01, to complete the Project. If the City is not a party to the Escrow Agreement, then Developer has delivered to DPD a copy of the Escrow Agreement. Any liens against the Property existing at the Closing Date have been subordinated to certain encumbrances of the City set forth in this Agreement pursuant to a subordination agreement, in a form acceptable to the City, executed on or before the Closing Date, which is to be recorded, at Developer's expense, with the Cook County Clerk's Office.

5.05 Acquisition and Title. On the Closing Date, Developer Parties have furnished the City with a Title Policy for the Property, certified by the Title Company. The Title Policy is dated as of the Closing Date and contains only those title exceptions that are Permitted Liens and evidences the recording of this Agreement and the Senior Mortgage pursuant to the provisions of Section 8.18. The Title Policy also contains such 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), contiguity, location, access, and survey. Developer Parties have provided to DPD, on or before 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 DPD's satisfaction, by the Title Policy and any endorsements to the Title Policy.

5.06 Evidence of Clean Title. Developer Parties, at their own expense, have provided the City with searches as indicated in the chart below under Developer Parties' name and Developer Parties' trade names showing no liens against the Developer Parties, the Property or any fixtures now or hereafter affixed to the Property, except for the Permitted Liens:

Jurisdiction	Searches
Secretary of State	UCC, Federal tax
Cook County Clerk's Office	UCC, Fixtures, Federal tax, State tax, Memoranda of judgments
U.S. District Court, Northern District - Illinois	Pending suits and judgments, Bankruptcy
Clerk of Circuit Court, Cook County	Pending suits and judgments

5.07 Surveys. Developer Parties have furnished the City with a copy of the Survey.

5.08 Insurance. Owner, at its own expense, has insured the Property in accordance with Section 12, and has delivered certificates required pursuant to Section 12 evidencing the required coverages to DPD.

5.09 Opinion of Developer's Counsel. On the Closing Date, Developer Parties have furnished the City with an opinion of counsel in form and substance acceptable to Corporation Counsel. If Developer Parties have engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions required by the

Corporation Counsel, such opinions must be obtained by Developer Parties from its general corporate counsel or such other counsel acceptable to the Corporation Counsel.

5.10 Evidence of Prior Expenditures. Developer Parties have provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures, if any, in accordance with the provisions of Section 4.05(a).

5.11 Financial Statements. Developer Parties has provided Financial Statements to DPD for its most recent three fiscal year and audited or unaudited interim financial statements.

5.12 [Intentionally Omitted].

5.13 Environmental. Developer Parties shall abide by the environmental requirements outlined in Section 11 herein.

5.14 Corporate Documents; Economic Disclosure Statement. Each party comprising the Developer Parties have provided a copy of its articles or certificate of incorporation or organization containing the original certification of the Secretary of State; certificates of good standing from the Secretary of State of its state of incorporation or organization and all other states in which Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; bylaws or operating agreement; and such other organizational documentation as the City has requested.

Each party comprising the Developer Parties has provided to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer further will provide any other affidavits or certifications as may be required by federal, state, or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer Parties and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

5.15 Senior Mortgage. The Owner shall have delivered to the City the Senior Mortgage and such financing statements as the City may require.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Intentionally Omitted.

6.02 Construction Contract.

Before executing the Construction Contract, Developer Parties shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project for DPD's prior written approval, which DPD shall grant or deny within ten (10) business days after delivery of the proposed Construction Contract, which approval shall not be unreasonably

withheld. Within ten (10) business days after the Construction Contract is executed by all parties thereto, Developer Parties shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments, or supplements thereto.

Copies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within ten (10) business days after they are signed. Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been reviewed by DPD, if requested by DPD in accordance with Section 3.02, and all requisite permits have been obtained.

6.03 Performance and Payment Bonds. Before starting construction of any portion of the Project, Developer Parties shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A312 or its equivalent. Before starting construction of any portion of the Project which includes work on the public way, Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

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

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 8.09 (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). Copies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the construction and/or rehabilitation of the Project in accordance with the terms of this Agreement, and upon Developer Parties' written request, DPD shall issue to Developer Parties a Certificate in recordable form certifying that Developer Parties have fulfilled their obligation to complete the construction and/or rehabilitation of the Project in accordance with the terms of this Agreement. DPD shall use best efforts to respond to Developer Parties' 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 Developer to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures.

Developer Parties acknowledge and understand that the City will not issue the Certificate and pay out City Funds in connection with the Project, until the following conditions have been met:

- (a) Evidence acceptable to DPD that the total Project Cost equals or exceeds \$[64,194,720]; as described in Section 4.03(b), the City Funds will be reduced on pro rata basis if the Total Project Cost is less than this amount; and
- (b) Evidence that Developer Parties have incurred TIF-eligible expenses in an amount equal to, or greater than, the total amount of City Funds for the Project (up to \$28,000,000); and
- (c) Receipt of a final certificate of occupancy for the Project; and
- (d) Evidence acceptable to DPD that the Project has complied with building permit requirements for the Project; and
- (e) Evidence acceptable to DPD in the form of a closeout letter from DPD's Compliance and Monitoring division stating that Developer is in complete compliance with all City Requirements (MBE/WBE, City Residency, and Prevailing Wage); and
- (f) Evidence acceptable to DPD that the Project has complied with the City's Sustainable Development Policy; and
- (g) Developer has submitted a preliminary summary of information in a form and content acceptable to DPD's Historic Preservation Division, regarding the historic characteristics of the Property and for the purpose of the landmark designation of the Property; and
- (h) Evidence acceptable to DPD in the form of an Affordable Requirements Ordinance Letter of Compliance with standards for construction of the Affordable Units [and Affirmative Fair Housing Marketing Plan]; and
- (i) A letter from DOH's Long-term Monitoring and Compliance Division confirming that all Affordable Units are leased and the 30-year affordability period pursuant to that certain City Regulatory Agreement has started; and
- (j) There exists neither an Event of Default which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the construction and/or rehabilitation of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to Developer Parties obligation to complete such activities have been satisfied. After the Certificate is issued Developer shall be released from ongoing reporting and obligations under this Agreement. However, all executory terms and conditions of this Agreement and all representations and covenants contained in this Agreement will continue to remain in full force and effect throughout the Term of the Agreement as to the Owner, 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 Section 8.02 (Covenant to Redevelop), Section 8.06 (Jobs Creation; Operating Covenant), Section 8.19 (Real Estate Provisions), Section 8.20 (Annual Compliance Report), Section 8.26 (Affordable Housing Covenant) and Section 14.02 (Inspection Rights) 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 when the Certificate is issued, 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 Certificate is issued shall be binding only upon Developer Parties or a permitted assignee of the Developer Parties who, pursuant to Section 18.14 (Assignment) of this Agreement, has

contracted to take an assignment of Developer Parties' rights under this Agreement and assume Developer Parties' liabilities under this Agreement.

7.03 Failure to Complete. If Owner 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 under this Agreement;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. If the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.03, Developer Parties 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 place a lien on the Project in the amount of City Funds paid and/or to seek reimbursement of the City Funds from Developer Parties .

7.04 Notice of Expiration of Term of Agreement. When the Term of the Agreement expires, at Developer Parties' written request DPD shall provide Developer Parties with a written notice in recordable form stating that the Term of the Agreement has expired.

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.

8.01 General. Each Developer Party represents, warrants, and covenants, as of the date of this Agreement as follows: The representations and warranties provided by Developer under this Agreement are material conditions precedent to the City's obligations under this Agreement. Developer represents, warrants, and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder and throughout the Term of the Agreement, that:

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

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

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

(d) Owner has acquired and 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, Lender Financing, if any, as disclosed in the Project Budget and Non-Governmental Charges that Owner is contesting in good faith pursuant to Section 8.15);

(e) Developer Parties are 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 or, to the Developer Parties' actual knowledge, threatened or affecting the Developer Party which would impair its ability to perform under this Agreement;

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

(h) Developer Parties are 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 Developer Party is a party or by which Developer Party 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 Developer Parties' assets, liabilities, results of operations and financial condition, and there has been no material adverse change in Developer's Party's assets, liabilities, results of operations or financial condition since the date of Developer Party's most recent Financial Statements;

(j) prior to the issuance of the Certificate, Owner shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease 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 to the Property) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Owner's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to Owner's financial condition; provided, however, that the foregoing notwithstanding, City consent shall not be required for a transfer from the Owner to one of Owner's subsidiaries or affiliates, or to an entity controlled by, under the control of, or under common control with the Owner;

(k) Owner has not incurred, and, before the Certificate is issued, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached to the Property, except Lender Financing, if any, disclosed in the Project Budget;

(l) None of the Developer Parties have 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 Developer in violation of Chapter 2-156-120 of the Municipal Code;

(m) None of the Developer Parties nor any affiliate of Developer Parties 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;

(n) Developer Parties understand that (i) the City Funds are limited obligations of the City, payable solely from moneys on deposit in the account of the TIF Fund designated for the Project; (ii) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (iii) Developer Parties will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

(o) Developer Parties have sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information, including a list of the City's Prior Obligations, to be able to evaluate the risks associated with the receipt of City Funds;

(p) Developer Parties understands that there is no assurance as to the amount or timing of receipt of City Funds, and that the amounts of City Funds actually received by such party may be substantially less than the maximum amounts set forth in Section 4.03(b);

(q) Developer Parties understand it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except in accordance with the terms of Section 18.14 (Assignment) of this Agreement, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement; and

(r) Owner will consent in writing to the designation of the Property as a City of Chicago Landmark within 45 days from the date that DPD's Historic Preservation Division mails to Owner a request such consent to the proposed designation.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03, and Developer's receipt of all required building permits and governmental approvals, Developer Parties shall redevelop the Property in accordance with this Agreement and all its Exhibits, the TIF Ordinances,

the Scope Drawings, Plans and Specifications, Project Budget and all amendments to such documents, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer Parties. The covenants set forth in this Section shall run with the land and be binding upon any transferee but shall be deemed satisfied when the City issues the Certificate.

8.03 Redevelopment Plan. Developer Parties represent that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, which is hereby incorporated by reference into this Agreement.

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

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

8.06 Jobs Creation; Operating Covenant. Developer Parties estimate that the Project will result in the creation of (i) approximately 5 full-time equivalent permanent jobs (the "Permanent Jobs") and (ii) during the construction of the Project, approximately 100 temporary full-time construction jobs (the "Construction Jobs," and collectively with the Permanent Jobs, the "Jobs"). Throughout the Reporting Period, the Owner shall submit certified employment reports disclosing the number of Jobs at the Project to DPD and DOH as a part of the Owner's submission of the Annual Compliance Report. Notwithstanding any other provision in this Agreement to the contrary, the failure to create the specified number of Jobs shall not constitute an Event of Default.

8.07 Employment Opportunity; Progress Reports. Owner covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10. Developer Parties shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 75% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer Parties shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, how Developer Parties shall correct any shortfall.

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

8.09 Prevailing Wage. Owner 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, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09.

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

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, 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 or Developer 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 Developer's business, the Property or any other property in the Redevelopment Area.

8.12 Disclosure of Interest. Developer Parties' counsels have no direct or indirect financial ownership interest in Developer Parties, the Property or any other aspect of the Project.

8.13 Financial Statements. Owner shall obtain and provide to DPD Financial Statements for Owner's most recent fiscal year and each fiscal year thereafter for the Term of the Agreement. In addition, Owner shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.14 Insurance. Developer Parties, at its own expense, shall comply with all provisions of Section 12.

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, Developer Parties agree 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, Developer Parties may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

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

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

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

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

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

8.18 Recording and Filing. Owner shall cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements to this Agreement to be recorded and filed, at Owner's expense, against the Property on the date hereof in the Cook County Clerk's Office.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Developer Parties agree to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer Parties, the Property or the Project, or become due and payable, and which create or may create a lien upon Developer or all or any portion of the Property or the Project. "Governmental Charge" means all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those

assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. 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. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.19(c) below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying, or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

(iii) Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by 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 before the final determination of such proceedings; and/or

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

(b) Developer's Failure To Pay Or Discharge Lien. If Developer fails to pay any Governmental Charge or to obtain discharge of the same, then Developer shall advise DPD in writing. At that time DPD in its sole discretion may, but shall not be obligated to, make all or any part of such payment or obtain such discharge and take any other related action which DPD deems advisable. By taking any action under this paragraph, DPD shall not waive or release any obligation or liability of Developer under this Agreement. Developer shall promptly reimburse DPD for all sums, if any, DPD pays under this paragraph and expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto. Notwithstanding anything contained in this paragraph to the contrary, this paragraph shall not be construed to obligate the City to pay any Governmental Charge. If Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

(c) Intentionally omitted.

(d) Notification to the Cook County Assessor of Change in Use or Ownership. If required under 35 ILCS 200/15-20 due to a change in use or ownership of the Property, within 90 days after the Closing Date, Developer shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor of such change in use or ownership. After

delivery of the notification, Developer shall forward a copy of the return receipt to DPD, with a copy to the City's Corporation Counsel's office.

8.20 Annual Compliance Report. Throughout the Reporting Period, Owner shall submit to DPD the Annual Compliance Report within 60 days after the end of the calendar year to which the Annual Compliance Report relates.

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

8.22 Sustainable Development Policy. Developer Parties shall provide evidence acceptable to the City that they have complied with the Sustainable Development Policy for the Project within one (1) year after the date of the Certificate. If a default occurs under this Section 8.22, the City shall have the right to reduce the City Funds by \$250,000 as described in Section 15.02.

8.23. FOIA and Local Records Act Compliance.

(a) FOIA. Developer Parties acknowledge that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If Developer receives a request from the City to produce records within the scope of FOIA, then Developer covenants to comply with such request within 48 hours of the date of such request. Failure by Developer to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that Developer Parties submit to the City as part of the Annual Compliance Report or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) Local Records Act. Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq., as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act.

8.24 Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties to this Agreement and, except as provided in Section 7 when the Certificate is issued, shall be in effect throughout the Term of the Agreement.

8.25 Increment and Rate of Return Reporting. Developer agrees to report the increment projected to be created by the Project at the Closing Date. Developer agrees to report the increment to date created by the Project. Developer agrees to report the Project's rate of return. Rate of return report to be independently verified by a third party chosen by the City.

8.26 Affordable Housing Covenant. Owner agrees and covenants to the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, if any, the provisions of that certain City Regulatory Agreement shall govern the terms of 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 with certain residential amenities and retail space;

(b) At least 7 of the Affordable Units shall be available for occupancy to and be occupied solely by one or more individuals qualifying as 40% AMI Families.

(c) At least 7 of the Affordable Units shall be available for occupancy to and be occupied solely by one or more individuals qualifying as 50% AMI Families.

(d) At least 13 of the Affordable Units shall be available for occupancy to and be occupied solely by one or more individuals qualifying as 60% AMI Families.

(e) At least 7 of the Affordable Units shall be available for occupancy to and be occupied solely by one or more individuals qualifying as 70% AMI Families.

(f) At least 7 of the Affordable Units shall be available for occupancy to and be occupied solely by one or more individuals qualifying as 80% AMI Families.

(g) The Affordable Units have monthly rents not in excess of thirty percent (30%) of the maximum allowable income for a Low Income Family (with the applicable Family size for such units determined in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for any unit occupied by a Family (as defined below) that no longer qualifies as a Low Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.

(h) As used in this Section 8.26, 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) "40% AMI Families" shall mean Families whose annual income does not exceed forty percent (40%) 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.

(iii) "50% AMI Families" shall mean Families whose annual income does not exceed fifty percent (50%) 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.

(iv) "60% AMI 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.

(v) "70% AMI Families" shall mean Families whose annual income does not exceed seventy percent (70%) 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.

(vi) "80% AMI Families" shall mean Families whose annual income does not exceed eighty percent (80%) 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.

(i) The covenants set forth in this Section 8.26 shall run with the land and be binding upon any transferee.

(j) The City and Owner may enter into a separate agreement to implement the provisions of this Section 8.26.

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 under this Agreement.

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 to this Agreement and be in effect throughout the Term of the Agreement.

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. 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 Developer operating on the Property (collectively, with 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.

10.02 City Resident Construction Worker Employment Requirement. Developer agrees for itself and its successors and assigns, and 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 (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, 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.

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 in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

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

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 DPD 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.

Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. 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 DPD, affidavits and other supporting documentation will be required of 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 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 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 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 Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether 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.

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. 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 (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (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 B) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 26 percent by MBEs.
- (2) At least six percent by WBEs.

(b) For purposes of this Section 10.03 only, Developer (and any party to whom a contract is let by Developer in connection with the Project) shall be deemed a "contractor" and this

Agreement (and any contract let by 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, as applicable.

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

(d) 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 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 Developer's compliance with this MBE/WBE commitment. 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 Developer, on five Business Days' notice, to allow the City to review 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, 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, as applicable.

(f) Any reduction or waiver of 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, as applicable.

(g) Before starting the Project, Developer shall be required to meet with the City's monitoring staff with regard to 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, 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, 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 Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to 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 Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

The Developer Parties have provided the City with a Phase I Environmental Site Assessment ("Phase I ESA") compliant with ASTM E-1527-21.

The Phase I ESA did not identify any Recognized Environmental Conditions ("RECs").

The Developer shall cooperate and consult with the City at all relevant times (and in all cases upon the City's request) with respect to environmental matters. 2FM shall have the right to review and approve the sufficiency of the Phase I and Phase II ESAs, if applicable. The City must be named in a reliance letter for all environmental assessment reports produced concerning the Property.

The Developer acknowledges that, except in the case of information specifically designated by the Applicant/Grantee to be treated confidentially as a trade secret or secret process, the City may make environmental assessments, hazardous material building surveys, Illinois Environmental Protection Agency site remediation program submittals, or similar environmental documents relating to the property publicly available, and Applicant/Grantee consents to the City's publication of those documents.

Developer will conduct a Hazardous Building Material Survey of the Site prior to conducting any work that could constitute renovation, demolition, or abatement under the Environmental Laws ("abatement work") on or within an existing physical structure located on the Property. The Hazardous Building Material Survey shall include (but is not limited to):

- asbestos and lead-based paint surveys,
- testing and visually inspecting and, as necessary, testing the Property to determine the presence and location of polychlorinated-biphenyl (PCB)-containing equipment and materials (such as lighting ballasts, switchgears, transformers, and hydraulic fluids),
- mercury-containing equipment and materials (mercury lamps, thermostats, switches, thermometers, regulators, and gauges),
- radioactive material-containing equipment and/or waste,

- medical wastes (such as biological or infectious wastes, hazardous chemicals, and/or wastes),
- refrigerants such as chlorofluorocarbons (CFCs),
- large appliances or equipment,
- mold,
- or any other materials that may require special handling or disposal during or after renovation, demolition, or abatement work.

The Hazardous Building Material Survey must discuss each of the Hazardous Building Materials listed above and state whether or not they were identified. The Hazardous Building Material Survey must document the type, location, quantity, and condition of each Hazardous Building Material that is identified.

Any Hazardous Building Materials that will be impacted by renovation or demolition activities, or are in poor or unstable condition, must be properly abated. A report documenting the Hazardous Building Material Survey results and an abatement plan shall be submitted to the City for review prior to beginning any renovation, demolition, or abatement work. Please note that abatement does not necessarily require removal and disposal of materials. Alternative methods to stabilize or prevent access to materials may be utilized if appropriate.

The Developer will incorporate the results of the Hazardous Building Material Survey into its Project documents and perform abatement work as part of the Project in accordance with all Environmental Laws. A report documenting the completion of the abatement work shall be submitted to the City prior to approval of the Property for occupancy. If abatement work activities are not deemed sufficient by the City, the Developer shall continue work at their own expense until approved.

Applicant/Grantee acknowledges that, except in the case of information specifically designated by the Applicant/Grantee to be treated confidentially as a trade secret or secret process, the City may make environmental assessments, hazardous material building surveys, Illinois Environmental Protection Agency Site Remediation Program submittals, or similar environmental documents relating to the property publicly available, and Applicant/Grantee consents to the City's publication of those documents.

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

Developer Parties must provide and maintain, at Developer Parties' 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) Before 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. Before the construction of any portion of the Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of insureds, defense, and contractual liability (with no

limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions

that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

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

(d) Other Requirements:

Developer Parties must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 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. Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent before 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 Parties is not a waiver by the City of any requirements for Developer to obtain and maintain the specified coverages. Developer Parties shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer Parties of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

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

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

Developer Parties hereby waive and agree 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 Parties in no way limit Developer Parties' 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 Developer Parties 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 Parties are a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Developer Parties must require Contractor and subcontractors to provide the insurance required herein, or Developer Parties 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 Parties, 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 Parties agree 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) Developer Parties' failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

(ii) Developer Parties' 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 official statement, limited offering memorandum or private placement memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

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

provided, however, that Developer Parties 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. Developer Parties 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 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 Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

14.02 Inspection Rights. Upon three (3) business days' notice, Developer Parties shall permit any authorized representative of the City to 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. From the Closing Date through the end of the Term of the Agreement with respect to Owner and from the Closing Date through the issuance of the Certificate with respect to the Developer, 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 a Developer Party, as applicable, hereunder:

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

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

(c) a Developer Party makes or furnishes to the City 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 under this Agreement, 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, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against a Developer Party or for the liquidation or reorganization of a Developer Party, or alleging that a Developer Party is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of Developer Party's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving a Developer Party; provided, however, that if such commencement of proceedings is involuntary, such action 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 a Developer Party, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of a Developer Party; provided, however, that if such appointment or commencement of proceedings is involuntary, such action 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) any judgment or order is entered against a Developer Party and remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of Owner or Developer;

(j) a criminal proceeding (other than a misdemeanor) is instituted in any court against a Developer Party or any natural person who owns a material interest in a Developer Party and is not dismissed within thirty (30) days, or Developer Party or any natural person who owns a material interest in Developer Party is indicted for any crime (other than a misdemeanor);

(k) before the expiration of the Term of the Agreement, a majority of the ownership interests of Owner are sold or transferred (other than a Permitted Transfer or a sale or transfer to an Affiliate of Owner) without the prior written consent of the City;

(l) Developer Parties or any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer Party fails to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer;

(m) failure to provide the City with an Annual Compliance Report within sixty (60) days of when it is due, as set forth in Section 8.20; or

(n) Developer Parties fail to obtain the Certificate prior to the third anniversary of the Closing Date.

For purposes of Sections 15.01(i) and 15.01(j), a person with a material interest in Developer shall be one having a direct or indirect beneficial interest (including ownership) exceeding 10% of Developer.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend disbursement of City Funds, place a lien on the Project in the amount of City Funds paid and/or seek reimbursement of any City Funds paid, as set forth in this Section 15.02 below. 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 damages, injunctive relief or the specific performance of the agreements contained in this Agreement. Upon the occurrence of an Event of Default under Section 8.06, Developer shall be obligated to repay to the City all previously disbursed City Funds.

Upon the occurrence of an Event of Default under Section 15.01(m), for which neither notice nor opportunity for cure shall be provided, Owner shall be obligated to pay to the City the amount of \$10,000 as liquidated damages, and not as a penalty, which such payment shall be required no more often than once per calendar year. Any payment of liquidated damages by Owner shall not relieve Owner of its obligation under Section 8.20.

Upon the occurrence of an Event of Default because of failure to comply with Section 8.22, (Sustainable Development Policy), the City's remedy shall be the right to reduce the amount of City Funds by \$250,000.

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

15.04 Right to Cure by Investor Member and/or Lenders. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in the termination of this Agreement, the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send written notice of such intended exercise to the parties identified in Section 17 and the Investor Member and any lender providing Lender Financing, if any, shall have the right (but not the obligation) to cure such an Event of the Default within the cure periods set forth below, prior to exercising any remedies under the this Agreement.

(a) if the Event of Default is a monetary default, any party entitled to cure such default may cure it within 30 days after the expiration of the cure period, if any, granted to Developer with respect to such monetary default; and

(b) if the Event of Default is of a non-monetary nature, any party entitled to cure such default shall have the right to cure it within 30 days after the expiration of the cure period, if any, granted to Developer with respect to such non-monetary default; provided, however, that if such non-monetary default is not reasonably capable of being cured by any lender providing Lender Financing, if any, within such 30-day period, such period shall be extended for such reasonable period of time agreed to by the City as may be necessary to cure such default, provided that the party seeking such cure must diligently and continuously prosecute the cure of such default until the same has been cured and, if possession of the Project is necessary to effect such cure, the party seeking such cure must have instituted appropriate legal proceedings to obtain possession to the extent such party has the right to do so.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date of this Agreement with respect to the Property or any portion thereof that were made before or on the date of this Agreement in connection with Lender Financing, if any, and which are Permitted Liens are referred to in this Agreement as the "Existing Mortgages." Any mortgage or deed of trust that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to in this Agreement as a "New Mortgage." Any New Mortgage that 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 in this Agreement as a "Permitted Mortgage." The City and Developer agree as follows:

(a) If a mortgagee or any other party shall succeed to 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 Developer's interest under this Agreement in accordance with Section 18.14 (Assignment), the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to 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) If any mortgagee shall succeed to 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 Developer's interest under this Agreement in accordance with Section 18.14 (Assignment), the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer" under this Agreement; 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 Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued before such party succeeded to the interest of Developer under this Agreement, in which case Developer

shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest under this Agreement, 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) From the Closing Date to the end of the Reporting Period, Owner shall not execute a New Mortgage with respect to the Property or any portion of the Property without the prior written consent of the Commissioner of DPD.

SECTION 17. NOTICE

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

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Developer Parties:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Attention: _____</p>
<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division</p>	<p>With Copies To:</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>Attention: _____</p>

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 its Exhibits may not be amended or modified without the prior written consent of the parties to this Agreement; provided, however, that the City, in its sole discretion, may amend, modify, or supplement the Redevelopment Plan without the consent of any party to this Agreement. 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) 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 Developer by more than ninety (90) days.

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

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

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

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

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

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 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.

18.09 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 in this Agreement and

the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

18.10 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.

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

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

18.13 Approval. Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD'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, DPD 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 DPD in making all approvals, consents, and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.14 Assignment. 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 Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, as described in Section 7.02 (Effect of Issuance of Certificate; Continuing Obligations), for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment, or other disposal of this Agreement at any time in whole or in part.

18.15 Binding Effect. This Agreement shall be binding upon Developer, the City and their respective successors and permitted assigns (as provided in this Agreement) and shall inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided in this Agreement). Except as otherwise provided in this Agreement, 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.

18.16 Force Majeure. Neither the City nor 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 under this Agreement. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.17 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer Parties are required to provide notice under the WARN Act, the Developer Party 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 Developer has locations in the State. Failure by a Developer Party 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 in this Agreement.

18.18 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party to this Agreement 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.

18.19 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer Parties 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 Parties also will pay any court costs, in addition to all other sums provided by law.

18.20 Business Relationships. Developer Parties acknowledge (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (B) that Developer Parties have 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)(a "Financial Interest"), 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, 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. 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.

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

[OWNER]

By: _____

Its: _____

[DEVELOPER]

By: _____

Its: _____

CITY OF CHICAGO

By: _____

Commissioner
Department of Planning and Development

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ of _____, an Illinois [corporation] (the "Owner"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the [Board of Directors] of Owner, as his/her free and voluntary act and as the free and voluntary act of Owner, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of _____, ____.

Notary Public

My Commission Expires _____

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ of _____, an Illinois [corporation] (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the [Board of Directors] of Developer, as his/her free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of _____, ____.

Notary Public

My Commission Expires _____

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that _____ personally known to me to be the _____ Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the City, as his/her 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 ___th day of _____, _____.

Notary Public

My Commission Expires _____

[(Sub)Exhibit "A" referred to in this 79 West Monroe Redevelopment Agreement constitutes Exhibit "B" to ordinance and printed on page 17874 of this *Journal*.]

[(Sub)Exhibits "D" and "E" referred to in this 79 West Monroe Redevelopment Agreement unavailable at time of printing.]

(Sub)Exhibits "B" and "C" referred to in this 79 West Monroe Redevelopment Agreement read as follows:

(Sub)Exhibit "B".
(To 79 West Monroe Redevelopment Agreement)

Project Budgets (Project Budget, MBE/WBE Budget And TIF-Funded Improvements)¹.

EXHIBIT __: PROJECT BUDGET AND ELIGIBLE COSTS

PROJECT BUDGET

<i>Building Cost</i>	\$9,750,000
<i>Transfer Stamps</i>	\$117,000
<i>Net Construction Costs</i>	\$36,279,489
<i>General Conditions</i>	\$1,846,626
<i>Overhead</i>	\$725,590
<i>Profit</i>	\$897,555
<i>Furniture, Fixtures, & Equip't</i>	\$285,000
<i>GC Insurance</i>	\$909,607
<i>Other Construction (Design and Historic Costs Contingency)</i>	\$1,813,974
<i>Construction Contingency</i>	\$4,156,323
<i>Environmental Contingency</i>	\$75,000
<i>Commercial Construction</i>	\$101,700
<i>Architect - Design</i>	\$1,476,310
<i>Engineering Fees</i>	\$146,168
<i>Blueprints & Reproductions</i>	\$5,500
<i>PNA Report</i>	\$5,000
<i>Permit Expediter</i>	\$25,000
<i>As-Is Plats & Surveys</i>	\$10,000
<i>Legal - Organizational</i>	\$250,000
<i>Consultant - Historic</i>	\$50,000
<i>Consultant - Financial</i>	\$25,000
<i>Consultant - TIF</i>	\$50,000
<i>Appraisal</i>	\$16,000
<i>Market Study</i>	\$20,000
<i>Phase I Environ. Report</i>	\$24,000
<i>Title & Recording Fees</i>	\$65,000
<i>Other Professional Fees</i>	\$89,434
<i>Application Fees</i>	\$2,500
<i>Lender Legal Fees</i>	\$25,000
<i>Liability Insurance</i>	\$515,518
<i>Real Estate Taxes</i>	\$1,835,151
<i>Model Units</i>	\$100,000
<i>Other Marketing & Leasing</i>	\$125,000
<i>Developer Fee</i>	\$1,246,525
<i>Construction Admin.</i>	\$442,103
<i>Lease-Up Reserve</i>	\$120,586
<i>Operating Reserve</i>	\$567,061
Grand Total Development Cost	\$64,194,720

Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03.

¹ The MBE/WBE budget is an estimate calculated as of the Closing Date. The final percentages will be based on the final hard construction costs of the Project.

(Sub)Exhibit "C".
(To 79 West Monroe Redevelopment Agreement)

Requisition Form.

State of Illinois)
) SS.
County of Cook)

The affiant, _____, _____ of _____, a
_____ (the "Developer"), hereby certifies that with respect to the
_____ Redevelopment Agreement between the Developer and the City of
Chicago dated _____, _____ (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. Developer requests reimbursement for the following cost 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 Agreement are true and correct and the Developer is in compliance with all applicable covenants contained in the Agreement.

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.

All capitalized terms which are not defined in this Requisition Form have the meanings given such terms in the Agreement.

[Developer]

By: _____
Name

Title: _____

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

My commission expires: _____

Agreed and Accepted:

Name

Title: _____

City of Chicago
Department of Planning and Development

ISSUANCE OF CITY OF CHICAGO FOURTH SUPPLEMENTAL INDENTURE
SECURING SECOND LIEN WASTEWATER TRANSMISSION REVENUE BONDS,
PROJECT AND REFUNDING SERIES 2024B.

[O2024-0012441]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred an ordinance concerning the issuance of City's Second Lien Wastewater Transmission Revenue Bonds, Project and Refunding Series 2024B (O2024-0012441), having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with four (4) dissenting votes from Alderpersons Beale, Lopez, Cardona and Waguespack on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Chico, Lee, Ramirez, Quinn, Gutiérrez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 44.

Nays -- Alderpersons Beale, Lopez, Cardona, Waguespack -- 4.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

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

Article I.

Authority And Findings.

SECTION 1.1 Authority. This Ordinance is adopted pursuant to Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois (the "Constitution"). This Ordinance authorizes the issuance of Second Lien Wastewater Transmission Revenue Bonds as follows: (i) Article II of this Ordinance authorizes the issuance in one or more series of Second Lien Wastewater Transmission Revenue Bonds, (the "Series 2024B Second Lien Bonds"), in such principal amount and with such terms, in accordance with the provisions set forth in Article II and in one or more Supplemental Indentures; and (ii) Article III of this Ordinance sets forth general provisions applicable to the Series 2024B Second Lien Bonds. Except as otherwise provided in this Ordinance, all capitalized terms used and not otherwise defined shall have the meanings ascribed to them in the recitals to this Ordinance, in the Second Lien Bonds Master Indenture or in the applicable Supplemental Indentures governing the terms of the Series 2024B Second Lien Bonds.

SECTION 1.2 Findings. It is found and declared as follows:

(a) The City is a duly constituted and existing municipality within the meaning of Section I of Article VII of the Constitution, and is a "home rule unit" under Section 6(a) of Article VII of the Constitution.

(b) The City has constructed and is maintaining and operating the Sewer System to meet the needs of the City's inhabitants and other users of the Sewer System. The Sewer System is operated under the supervision and control of the Department of Water Management of the City.

(c) The City has previously issued and has outstanding: (i) the Outstanding Series 1998 Senior Lien Bonds; and (ii) the Outstanding Series 2001 Second Lien Bonds, the Outstanding Series 2008 Second Lien Bonds, the Outstanding Series 2010 Second Lien Bonds, the Outstanding Series 2015 Second Lien Bonds, the Outstanding Series 2017 Second Lien Bonds, the Outstanding Series 2023 Second Lien Bonds and the Outstanding Series 2024A Second Lien Bonds (collectively, "Outstanding Prior Second Lien Bonds"). Collectively, the Outstanding Series 1998 Senior Lien Bonds and the Outstanding Prior Second Lien Bonds are referred to herein as the "Outstanding Bonds".

(d) The City has determined that it is advisable and in the best interests of the City to authorize the issuance from time to time of its Series 2024B Second Lien Bonds pursuant to one or more Supplemental Indentures subject to the authorization limits specified in this Ordinance, in one or more series, for any one or more of the purposes of: (i) refunding in advance of maturity such portion of the Outstanding Bonds as shall be determined by an Authorized Officer, including, but not limited to, effectuating such refunding through a tender offer for any of the Outstanding Bonds or an exchange of Series 2024B Second Lien Bonds for any of the Outstanding Bonds ("Refunding Purposes"); (ii) funding capitalized interest on the Series 2024B Second Lien Bonds; (iii) paying Costs of Issuance of the Series 2024B Second Lien Bonds; (iv) making a deposit into the Second Lien Bonds Debt Service Reserve Account, if any; and (v) providing for any discount on the Series 2024B Second Lien Bonds.

(e) The proceeds of the Series 2024B Second Lien Bonds incurred for the Refunding Purposes will not exceed the amount required to pay such costs.

(f) In accordance with the covenants of the City in the Second Lien Bonds Master Indenture, concurrent with the issuance, sale and delivery of the Series 2024B Second Lien Bonds, all the conditions and requirements in Section 4.6 of the Second Lien Bonds Master Indenture shall have been fully satisfied and complied with and, based upon such satisfaction and compliance, if the City shall issue Second Lien Bonds pursuant to this Ordinance and the applicable Supplemental Indenture, such Series 2024B Second Lien Bonds will have a claim for payment from the Second Lien Bond Revenues on an equal and ratable basis with the Outstanding Prior Second Lien Bonds.

The City proposes to issue and sell the Series 2024B Second Lien Bonds for the purposes described above in the manner authorized in this Ordinance in an aggregate principal amount of not to exceed \$200,000,000, in one or more series as determined by an Authorized Officer in accordance with the terms of this Ordinance.

(g) The borrowings authorized by this Ordinance, are for a proper public purpose and are in the public interest. The City has the power to borrow for the purposes set forth in this Ordinance, and to issue the Series 2024B Second Lien Bonds for such purposes.

(h) The City's ability to issue Series 2024B Second Lien Bonds without further action by the City Council at such time, in such principal amount and bearing interest at such interest rate or rates and with such maturities, redemption provisions and other terms will enhance the City's opportunities to obtain financing for the Sewer System upon the most favorable terms available at such time of issuance.

(i) Authority is granted to each Authorized Officer to determine to sell the Series 2024B Second Lien Bonds from time to time and at such times as such Authorized Officer determines that such sale or sales are desirable and in the best financial interest of the Sewer System.

(j) This Ordinance is adopted pursuant to the City's constitutional home rule powers.

SECTION 1.3 Definitions.

(a) The following terms shall have the following meanings, unless the context clearly indicates a different meaning:

“Authorized Officer” means either the Chief Financial Officer of the City or the City Comptroller of the City.

“Bond Registrar” means such banking institution as may be appointed by an Authorized Officer as bond registrar for the Series 2024B Second Lien Bonds, or any successor to it in that capacity appointed by an Authorized Officer and any co-bond registrar separately appointed by an Authorized Officer.

“Commissioner” means the Commissioner of Water Management of the City.

“Constitution” means the 1970 Constitution of the State of Illinois.

“Initial Purchasers” means the underwriter or purchaser or group of underwriters or purchasers to which the City will sell the Series 2024B Second Lien Bonds of a series and with which the City will enter into a related Bond Purchase Agreement, as the Authorized Officer shall designate in the related Second Lien Bond Determination Certificate.

“Ordinance” means this Ordinance as it may be modified or amended from time to time.

“Registered Owner” means any person in whose name a Series 2024B Second Lien Bond is registered in the registration books of the City maintained by the Bond Registrar.

“Second Lien Bond Determination Certificate” means one or more certificates of an Authorized Officer with respect to the Series 2024B Second Lien Bonds filed with the Office of the City Clerk or the Deputy City Clerk, addressed to the City Council as provided in this Ordinance.

“Second Lien Bond Provider” means a company, banking institution or other financial institution which is the issuer of a Credit Enhancement Instrument.

“Second Lien Bonds Master Indenture” means the Master Indenture of Trust dated as of May 1, 2023, as supplemented by the First Supplemental Trust Indenture, dated as of May 1, 2023, the Second Supplemental Trust Indenture making technical corrections to Master Indenture of Trust Securing Second Lien Wastewater Transmission Revenue Bonds, dated as of May 1, 2023, dated as of April 1, 2024 and the Third Supplemental Trust Indenture dated as of April 1, 2024, in each case from the City to the Trustee.

“Supplemental Indenture” means one or more Supplemental Indentures respecting the Series 2024B Second Lien Bonds approved in Section 2.3 of this Ordinance, the form of which is attached to this Ordinance as Exhibit A.

“Trustee” means Amalgamated National Bank and Trust Company of Chicago, as trustee under the Second Lien Bonds Master Indenture.

“2024B Second Lien Bonds Subaccount” means the separate subaccount of that name established in the Second Lien Bonds Account as provided in the Second Supplemental Indenture.

Article II.

Details Of The Series 2024B Second Lien Bonds.

SECTION 2.1 Principal Amount, Designation, Sources Of Payment. The City is authorized to borrow money for the purposes specified in Section 2.2 of this Ordinance and in evidence of its obligation to repay the borrowing is authorized to issue the Series 2024B Second Lien Bonds in one or more separate series for Refunding Purposes and to execute and deliver one or more Supplemental Indentures subject to and as further described in Section 2.3 of this Ordinance, provided that the total principal amount of Series 2024B Second Lien Bonds shall not exceed \$200,000,000, plus any additional amount equal to the amount of original issue discount (not to exceed 15 percent of the aggregate principal amount of any such Series 2024B Second Lien Bonds) used in the marketing of the Series 2024B Second Lien Bonds. The Series 2024B Second Lien Bonds shall be issued pursuant to the Second Lien Bonds Master Indenture, the applicable Supplemental Indenture and this Ordinance. The Series 2024B Second Lien Bonds shall be designated “Second Lien Wastewater Transmission Revenue Bonds, Refunding Series 2024B” or such other designation as shall be set forth in the applicable Second Lien Bond Determination Certificate, which shall recognize, among other things, the year in which the series is issued and the second lien status of the Series 2024B Second Lien Bonds. If the Series 2024B Second Lien Bonds are issued in more than one series, each series shall be appropriately designated to indicate the order of its issuance and lien status. The Series 2024B Second Lien Bonds shall be limited obligations of the City having a claim for payment of principal, redemption premium and interest solely from the Trust Estate, including without limitation amounts in the 2024B Second Lien Bonds Subaccount of the Second Lien Bonds Account, the sources pledged under the Second Lien Bonds Master Indenture and the applicable Supplemental Indenture, and, together with any Outstanding Second Lien Bonds and Second Lien Parity Bonds, from Second Lien Bond Revenues. The Series 2024B Second Lien Bonds shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitation as to indebtedness and shall have no claim to be paid from taxes of the City, and each Series 2024B Second Lien Bond shall contain a statement to that effect. The applicable Supplemental Indenture shall grant the Registered Owners of the related Series 2024B Second Lien Bonds a lien on and security interest in Second Lien Bond Revenues.

SECTION 2.2 Purposes. The issuance of the Series 2024B Second Lien Bonds authorized in Section 2.1 of this Ordinance shall be for one or more purposes described in Section 1.2(d).

SECTION 2.3 Approval Of One Or More Supplemental Indentures For The Series 2024B Second Lien Bonds, Bond Provisions.

(a) The form of the Supplemental Indenture attached to this Ordinance as Exhibit A is approved in all respects. Each Authorized Officer is authorized, with respect to the Series 2024B Second Lien Bonds, to execute and deliver one or more Supplemental Indentures for the Series 2024B Second Lien Bonds in substantially the form attached to this Ordinance as Exhibit A for and on behalf of the City, and the City Clerk and the Deputy City Clerk are each authorized to attest the same and to affix to the same the corporate seal of the City or a facsimile of such corporate seal. The applicable Supplemental Indenture may contain such changes and revisions to reflect the terms of the Series 2024B Second Lien Bonds (including, without limitation changes and revisions related to the issuance of any portion of the Series 2024B Second Lien Bonds such that the interest thereon is subject to federal income taxation) consistent with the purposes and intent of this Article II and with the covenants set forth in the Second Lien Bonds Master Indenture as shall be approved by an Authorized Officer, the execution and delivery of such Supplemental Indenture to constitute conclusive evidence of the City Council's approval of any and all such changes or revisions in such instrument. The Supplemental Indenture shall set forth such covenants with respect to the imposition of Sewer System fees, charges and rates, the issuance of Second Lien Parity Bonds, the application of funds in the Sewer Revenue Fund and the Second Lien Bonds Account and other matters relating to the Series 2024B Second Lien Bonds and the security for the Series 2024B Second Lien Bonds as shall be deemed necessary by an Authorized Officer in connection with the sale of the Series 2024B Second Lien Bonds, provided that such covenants are not inconsistent with the terms of this Ordinance.

(b) The Series 2024B Second Lien Bonds may be issued from time to time and at such time or times, in such principal amounts and bearing interest at such interest rate or rates and with such maturities, redemption provisions and other terms that will enhance the City's opportunities to obtain financing for the Sewer System upon the most favorable terms available at such time of issuance. Authority is granted to each Authorized Officer to determine to sell the Series 2024B Second Lien Bonds from time to time and at such times as such Authorized Officer determines that such sale or sales are desirable and in the best financial interest of the Sewer System.

(c) The Series 2024B Second Lien Bonds shall mature not later than January 1, 2066, and shall bear interest from their date, or from the most recent date to which interest has been paid or duly provided for, until the City's obligation with respect to the payment of the principal amount of the Series 2024B Second Lien Bonds shall be discharged, payable as provided in the applicable Supplemental Indenture, at a rate or rates not in excess of 12 percent per year computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2024B Second Lien Bonds may be subject to mandatory and optional redemption and demand purchase or mandatory purchase provisions prior to maturity, upon the terms and conditions set forth in the applicable Supplemental Indenture. The

Series 2024B Second Lien Bonds may have a Second Lien Bonds Debt Service Reserve Requirement which can be fulfilled by a deposit of money into the Second Lien Bonds Debt Service Reserve Account or the purchase of a Credit Enhancement Instrument, as authorized by Section 3.3 of the Second Lien Bonds Master Indenture and by the applicable Supplemental Indenture.

(d) Each Series 2024B Second Lien Bond shall be issued in fully registered form and in the denominations set forth in the applicable Supplemental Indenture and shall be dated and numbered and further designated and identified as provided in the applicable Supplemental Indenture. The Supplemental Indenture for each Series 2024B Second Lien Bonds shall be numbered sequentially, with the first such Supplemental Indenture numbered "Second" and the next "Third", and so forth, as needed.

(e) Principal of and premium, if any, on the Series 2024B Second Lien Bonds shall be payable as provided in Section 3.3 of the Second Lien Bonds Master Indenture and in the applicable Supplemental Indenture.

(f) Subject to the limitations set forth in this Section and Section 2.1 of this Ordinance, authority is delegated to each Authorized Officer to determine the aggregate principal amount of Series 2024B Second Lien Bonds to be issued, the date or dates of the Series 2024B Second Lien Bonds, the maturity date or dates of the Series 2024B Second Lien Bonds, any provisions for optional redemption of the Series 2024B Second Lien Bonds (which optional redemption shall be at redemption prices not exceeding 120 percent of the principal amount of the Series 2024B Second Lien Bonds to be so redeemed), the schedule of sinking fund payments (if any) to be applied to the mandatory redemption of the Series 2024B Second Lien Bonds (which mandatory redemption shall be at a redemption price equal to the principal amount of each Series 2024B Second Lien Bond to be redeemed, without premium, plus accrued interest), the rate or rates of interest payable on the Series 2024B Second Lien Bonds and the first interest payment or dates of the Series 2024B Second Lien Bonds.

The 120 percent limitation set forth in the preceding subsection on the redemption price of Series 2024B Second Lien Bonds shall not apply where the redemption price is to be based upon a formula designed to compensate the owner of such Series 2024B Second Lien Bonds to be redeemed based upon prevailing market conditions on the date fixed for redemption, commonly known as a "make whole" redemption price (the "Make Whole Redemption Price"). At the time of sale of Series 2024B Second Lien Bonds, an Authorized Officer shall determine the provisions of the formula to be used to establish any Make Whole Redemption Price. Such Authorized Officer shall confirm and transmit the applicable Make Whole Redemption Price on such dates and to such parties as shall be necessary to effectuate such redemption.

Notwithstanding the foregoing, at the time of sale of the Series 2024B Second Lien Bonds, each Authorized Officer is authorized to determine the manner of redeeming such Bonds, either pro rata or by lot, in the event less than all of the Series 2024B Second Lien Bonds are to be redeemed. If the Series 2024B Second Lien Bonds are held in book-entry form at the time of redemption, the Authorized Officer is authorized to direct the Trustee to instruct

the book-entry depository to select the specific Series 2024B Second Lien Bonds within such maturity and interest rate for redemption pro rata among such Bonds. If so determined by the applicable book-entry depository, the particular Series 2024B Second Lien Bonds or portions thereof to be redeemed may be selected on a pro rata pass through distribution of principal basis in accordance with the applicable procedures and operational arrangements of such depository. The City shall have no responsibility or obligation to ensure that the book-entry depository properly selects such Bonds for redemption.

SECTION 2.4 Determination By Authorized Officer As To Borrowing For The Refunding Of Outstanding Bonds. Upon the sale of a series of the Series 2024B Second Lien Bonds, the Authorized Officer shall determine the amount to be borrowed for the purposes identified in Section 2.2 of this Ordinance, which may not exceed the amounts authorized by this Ordinance for each such purpose and such determinations shall be set forth in the applicable Second Lien Bond Determination Certificate.

SECTION 2.5 Sale Of Series 2024B Second Lien Bonds.

(a) Each Authorized Officer is authorized to sell the Series 2024B Second Lien Bonds in their entirety directly on such terms as such Authorized Officer may deem to be in the best interests of the City as provided in this Ordinance. The Authorized Officer is authorized to execute on behalf of the City, with the concurrence of the Chairman of the Committee on Finance of the City Council (the "Chairman") (or, in the event of the absence or unavailability of the Chairman for any reason, with the concurrence of the Vice Chairman of the Committee on Finance), one or more Bond Purchase Agreements for the sale by the City of the Series 2024B Second Lien Bonds to the selected Initial Purchasers by the Authorized Officer pursuant to a negotiated sale on such terms as the Authorized Officer may deem to be in the best interests of the City, as provided in this Ordinance. Such terms include, without limitation: (i) the aggregate principal amount of the Series 2024B Second Lien Bonds; (ii) the amount of any original issue discount; (iii) the principal amount of the Series 2024B Second Lien Bonds maturing in each year; (iv) the issuance of the Series 2024B Second Lien Bonds as serial bonds, non-callable term bonds, term bonds subject to mandatory sinking fund redemption or any combination of serial bonds, non-callable term bonds, or term bonds subject to mandatory sinking fund redemption; (v) the numbering of the Series 2024B Second Lien Bonds; (vi) the interest rate or rates or interest rate determination methods for the Series 2024B Second Lien Bonds; (vii) whether the Second Lien Bonds Debt Service Reserve Requirement, if any, for the Series 2024B Second Lien Bonds (if any such requirement is required to be met upon initial issuance of the Series 2024B Second Lien Bonds) will be met by a Credit Enhancement Instrument or by cash from proceeds of the Series 2024B Second Lien Bonds; (viii) whether any Series 2024B Second Lien Bonds will be subject to an exchange transaction for any Outstanding Bonds; and (ix) the first interest payment date and subsequent interest payment dates, the purposes for which the Series 2024B Second Lien Bonds are being issued pursuant to the authorization granted in Section 2.1 of this Ordinance, and the prices and other terms upon which the Series 2024B Second Lien Bonds are subject to redemption, all as provided in and subject to the authorizations and limitations expressed in this Article II, including the limitations set forth in Section 2.3(f) of this Ordinance. The purchase price shall not be less than 85 percent of the principal amount of the Series 2024B Second Lien Bonds plus accrued interest on such

Series 2024B Second Lien Bonds from their date to the date of their delivery, less any original issue discount (subject to the limitations in this subsection of this Ordinance). Nothing contained in this Ordinance shall limit the sale of the Series 2024B Second Lien Bonds or any maturity or maturities thereof at a price or prices in excess of the principal amount thereof. An Authorized Officer shall determine the principal amount of the Series 2024B Second Lien Bonds necessary to be issued for the purposes for which they are to be issued within the maximum amount specified in this Ordinance. An Authorized Officer may in the Second Lien Bond Determination Certificate provide for such changes to the terms of the Series 2024B Second Lien Bonds, the form of the Series 2024B Second Lien Bonds and the various bond covenants from those provided in this Ordinance and the Second Lien Bonds Master Indenture as he or she shall determine but which shall result in the Series 2024B Second Lien Bonds having substantially the terms and being in substantially the form provided in the Second Lien Bonds Master Indenture and the applicable Supplemental Indenture. Nothing in this Section 2.4 shall limit or restrict the ability of the City to sell the Series 2024B Second Lien Bonds by private placement.

(b) Each Authorized Officer is further authorized to take the actions and execute and deliver the documents and instruments specified in this Article II. The Series 2024B Second Lien Bonds shall be then duly prepared and executed in the form and manner provided in the Second Lien Bonds Master Indenture and the applicable Supplemental Indenture as appropriate, and delivered to the Initial Purchaser of the Series 2024B Second Lien Bonds or otherwise in accordance with the terms of sale.

(c) Each Authorized Officer is authorized to cause to be prepared and delivered to prospective purchasers of the Series 2024B Second Lien Bonds of a series one or more Preliminary Official Statements or other disclosure documents as shall be approved by such Authorized Officer, that shall be in substantially the forms previously used for similar financings of the City with appropriate revisions to reflect the terms and provisions of the Series 2024B Second Lien Bonds of such series and to describe accurately the current condition of the Sewer System and the parties to the financing. Upon the sale of the Series 2024B Second Lien Bonds of a series, each Authorized Officer is authorized to cause a final Official Statement or other disclosure document to be prepared, executed and: (i) delivered to the Initial Purchasers and (ii) filed with the Office of the Clerk directed to the City Council.

(d) The Mayor or an Authorized Officer is authorized to execute and deliver a continuing disclosure undertaking with respect to each series of the Series 2024B Second Lien Bonds (the "Continuing Disclosure Undertaking") evidencing the City's agreement to enable the Initial Purchasers to comply with the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 in a form approved by the Corporation Counsel if required by the Rule. Upon its execution and delivery on behalf of the City as herein provided, each Continuing Disclosure Undertaking shall be binding upon the City. The officers, employees and agents of the City including, without limitation, an Authorized Officer, are authorized to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of each Continuing Disclosure Undertaking in accordance with its terms from time to time following its execution and delivery as said officer

shall deem necessary. Notwithstanding any other provision of this Ordinance, the sole remedies for failure to comply with any Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Series 2024B Second Lien Bond to seek mandamus or specific performance by court order to cause the City to comply with its obligations under any Continuing Disclosure Undertaking. No failure by the City to comply with the Continuing Disclosure Undertaking shall constitute a default under this Ordinance, the Second Lien Bonds Master Indenture or the Series 2024B Second Lien Bonds.

(e) Upon a finding by an Authorized Officer that the purchase of a Credit Enhancement Instrument is appropriate and is available at an acceptable cost, such Authorized Officer is authorized to cause the City to obtain a Credit Enhancement Instrument to satisfy any Second Lien Bonds Debt Service Reserve Requirement for the Series 2024B Second Lien Bonds, the cost of which shall be payable from amounts received upon the sale of the Series 2024B Second Lien Bonds or from available funds in the Sewer Revenue Fund, and to execute an agreement relating to such Credit Enhancement Instrument and any related agreements with the Second Lien Bond Provider of such Credit Enhancement Instrument. Each Authorized Officer may on behalf of the City make necessary covenants with respect to any policy of municipal bond insurance or Credit Enhancement Instrument consistent with this Ordinance, including, without limitation, granting the provider of a policy of municipal bond insurance or the Second Lien Bond Provider the right to consent to amendments to this Ordinance on behalf of the Registered Owners of the Series 2024B Second Lien Bonds so long as such provider is not in default and is observing its obligations under such policy or Credit Enhancement Instrument.

(f) Each Authorized Officer is authorized to: (i) execute such contracts and documents as may be necessary in connection with a tender offer of any Outstanding Bonds or an exchange of Series 2024B Second Lien Bonds for any Outstanding Bonds (including, but not limited to, a dealer manager agreement and an information agent agreement); and (ii) disseminate any documents which may be required in connection with a tender offer for Outstanding Bonds or an exchange of Series 2024B Second Lien Bonds for any Outstanding Bonds (including, but not limited to, an invitation for tender offer or exchange and related disclosure documents).

(g) Subsequent to any sale of the Series 2024B Second Lien Bonds, an Authorized Officer shall file in the Office of the City Clerk or the Deputy City Clerk directed to the City Council: (i) a Second Lien Bond Determination Certificate setting forth the terms of sale of the Series 2024B Second Lien Bonds consistent with this section and in Section 2.1 of this Ordinance and, if appropriate, the designations described in Section 2.1 of this Ordinance; (ii) an executed copy of the applicable Supplemental Indenture; and (iii) if applicable, an executed copy of the agreement for the Section 2.8 Obligation relating to any Credit Enhancement Instrument.

If so determined and directed by an Authorized Officer in the Second Lien Bond Determination Certificate in connection with the sale of the Series 2024B Second Lien Bonds, the Series 2024B Second Lien Bonds shall be issued in book-entry only form. In connection with the issuance of Series 2024B Second Lien Bonds in book-entry only form, such Authorized Officer is authorized to execute and deliver to the book-entry depository

selected by such Authorized Officer such depository's standard form of representation letter, if required.

Article III.

General Provisions.

SECTION 3.1 Authority. This Ordinance is adopted pursuant to the powers of the City as a home rule unit under Article VII, Section 6(a) of the Constitution. The Mayor and each Authorized Officer of the City are authorized to take such actions and do such things as shall be necessary to perform, carry out, give effect to and consummate the transactions contemplated by this Ordinance and the Series 2024B Second Lien Bonds, including, but not limited to, the exercise following the delivery date of any of the Series 2024B Second Lien Bonds of any power or authority delegated to such official of the City under this Ordinance with respect to the Series 2024B Second Lien Bonds upon the initial issuance thereof, but subject to any limitations on or restrictions of such power or authority as herein set forth.

SECTION 3.2 Authorized Signatures. The Mayor, the City Clerk and each Authorized Officer may each designate another to act as their respective proxies and to affix their respective signatures to the Series 2024B Second Lien Bonds, whether in temporary or definitive form, and any other instrument, certificate or document required to be signed by the Mayor, the City Clerk or an Authorized Officer pursuant to this Ordinance and any instrument, certificate or document required by this Ordinance. In such case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor, the City Clerk and an Authorized Officer, respectively. A written signature of the Mayor, the City Clerk or an Authorized Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with the signatures attached, shall be recorded in the *Journal of the Proceedings of the City Council of the City of Chicago* and filed with the City Clerk. When the signature of the Mayor, the City Clerk or an Authorized Officer is placed on an instrument, certificate or document at the direction of the Mayor, the City Clerk or an Authorized Officer, as the case may be, in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor, the City Clerk or an Authorized Officer in person, as the case may be.

SECTION 3.3 Conflict. To the extent that any ordinance, resolution, provision of the Municipal Code, rule or order, or part thereof, is in conflict with or is inconsistent with the provisions of this Ordinance, the provisions of this Ordinance shall be controlling. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to impair the validity of this Ordinance or the documents, agreements or instruments authorized by this Ordinance, or to make any such documents, agreements or instruments voidable at the option of the City, or to impair the rights of the owners of the

Series 2024B Second Lien Bonds to receive payment of the principal of, premium, if any, or interest on those Series 2024B Second Lien Bonds or to impair the security for any of the Series 2024B Second Lien Bonds; provided further that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Municipal Code.

SECTION 3.4 Severability. If any provision of this Ordinance shall be held invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the other remaining provisions of this Ordinance.

SECTION 3.5 Registered Owner Remedy. Any Owner of a Series 2024B Second Lien Bond may proceed by civil action to compel performance of all duties required by this Ordinance, including the establishment and collection of sufficient fees, charges and rates for services supplied by the Sewer System, and the application of the Gross Revenues as provided by the Second Lien Bonds Master Indenture.

SECTION 3.6 Contract. The provisions of this Ordinance shall constitute a contract between the City and the Owners of the Series 2024B Second Lien Bonds, and no changes, additions or alterations of any kind shall be made to that contract except as provided in this Ordinance and, with respect to the Owners of the Series 2024B Second Lien Bonds, in the applicable Supplemental Indenture (so long as any Series 2024B Second Lien Bonds are Outstanding).

SECTION 3.7 Appropriation. The provisions of this Ordinance constitute an appropriation of: (i) the amounts received upon the sale of the Series 2024B Second Lien Bonds for the purposes specified in Section 2.2 of this Ordinance, as applicable; and (ii) the Net Revenues Available for Bonds, including the Investment Earnings on accounts and subaccounts as provided herein, for deposit in the various accounts established for payment of principal of, redemption premium, if any, and interest on the Series 2024B Second Lien Bonds and for other payments required to be made by the City pursuant to the documents, agreements and instruments authorized herein.

SECTION 3.8 Headings. Any headings preceding the texts of the several Articles and Sections of this Ordinance shall be solely for convenience of reference and shall not constitute a part of this Ordinance nor shall they affect its meaning, construction or effect.

SECTION 3.9 Pamphlet Publication. This Ordinance shall be published by the City Clerk, by causing to be printed in special pamphlet form at least five copies hereof, which copies are to be made available in the Office of the City Clerk for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this Ordinance.

SECTION 3.10 Effectiveness. This Ordinance shall be in full force and effect immediately on the date of its passage, approval by the Mayor and publication.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".
(To Ordinance)

CITY OF CHICAGO

to

**AMALGAMATED BANK OF CHICAGO,
as Trustee**

FOURTH SUPPLEMENTAL INDENTURE

SECURING

**SECOND LIEN WASTEWATER TRANSMISSION REVENUE BONDS,
REFUNDING SERIES 2024B [(TAXABLE)]**

DATED AS OF [] 1, 202[]

Supplementing a Master Indenture of Trust Securing Second Lien Wastewater Transmission Revenue Bonds, dated as of May 1, 2023, as amended to make technical corrections in a Second Supplemental Indenture, dated as of April 1, 2024, from the City of Chicago to Amalgamated Bank of Chicago, as Trustee.

This **FOURTH SUPPLEMENTAL INDENTURE** is made and entered into as of [] 1, 202[] (this "*Fourth Supplemental Indenture*"), from the City of Chicago (the "*City*"), a municipal corporation and home rule unit of local government duly organized and existing under the Constitution and laws of the State of Illinois, to Amalgamated Bank of Chicago, as Trustee (the "*Trustee*"), a state banking corporation duly organized, existing and authorized to accept and execute trusts of the character set out in this Fourth Supplemental Indenture and in the Indenture (defined below) under and by virtue of the laws of the United States of America, as Trustee.

WITNESSETH:

WHEREAS, the City is a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois, and is a "home rule unit" of local government under Section 6(a) of Article VII of the 1970 Constitution; and

WHEREAS, the City has constructed and maintains and operates the Sewer System to meet the needs of the City's inhabitants and other users of the Sewer System; and

WHEREAS, the City has issued and has outstanding its Outstanding Senior Lien Bonds, its Outstanding Second Lien Bonds and its outstanding Subordinate Lien Obligations; and

WHEREAS, the City has determined that it is advisable and in the best interests of the City to authorize the issuance from time to time of its Second Lien Wastewater Transmission Revenue Bonds, Refunding Series 2024B [(Taxable)] ("*Series 2024B Second Lien Bonds*"), subject to the authorization limits specified in the 2024B Wastewater Revenue Bond Ordinance, for any one or more of the purposes of (1) refunding in advance of maturity such portion of the Outstanding Bonds as shall be determined by the Authorized Officer ("*Refunding Purposes*"), (2) funding capitalized interest on the Series 2024B Second Lien Bonds, (3) paying Costs of Issuance of the Series 2024B Second Lien Bonds, (4) making a deposit in the Debt Service Reserve Account established by the Indenture, and (5) providing for any discount on the Series 2024B Second Lien Bonds; and

WHEREAS, the aggregate estimated amount of uses for proceeds of the Series 2024B Second Lien Bonds does not exceed \$200,000,000. The aggregate proceeds of the Series 2024B Second Lien Bonds incurred for the costs described in clause (1) - (5) of the immediately preceding paragraph (the "*2024B Costs*") will not exceed the amount required to pay such costs; and

WHEREAS, the City does not have available funds sufficient to pay the 2024B Costs; and

WHEREAS, the City Council of the City (the "*City Council*"), on _____, 2024, adopted an ordinance (which was published in the Journal of the Proceedings of the City Council of the City of Chicago ("*Journal*") for such date at pages _____ through _____, inclusive) (the "*2024B Wastewater Revenue Bond Ordinance*") authorizing the issuance of "2024B Second Lien Bonds" (as defined in the 2024B Wastewater Revenue Bond Ordinance); and

WHEREAS, the 2024B Wastewater Revenue Bond Ordinance authorized the issuance of the Series 2024B Second Lien Bonds in the aggregate amount not to exceed \$200,000,000; and

WHEREAS, the City has entered into a Master Indenture of Trust Securing Second Lien Wastewater Transmission Revenue Bonds, dated as of May 1, 2023, as amended to make technical changes in a Second Supplemental Indenture, dated as of April 1, 2024 (said Master Indenture as heretofore and hereafter supplemented and amended, including by this Fourth Supplemental Indenture, the "*Indenture*"), with the Trustee, which Indenture authorizes the issuance of Second Lien Parity Bonds in one or more series pursuant to one or more Supplemental Indentures and the incurrence by the City of Section 2.8 Obligations (as defined in the Indenture) and Section 2.9 Obligations (as defined in the Indenture); and

WHEREAS, the 2024B Wastewater Revenue Bond Ordinance authorizes the issuance and sale of the Series 2024B Second Lien Bonds pursuant to the Indenture in one or more separate series that may be issued under or pursuant to the 2024B Wastewater Revenue Bond Ordinance and the Indenture (provided that the total principal amount of all Series 2024B Second Lien Bonds shall not exceed \$200,000,000, plus an amount equal to the amount of any original issue discount (not to exceed 15 percent of the aggregate principal amount of such series of Second Lien Bonds) used in the marketing of such Series 2024B Second Lien Bonds); and

WHEREAS, pursuant to such authorization, in order to pay the 2024B Costs, the City has, pursuant to authorization granted in the 2024B Wastewater Revenue Bond Ordinance, determined to issue and sell the Series 2024B Second Lien Bonds authorized as aforesaid; and

WHEREAS, such Series 2024B Second Lien Bonds shall be issued and sold in [a single series] as provided in this Fourth Supplemental Indenture, being the aggregate principal amount of [\$_____] and designated as "Second Lien Wastewater Transmission Revenue Bonds, Refunding Series 2024B [(Taxable)]"; and

WHEREAS, the Series 2024B Second Lien Bonds, and the Trustee's Certificate of Authentication to be endorsed on such Bonds, shall be substantially in the forms attached to this Fourth Supplemental Indenture as *Exhibit A*, with necessary and appropriate variations, omissions and insertions as permitted or required by the 2024B Wastewater Revenue Bond Ordinance or the Indenture;

NOW, THEREFORE, THIS FOURTH SUPPLEMENTAL INDENTURE WITNESSETH:

GRANTING CLAUSES

That the City, in consideration of the premises and the acceptance by the Trustee of the trusts created by this Fourth Supplemental Indenture, and of the purchase and acceptance of the Series 2024B Second Lien Bonds by their Registered Owners, and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, to secure the payment of the principal of, premium, if any, and interest on the Series 2024B Second Lien Bonds according to their tenor and effect, and to secure the performance and observance by the City of all the covenants

expressed or implied in this Fourth Supplemental Indenture, in the Indenture and in the Series 2024B Second Lien Bonds, assigns and grants a security interest in and to the following to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the City set forth below (the "*Trust Estate*"):

GRANTING CLAUSE FIRST

All right, title and interest of the City in and to Second Lien Bond Revenues (as defined in the Indenture); and amounts on deposit in the Second Lien Bonds Account (as defined in the Indenture) (other than monies, instruments and securities or any Qualified Reserve Account Credit Instrument or Credit Enhancement Instrument on deposit in a Debt Service Reserve Account for any other Series of Second Lien Bonds issued or to be issued), in each case to the extent pledged and assigned in the granting clauses of the Indenture;

GRANTING CLAUSE SECOND

All moneys and securities from time to time held by the Trustee under the terms of this Fourth Supplemental Indenture; and

GRANTING CLAUSE THIRD

Any and all other property, rights and interests of every kind and nature from time to time hereafter by delivery or by writing of any kind granted, bargained, sold, alienated, demised, released, conveyed, assigned, transferred, mortgaged, pledged, hypothecated or otherwise subjected to this Fourth Supplemental Indenture, as and for additional security under this Fourth Supplemental Indenture by the City or by any other person on its behalf or with its written consent to the Trustee, and the Trustee is by this Fourth Supplemental Indenture authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of this Fourth Supplemental Indenture;

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts set forth in this Fourth Supplemental Indenture for the equal and proportionate benefit, security and protection of all present and future Registered Owners of the Series 2024B Second Lien Bonds and all other Second Lien Bonds issued or secured from time to time under the provisions of the Indenture, without privilege, priority or distinction as to the lien or otherwise of any of the foregoing over any other of the foregoing, except to the extent otherwise specifically provided in this Fourth Supplemental Indenture or in the Indenture;

PROVIDED, HOWEVER, that if the City, its successors or assigns shall well and truly pay, or cause to be paid, the principal of, premium, if any, and interest on the Series 2024B Second Lien Bonds, and shall cause the payments to be made on such Series 2024B Second Lien Bonds as required in this Fourth Supplemental Indenture, and shall well and truly cause to be kept, performed and observed all of its covenants and conditions pursuant to the terms of the Indenture and this Fourth Supplemental Indenture, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to the Trustee in accordance with the terms and

provisions of this Fourth Supplemental Indenture, then upon the final payment of such sums this Fourth Supplemental Indenture and the rights by this Fourth Supplemental Indenture granted shall cease, determine and be void; otherwise this Fourth Supplemental Indenture shall remain in full force and effect.

THIS FOURTH SUPPLEMENTAL INDENTURE FURTHER WITNESSETH, and it is expressly declared; that all Series 2024B Second Lien Bonds issued and secured under this Fourth Supplemental Indenture are to be issued, authenticated and delivered, and all of said property, rights and interests and any other amounts assigned and pledged by this Fourth Supplemental Indenture are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes expressed in this Fourth Supplemental Indenture, and the City has agreed and covenanted and by this Fourth Supplemental Indenture agrees and covenants with the Trustee, the respective owners of the Series 2024B Second Lien Bonds as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. All capitalized terms used in this Fourth Supplemental Indenture unless otherwise defined shall have the same meaning as used in Article I of the Indenture and in the 2024B Wastewater Revenue Bond Ordinance. In addition to the terms defined in the preambles of this Fourth Supplemental Indenture, the following words and phrases shall have the following meanings for purposes of this Fourth Supplemental Indenture:

"Authorized Denomination" means, with respect to a particular Series 2024B Second Lien Bond, \$5,000 and any integral multiple of \$5,000.

"Bondholder," "holder," "owner of the Series 2024B Second Lien Bonds" or *"Registered Owner"* means the Registered Owner of any Series 2024B Second Lien Bond.

[*"Bond Insurer"*] means [_____], or any successor thereto.]

"Bond Register" means the registration books of the City kept by the Trustee (in its capacity as Bond Registrar) to evidence the registration and transfer of Series 2024B Second Lien Bonds.

"Bond Registrar" means the Trustee.

"City" means the City of Chicago, a municipal corporation and home rule unit of local government, organized and existing under the Constitution and laws of the State.

"Code" means the United States Internal Revenue Code of 1986, as amended. References to the Code and to Sections of the Code shall include relevant final, temporary or proposed regulations thereunder as in effect from time to time and as applicable to obligations issued on the Date of Issuance.

"Costs of Issuance Account" means the account designated the "Series 2024B Second Lien Bonds, Costs of Issuance Account" established in the 2024B Second Lien Bonds Subaccount as described in Section 4.02(b)(iii) and Section 4.07.

"Date of Issuance" means [_____, 2024], the date of original issuance and delivery of the Series 2024B Second Lien Bonds under this Fourth Supplemental Indenture.

"DTC" means The Depository Trust Company, New York, New York, or its nominee, and its successors and assigns, or any other depository performing similar functions.

"Fourth Supplemental Indenture" means this Fourth Supplemental Indenture and any amendments and supplements to this Fourth Supplemental Indenture.

"Indenture" means the Master Indenture of Trust Securing Second Lien Wastewater Transmission Revenue Bonds, dated as of May 1, 2023, from the City to the Trustee, pursuant to which Second Lien Bonds are authorized to be issued, and any additional amendments and supplements to it, including this Fourth Supplemental Indenture. References to Articles and Sections of the Indenture shall be deemed to refer to Articles and Sections of the Indenture as amended.

[*"Insured Series 2024B Second Lien Bonds"* means the Series 2024B Second Lien Bonds maturing on [January 1 of the years 20__ through 20__], inclusive.]

"Interest Payment Date" means with respect to the Series 2024B Second Lien Bonds each January 1 and July 1, commencing on [January 1, 2025].

"Maturity Date" means, with respect to a particular Series 2024B Second Lien Bond, the maturity date for such Series 2024B Second Lien Bond set forth in Section 2.01(c).

"Opinion of Bond Counsel" means a written opinion of Bond Counsel in form and substance acceptable to the City and the Trustee, which opinion as to tax matters may be based on a ruling or rulings of the Internal Revenue Service.

"Participant," when used with respect to any Securities Depository, means any participant of such Securities Depository.

"Paying Agent" means the Trustee and any other bank, national banking association or trust company designated by the City or the Trustee pursuant to Section 8.03 as a paying agent for the Series 2024B Second Lien Bonds, and any successor or successors appointed by the Authorized Officer or the Trustee under this Fourth Supplemental Indenture.

[*"Policy"* means the Municipal Bond Insurance Policy issued by [Bond Insurer] that guarantees the scheduled payment of principal of and interest on the Insured Series 2024B Second Lien Bonds when due.]

"Principal and Interest Account" means the account designated the "Series 2024B Second Lien Bonds, Principal and Interest Account" established in the 2024B Second Lien Bonds Subaccount as described in Section 4.02(b)(ii) and Section 4.05.

"Principal and Interest Account Requirement" means an amount, calculated as of each Deposit Date, equal to the total Principal Installments and interest due on the Series 2024B Second Lien Bonds on such Deposit Date.

"Program Fee Account" means the account designated the "Series 2024B Second Lien Bonds, Program Fee Account" established in the 2024B Second Lien Bonds Subaccount as described in Section 4.02(b)(i) and Section 4.06.

"Program Fees" means:

(a) the fees, expenses and other charges payable to each fiduciary, including the Trustee, the Trustee's Agent and any Paying Agent, pursuant to the provisions of Section 8.5 of the Indenture; *provided* that if at any time there shall be any Series of Second Lien Bonds Outstanding under the Indenture other than the Series 2024B Second Lien Bonds, then *"Program Fees"* shall mean only such portion of such fees, expenses and other charges as shall be payable with respect to, or properly allocable to, the duties performed by each such fiduciary with respect to the Series 2024B Second Lien Bonds;

(b) ongoing fees payable to any Rating Agency maintaining a rating on any Series 2024B Second Lien Bonds; and

(c) any other fees, expenses and other charges of a similar nature payable by the City to any person under this Fourth Supplemental Indenture or otherwise with respect to the Series 2024B Second Lien Bonds.

"Rating Agency" means any nationally recognized securities ratings service that shall have assigned ratings to any Series 2024B Second Lien Bond as requested by or on behalf of the City and which ratings are then currently in effect.

"Record Date" means with respect to the Series 2024B Second Lien Bonds June 15 and December 15 of each year (whether or not a Business Day).

"Registered Owner" or *"Owner"* means the person or persons in whose name or names a Series 2024B Second Lien Bond is registered in the Bond Register.

"Securities Depository" means DTC and any other securities depository registered as a clearing agency with the Securities and Exchange Commission pursuant to Section 17A of the Securities Exchange Act of 1934, as amended, and appointed as the securities depository for the Series 2024B Second Lien Bonds.

"Series 2024B Second Lien Bonds" means the \$[] aggregate principal amount of Second Lien Wastewater Transmission Revenue Bonds, Refunding Series 2024B [(Taxable)] authorized to be issued pursuant to Section 2.01.

“*State*” means the State of Illinois.

“*Tax Agreement*” means the General Tax Certificate of the City relating to the Series 2024B Second Lien Bonds delivered by the City on the date of issuance of the Series 2024B Second Lien Bonds.

“*Trust Estate*” means the property conveyed to the Trustee pursuant to the Granting Clauses of this Fourth Supplemental Indenture.

“*Trustee*” means Amalgamated Bank of Chicago, organized and existing under the laws of the State of Illinois (as trustee), and its successors and any entity resulting from or surviving any consolidation or merger to which it or its successors may be a party, and any successor Trustee at the time serving as successor trustee under this Fourth Supplemental Indenture.

“*Trustee's Agent*” means any agent designated as Trustee's Agent by the Trustee and at the time serving in that capacity. Any agent so designated by the Trustee shall execute a written agreement with the Trustee assuming all obligations of the Trustee under this Fourth Supplemental Indenture with respect to those duties of the Trustee which such agent agrees to perform on behalf of the Trustee.

“*2008C Escrow Account*” means the 2008C Escrow Account established under the 2008C Escrow Agreement.

“*2008C Escrow Agent*” means Amalgamated Bank of Chicago, as escrow agent under the 2008C Escrow Agreement, and its successors and assigns.

“*2008C Escrow Agreement*” means the Escrow Agreement with respect to the refunding Series 2008C Second Lien Bonds, dated as of [____], 2024 between the City and the 2008C Escrow Agent.

“*2024B Costs*” has the meaning ascribed to it in the preambles to this Fourth Supplemental Indenture.

“*2024B Second Lien Bonds Subaccount*” means the fund of that name established within the Second Lien Bonds Account created under Section 3.3(d) of the Indenture, as further described in Section 4.02.

ARTICLE II

THE SERIES 2024B SECOND LIEN BONDS

Section 2.01. Authority and Purpose for and Issuance of Series 2024B Second Lien Bonds. (a) No Series 2024B Second Lien Bonds may be issued under the provisions of this Fourth Supplemental Indenture except in accordance with this Article. The Series 2024B Second Lien Bonds are being issued to provide funds to pay 2024B Costs.

(b) Pursuant to the 2024B Wastewater Revenue Bond Ordinance, the total principal amount of all Series 2024B Second Lien Bonds shall not exceed \$200,000,000, plus an amount

equal to the amount of any original issue discount (not to exceed 15 percent of the aggregate principal amount of such series of Second Lien Bonds), other than Series 2024B Second Lien Bonds issued in lieu of or in substitution for which other Series 2024B Second Lien Bonds have been authenticated and delivered pursuant to Sections 2.01(c), 2.03, 2.04, 2.06, 2.07 or 3.03(d). The Series 2024B Second Lien Bonds shall be issuable as fully registered bonds, without coupons, in Authorized Denominations, substantially in the form attached as *Exhibit A*. Unless the City shall otherwise direct, the Series 2024B Second Lien Bonds shall be lettered and numbered from R-1 and upwards, but need not be numbered consecutively.

(c) The Series 2024B Second Lien Bonds shall be designated "City of Chicago Second Lien Wastewater Transmission Revenue Bonds, Refunding Series 2024B [(Taxable)]" and shall be issued in the aggregate principal amount of \$[_____]. The Series 2024B Second Lien Bonds shall be dated the Date of Issuance, and shall mature on January 1 in each of the years and in the principal amounts and shall bear interest at the respective rates per annum set forth in the table below:

Maturity (_____ 1)	Principal Amount	Rate Per Annum	Maturity (_____ 1)	Principal Amount	Rate per Annum
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(d) Each Series 2024B Second Lien Bond authenticated prior to the first Interest Payment Date for such Series 2024B Second Lien Bond shall bear interest from the Date of Issuance, and following the first Interest Payment Date interest shall accrue as set forth in the next paragraph except that if, as shown by the records of the Trustee, interest on such Series 2024B Second Lien Bond is in default, any Series 2024B Second Lien Bond issued in exchange for or upon the registration of transfer of such Series 2024B Second Lien Bond shall bear interest from the date to which interest has been paid in full on such Series 2024B Second Lien Bond or, if no interest has been paid on such Series 2024B Second Lien Bond, the Date of Issuance. Each Series 2024B Second Lien Bond shall bear interest on overdue principal and, to the extent permitted by law, on overdue premium, if any, and interest at the rate borne by such Series 2024B Second Lien Bond on the date on which such principal, premium or interest came due and payable.

(e) Interest on the Series 2024B Second Lien Bonds shall be payable on each Interest Payment Date, computed upon the basis of a 360-day year consisting of twelve 30-day months. No interest shall accrue on any Series 2024B Second Lien Bond after its Maturity Date

(provided, the payment at maturity is paid or provided for in accordance with the provisions of the Indenture).

(f) The principal of and interest on the Series 2024B Second Lien Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment of such Series 2024B Second Lien Bonds, is legal tender for the payment of public and private debts.

(g) The principal of the Series 2024B Second Lien Bonds shall be payable at the designated corporate trust office of the Trustee or, at the option of the Registered Owners, at the designated corporate trust office of any Paying Agent named in the Series 2024B Second Lien Bonds, upon presentation and surrender of such Series 2024B Second Lien Bonds.

(h) Payment of interest on Series 2024B Second Lien Bonds shall be paid by check mailed on the Interest Payment Date to the persons appearing on the Bond Register as the Registered Owners of such Series 2024B Second Lien Bonds as of the close of business of the Trustee on the Record Date at the addresses of such Registered Owners as they appear on the Bond Register, or at such other addresses as are furnished to the Trustee in writing by the Registered Owners not later than the Record Date. Payment of interest on any Series 2024B Second Lien Bond shall be made to the Registered Owner of \$1,000,000 or more in aggregate principal amount of Series 2024B Second Lien Bonds as of the close of business of the Trustee on the Record Date for a particular Interest Payment Date by wire transfer to such Registered Owner on such Interest Payment Date upon written notice from such Registered Owner containing the wire transfer address within the United States to which such Registered Owner wishes to have such wire directed, which written notice is received not later than the Business Day next preceding the Record Date.

(i) The Series 2024B Second Lien Bonds shall bear interest from and including the Date of Issuance until payment of the principal or redemption price of such Series 2024B Second Lien Bonds shall have been made or provided for in accordance with the provisions of this Fourth Supplemental Indenture, whether at the Maturity Date or otherwise.

Section 2.02. Execution; Limited Obligations. The Series 2024B Second Lien Bonds shall be executed on behalf of the City with the official manual or facsimile signature of the Mayor of the City and attested with the official manual or facsimile signature of its City Clerk or Deputy City Clerk, and shall have affixed, impressed, imprinted or otherwise reproduced on such Series 2024B Second Lien Bonds the corporate seal of the City or a facsimile of such seal. The Series 2024B Second Lien Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State, and pursuant to the 2024B Wastewater Revenue Bond Ordinance. The Series 2024B Second Lien Bonds, the Section 2.8 Obligations and the Section 2.9 Obligations are not general obligations of the City, but are limited obligations payable solely from the Trust Estate, including Second Lien Bond Revenues and amounts on deposit in the Second Lien Bonds Account, and shall be a valid claim of the respective Registered Owners of the Series 2024B Second Lien Bonds only against the Trust Estate, including amounts on deposit in the Second Lien Bonds Account (other than monies, instruments and securities or any Qualified Reserve Account Credit Instrument or Credit Enhancement Instrument on deposit in a Debt Service Reserve Account for any other Series of Second Lien

Bonds issued or to be issued), and other moneys held by the Trustee or otherwise pledged therefor, which amounts are by this Fourth Supplemental Indenture pledged, assigned and otherwise held as security for the equal and ratable payment of the Series 2024B Second Lien Bonds, the Section 2.8 Obligations and the Section 2.9 Obligations, and shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Series 2024B Second Lien Bonds, the Section 2.8 Obligations and the Section 2.9 Obligations, except as may be otherwise expressly authorized in the Indenture or in this Fourth Supplemental Indenture. Neither the Series 2024B Second Lien Bonds, the Section 2.8 Obligations nor the Section 2.9 Obligations shall constitute an indebtedness of the City or a loan of credit of the City within the meaning of any constitutional or statutory limitation, and neither the faith and credit nor the taxing power of the City, the State or any political subdivision of the State is pledged to the payment of the principal of premium, if any, or the interest on the Series 2024B Second Lien Bonds, the Section 2.8 Obligations or the Section 2.9 Obligations, or other costs incident to the Series 2024B Second Lien Bonds, the Section 2.8 Obligations or the Section 2.9 Obligations. In case any officer whose signature or a facsimile of whose signature shall appear on the Series 2024B Second Lien Bonds shall cease to be such officer before the delivery of such Series 2024B Second Lien Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, as if such officer had remained in office until delivery.

Section 2.03. Authentication. No Series 2024B Second Lien Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Fourth Supplemental Indenture unless and until such certificate of authentication in substantially the form attached to this Indenture as part of *Exhibit A* shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Series 2024B Second Lien Bond shall be conclusive evidence that such Series 2024B Second Lien Bond has been authenticated and delivered under this Fourth Supplemental Indenture. The Trustee's certificate of authentication on any Series 2024B Second Lien Bond shall be deemed to have been executed by it if (i) signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory sign the certificates of authentication on all of the Series 2024B Second Lien Bonds issued under this Fourth Supplemental Indenture and (ii) the date of authentication on such Series 2024B Second Lien Bond is inserted in the place provided for such date in the certificate of authentication.

Section 2.04. Form of Series 2024B Second Lien Bonds; Temporary Series 2024B Second Lien Bonds. The Series 2024B Second Lien Bonds issued under this Fourth Supplemental Indenture shall be substantially in the form attached to this Indenture as *Exhibit A*, with such appropriate variations, omissions and insertions as are permitted or required by this Fourth Supplemental Indenture.

Pending preparation of definitive Series 2024B Second Lien Bonds, or by agreement with the purchasers of such Series 2024B Second Lien Bonds, the City may issue and, upon its request, the Trustee shall authenticate, in lieu of definitive Series 2024B Second Lien Bonds, one or more temporary printed or typewritten Bonds in Authorized Denominations of substantially the tenor recited above. Upon request of the City, the Trustee shall authenticate definitive Series 2024B Second Lien Bonds in exchange for and upon surrender of an equal principal amount of temporary Series 2024B Second Lien Bonds. Until so exchanged, temporary Series 2024B

Second Lien Bonds shall have the same rights, remedies and security under this Fourth Supplemental Indenture as definitive Series 2024B Second Lien Bonds.

Section 2.05. Delivery of Series 2024B Second Lien Bonds. Upon the execution and delivery of this Fourth Supplemental Indenture, the City shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Series 2024B Second Lien Bonds and deliver them to the purchasers as may be directed by the City as provided in this Section.

Prior to the delivery by the Trustee of the Series 2024B Second Lien Bonds there shall be filed with the Trustee:

(i) a copy, duly certified by the City Clerk or Deputy City Clerk of the City, of the 2024B Wastewater Revenue Bond Ordinance;

(ii) original executed counterparts of the Indenture and this Fourth Supplemental Indenture;

(iii) an Opinion or Opinions of Bond Counsel to the effect that (A) the City had the right and power to adopt the 2024B Wastewater Revenue Bond Ordinance; (B) the 2024B Wastewater Revenue Bond Ordinance has been duly and lawfully adopted by the City Council, is in full force and effect and is valid and binding upon the City and enforceable in accordance with its terms (except as limited by any applicable bankruptcy liquidation, reorganization, insolvency or other similar laws and by general principles of equity in the event equitable remedies are sought); (C) the Indenture and this Fourth Supplemental Indenture have been duly and lawfully authorized by all necessary action on the part of the City, have been duly and lawfully executed by authorized officers of the City, are in full force and effect, and are valid and binding upon the City and enforceable in accordance with their terms (except as limited by any applicable bankruptcy, liquidation, reorganization, insolvency or other similar laws and by general principles of equity in the event equitable remedies are sought); (D) the 2024B Wastewater Revenue Bond Ordinance, the Indenture and this Fourth Supplemental Indenture create the valid pledge of the Trust Estate, including Second Lien Bond Revenues and moneys and securities held in the Second Lien Bonds Account (other than monies, instruments and securities or any Qualified Reserve Account Credit Instrument or Credit Enhancement Instrument on deposit in a Debt Service Reserve Account for any other Series of Second Lien Bonds issued or to be issued) under the 2024B Wastewater Revenue Bond Ordinance, the Indenture and this Fourth Supplemental Indenture for the benefit and security of the Series 2024B Second Lien Bonds; subject to application of such moneys and securities in the manner provided in the Indenture and this Fourth Supplemental Indenture; (E) upon the execution, authentication and delivery of the Indenture and this Fourth Supplemental Indenture, the Series 2024B Second Lien Bonds will have been duly and validly authorized and issued in accordance with the Constitution and laws of the State, the 2024B Wastewater Revenue Bond Ordinance, the Indenture and this Fourth Supplemental Indenture, and (F) any required approval for the issuance of the Series 2024B Second Lien Bonds has been obtained;

(iv) a written order as to the delivery of the Series 2024B Second Lien Bonds, signed by the Authorized Officer and stating (A) the identity of the purchasers, the aggregate purchase price and the date and place of delivery; and (B) that no Event of Default has occurred and is continuing under the Indenture or this Fourth Supplemental Indenture; and

(v) a Certificate of the Authorized Officer stating that the conditions of Section 2.6 [and to the extent applicable Section 2.7] of the Indenture have been met.

Section 2.06. Mutilated, Lost, Stolen or Destroyed Series 2024B Second Lien Bonds.

If a Series 2024B Second Lien Bond is mutilated, lost, stolen or destroyed, the City may execute and the Trustee may authenticate a new Series 2024B Second Lien Bond of like date, maturity, interest rate and denomination as the Series 2024B Second Lien Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Series 2024B Second Lien Bond, such mutilated Series 2024B Second Lien Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Series 2024B Second Lien Bond, there shall be first furnished to the City and the Trustee evidence of such loss, theft or destruction satisfactory to the City and the Trustee, together with indemnity satisfactory to them. If any such Series 2024B Second Lien Bond has matured, instead of issuing a substitute Series 2024B Second Lien Bond, the City may pay the same without surrender of such Series 2024B Second Lien Bond. The City and the Trustee may charge the Registered Owner of such Series 2024B Second Lien Bond with their reasonable fees and expenses in this connection. All Series 2024B Second Lien Bonds so surrendered to the Trustee shall be canceled and destroyed, and evidence of such destruction shall be given to the City. Upon the date of final maturity or redemption of all of the Series 2024B Second Lien Bonds, the Trustee shall destroy any inventory of unissued certificates.

All duplicate Series 2024B Second Lien Bonds issued and authenticated pursuant to this Section shall constitute original, contractual obligations of the City (whether or not, in the case of the first paragraph of this Section, lost, stolen or destroyed Series 2024B Second Lien Bonds are at any time found by anyone and presented for payment), and shall be entitled to equal and proportionate rights and benefits under this Fourth Supplemental Indenture as all other Outstanding Series 2024B Second Lien Bonds issued under this Fourth Supplemental Indenture.

All Series 2024B Second Lien Bonds shall be owned upon the express condition that the foregoing provisions, to the extent permitted by law, are exclusive with respect to the replacement or payment of mutilated, destroyed, lost, stolen or purchased Series 2024B Second Lien Bonds, and shall preclude any and all other rights or remedies.

Section 2.07. Transfer and Exchange of Series 2024B Second Lien Bonds; Persons Treated as Owners. (a) Subject to the limitations contained in subsection (c) of this Section, upon surrender for registration of transfer of any Series 2024B Second Lien Bond at the principal corporate trust office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by, the Bondholder or such Bondholder's attorney duly authorized in writing, the City shall execute, and the Trustee shall authenticate and deliver, in the name of the transferee or transferees, a new Series 2024B Second Lien Bond or Bonds of like date and tenor in Authorized Denominations of the same Maturity Date and interest rate for the aggregate principal amount which the Registered

Owner is entitled to receive bearing numbers not contemporaneously Outstanding. Subject to the limitations contained in subsection (c) of this Section, Series 2024B Second Lien Bonds may be exchanged at such times at such designated corporate trust office of the Trustee upon surrender of such Series 2024B Second Lien Bond together with an assignment duly executed by the Registered Owner of such Series 2024B Second Lien Bonds or such Registered Owner's attorney in such form and with guarantee of signature as shall be satisfactory to the Trustee for an equal aggregate principal amount of Series 2024B Second Lien Bonds of like date and tenor of any Authorized Denomination as the Series 2024B Second Lien Bonds surrendered for exchange bearing numbers not contemporaneously Outstanding. The execution by the City of any Series 2024B Second Lien Bond of any Authorized Denomination shall constitute full and due authorization of such Authorized Denomination, and the Trustee shall thereby be authorized to authenticate and deliver such registered Series 2024B Second Lien Bond.

(b) No service charge shall be imposed upon the Registered Owners for any exchange or transfer of Series 2024B Second Lien Bonds. The City and the Trustee may, however, require payment by the person requesting an exchange or transfer of Series 2024B Second Lien Bonds of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation to such exchange or transfer, except in the case of the issuance of one or more Series 2024B Second Lien Bonds for the unredeemed portion of a Series 2024B Second Lien Bond surrendered for redemption in part.

(c) The Trustee shall not be required to transfer or exchange any Series 2024B Second Lien Bond during the period commencing on the Record Date next preceding any Interest Payment Date of such Series 2024B Second Lien Bond and ending on such Interest Payment Date, or to transfer or exchange such Series 2024B Second Lien Bond after the mailing of notice calling such Series 2024B Second Lien Bond for redemption has been made as provided in this Fourth Supplemental Indenture or during the period of 15 days next preceding the giving of notice of redemption of Series 2024B Second Lien Bonds of the same Maturity Date and interest rate.

(d) Series 2024B Second Lien Bonds delivered upon any registration of transfer or exchange as provided in this Section 2.07 or as provided in Section 2.08 shall be valid limited obligations of the City, evidencing the same debt as the Series 2024B Second Lien Bonds surrendered, shall be secured by the Indenture and shall be entitled to all of the security and benefits of this Fourth Supplemental Indenture to the same extent as the Series 2024B Second Lien Bond surrendered.

(e) The City, the Trustee and any Paying Agent may treat the Registered Owner of any Series 2024B Second Lien Bond as the absolute owner of such Series 2024B Second Lien Bond for all purposes, whether or not such Series 2024B Second Lien Bond is overdue, and shall not be bound by any notice to the contrary. All payments of or on account of the principal of, premium, if any, and interest on any such Series 2024B Second Lien Bond as provided in this Fourth Supplemental Indenture shall be made only to or upon the written order of the Registered Owner of such Series 2024B Second Lien Bond or such Registered Owner's legal representative, but such registration may be changed as provided in this Fourth Supplemental Indenture. All such payments shall be valid and effective to satisfy and discharge the liability upon such Series 2024B Second Lien Bond to the extent of the sum or sums so paid.

Section 2.08. Cancellation. Any Series 2024B Second Lien Bond surrendered for the purpose of payment or retirement, or for exchange, transfer or replacement, shall be canceled upon surrender of such Series 2024B Second Lien Bond to the Trustee or any Paying Agent. If the City shall acquire any of the Series 2024B Second Lien Bonds, the City shall deliver such Series 2024B Second Lien Bonds to the Trustee for cancellation and the Trustee shall cancel the same. Any such Series 2024B Second Lien Bonds canceled by any Paying Agent other than the Trustee shall be promptly transmitted by such Paying Agent to the Trustee. Certification of Series 2024B Second Lien Bonds canceled by the Trustee and Series 2024B Second Lien Bonds canceled by a Paying Agent other than the Trustee which are transmitted to the Trustee shall be made promptly to the City. Canceled Series 2024B Second Lien Bonds may be destroyed by the Trustee unless instructions to the contrary are received from the City. Upon the date of final maturity or redemption of all Series 2024B Second Lien Bonds, the Trustee shall destroy any inventory of unissued certificates.

Section 2.09. Book-Entry Provisions. The provisions of this Section shall apply as long as the Series 2024B Second Lien Bonds are maintained in book-entry form with DTC or another Securities Depository, any provisions of this Fourth Supplemental Indenture to the contrary notwithstanding.

(a) Payments of the principal of and interest on the Series 2024B Second Lien Bonds shall be made to the Securities Depository, or its nominee, as the Registered Owner of the Series 2024B Second Lien Bonds, in same day funds on each date on which the principal of, premium, if any, and interest on the Series 2024B Second Lien Bonds is due as set forth in this Fourth Supplemental Indenture and the Series 2024B Second Lien Bonds. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the City and the Trustee in writing. Without notice to or the consent of the beneficial owners of the Series 2024B Second Lien Bonds, the City and the Securities Depository may agree in writing to make payments of principal and interest in a manner different from that set forth herein. If such different manner of payment is agreed upon, the City shall give the Trustee written notice thereof, and the Trustee shall make payments with respect to the Series 2024B Second Lien Bonds in the manner specified in such notice as set forth herein. Neither the City nor the Trustee shall have any obligation with respect to the transfer or crediting of the principal of, premium, if any, and interest on the Series 2024B Second Lien Bonds to Participants or the beneficial owners of the Series 2024B Second Lien Bonds or their nominees.

(b) The Registered Owners of the Series 2024B Second Lien Bonds have no right to the appointment or retention of a Securities Depository for the Series 2024B Second Lien Bonds. If (i) the City determines, or (ii) the City receives notice that the Securities Depository has received notice from its Participants having interests in at least 50 percent in principal amount of the Series 2024B Second Lien Bonds that the Securities Depository or its successor is incapable of discharging its responsibilities as a securities depository, or that it is in the best interests of the beneficial owners that they obtain certificated Series 2024B Second Lien Bonds, the City may (or, in the case of clause (ii) above, the City shall) cause the Trustee to authenticate and deliver Series 2024B Second Lien Bond certificates. The City shall have no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any determination described in this paragraph.

(c) If, following a determination or event specified in paragraph (b) above, the City discontinues the maintenance of the Series 2024B Second Lien Bonds in book-entry form with the then current Securities Depository, the City will issue replacement Series 2024B Second Lien Bonds to the replacement Securities Depository, if any, or, if no replacement Securities Depository is selected for the Series 2024B Second Lien Bonds, directly to the Participants as shown on the records of the former Securities Depository or, to the extent requested by any Participant, to the beneficial owners of the Series 2024B Second Lien Bonds shown on the records of such Participant. Replacement Series 2024B Second Lien Bonds shall be in fully registered form and in Authorized Denominations, be payable as to interest on the Interest Payment Dates of such Series 2024B Second Lien Bonds by check mailed to each Registered Owner at the address of such Registered Owner as it appears on the Bond Register or, at the option of any Registered Owner of not less than \$1,000,000 principal amount of Series 2024B Second Lien Bonds, by wire transfer to any address in the United States of America on such Interest Payment Date to such Registered Owner as of such Record Date, if such Registered Owner provides the Trustee with written notice of such wire transfer address not later than the Record Date (which notice may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked by subsequent notice). Principal and premium, if any, on the replacement Series 2024B Second Lien Bonds are payable only upon presentation and surrender of such replacement Series 2024B Second Lien Bond or Second Lien Bonds at the principal corporate trust office of the Trustee.

(d) The Securities Depository and its Participants, and the beneficial owners of the Series 2024B Second Lien Bonds, by their acceptance of the Series 2024B Second Lien Bonds, agree that the City and the Trustee shall not have liability for the failure of such Securities Depository to perform its obligations to the Participants and the beneficial owners of the Series 2024B Second Lien Bonds, nor shall the City or the Trustee be liable for the failure of any Participant or other nominee of the beneficial owners to perform any obligation of the Participant to a beneficial owner of the Series 2024B Second Lien Bonds.

(e) As long as Cede & Co. is the Registered Owner of the Series 2024B Second Lien Bonds, as nominee of DTC, references herein to the Registered Owners of the Series 2024B Second Lien Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2024B Second Lien Bonds.

(f) As long as Cede & Co. is the Registered Owner of the Series 2024B Second Lien Bonds:

(i) selection of Series 2024B Second Lien Bonds to be redeemed upon partial redemption or presentation of such Series 2024B Second Lien Bonds to the Trustee upon partial redemption shall be deemed made when the right to exercise ownership rights in such Series 2024B Second Lien Bonds through DTC or DTC's Participants is transferred by DTC on its books; and

(ii) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Registered Owners under this Fourth Supplemental Indenture on a fractionalized basis on behalf of some or all of those persons entitled to

exercise ownership rights in the Series 2024B Second Lien Bonds through DTC or its Participants.

ARTICLE III

REDEMPTION OF SERIES 2024B SECOND LIEN BONDS

Section 3.01. Optional Redemption. The Series 2024B Second Lien Bonds maturing on or after [_____ 1, 20__] are subject to redemption prior to maturity at the option of the City, in whole or in part, on any date on or after [_____ 1, 20__], and if in part, in such principal amounts as the City shall determine and to be selected by lot in such manner as may be designated by the Trustee at a Redemption Price equal to the outstanding principal amount of such Series 2024B Second Lien Bond, together with accrued interest to the date fixed for redemption.

Section 3.02. Mandatory Sinking Fund Redemption.

(a) [The Series 2024B Second Lien Bonds due on [_____ 1, 20__] and [_____ 1, 20__] (collectively, the "Term Bonds") are subject to mandatory sinking fund redemption prior to maturity in part, selected as provided in Section 3.05, at [the make-whole redemption price pursuant to Section 3.03] [a redemption price of [100 percent] of the outstanding principal amount of such Series 2024B Second Lien Bonds to be so redeemed], on [_____ 1] of the years and in the amounts shown below, plus accrued interest to the redemption date, as set forth below:

Series 2024B Second Lien Bonds due [_____ 1, 20__]		Series 2024B Second Lien Bonds due [_____ 1, 20__]	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>

*Stated maturity

*Stated maturity

(b) In lieu of redeeming the Term Bonds pursuant to the mandatory sinking fund redemption provisions described above, on or before the 60th day next preceding any mandatory sinking fund redemption date for such Term Bonds, the Trustee may, at the written direction of the Authorized Officer, use such funds available under the Indenture to purchase Term Bonds in the open market at a price not exceeding par plus accrued interest.

On or before the 60th day next preceding any mandatory sinking fund redemption date for the Term Bonds (or such shorter period as may be acceptable to the Trustee), the City may, at its

option, (i) deliver to the Trustee for cancellation, Term Bonds or portions thereof in Authorized Denominations subject to mandatory sinking fund redemption or (ii) receive a credit in respect of its mandatory sinking fund redemption obligation for Term Bonds or portions thereof in Authorized Denominations which prior to said date have been redeemed (otherwise than through the operation of such mandatory sinking fund redemption) and canceled by the Trustee and not theretofore applied as a credit against any mandatory sinking fund redemption obligation. Each Term Bond or portion thereof subject to mandatory sinking fund redemption so delivered or previously redeemed will be credited against future mandatory sinking fund redemption obligations on Term Bonds in such order as the City designates, or if no such designation is made, in chronological order, the principal amount of such Term Bonds to be redeemed by operation of such mandatory redemption to be accordingly reduced.]

Section 3.03. Make-Whole Optional Redemption.

[Series 2024B Second Lien Bonds of each maturity are subject to redemption at the option of the City in whole or in part at any time at the redemption price that is the greater of (A) 100% of the principal amount of the Series 2024B Second Lien Bonds to be redeemed and (B) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2024B Second Lien Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2024B Second Lien Bonds are to be redeemed, discounted to the date on which the Series 2024B Second Lien Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus [] basis points plus accrued and unpaid interest on the Series 2024B Second Lien Bonds to be redeemed on the redemption date.

“Treasury Rate” means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury Securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical H.15 (519)) that has become publicly available not more than 45 days and not less than four Business Days prior to the redemption date (excluding inflation-indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the Series 2024B Second Lien Bonds to be redeemed; provided however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

The redemption price of the Series 2024B Second Lien Bonds to be redeemed pursuant to the Make-Whole Optional Redemption provision described above will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the City at the City’s expense to calculate such redemption price. The Trustee and the City may conclusively rely on such determination of redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.]

Section 3.04. Redemption Terms; Notice of Redemption.

(a) Series 2024B Second Lien Bonds may be called for redemption by the Trustee

pursuant to Section 3.01 upon receipt by the Trustee at least 45 days prior to the redemption date (or such shorter period as shall be acceptable to the Trustee) of a written request of the City requesting such redemption. [Term Bonds shall be called for redemption by the Trustee pursuant to Section 3.02 without further request or direction from the City or any other party.] [Series 2024B Second Lien Bonds may be called for redemption by the Trustee pursuant to Section 3.03 upon receipt by the Trustee at least 45 days prior to the redemption date (or such shorter period as shall be acceptable to the Trustee) of a written request of the City requesting such redemption.]

(b) Unless waived by any owner of Series 2024B Second Lien Bonds to be redeemed, notice of the call for any [optional redemption, mandatory redemption or optional make-whole redemption pursuant to Section 3.01, 3.02 or Section 3.03] shall be given by the Trustee on behalf of the City by mailing the redemption notice by first class mail at least 30 days and not more than 45 days prior to the date fixed for redemption to the Registered Owner of the Series 2024B Second Lien Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Trustee, but the failure to mail any such notice or any defect therein as to any Series 2024B Second Lien Bond to be redeemed shall not affect the validity of the proceedings for the redemption of any other Series 2024B Second Lien Bond to be redeemed. Any notice of redemption mailed as provided in this Section shall be conclusively presumed to have been given whether or not actually received by the addressee.

(c) All notices of redemption shall specify, at a minimum: (i) the series name and designation and certificate numbers of Series 2024B Second Lien Bonds being redeemed, (ii) the CUSIP numbers of the Series 2024B Second Lien Bonds being redeemed, (iii) the principal amount of Series 2024B Second Lien Bonds being redeemed and the redeemed amount for each certificate (for partial calls), (iv) the redemption date, (v) the redemption price, (vi) the Date of Issuance of the Series 2024B Second Lien Bonds being redeemed, (vii) the interest rate and maturity date of the Series 2024B Second Lien Bonds being redeemed, (viii) the date of mailing of notices to Registered Owners and information services (if required), and (ix) the name of the employee of the Trustee who may be contacted with regard to such notice. With respect to an optional redemption of any Series 2024B Second Lien Bonds, such notice may state that said redemption is conditioned upon the receipt by the Trustee on or prior to the date fixed for redemption of moneys sufficient to pay the redemption price of the Series 2024B Second Lien Bonds being redeemed. If such moneys are not so received, such redemption notice shall be of no force and effect, the City shall not redeem such Series 2024B Second Lien Bonds, and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Series 2024B Second Lien Bonds will not be redeemed. Unless the notice of redemption is made conditional as provided above, on or prior to any redemption date for Series 2024B Second Lien Bonds, the City shall deposit with the Trustee an amount of money sufficient to pay the redemption price of all Series 2024B Second Lien Bonds or portions thereof which are to be redeemed on that date.

(d) Notice of redemption having been given as aforesaid, the Series 2024B Second Lien Bonds, or portions thereof, so to be redeemed shall, on the redemption date (unless the redemption has been canceled as described in Section 3.03(c)), become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in

the payment of the redemption price) such Series 2024B Second Lien Bonds, or portions thereof, shall cease to bear interest. Upon surrender of such Series 2024B Second Lien Bonds for redemption in accordance with said notice, such Series 2024B Second Lien Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2024B Second Lien Bond, there shall be prepared for the Registered Owner a new Series 2024B Second Lien Bond or Bonds of the same interest rate and maturity in the amount of the unpaid principal. If any Series 2024B Second Lien Bond, or portion thereof, called for redemption shall not be so paid upon surrender for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by such Bond, or portion thereof, so called for redemption.

Section 3.05. Selection of Series 2024B Second Lien Bonds for Redemption. If fewer than all the Series 2024B Second Lien Bonds of the same interest rate and maturity are to be redeemed, the aggregate principal amount thereof to be redeemed shall be in an Authorized Denomination, and the Trustee shall assign to each Series 2024B Second Lien Bond of such interest rate and maturity a distinctive number for each minimum Authorized Denomination of such Bond and shall select by lot from the numbers so assigned as many numbers as, at such minimum Authorized Denomination for each number, shall equal the principal amount of such Series 2024B Second Lien Bonds to be redeemed. The Series 2024B Second Lien Bonds to be redeemed shall be those to which were assigned numbers so selected; provided that only so much of the principal amount of each Series 2024B Second Lien Bond shall be redeemed as shall equal such minimum Authorized Denomination for each number assigned to it and so selected. For purposes of any redemption of fewer than all of the outstanding Series 2024B Second Lien Bonds of a single interest rate and maturity, the particular Series 2024B Second Lien Bonds or portions thereof to be redeemed shall be selected not more than 60 days prior to the redemption date by the Trustee.

ARTICLE IV

REVENUES AND FUNDS

Section 4.01. Source of Payment of Series 2024B Second Lien Bonds. The Series 2024B Second Lien Bonds, the Section 2.8 Obligations and the Section 2.9 Obligations are not general obligations of the City but are limited obligations as described in Section 2.02 and as provided in this Fourth Supplemental Indenture and in the Indenture.

Section 4.02. Creation of Accounts and Subaccounts in 2024B Second Lien Bonds Subaccount. (a) Moneys on deposit in the 2024B Second Lien Bonds Subaccount, and in each Account established in it as provided below, shall be held in trust by the Trustee for the sole and exclusive benefit of the Registered Owners of the Series 2024B Second Lien Bonds.

(b) There are by this Fourth Supplemental Indenture created by the City and ordered established with the Trustee separate Accounts within the 2024B Second Lien Bonds Subaccount, designated as follows:

(i) [2024B Capitalized Interest Account (the "*Capitalized Interest Account*")];

(ii) Program Fee Account: an Account to be designated the "Series 2024B Second Lien Bonds, Program Fee Account" (the "*Program Fee Account*");

(iii) Principal and Interest Account: an Account to be designated the "Series 2024B Second Lien Bonds, Principal and Interest Account" (the "*Principal and Interest Account*"); and

(iv) Cost of Issuance Account: an Account to be designated the "Series 2024B Second Lien Bonds, Costs of Issuance Account (the "*Costs of Issuance Account*").

Section 4.03. Application of Series 2024B Second Lien Bond Proceeds. The proceeds received by the City from the sale of the Series 2024B Second Lien Bonds in the amount of [\$_____] (consisting of the aggregate principal amount of the Series 2024B Second Lien Bonds[, plus net premium of [_____]] and less the Underwriters' discount of [\$_____]), shall be deposited with the Trustee and applied as follows:

[the Trustee shall deposit into the Capitalized Interest Account the amount of [\$_____] of proceeds of the Series 2024B Second Lien Bond and shall apply such amount as provided in Section 4.07;]

the Trustee shall deposit into the Costs of Issuance Account the amount of [\$_____] of proceeds of the Series 2024B Second Lien Bond; and

the Trustee shall deposit into the 2008C Escrow Account established pursuant to the 2008C Escrow Agreement the amount of [\$_____] of proceeds of the Series 2024B Second Lien Bonds to provide for the refunding of the Series 2008C Second Lien Bonds being refunded with the proceeds of the Series 2024B Second Lien Bonds.

Section 4.04. Deposits into 2024B Second Lien Bonds Subaccount and Accounts. On January 1 and July 1 of each year, commencing [January 1, 2025], there shall be deposited into the 2024B Second Lien Bonds Subaccount from amounts on deposit in the Second Lien Bonds Account (other than monies, instruments and securities or any Qualified Reserve Account Credit Instrument or Credit Enhancement Instrument on deposit in a Debt Service Reserve Account for any other Series of Second Lien Bonds issued or to be issued) an amount equal to the aggregate of the following amounts, which amounts shall have been calculated by the Trustee and certified by the Authorized Officer and transferred by the City to the Trustee on or before the Business Day next preceding each such January 1 or July 1, commencing [January 1, 2025] (each such Business Day a "Deposit Date"), respectively (such aggregate amount with respect to any Deposit Date being referred to in this Fourth Supplemental Indenture as the "*Series 2024B Deposit Requirement*"):

(a) for deposit into the Principal and Interest Account, an amount equal to the Principal and Interest Account Requirement; and

(b) for deposit into the Program Fee Account, the amount estimated by the City to be required as of the close of business on the related Deposit Date to pay all Program Fees payable from amounts in the Program Fee Account during the semi-annual period commencing on such related Deposit Date and, in the case of the initial Deposit Date, any Program Fees payable from the Date of Issuance to, but not including, such initial Deposit Date.

In addition to the Series 2024B Deposit Requirement, there shall be deposited into the 2024B Second Lien Bonds Subaccount any other moneys received by the Trustee under and pursuant to the Indenture or this Fourth Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2024B Second Lien Bonds Subaccount or to one or more Accounts in that Subaccount.

Upon calculation by the Trustee of each Series 2024B Deposit Requirement under this Section, the Trustee shall notify the City of the Series 2024B Deposit Requirement and the Deposit Date to which it relates; and shall provide the City with such supporting documentation and calculations as the City may reasonably request.

Section 4.05. Use of Moneys in the Principal and Interest Account. Moneys in the Principal and Interest Account shall be used for the payment of the principal of, premium, if any, and interest on the Series 2024B Second Lien Bonds, for the redemption of Series 2024B Second Lien Bonds prior to their respective Maturity Dates and for the payment of Section 2.8 Obligations and Section 2.9 Obligations. Funds for payment of principal of, premium, if any, and interest due on each Payment Date with respect to the Series 2024B Second Lien Bonds (including the optional redemption of Series 2024B Second Lien Bonds pursuant to Section 3.01 and not otherwise provided for; [the make-whole optional redemption of Series 2024B Second Lien Bonds pursuant to Section 3.03;] and with respect to payments made pursuant to Section 2.8 Obligations and Section 2.9 Obligations), shall be derived from moneys held in the Principal and Interest Account, ratably, without preference or priority of any kind, except that net payments required to be made by the City from Gross Revenues to a swap provider pursuant to a swap agreement authorized under the Indenture that does not satisfy the requirements for qualification as a Qualified Second Lien Swap Agreement shall be made only from amounts available after the payment of all Second Lien Bonds and termination and other non-scheduled payments made with respect to Section 2.9 Obligations shall be paid on a subordinate basis.

Section 4.06. Use of Moneys in the Program Fee Account. Moneys deposited into the Program Fee Account pursuant to Section 4.04(b) shall be used for the payment of Program Fees payable by the City to third parties with respect to the Series 2024B Second Lien Bonds as set forth in a certificate of the City filed with the Trustee.

Section 4.07. Use of Moneys in the Capitalized Interest Account. [Moneys deposited into the Capitalized Interest Account shall be used for payment of interest on the Series 2024B Second Lien Bonds on [_____]].

Section 4.08. Use of Moneys in the Costs of Issuance Account. Except as otherwise provided in the 2024B Wastewater Revenue Bond Ordinance and this Fourth Supplemental Indenture, and subject to the provisions of and limitations contained in the Tax Agreement, moneys on deposit in the Costs of Issuance Account shall be disbursed and applied to pay, or to reimburse the payment of, Costs of Issuance, as directed in a certificate of the City filed with the Trustee. If after the earliest to occur of (i) payment of all other expenses incurred in connection with issuance of the Series 2024B Second Lien Bonds, as specified in a certificate of the City filed with the Trustee and (ii) November 1, 2024, there shall be any balance remaining in the Costs of Issuance Account, such balance shall be transferred to the Principal and Interest Account.

Section 4.09. Tax Covenants. [The City covenants to take any action required by the provisions of the Code and within its power to take in order to preserve the exclusion of interest on the Series 2024B Second Lien Bonds from gross income for federal income tax purposes, including, but not limited to, the provisions of Section 148 of the Code relating to “arbitrage bonds.”

The City further covenants to comply with the provisions of the Tax Agreement relating to the Series 2024B Second Lien Bonds, including, but not limited to, those provisions relating to the status of the Series 2024B Second Lien Bonds as [not] being “private activity bonds” under Section 141 of the Code.]

Section 4.10. Non-presentment of Bonds. If any Series 2024B Second Lien Bond is not presented for payment when the principal of such Series 2024B Second Lien Bond becomes due, whether at maturity, at the date fixed for redemption or otherwise, if moneys sufficient to pay such Series 2024B Second Lien Bond shall have been made available to the Trustee for the benefit of the Registered Owner of such Series 2024B Second Lien Bond, subject to the provisions of the immediately following paragraph, all liability of the City to the Registered Owner of such Series 2024B Second Lien Bond for the payment of such Series 2024B Second Lien Bond shall immediately cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys, without liability for interest on such monies, for the benefit of the Registered Owner of such Series 2024B Second Lien Bond who shall thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his or her part under the Indenture or on, or with respect to, such Series 2024B Second Lien Bond.

Any moneys so deposited with and held by the Trustee and not so applied to the payment of Series 2024B Second Lien Bonds within two years after the date on which the same shall have become due, shall be repaid by the Trustee to the City upon the City’s written request, and thereafter the Registered Owners of such Series 2024B Second Lien Bonds shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid, and all liability of the Trustee with respect to such moneys shall thereupon cease, and the City shall not be liable for any interest on such monies and shall not be regarded as a trustee of such moneys. The obligation of the Trustee under this Section to pay any such funds to the City shall be subject, however, to any provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of unclaimed property.

Section 4.11. Moneys Held in Trust. All moneys required to be deposited with or paid to the Trustee for the account of any Fund or Account referred to in any provision of this Fourth Supplemental Indenture shall be held by the Trustee in trust as provided in Section 8.3 of the Indenture, and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien or security interest created by this Fourth Supplemental Indenture.

ARTICLE V

INVESTMENT OF MONEYS

Section 5.01. Investment of Moneys. Moneys held in the funds, accounts and subaccounts established under this Fourth Supplemental Indenture, including moneys held for payment of Series 2024B Second Lien Bonds not presented for payment as described in Section 4.09, shall be invested and reinvested in Permitted Investments in accordance with the provisions governing investments contained in the Indenture; *provided*, that moneys in the Principal and Interest Account representing principal of or interest on the Series 2024B Second Lien Bonds shall only be invested in Governmental Obligations scheduled to mature on the earlier of (i) (A) 30 days from the date of investment (in the case of amounts representing principal of the Series 2024B Second Lien Bonds) or (B) six months from the date of investment (in the case of amounts representing interest payable on the Series 2024B Second Lien Bonds) or (ii) the date upon which such moneys will be required to be used in accordance with this Fourth Supplemental Indenture. All such investments shall be held by or under the control of the Trustee and shall be deemed at all times part of the fund, account or subaccount for which they were made.

ARTICLE VI

DISCHARGE OF LIEN

Section 6.01. Defeasance. If the City shall pay to the Registered Owners of the Series 2024B Second Lien Bonds, or provide for the payment of, the principal, premium, if any, and interest to become due on the Series 2024B Second Lien Bonds, then this Fourth Supplemental Indenture shall be fully discharged and satisfied upon the satisfaction and discharge of this Fourth Supplemental Indenture, the Trustee shall, upon the request of the City, execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and all fiduciaries shall pay over or deliver to the City all funds, accounts and other moneys or securities held by them pursuant to this Fourth Supplemental Indenture which are not required for the payment or redemption of the Series 2024B Second Lien Bonds.

If the City shall pay and discharge a portion of the Series 2024B Second Lien Bonds as provided above, including any Series in full, such portion shall cease to be entitled to any lien, benefit or security under the Indenture. The liability of the City with respect to such Series 2024B Second Lien Bonds shall continue, but the Registered Owners of the Series 2024B Second Lien Bonds so defeased shall thereafter be entitled to payment (to the exclusion of all other Bondholders) only out of the moneys or Governmental Obligations described in clause (a) of the definition of such term deposited with the Trustee under Article IX of the Indenture.

The provisions of this Section 6.01 are subject in all respects to the provisions of Sections 9.1 and 9.2 of the Indenture.

ARTICLE VII

REMEDIES

The provisions of Article VII of the Indenture shall be applicable to any Event of Default which shall have occurred and be continuing under this Fourth Supplemental Indenture.

Under no circumstance may the Trustee declare the principal of or interest on the Series 2024B Second Lien Bonds to be due and payable prior to the Maturity Date following the occurrence of an Event of Default under the Indenture or this Fourth Supplemental Indenture.

ARTICLE VIII

TRUSTEE AND PAYING AGENT

Section 8.01. Acceptance of Trusts.

(a) The Trustee accepts the trusts imposed upon it by this Fourth Supplemental Indenture, and agrees to perform said trusts, but only upon and subject to the express terms and conditions set forth in this Fourth Supplemental Indenture and in the Indenture. Except as otherwise expressly set forth in this Fourth Supplemental Indenture, the Trustee assumes no duties, responsibilities or liabilities by reason of its execution of this Fourth Supplemental Indenture other than as set forth in the Indenture and this Fourth Supplemental Indenture, and this Fourth Supplemental Indenture is executed and accepted by the Trustee subject to all the terms and conditions of its acceptance of the trust under the Indenture, as fully as if said terms and conditions were set forth at length in this Fourth Supplemental Indenture. Notwithstanding the provisions of Section 8.4 or 8.5 of the Indenture, the Trustee shall have no lien or security interest in and to amounts in the Principal and Interest Account for the purpose of paying the fees or expenses of the Trustee or any Paying Agent. Notwithstanding any provision of the Indenture to the contrary, the Trustee may not resign or be removed until a successor Trustee shall have been appointed as provided in the Indenture.

(b) The Trustee may appoint a Trustee's Agent with power to act on its behalf and subject to its direction in the authentication, registration and delivery of Series 2024B Second Lien Bonds of any Series in connection with transfers and exchanges hereunder, as fully to all intents and purposes as though such Trustee's Agent had been expressly authorized by this Fourth Supplemental Indenture to authenticate, register and deliver such Series 2024B Second Lien Bonds. The foregoing notwithstanding, the Trustee need not appoint a Trustee's Agent for as long as the Trustee shall have an office in Chicago, Illinois or New York, New York capable of handling the duties of Trustee's Agent hereunder. Any Trustee's Agent appointed pursuant to this Section shall evidence its acceptance by a certificate filed with the Trustee and the City. For all purposes of this Fourth Supplemental Indenture, the authentication, registration and delivery of Series 2024B Second Lien Bonds by the Trustee or any Trustee's Agent pursuant to this Section shall be deemed to be the authentication, registration and delivery of such Series 2024B

Second Lien Bonds “by or to the Trustee.” Such Trustee’s Agent shall at all times be a commercial bank having an office in Chicago, Illinois or New York, New York, and shall at all times be a corporation organized and doing business under the laws of the United States or of any state with combined capital and surplus of at least \$15,000,000 and authorized under such laws to exercise corporate trust powers and subject to supervision or examination by Federal or state authority. If such corporation publishes reports of condition at least annually pursuant to law or the requirements of such authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Any Trustee’s Agent appointed hereunder shall also be a Paying Agent for purposes of this Fourth Supplemental Indenture

Section 8.02. Dealing in Series 2024B Second Lien Bonds. The Trustee, in its individual capacity, may buy, sell, own, hold and deal in the Series 2024B Second Lien Bonds, and may join in any action which the Registered Owner of any Series 2024B Second Lien Bond may be entitled to take with like effect as if it did not act in any capacity under this Fourth Supplemental Indenture. The Trustee, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the City, and may act as depository, trustee or agent for any committee or body of the Registered Owners of the Series 2024B Second Lien Bonds secured by this Fourth Supplemental Indenture or other obligations of the City as freely as if it did not act in any capacity under this Fourth Supplemental Indenture.

Section 8.03. Paying Agent.

(a) The Trustee is appointed Paying Agent for the Series 2024B Second Lien Bonds. The City may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in subsection (c) below for a successor Paying Agent.

(b) The Trustee accepts the duties and obligations imposed upon it as Paying Agent by this Fourth Supplemental Indenture. Each other Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Fourth Supplemental Indenture by executing and delivering to the City and to the Trustee a written acceptance thereof.

(c) Any Paying Agent may at any time resign and be discharged of the duties and obligations imposed upon it by this Fourth Supplemental Indenture by giving at least 60 days’ written notice to the City and the Trustee, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed as provided herein. Any Paying Agent appointed by the City may be removed at any time by an instrument signed by the Authorized Officer and filed with such Paying Agent and the Trustee. The Trustee may at any time terminate the agency of any Paying Agent appointed by it by giving written notice of such termination to such Paying Agent and the City. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Paying Agent shall cease to be eligible under this Section, the Trustee shall promptly appoint a successor Paying Agent, shall give written notice of such appointment to the City and shall mail notice of such appointment to all Owners of Series 2024B Second Lien Bonds. Any successor Paying Agent shall be appointed by the City and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association; having capital stock and surplus aggregating at least \$15,000,000, or shall be a wholly-owned subsidiary of such an entity, willing and able to accept

the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Fourth Supplemental Indenture.

(d) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee and shall be subject to audit of all of its books, records and accounts with respect to the Bonds.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.01. Supplemental Indentures. This Fourth Supplemental Indenture may be supplemented and amended in the manner set forth in Articles V and VI, respectively, of the Indenture.

Additionally, this Fourth Supplemental Indenture may, without the consent of, or notice to, any of the Bondholders, be supplemented and amended, in such manner as shall not be inconsistent with the terms and provisions of this Fourth Supplemental Indenture, the Indenture or the 2024B Wastewater Revenue Bond Ordinance, for any one or more of the following purposes:

(a) to provide for certificated Series 2024B Second Lien Bonds; and

(b) to secure or maintain ratings from any Rating Agency in the highest long-term debt rating category of such Rating Agency which are available for the Series 2024B Second Lien Bonds, which changes will not restrict, limit or reduce the obligation of the City to pay the principal of, premium, if any, and interest on such Series 2024B Second Lien Bonds as provided in the Indenture or otherwise adversely affect the Registered Owners of such Series 2024B Second Lien Bonds under the Indenture.

ARTICLE X

MISCELLANEOUS

Section 10.01. Fourth Supplemental Indenture as Part of Indenture. This Fourth Supplemental Indenture shall be construed in connection with, and as a part of, the Indenture, and all terms, conditions and covenants contained in the Indenture, except as provided in the Indenture or as modified or supplemented in this Fourth Supplemental Indenture or the 2024B Wastewater Revenue Bond Ordinance and shall apply and be deemed to be for the equal benefit, security and protection of the Bondholders. The Indenture is in all respects ratified, confirmed and approved. [Terms and provisions relating to [Bond Insurer] and the Policy are set forth in *Exhibit B* to this Indenture, and such terms and provisions are incorporated by reference into the Indenture as if set forth herein.]

Section 10.02. Severability. If any provision of this Fourth Supplemental Indenture shall be held or deemed to be, or shall, in fact, be, illegal, inoperative or unenforceable, the same

shall not affect any other provision or provisions contained in this Fourth Supplemental Indenture or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 10.03. Payments Due on Saturdays, Sundays and Holidays. If the date for making any payment, or the last date for the performance of any act or the exercise of any right, as provided in this Fourth Supplemental Indenture, shall not be a Business Day, such payment may be made, act performed or right exercised on the next Business Day with the same force and effect as if done on the nominal date provided in this Fourth Supplemental Indenture, and no interest shall accrue for the period after such nominal date.

Section 10.04. Counterparts. This Fourth Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.05. Rules of Interpretation. Unless expressly indicated otherwise, references to Sections or Articles are to be construed as references to Sections or Articles of this instrument as originally executed.

Section 10.06. Captions. The captions and headings in this Fourth Supplemental Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Fourth Supplemental Indenture.

IN WITNESS WHEREOF, City has caused these presents to be executed in its name and with its official seal affixed to this Fourth Supplemental Indenture and attested by its duly authorized officials; and to evidence its acceptance of the trusts created by this Fourth Supplemental Indenture, the Trustee has caused these presents to be executed in its corporate name and with its corporate seal affixed, impressed, imprinted or otherwise reproduced on this Fourth Supplemental Indenture and attested by its duly authorized officers, as of the date first above written.

CITY OF CHICAGO

By: _____
Chief Financial Officer

[SEAL]

Attest:

By: _____
City Clerk

AMALGAMATED BANK OF CHICAGO,
as Trustee

By: _____
Authorized Signatory

[SEAL]

Attest:

By: _____
Authorized Signatory

[(Sub)Exhibit "B" (Provisions Applicable to Insured Series 2024 B -- Second Lien Bonds) referred to in this Fourth Supplemental Indenture to be provided by [Bond Insurer].]

(Sub)Exhibit "A" referred to in this Fourth Supplemental Indenture reads as follows:

(Sub)Exhibit "A".
(To Fourth Supplemental Indenture)

Form Of Series 2024B Second Lien Bond.

UNITED STATES OF AMERICA

STATE OF ILLINOIS

CITY OF CHICAGO

SECOND LIEN WASTEWATER TRANSMISSION REVENUE BONDS,

REFUNDING SERIES 2024B [(TAXABLE)]

Number R-_____ \$ _____

MATURITY DATE	INTEREST RATE	ORIGINAL ISSUE DATE	CUSIP
[_____],	_____ %	_____, 20__	_____
20__			

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: _____ Dollars and 00/100

The City of Chicago (the "City"), a municipal corporation and home rule unit of local government duly organized and existing under the laws of the State of Illinois, for value received, promises to pay (but only out of the sources provided below) to the Registered Owner identified above, or registered assigns, [on the Maturity Date specified above upon presentation and surrender of this Series 2024B Second Lien Bond, the Principal Amount specified above, and to pay (but only out of the sources provided below) interest on the balance of said Principal Amount from time to time remaining unpaid from and including the original issue date specified above, or from and including the most recent Interest Payment Date (as defined in the Second Supplemental Indenture, as such term is defined below) with respect to which interest has been paid or duly provided for, until payment of said Principal Amount has been made or duly provided for.] [upon presentation and surrender of this Series 2024B Second Lien Bond, the Principal Amount Upon Original Issuance specified above plus interest on that amount (and on interest accrued to the various compounding dates as specified below) from the original issue date specified above to the Maturity Date specified above at the Interest Rate specified above on any such amounts for which payment is not made or provided for. The total amount due on the Maturity Date specified above is the amount shown above as the Payment at Maturity. For all purposes of this Series 2024B Second Lien Bond, the principal amount at any time is the sum of the Principal Amount upon Original Issuance specified above plus interest on the Series 2024B Second Lien Bond accrued and compounded on such date as provided above.]

The Series 2024B Second Lien Bonds are limited obligations of the City and shall not constitute an indebtedness of the City or a loan of its credit within the meaning of any

Constitutional or statutory provision or limitation as to indebtedness. The Series 2024B Second Lien Bonds do not have a claim for payment from any taxes of the City. Neither the faith and credit nor the taxing power of the City, the State of Illinois or any political subdivision of the State of Illinois is pledged to the payment of the principal of the Series 2024B Second Lien Bonds, or the interest or any premium on the Series 2024B Second Lien Bonds. The Series 2024B Second Lien Bonds are payable solely from the Trust Estate (as defined in the Fourth Supplemental Indenture) pledged to such payment under the Indenture and certain other monies held by or on behalf of the Trustee.

The principal of and premium, if any, on this Series 2024B Second Lien Bond shall be payable at the designated corporate trust office of the Trustee or upon presentation and surrender of this Series 2024B Second Lien Bond.

Interest on this Series 2024B Second Lien Bond shall be paid by check mailed on the Interest Payment Date to the person appearing on the Bond Register as the Registered Owner of this Series 2024B Second Lien Bond as of the close of business of the Trustee on the Record Date at the address of such Registered Owners as it appears on the Bond Register or at such other address as is furnished to the Trustee in writing by such Registered Owner not later than the Record Date. Payment of interest on this Series 2024B Second Lien Bond shall be made to a Registered Owner of One Million Dollars (\$1,000,000) or more in aggregate principal amount of Series 2024B Second Lien Bonds as of the close of business of the Trustee on the Record Date for a particular Interest Payment Date by wire transfer to such Registered Owner on such Interest Payment Date upon written notice from such Registered Owner containing the wire transfer address within the United States to which such Registered Owner wishes to have such wire directed, which written notice is received not later than the Business Day next preceding the Record Date.

Interest accrued on this Series 2024B Second Lien Bond shall be paid in arrears on each Interest Payment Date. Interest on this Series 2024B Second Lien Bond shall be computed upon the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months.

General. This Series 2024B Second Lien Bond is one of an authorized series of bonds limited in aggregate principal amount to \$[] (the "Series 2024B Second Lien Bonds") issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, particularly Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and related ordinances of the City Council of the City, and executed under a Master Indenture of Trust Securing Second Lien Wastewater Transmission Revenue Bonds, dated as of May 1, 2023, as supplemented by a Second Supplemental Indenture, dated as of April 1, 2024 relating to certain technical corrections (the "Master Indenture"), and as supplemented by a Fourth Supplemental Indenture, dated as of [] 1, 2024 (the "Fourth Supplemental Indenture" and, together with the Master Indenture, the "Indenture"), from the City to Amalgamated Bank of Chicago, as trustee (the "Trustee"), for any one or more of the purposes of (i) refunding in advance of maturity such portion of the Outstanding Bonds as shall be determined by the Authorized Officer ("Refunding Purposes"), (ii) funding capitalized interest on the Series 2024B Second Lien Bonds, (iii) paying Costs of Issuance of the Series 2024B Second Lien Bonds, (iv) making a deposit in the Debt Service Reserve Account established by the Indenture, and (v) providing for any discount on the Series 2024B Second

Lien Bonds. The Series 2024B Second Lien Bonds and the interest on them are payable from Second Lien Bond Revenues (as defined in the Indenture) deposited into the 2024B Second Lien Bonds Subaccount and pledged to the payment of the Series 2024B Second Lien Bonds under the Indenture and certain other monies held by or on behalf of the Trustee and from any other monies held by the Trustee under the Indenture for such purpose.

As provided in the Indenture, additional bonds may be issued from time to time pursuant to supplemental indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the Master Indenture. The aggregate principal amount of bonds that may be issued pursuant to the Indenture is not limited, except as provided in the Indenture and ordinances authorizing those additional bonds, and all bonds issued and to be issued pursuant to the Indenture, including the Series 2024B Second Lien Bonds, are and will be equally secured by the pledges and covenants made in the Series 2024B Second Lien Bonds, except as otherwise provided or permitted in the Master Indenture.

Copies of the Indenture are on file at the principal corporate trust office of the Trustee, and reference to the Indenture and any and all supplements to it and modifications and amendments of it is made for a description of the pledge and covenants securing the Series 2024B Second Lien Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the Registered Owners of the Series 2024B Second Lien Bonds and the limitations on such rights and remedies.

The Series 2024B Second Lien Bonds are subject to [optional, mandatory sinking fund and optional make-whole] redemption prior to maturity as provided in the Fourth Supplemental Indenture.

Limited Obligation. The Series 2024B Second Lien Bonds are issued pursuant to ordinances adopted by the City Council of the City, which ordinances authorize the execution and delivery of the Indenture. The Series 2024B Second Lien Bonds are limited obligations of the City payable solely from the Trust Estate pledged therefor under the Indenture.

No recourse shall be had for the payment of the principal of premium, if any, or interest on any of the Series 2024B Second Lien Bonds or for any claim based on the Series 2024B Second Lien Bonds or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future officer, employee or agent, or member of the City Council, of the City, or any successor to the City, as such, either directly or through the City, or any successor to the City, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officer, employee or agent, or member of the City Council, as such, is hereby expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of any of the Series 2024B Second Lien Bonds.

Registration. This Series 2024B Second Lien Bond is transferable by the Registered Owner of this Series 2024B Second Lien Bond in person or by such Registered Owner's attorney duly authorized in writing at the designated corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture.

Defeasance. Provision for payment of all or any portion of the Series 2024B Second Lien Bonds may be made, and the Indenture may be discharged, prior to payment of the Series 2024B Second Lien Bonds in the manner provided in the Indenture.

Miscellaneous. The Registered Owner of this Series 2024B Second Lien Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants, the Indenture, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect to the Indenture, except as provided in the Indenture.

IT IS CERTIFIED, RECITED AND DECLARED that all acts and conditions required to be performed or to exist precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2024B Second Lien Bond exist or have been performed in due time, form and manner as required by law, and that the issuance of this Series 2024B Second Lien Bond and the series of which it forms a part does not exceed or violate any constitutional or statutory limitation.

This Series 2024B Second Lien Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture unless and until the certificate of authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the City of Chicago has caused this Series 2024B Second Lien Bond to be executed in its name by the manual or facsimile signature of its Mayor and the manual or facsimile of its corporate seal to be affixed, impressed, imprinted or otherwise reproduced on this Series 2024B Second Lien Bond and attested by the manual or facsimile signature of its City Clerk.

CITY OF CHICAGO

By: _____
Mayor

Attest:

City Clerk

CERTIFICATE OF AUTHENTICATION

This Series 2024B Second Lien Bond is one of the Series 2024B Second Lien Bonds described in the within-mentioned Indenture.

Authentication Date: _____

AMALGAMATED BANK OF CHICAGO,
as Trustee

By: _____
Authorized Signatory

[STATEMENT OF INSURANCE

[Bond Insurer] (“[Bond Insurer]”), [New York, New York], has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on the Series 2024B Second Lien Bonds, maturing on [January 1 of the years 20__ through 20__] (the “Insured Series 2024B Second Lien Bonds”) to Amalgamated Bank of Chicago, Illinois, or its successor, as paying agent for the Insured Series 2024B Second Lien Bonds (the “Paying Agent”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from [Bond Insurer] or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of the Series 2024B Second Lien Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of [Bond Insurer] as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Indenture or this Series 2024B Second Lien Bond, [Bond Insurer] shall be deemed to be the sole owner of the Series 2024B Second Lien Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Series 2024B Second Lien Bonds or the trustee, paying agent, registrar or similar agent for the benefits of such owners under the Indenture, at law or in equity.]

INTERGOVERNMENTAL AGREEMENT WITH CHICAGO BOARD OF EDUCATION
FOR ALLOCATION OF TAX INCREMENT FINANCING FUNDS FOR
IMPROVEMENTS AT COLLINS ACADEMY STEAM HIGH SCHOOL,
1313 S. SACRAMENTO DR.

[O2024-0012430]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred an ordinance concerning the authority to enter into and execute an Intergovernmental Agreement with the Chicago Board of Education for the provision of Tax Increment Financing (TIF) funds for improvements at Collins Academy STEAM High School, located at 1313 South Sacramento Drive in the 24th Ward (O2024-0012430), in an amount not to exceed \$2,500,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with one dissenting vote made by Alderperson Lopez on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 47.

Nays -- Alderperson Lopez -- 1.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago (the "City") is a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The Board of Education of the City of Chicago (the "Board") is a body politic and corporate, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois, 105 ILCS 5/1-1, et seq.; and

WHEREAS, Pursuant to the provisions of an act to authorize the creation of public building commissions and to define their rights, powers and duties under the Public Building Commission Act (50 ILCS 20/1, et seq.), the City Council of the City (the "City Council") created the Public Building Commission of Chicago to facilitate the acquisition and construction of public buildings and facilities; and

WHEREAS, 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 blight conditions through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, Under 65 ILCS 5/11-74.4-3(q)(7), such ad valorem taxes which pursuant to the Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof ("Increment") may be used to pay all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs; and

WHEREAS, The Board is a taxing district under the Act; and

WHEREAS, The Board operates a school identified in Exhibit A (the "School") located at the Property identified in Exhibit A (the "Property"); and

WHEREAS, The Board desires to undertake certain improvements at the School as described in Exhibit A (the "Project"); and

WHEREAS, In accordance with the provisions of the Act, the City Council: (i) approved and adopted a redevelopment plan and project (the "Plan") for a portion of the City identified on Exhibit A (the "Redevelopment Area"); (ii) designated the Redevelopment Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for the Redevelopment Area, pursuant to ordinances (collectively, the "TIF Ordinances") adopted on the date (or dates, if subsequently amended) and published in the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") for such date(s), identified on Exhibit A; and

WHEREAS, All of the Property lies wholly within the boundaries of the Redevelopment Area; and

WHEREAS, Increment collected from the Redevelopment Area shall be known as the "Redevelopment Area Increment"; and

WHEREAS, The Department of Planning and Development of the City desires to use a portion of the Redevelopment Area Increment in an amount not to exceed the amount identified in Exhibit A for the purpose of wholly or partially funding certain costs of the Project (the "TIF-Funded Improvements") to the extent and in the manner provided in this ordinance and the Agreement (as hereinafter defined); and

WHEREAS, A detailed budget for the Project (the "Project Budget") and an itemized list of the TIF-Funded Improvements are each incorporated into Exhibit A; and

WHEREAS, The Plan contemplates that tax increment financing assistance would be provided for public improvements, such as the Project, within the boundaries of the Redevelopment Area; and

WHEREAS, In accordance with the Act, the TIF-Funded Improvements are and shall be such of the Board's capital costs necessarily incurred or to be incurred in furtherance of the objectives of the Plan, and the City hereby finds that the TIF-Funded Improvements consist of the cost of the Board's capital improvements for the Project that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-3(u) of the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on April 21, 2021, and published in the *Journal* for such date at pages 29530 through 29549, the City Council approved a form of an intergovernmental agreement attached thereto for a project at Jacob Beidler Elementary School (the "Form Agreement"); and

WHEREAS, The City and the Board wish to enter into an intergovernmental agreement in substantially similar form to the Form Agreement, substituting the Project-specific terms with the information contained in Exhibit A, whereby the City shall pay for or reimburse the Board for the TIF-Funded Improvements related to the Project (the "Agreement"); now, therefore,

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

SECTION 1. The above recitals, and the statements of fact and findings made therein, are incorporated herein and made a material part of this ordinance.

SECTION 2. The City hereby finds that the TIF-Funded Improvements, among other eligible redevelopment project costs under the Act approved by the City, consist of the cost of the Board's capital improvements for the Project that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-3(u) of the Act.

SECTION 3. The Commissioner of Planning and Development and a designee are each hereby authorized, subject to approval by the City's Corporation Counsel, to negotiate, execute and deliver the Agreement and such other documents as may be necessary to carry out and comply with the provisions of the Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Agreement on behalf of the City.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provisions of this ordinance.

SECTION 5. This ordinance takes effect upon passage and approval.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".

1. School:

Collins Academy STEAM High School.

2. Property:

a. Common Address:

1313 South Sacramento Drive
Chicago, Illinois 60623.

b. Permanent Index Number ("PIN"):

16-24-107-002-0000.

3. Project:

1) Addressing critical facility needs, including mechanical, electrical and plumbing engineering (MEP) upgrades; 2) renovating four primary STEAM classrooms (Science, Makerspace, Art and Media Room) along with the Living Museum; and 3) conversion of existing spaces into a Parent Center and Specialty Career Room.

4. Amount Of Redevelopment Area Increment:

Not to exceed \$2,500,000.

5. Project Budget:

Scope	Project Budget	TIF Request
Design	\$ 1,000,000	\$ 0
Construction	7,950,000	2,500,000
Environmental	500,000	0
Project Implementation	550,000	0
Total:	\$10,000,000	\$2,500,000

Sources	Amount
Chicago Public Schools	\$7,500,000
TIF	2,500,000
Total:	\$10,000,000

6. TIF-Funded Improvements:

MEP upgrades including replacement of deteriorating water heaters and storage tanks. Includes upgrading associated piping and electrical infrastructure as well as replacement of exhaust fans and zone dampers. The Board's Project funding shall not exceed the limits of and is subject to the contingencies set forth in Article Three, Subsection 2 of the Agreement.

7. Redevelopment Area:

Midwest.

8. TIF Ordinances (Including Any Amendments):

Under ordinances adopted on May 17, 2000, the City Council: (i) approved a redevelopment plan and project (the "Plan") for the Redevelopment Area; (ii) designated the Redevelopment Area as a "redevelopment project area" within

the requirements of the Act; and (iii) adopted tax increment financing for the Redevelopment Area. The Plan was amended by ordinances adopted on April 14, 2010, May 9, 2012 and December 9, 2015.

9. Modifications To Form Agreement For This Project:

Add to the end of Subsection 2 of Article Three, the following language: "Notwithstanding anything to the contrary in this Article Three, Subsection 2 or elsewhere in this Agreement, the Board's funding obligations under this Agreement are contingent on the securing of available funding either through Board-approved capital plan(s) or third-party sources and shall not exceed \$7,500,000 without written agreement of the parties. The Board shall have no obligation to utilize Board funds to fund any obligations hereunder other than as set forth in the preceding sentence."

INTERGOVERNMENTAL AGREEMENT WITH CHICAGO BOARD OF EDUCATION
FOR ALLOCATION OF TAX INCREMENT FINANCING FUNDS FOR
IMPROVEMENTS AT JAMES WELDEN JOHNSON STEAM ELEMENTARY
SCHOOL, 1420 S. ALBANY AVE.

[O2024-0012431]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred an ordinance concerning the authority to enter into and execute an Intergovernmental Agreement with the Chicago Board of Education for the provision of Tax Increment Financing (TIF) funds for improvements at James Welden Johnson STEAM Elementary School, located at 1420 South Albany Avenue in the 24th Ward (O2024-0012431), in an amount not to exceed \$3,750,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with one dissenting vote made by Alderperson Lopez on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 47.

Nays -- Alderperson Lopez -- 1.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago (the "City") is a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The Board of Education of the City of Chicago (the "Board") is a body politic and corporate, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois, 105 ILCS 5/1-1, et seq.; and

WHEREAS, Pursuant to the provisions of an act to authorize the creation of public building commissions and to define their rights, powers and duties under the Public Building Commission Act (50 ILCS 20/1, et seq.), the City Council of the City (the "City Council") created the Public Building Commission of Chicago to facilitate the acquisition and construction of public buildings and facilities; and

WHEREAS, 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 blight conditions through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, Under 65 ILCS 5/11-74.4-3(q)(7), such ad valorem taxes which pursuant to the Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof ("Increment") may be used to pay all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs; and

WHEREAS, The Board is a taxing district under the Act; and

WHEREAS, The Board operates a school identified in Exhibit A (the "School") located at the Property identified in Exhibit A (the "Property"); and

WHEREAS, The Board desires to undertake certain improvements at the School as described in Exhibit A (the "Project"); and

WHEREAS, In accordance with the provisions of the Act, the City Council: (i) approved and adopted a redevelopment plan and project (the "Plan") for a portion of the City identified on Exhibit A (the "Redevelopment Area"); (ii) designated the Redevelopment Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for the Redevelopment Area, pursuant to ordinances (collectively, the "TIF Ordinances") adopted on the date (or dates, if subsequently amended) and published in the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") for such date(s), identified on Exhibit A; and

WHEREAS, All of the Property lies wholly within the boundaries of the Redevelopment Area; and

WHEREAS, Increment collected from the Redevelopment Area shall be known as the "Redevelopment Area Increment"; and

WHEREAS, The Department of Planning and Development of the City desires to use a portion of the Redevelopment Area Increment in an amount not to exceed the amount identified in Exhibit A for the purpose of wholly or partially funding certain costs of the Project (the "TIF-Funded Improvements") to the extent and in the manner provided in this ordinance and the Agreement (as hereinafter defined); and

WHEREAS, A detailed budget for the Project (the "Project Budget") and an itemized list of the TIF-Funded Improvements are each incorporated into Exhibit A; and

WHEREAS, The Plan contemplates that tax increment financing assistance would be provided for public improvements, such as the Project, within the boundaries of the Redevelopment Area; and

WHEREAS, In accordance with the Act, the TIF-Funded Improvements are and shall be such of the Board's capital costs necessarily incurred or to be incurred in furtherance of the objectives of the Plan, and the City hereby finds that the TIF-Funded Improvements consist of the cost of the Board's capital improvements for the Project that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-3(u) of the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on April 21, 2021, and published in the *Journal* for such date at pages 29530 through 29549, the City Council approved a form of an intergovernmental agreement attached thereto for a project at Jacob Beidler Elementary School (the "Form Agreement"); and

WHEREAS, The City and the Board wish to enter into an intergovernmental agreement in substantially similar form to the Form Agreement, substituting the Project-specific terms with the information contained in Exhibit A, whereby the City shall pay for or reimburse the Board for the TIF-Funded Improvements related to the Project (the "Agreement"); now, therefore,

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

SECTION 1. The above recitals, and the statements of fact and findings made therein, are incorporated herein and made a material part of this ordinance.

SECTION 2. The City hereby finds that the TIF-Funded Improvements, among other eligible redevelopment project costs under the Act approved by the City, consist of the cost of the Board's capital improvements for the Project that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-3(u) of the Act.

SECTION 3. The Commissioner of Planning and Development and a designee are each hereby authorized, subject to approval by the City's Corporation Counsel, to negotiate, execute and deliver the Agreement and such other documents as may be necessary to carry out and comply with the provisions of the Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Agreement on behalf of the City.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provisions of this ordinance.

SECTION 5. This ordinance takes effect upon passage and approval.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".

1. School:

James Weldon Johnson STEAM Elementary School.

2. Property:

a. Common Address:

1420 South Albany Avenue
Chicago, Illinois 60623.

b. Permanent Index Numbers:

16-24-104-019-0000;
 16-24-104-020-0000;
 16-24-104-021-0000;
 16-24-104-022-0000;
 16-24-104-023-0000; and
 16-24-104-025-0000.

3. Project:

1) Addressing critical facility needs, including mechanical, electrical and plumbing engineering (MEP) upgrades; 2) renovating four primary STEAM classrooms (Science, Makerspace, Art and Media Room) along with the Living Museum; and 3) modernizing common and academic areas.

4. Amount Of Redevelopment Area Increment:

Not to exceed \$3,750,000.

5. Project Budget:

Scope	Project Budget	TIF Request
Design	\$ 1,500,000	\$ 0
Construction	11,925,000	3,750,000
Environmental	750,000	0
Project Implementation	825,000	0
Total:	\$15,000,000	\$3,750,000

Sources	Amount
Chicago Public Schools	\$11,250,000
TIF	3,750,000
Total:	\$15,000,000

6. TIF-Funded Improvements:

MEP upgrades include replacing boiler plants with high efficiency hot water boiler plants including associated equipment, piping and electrical infrastructure. Air Handling Units (AHUs), storage tanks, several pumps and other components will also require replacement/upgrading as part of the project for an efficient mechanical system. The Board's Project funding shall not exceed the limits of and is subject to the contingencies set forth in Article Three, Subsection 2 of the Agreement.

7. Redevelopment Area:

Midwest.

8. TIF Ordinances (Including Any Amendments):

Under ordinances adopted on May 17, 2000, the City Council: (i) approved a redevelopment plan and project (the "Plan") for the Redevelopment Area; (ii) designated the Redevelopment Area as a "redevelopment project area" within the requirements of the Act; and (iii) adopted tax increment financing for the Redevelopment Area. The Plan was amended by ordinances adopted on April 14, 2010, May 9, 2012 and December 9, 2015.

9. Modifications To Form Agreement For This Project:

Add to the end of Subsection 2 of Article Three, the following language: "Notwithstanding anything to the contrary in this Article Three, Subsection 2 or elsewhere in this Agreement, the Board's funding obligations under this Agreement are contingent on the securing of available funding either through Board-approved capital plan(s) or third-party sources and shall not exceed \$11,250,000 without written agreement of the parties. The Board shall have no obligation to utilize Board funds to fund any obligations hereunder other than as set forth in the preceding sentence."

INTERGOVERNMENTAL AGREEMENT WITH CHICAGO BOARD OF EDUCATION
FOR ALLOCATION OF TAX INCREMENT FINANCING FUNDS FOR
IMPROVEMENTS AT THOMAS CHALMERS STEAM ELEMENTARY SCHOOL,
2745 W. ROOSEVELT RD.

[O2024-0012432]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred an ordinance concerning the authority to enter into and execute an Intergovernmental Agreement with the Chicago Board of Education for the provision of Tax Increment Financing (TIF) funds for improvements at Thomas Chalmers STEAM Elementary School, located at 2745 West Roosevelt Road in the 28th Ward (O2024-0012432), in an amount not to exceed \$3,750,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with one dissenting vote made by Alderperson Lopez on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 47.

Nays -- Alderperson Lopez -- 1.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago (the "City") is a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, The Board of Education of the City of Chicago (the "Board") is a body politic and corporate, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois, 105 ILCS 5/1-1, et seq.; and

WHEREAS, Pursuant to the provisions of an act to authorize the creation of public building commissions and to define their rights, powers and duties under the Public Building Commission Act (50 ILCS 20/1, et seq.), the City Council of the City (the "City Council") created the Public Building Commission of Chicago to facilitate the acquisition and construction of public buildings and facilities; and

WHEREAS, 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 blight conditions through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, Under 65 ILCS 5/11-74.4-3(q)(7), such ad valorem taxes which pursuant to the Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof ("Increment") may be used to pay all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs; and

WHEREAS, The Board is a taxing district under the Act; and

WHEREAS, The Board operates a school identified in Exhibit A (the "School") located at the Property identified in Exhibit A (the "Property"); and

WHEREAS, The Board desires to undertake certain improvements at the School as described in Exhibit A (the "Project"); and

WHEREAS, In accordance with the provisions of the Act, the City Council: (i) approved and adopted a redevelopment plan and project (the "Plan") for a portion of the City identified on Exhibit A (the "Redevelopment Area"); (ii) designated the Redevelopment Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for the Redevelopment Area, pursuant to ordinances (collectively, the "TIF Ordinances") adopted on the date (or dates, if subsequently amended) and published in the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") for such date(s), identified on Exhibit A; and

WHEREAS, All of the Property lies wholly within the boundaries of the Redevelopment Area; and

WHEREAS, Increment collected from the Redevelopment Area shall be known as the "Redevelopment Area Increment"; and

WHEREAS, The Department of Planning and Development of the City desires to use a portion of the Redevelopment Area Increment in an amount not to exceed the amount identified in Exhibit A for the purpose of wholly or partially funding certain costs of the Project (the "TIF-Funded Improvements") to the extent and in the manner provided in this ordinance and the Agreement (as hereinafter defined); and

WHEREAS, A detailed budget for the Project (the "Project Budget") and an itemized list of the TIF-Funded Improvements are each incorporated into Exhibit A; and

WHEREAS, The Plan contemplates that tax increment financing assistance would be provided for public improvements, such as the Project, within the boundaries of the Redevelopment Area; and

WHEREAS, In accordance with the Act, the TIF-Funded Improvements are and shall be such of the Board's capital costs necessarily incurred or to be incurred in furtherance of the objectives of the Plan, and the City hereby finds that the TIF-Funded Improvements consist of the cost of the Board's capital improvements for the Project that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-3(u) of the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on April 21, 2021, and published in the *Journal* for such date at pages 29530 through 29549, the City Council approved a form of an intergovernmental agreement attached thereto for a project at Jacob Beidler Elementary School (the "Form Agreement"); and

WHEREAS, The City and the Board wish to enter into an intergovernmental agreement in substantially similar form to the Form Agreement, substituting the Project-specific terms with the information contained in Exhibit A, whereby the City shall pay for or reimburse the Board for the TIF-Funded Improvements related to the Project (the "Agreement"); now, therefore,

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

SECTION 1. The above recitals, and the statements of fact and findings made therein, are incorporated herein and made a material part of this ordinance.

SECTION 2. The City hereby finds that the TIF-Funded Improvements, among other eligible redevelopment project costs under the Act approved by the City, consist of the cost of the Board's capital improvements for the Project that are necessary and directly result from the redevelopment project constituting the Project and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-3(u) of the Act.

SECTION 3. The Commissioner of Planning and Development and a designee are each hereby authorized, subject to approval by the City's Corporation Counsel, to negotiate, execute and deliver the Agreement and such other documents as may be necessary to carry out and comply with the provisions of the Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Agreement on behalf of the City.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provisions of this ordinance.

SECTION 5. This ordinance takes effect upon passage and approval.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".

1. School:

Thomas Chalmers STEAM Elementary School.

2. Property:

a. Common Address:

2745 West Roosevelt Road
Chicago, Illinois 60608.

b. Permanent Index Numbers:

16-24-200-001-0000;

16-24-200-008-0000; and

16-24-200-009-0000.

3. Project:

1) Addressing critical facility needs, including mechanical, electrical and plumbing engineering (MEP) upgrades; 2) renovating four primary STEAM classrooms (Science, Makerspace, Art and Media Room) along with the Living Museum; and 3) modernizing common and academic areas.

4. Amount Of Redevelopment Area Increment:

Not to exceed \$3,750,000.

5. Project Budget:

Scope	Project Budget	TIF Request
Design	\$ 1,500,000	\$ 0
Construction	11,925,000	3,750,000
Environmental	750,000	0
Project Implementation	825,000	0
Total:	\$15,000,000	\$3,750,000

Sources	Amount
Chicago Public Schools	\$11,250,000
TIF	3,750,000
Total:	\$15,000,000

6. TIF-Funded Improvements:

MEP upgrades and roof replacement. There is water infiltration within the classrooms and other spaces due to roof leaks and so roof replacement is needed. Air distribution systems including Air Handling Units (AHUs) and Unit ventilators need upgrading along with associated piping and electrical infrastructure. The Board's Project funding shall not exceed the limits of and is subject to the contingencies set forth in Article Three, Subsection 2 of the Agreement.

7. Redevelopment Area:

Midwest.

8. TIF Ordinances (Including Any Amendments):

Under ordinances adopted on May 17, 2000, the City Council: (i) approved a redevelopment plan and project (the "Plan") for the Redevelopment Area;

(ii) designated the Redevelopment Area as a "redevelopment project area" within the requirements of the Act; and (iii) adopted tax increment financing for the Redevelopment Area. The Plan was amended by ordinances adopted on April 14, 2010, May 9, 2012 and December 9, 2015.

9. Modifications To Form Agreement For This Project:

Add to the end of Subsection 2 of Article Three, the following language: "Notwithstanding anything to the contrary in this Article Three, Subsection 2 or elsewhere in this Agreement, the Board's funding obligations under this Agreement are contingent on the securing of available funding either through Board-approved capital plan(s) or third-party sources and shall not exceed \$11,250,000 without written agreement of the parties. The Board shall have no obligation to utilize Board funds to fund any obligations hereunder other than as set forth in the preceding sentence."

REDEVELOPMENT AGREEMENT WITH BANDWITH MUSIC LTD TO
PROVIDE NEIGHBORHOOD OPPORTUNITY FUNDS FOR CAPITAL PROJECT
AT 134 S. CALIFORNIA AVE.

[O2024-0012443]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred an ordinance concerning the execution of a Redevelopment Agreement with BandWith Music LTD as a Chicago Recovery Plan Community Development Grantee for capital project at 134 South California Avenue in the 27th Ward (O2024-0012443), in an amount not to exceed \$5,000,000 in tax increment financing (TIF) funds, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with no dissenting votes on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, Pursuant to ordinances adopted by the City Council (the "City Council") of the City of Chicago (the "City"), published in the *Journal of the Proceedings of the City Council of the City of Chicago* for such date identified on Exhibit A attached hereto, and under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.1, et seq., as amended (the "Act"), the City Council: (i) approved and adopted a redevelopment plan and project (the "Plan") for a portion of the City identified on Exhibit A (the "Redevelopment Area"); (ii) designated the Redevelopment Area as a "redevelopment project area" within the requirements of the Act; and (iii) adopted tax increment allocation financing for the Redevelopment Area (items (i) -- (iii), each as amended from time to time, collectively the "TIF Ordinance"); and

WHEREAS, The Department of Planning and Development ("DPD") desires to make a grant (the "Grant") to the applicant named in Exhibit A (the "Grantee") for the purpose of wholly or partially funding certain costs (the "TIF-Funded Improvements") of the Project described in Exhibit A (the "Project"), in the amount and under the terms and conditions set forth in Exhibit A; and

WHEREAS, A budget for the Project and a description of the TIF-Funded Improvements are each incorporated into Exhibit A; and

WHEREAS, The Project lies wholly within the boundaries of the Redevelopment Area; and

WHEREAS, The Grantee will be obligated to undertake the Project in accordance with the Plan and the terms and conditions set forth in Exhibit A, with the Project to be financed in

part by a Grant consisting of certain incremental taxes deposited from time to time in the Special Tax Allocation Fund for the Redevelopment Area (as defined in the TIF Ordinance) pursuant to Section 5/11-74.4-8(b) of the Act; and

WHEREAS, Pursuant to Resolution 23-CDC-39 adopted by the Community Development Commission of the City (the "Commission") on October 12, 2023, the Commission has recommended that the Grantee and/or its affiliated entities be designated as the developer for the Project and that DPD be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Grantee for the Project; now, therefore,

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

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

SECTION 2. The Grantee and BandWith Support Corporation NFP, an affiliate of Grantee, are hereby collectively designated as the "Developer" for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. The Commissioner and a designee of the Commissioner (collectively, the "Authorized Officer") are each hereby authorized, subject to approval by the City's Corporation Counsel, to negotiate, execute and deliver a redevelopment agreement with the Grantee and to execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Grant. The execution of such agreements and instruments and the performance of such acts shall be conclusive evidence of such approval. The Authorized Officer is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Grant which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized Officer is hereby authorized to disburse the proceeds of the Grant to the Grantee.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provisions of this ordinance.

SECTION 5. This ordinance shall be effective as of the date of its passage and approval.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".

February 21, 2023
Amended September 12, 2024

Anna Palomino
BandWith Music, LTD
212 South Francisco Avenue
Chicago, Illinois 60612

RE: Conditional Commitment of City Funds

Dear Anna Palomino,

The City of Chicago ("City") Department of Planning and Development ("DPD") congratulates BandWith Music Ltd on being selected as a Chicago Recovery Plan Community Development Grant ("CRP") Large Finalist ("Finalist") for the capital project located at 134 S California Avenue. Pending approval from the City Council of the City (the "City Council") and execution of a Redevelopment Agreement ("RDA"), BandWith Music Ltd will be a CRP Large Grantee ("Grantee").

BandWith Music, LTD has received a **conditional commitment** of up to \$5,000,000 in City funds ("City Grant") to be provided from the Midwest Tax Increment Financing ("TIF") district.

The Project was selected for the plan and scope of work presented in the application and summarized below. Any changes to the proposed project plan or scope of work without DPD's prior written approval may result in forfeiture of the City Grant.

PROJECT ADDRESS

134 South California Avenue, Chicago, Illinois 60612
16-13-111-035-0000
(The address and PINS collectively, the "Property")

TIF AREA

The Property is located in the Midwest Redevelopment Project Area (the "TIF Area"). Under ordinances adopted on May 17, 2000, and published in the Journal of Proceedings of the City Council of the City for such date, the City Council: (i) approved a redevelopment plan and project (the "Plan") for the TIF Area; (ii) designated the TIF Area as a "redevelopment project area" within the requirements of the TIF Act; and (iii) adopted tax increment financing for the TIF Area. [The Plan was amended by ordinance(s) adopted on July 29, 2015.

PROJECT PLAN & SCOPE

The proposed project will renovate the 21,460 square foot, building into the headquarters of BandWith Chicago. BandWith provides educational, rehearsal and performance spaces for music and dance students enrolled in their programs. The renovation will also include retail space for Bee Love Cafe and the Horizons for Youth organization which works to transform children’s lives by providing resources rooted in education, in a partnership with their families and the community.

TIF-FUNDED IMPROVEMENTS

TIF-eligible costs include land assembly, demolition, site preparation, environmental remediation, rehabilitation, and other eligible activities under the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.1 et seq. (the “TIF Act”). The TIF-eligible activities for the Project will be listed specifically in the RDA.

PROJECT SOURCES & USES

Anticipated Project Funds (Sources)*		Anticipated Project Costs (Uses)	
NMTC	\$5,587,100	Acquisition Costs	\$2,200,000
Philanthropy and Grants	\$2,004,050	Hard Costs	\$9,786,024
Bidwell Foundation Term Loan	\$2,930,000	Soft Costs	\$3,535,126
Base City Grant	\$5,000,000		
Total	\$15,521,150	Total	\$15,521,150

CITY GRANT PAYMENT

The City Grant may be disbursed as progress payments through a project escrow, or as a single, 100% reimbursement upon project completion. The Finalist must select a payment method before executing the RDA.

Project Escrow

Grantees may establish a project escrow account at their own cost, and receive four, incremental disbursements of their City Grant during construction. The fourth, and final, disbursement is provided following the completion of the Project and DPD’s issuance of a Certificate of Completion (“Certificate”). Each escrow draw requires review and approval of Grantee’s documentation by DPD. Grantees who elect to receive their City Grant via a project escrow must execute an escrow agreement with DPD and the title company concurrently with the execution of the RDA.

Single Reimbursement

Grantees may receive a one-time disbursement of 100% of their City Grant following the completion of the Project and DPD’s issuance of the Certificate.

GRANT STRUCTURE

Before any City Grant funds are disbursed, Grantees will be required to submit evidence of eligible costs under the TIF Act. Projects are eligible to receive up to 75% of total project costs, to the extent that eligible costs such as land acquisition or site preparation are documented, but in no case may the total City Grant exceed the program’s \$5,000,000 grant limit.

Ineligible costs include furnishings, fixtures and equipment (FF&E); fees generally related to accounting, marketing, permitting, equipment rental, or construction management; and hard and soft contingencies unrelated to eligible project costs.

SUMMARY OF GRANT COVENANTS

The following is a summary of important City Grant covenants to which the Grantee must adhere. The RDA will contain a complete list of all City Grant covenants.

Grantees shall not do any of the following without prior, written consent from DPD, for the Term of the Agreement: be a party to any merger, liquidation or consolidation; sell, transfer, convey, lease or otherwise dispose of all or substantially all of their assets or any portion of the project property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; enter into any transaction outside the ordinary course of Grantee's business; assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or enter into any transaction that would cause a material and detrimental change to Grantee's financial condition.

Operations & Occupancy Covenants

Grantees must continuously own, occupy, and/or operate the entirety of the Project for three years following the issuance of the Certificate. If a Grantee fails to satisfy these requirements, the City shall have the right to cease the payment of the City Grant, terminate the RDA, or place a lien on the Project property in the value of disbursed City Grant.

Annual Compliance Report

Grantees must submit an Annual Compliance Report for at least three years following the issuance of the Certificate. Requirements for the Annual Compliance Reports will be detailed in the RDA.

GRANT CONDITIONS

Issuance of the City Grant is subject to the Finalist's ability to fulfill the following conditions, and City Council approval. Following City Council approval of the City Grant, the Grantee will be required to execute the RDA with the City, through DPD, which details the legal requirements of the Project and the process for receiving the City Grant.

Conditions for Submission to City Council for Approval for the City Grant

The following *must* be submitted to your Project Manager by Tuesday, December 10, 2024 to prepare for submission to City Council for approval.

1. **Pre-Construction Compliance Meeting:** The Finalist, general contractor, and all major subcontractors must meet with Construction Compliance staff to review the Finalist's plan to achieve the City's Construction Compliance obligations (MBE/WBE, City Residency and Prevailing Wage Requirements), as established in the RDA and as mandated by City ordinance and DPD policy.
2. **Final Contractor Estimates:** The Finalist must submit at least two, final and comprehensive contractor estimates for the final Project scope of work. All estimates must reflect the same scope of work and final Project Budget, as well as account for the City's M/WBE, Prevailing Wage and City Residency construction compliance requirements.
3. **Final Project Budget:** The Finalist must submit a final Project budget. The City Grant amount in this letter will not be increased; therefore, the Finalist must assume the responsibility of any Project cost increases following City Council approval.
4. **Final Design Documents:** The Finalist must submit, at a minimum, a final site plan, final renderings, and final elevations for the Project. All DPD comments on the Project design should be addressed prior to seeking City Council approval.

5. **Final Zoning Approval:** The Finalist must verify that all proposed Project uses, and physical improvements comply with the zoning requirements for the Project location. If the Project uses and/or improvements require a zoning map amendment, licenses, or permits, the Finalist must provide evidence of the approved zoning map amendment, secured licenses and/or permits, and Aldermanic input.
6. **Preliminary Project Financing:** The Finalist must submit proof of project financing, demonstrating that all sources of funds outside of the City Grant are available and secured, or will be secured by closing. The Finalist must close on all financing sources on or before executing the RDA.
7. **Preliminary Site Control:** The Finalist must submit the following proof of site control, demonstrating that the Project location is secured, or will be secured by closing. The Finalist must secure site control on or before executing the RDA.
 - a) Tenant Finalists: Letter of interest or executed lease (for at least three years) for the Project location.
 - b) Owner-Occupied Finalists: Deed or Real Estate Purchase Agreement (demonstrating closing within 90 days), for the Project location.
 - c) Property Owner Finalists: Deed or Real Estate Purchase Agreement (demonstrating closing within 90 days), for the Project location; AND letters of interest or executed tenant leases, for at least three years, for at least 75% of the Project.

Conditions for Executing the RDA

Following City Council's approval, the Grantee must satisfy the conditions below before the City will execute and deliver the RDA, unless the City waives such conditions in writing. The following must be secured within one month of receiving City Council approval to close on the RDA.

1. **Final Project Financing:** If not yet submitted, the Grantee must submit proof of project financing, evidencing that all financing sources outside of the Capital Grant have been secured and are available.
2. **Final Site Control:** If not yet submitted, the Grantee must submit the following proof of site control, evidencing that the Project location has been secured:
 - a) Tenant Grantees: Executed lease for at least three years for the Project location AND written evidence of property owner's consent to record the RDA against the tenant's leasehold interest in the Project location.
 - b) Owner-Occupied Grantee: Deed for the Project location.
 - c) Property Owner Grantee: Deed for the Project location; AND executed tenant leases, for at least three years, for at least 75% of the Project.
3. **Escrow Agreement:** If the Grantee elects to receive the Capital Grant via progress payments (escrow), the escrow agreement between the City, title company and Grantee must be fully executed.
4. **Building Permits:** The Grantee must submit proof of all permits required by the City's Municipal Code for work associated with the Project for all corresponding costs to be eligible for reimbursement.

Conditions for Receiving the Certificate

The Grantee must complete project construction and receive a Certificate within the timeframe dictated by the executed RDA, or the Project will be considered in default, the City Grant may be forfeited, and the RDA may be terminated. The Certificate *must* be issued within two years of the RDA execution date.

1. **MBE/WBE Requirements:** The Grantee must fulfill at least 26% Minority Business Enterprise (MBE) and 6% Women Business Enterprise (WBE) participation for all direct and indirect construction costs associated with the Project.
2. **City Residency Requirements:** The Grantee must hire City residents to perform 50% of all construction hours.

3. **Prevailing Wage Requirements:** The Grantee must adhere to the City's prevailing wage requirement for all construction trades, as established by the Illinois Department of Labor.
4. **Certificate of Occupancy:** The Grantee must obtain and submit proof of all permits required by the City's Municipal Code to occupy the Project premises.
5. **Business Licenses:** The Grantee must obtain all necessary business licenses.
6. **Documentation:** The Grantee must appropriately document all eligible project costs. Documentation includes, but is not limited to, detailed invoices, cancelled checks, sworn owner's statement, sworn statement of contractor and subcontractor to owner and final lien waivers.

PROJECT EXTENSION, WITHDRAWAL AND TERMINATION POLICIES

Project Deadline Extension

Grantees are allowed to request up to two extensions to satisfy the conditions for all milestones leading to RDA execution. Grantees in need of an extension during this time must submit a written request to DPD justifying the need for the extension. DPD will issue extension approvals and durations, in writing, at its discretion. DPD will withdraw City Grants for Grantees who are unable to satisfy the conditions after exhausting their extensions.

Project Withdrawal

Finalists or Grantees must provide written notification to DPD staff of their intent to rescind their City Grant and withdraw from the program. DPD staff will send the Finalist or Grantee an email confirmation of the Project's withdrawal and the return of the allocated City Grant.

Project Termination

DPD staff will send the Finalist or Grantee notification via email and postal mail to the above address regarding termination of the Project and the return of the allocated City Grant. All questions regarding the conditions outlined in this letter, and general City requirements and procedures, can be addressed to Robert Bumpers (Robert.bumpers@cityofchicago.org) or 312-744-0107.

We look forward to supporting your efforts to revitalize the City's South, Southwest and West sides.
Sincerely,

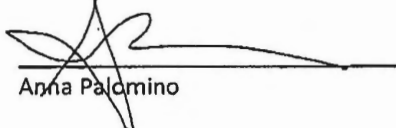


Tim Jeffries
Deputy Commissioner
Department of Planning and Development

On behalf of BandWith Music, LTD, I accept the above terms and conditions of this *Conditional Commitment of City Funds offered by the City of Chicago.*

9/13/24

Date



Anna Palmirino

Executive Director

Title

Return one copy of this letter to:

City of Chicago
Department of Planning and Development
Attention: Robert Bumpers
121 North LaSalle Street, RM 1003
Chicago, IL 60602

CITY GRANT DELIVERABLE SUMMARY CHECKLIST & SCHEDULE		
Milestone #1: Conditional Commitment of Funds (Letter)		
<input checked="" type="checkbox"/>	Conditions for Next Milestone	Time to Next Milestone
	Final Contractor Estimates (2)	<u>5 MONTHS</u>
	Final Project Budget	
	Final Zoning	
	Final Design Documents	
	Preliminary (Final acceptable) Project Financing Documentation	
	Preliminary (Final acceptable) Site Control Documentation	
	Approval by Community Development Commission	
Milestone #2: Council Approval (City Grant Authorization)		
<input checked="" type="checkbox"/>	Conditions for Next Milestone	Time to Next Milestone
	Final Project Financing Documentation	<u>1 MONTH</u>
	Final Site Control Documentation	
	Grant Payment Election (executed escrow agreement, if applicable)	
	Building Permits Secured	
Milestone #3: Project Closing (Executed RDA)		
<input checked="" type="checkbox"/>	Conditions for Next Milestone	Time to Next Milestone
	M/WBE Construction Compliance Requirements Fulfilled	<u>24 MONTHS</u>
	City Residency Construction Compliance Requirements Fulfilled	
	Prevailing Wage Construction Compliance Requirements Fulfilled	
	Occupancy Permits Secured	
	Business Permits Secured	
	Business Licenses Secured	
	Project Cost Documentation (invoices, sworn statements, lien waivers)	
Milestone #4: Project Completion (Certificate of Completion)		

REPLACEMENT REDEVELOPMENT AGREEMENT WITH AND ISSUANCE OF TAX INCREMENT FINANCING FUNDS TO GERMAN AMERICAN NATIONAL CONGRESS CHAPTER CHICAGO -- NORTH AND D.A.N.K. HOUSE, DOING BUSINESS AS DANK HAUS GERMAN AMERICAN CULTURAL CENTER FOR REHABILITATION PROJECT AT 4740 N. WESTERN AVE.

[O2024-0012444]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred an ordinance concerning the authority to enter into and execute a replacement Redevelopment Agreement with and issuance of Tax Increment Financing (TIF) funds to German American National Congress Chapter Chicago -- North and D.A.N.K. House, doing business as DANK Haus German American Cultural Center for the redevelopment project at 4740 North Western Avenue in the 40th Ward (O2024-0012444), in an amount not to exceed \$1,562,786, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with no dissenting votes on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, the City of Chicago (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; and

WHEREAS, 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 through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on January 12, 2000 and published at pages 22394 to 22494 of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") of such date, a certain redevelopment plan and project (the "Western Avenue North Plan and Project") for the Western Avenue North Redevelopment Project Area (the "Western Avenue North Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on January 12, 2000, and published at pages 22495 to 22507 of the *Journal* of such date, the Western Avenue North Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on January 12, 2000 (the "Western Avenue North TIF Ordinance") and published at pages 22507 to 22521 of the *Journal* of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain redevelopment project costs, as defined in the Act, incurred pursuant to the Western Avenue North Plan and Project (as defined herein) and directed that the allocation of ad valorem taxes arising from levies by taxing districts upon the taxable real property in the Western Avenue North Area and tax rates be divided in accordance with the Act and as described in the Western Avenue North TIF Ordinance; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on March 15, 2023 and published at pages 60895 -- 60945 of the *Journal* (the "Authorizing Ordinance"), the City Council authorized the City to enter into a redevelopment agreement ("RDA") with

German American National Congress Chapter Chicago -- North and D.A.N.K. House, doing business as DANK Haus German American Cultural Center, an Illinois not-for-profit corporation (the "Developer") for the redevelopment of a project to be located at 4740 North Western Avenue, Chicago, Illinois 60625; and

WHEREAS, Subsequent to the adoption of the Authorizing Ordinance but prior to the execution of the RDA, the Developer has encountered a number of additional challenges that have caused changes to the nature and timing of the project and that require amendments to certain provisions of the form of RDA authorized by the Authorizing Ordinance; now, therefore,

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

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The form of RDA attached to the Authorizing Ordinance as Exhibit A is hereby deleted and replaced with a replacement redevelopment agreement (the "Redevelopment Agreement"), substantially in the form attached hereto as Exhibit A.

SECTION 3. The Commissioner of Planning and Development (the "Commissioner"), or a designee of the Commissioner, is each hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver the Redevelopment Agreement, and to execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with Redevelopment Agreement.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 5. This ordinance shall be effective as of the date of its passage and approval.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".
(To Ordinance)

DANK Haus German American Cultural Center Redevelopment Agreement.

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

DANK HAUS GERMAN AMERICAN CULTURAL CENTER
REDEVELOPMENT AGREEMENT

This DANK Haus Redevelopment Agreement (this "Agreement") is made as of this ____ day of _____, 2024, by and between the CITY OF CHICAGO, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and GERMAN AMERICAN NATIONAL CONGRESS CHAPTER CHICAGO -- NORTH AND D.A.N.K. HOUSE d/b/a DANK HAUS GERMAN AMERICAN CULTURAL CENTER, an Illinois not-for-profit corporation (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 January 12, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Western Avenue North Redevelopment Project Area" (the "Plan Adoption Ordinance"); (2) "An Ordinance of the City of Chicago, Illinois Designating the Western Avenue North Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment

Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Western Avenue North Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively 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: Developer owns and intends to improve certain property located within the Western Avenue North Redevelopment Area at 4740 North Western Avenue, Chicago, Illinois 60625 and legally described on Exhibit B hereto (the "Property"). Within the time frames set forth in Section 3.01 hereof, Developer shall commence and complete rehabilitation of a building known as the DANK Haus, a German-American cultural center (the "Facility"), thereon. Improvements shall include modernizing restroom facilities and plumbing to bring them up to the standards of the Americans with Disabilities Act ("ADA") and bringing the entranceway up to ADA standards. The Developer will also use best efforts to effectuate a mural being painted on either or both the south and north exterior walls of the building that shall be visible from the street and in a design mutually acceptable to both DPD and the Developer. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the Western Avenue North Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan and Project (the "Redevelopment Plan") included in the Plan Adoption Ordinance and published at pages 22394 - 22494 of the Journal of the Proceedings of the City Council of January 12, 2000.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes (as defined below), to pay for or reimburse Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

G. Authority for City to Execute Agreement. The City is authorized to execute and deliver the Agreement pursuant to that certain ordinance adopted by the City Council on March 15, 2023, and published in the Journal for said date at pages 60895 to 60945, inclusive (the "Agreement Authorizing Ordinance").

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, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All

provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits 2. Definitions 3. The Project 4. Financing 5. Conditions Precedent 6. Agreements with Contractors 7. Completion of Construction or Rehabilitation 8. Covenants/Representations/ Warranties of Developer 9. Covenants/Representations/Warranties of the City 10. Developer's Employment Obligations 11. Environmental Matters 12. Insurance 13. Indemnification 14. Maintaining Records/Right to Inspect 15. Defaults and Remedies 16. Mortgaging of the Project 17. Notice 18. Miscellaneous	A *Redevelopment Area B *Property C *TIF-Funded Improvements D *Permitted Liens E-1 *Project Budget E-2 *MBE/WBE Budget F Approved Prior Expenditures G Requisition Form (An asterisk (*) indicates which exhibits are to be recorded.)

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 Developer.

"Annual Compliance Report" shall mean a signed report from Developer to the City (a) itemizing each of Developer's obligations under the Agreement during the preceding calendar year, (b) certifying Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer is not in default with respect to any provision of the Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Operating Covenant (Section 8.05); (2) delivery of Financial Statements and unaudited financial statements (Section 8.13); (3) delivery of updated insurance certificates, if applicable (Section 8.14); (4) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (5) delivery of evidence of compliance with the Chicago Sustainable

Development Policy (Section 8.22); and (8) compliance with all other executory provisions of the Agreement.

"Available Project Funds" shall have the meaning set forth for such term in Section 4.07 hereof.

"Certificate" shall mean the Certificate of Completion of Construction 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.

"Chicago Sustainable Development Policy" shall mean that certain sustainable development policy established and published by DPD as of the Closing Date.

"City Contract" shall have the meaning set forth in Section 8.01(l) hereof.

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

"City Forgivable Loan" shall mean the forgivable loan described in Section 4.03(d) hereof.

"City Funds" shall mean City Loan and City Forgivable Loan.

"City Loan" shall mean the loan described in Section 4.03(c) hereof.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"Contract" shall have the meaning set forth in Section 10.03 hereof.

"Contractor" shall have the meaning set forth in Section 10.03 hereof.

"Construction Contract" shall mean that certain contract to be entered into between Developer and the General Contractor providing for construction of the Project.

"Corporation Counsel" shall mean the City's Department of Law.

"EDS" shall mean the City's Economic Disclosure Statement and Affidavit, on the City's then-current form, whether submitted in paper or via the City's online submission process.

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

"Employment Plan" shall have the meaning set forth in Section 5.12 hereof.

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements

relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code.

"Equity" shall mean funds of 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 the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the City, the Title Company (or an affiliate of the Title Company), Developer and Developer's lender(s), in a form acceptable to the Corporation Counsel.

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

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

"Financial Interest" shall have the meaning set forth for such term in Section 2-156-010 of the Municipal Code.

"Financial Statements" shall mean complete audited financial statements of 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 contractor(s) hired by 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 and asbestos in any form or condition.

"Human Rights Ordinance" shall have the meaning set forth in Section 10 hereof.

"In Balance" shall have the meaning set forth in Section 4.07 hereof.

"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 TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Indemnitee" and "Indemnitees" shall have the meanings set forth in Section 13.01 hereof.

"Lender Financing" shall mean funds borrowed by Developer from lenders and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.

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

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

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

"Municipal Code" shall mean the Municipal Code of the City of Chicago, as amended from time to time.

"New Mortgage" shall have the meaning set forth in Article 16 hereof.

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

"Operating Covenant" shall have the meaning set forth in Section 8.05 hereof.

"Owner's Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing Developer 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.

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

"Permitted Mortgage" shall have the meaning set forth in Article 16 hereof.

"Plans and Specifications" shall mean [final] [initial] 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.

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

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

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

"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.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit G, to be delivered by Developer to DPD pursuant to Section 4.04 of this Agreement.

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

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property, meeting the 2021 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, effective February 23, 2021, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending 10 years from the issuance of the Certificate, subject to extension pursuant to the terms of this Agreement.

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

"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.

"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 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 [_____].

"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, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof, complete construction of TIF-Funded Improvements no later than December 31, 2024.

3.02 Scope Drawings and Plans and Specifications. Developer has delivered the Scope Drawings and Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DPD 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 and all applicable federal, state and local laws, ordinances and regulations. 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. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than \$2,486,903. Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02 hereof, shall be sufficient to complete the Project and the Project Budget is true, correct and complete in all material respects. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below in this Section 3.04, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Rehabilitation Project must be submitted by Developer to DPD concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) Changes in Project scope which reduce the square footage of the Project by more than five percent (5%); (b) Changes in the basic uses of the Project; (c) a delay in the completion of the Rehabilitation Project by six (6) months or more; or (d) Increases in the total project budget of more than ten percent (10%). Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement). 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 Developer. Notwithstanding anything to

the contrary in this Section 3.04, Change Orders other than those set forth above do not require DPD's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders within 10 business days after the execution of such Change Order and Developer, in connection with such notice, shall identify to DPD the source of funding therefor.

3.05 DPD Approval. Any approval granted by DPD 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 DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to DPD'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. Developer shall provide DPD with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). Progress reports will also provide details regarding MBE/WBE utilization, and prevailing wages and city residence compliance. Developer shall provide three (3) copies of an updated Survey to DPD upon the request of DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An agent or architect approved by DPD shall be selected to act as the inspecting agent or architect, at 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 DPD, prior to requests for disbursement for costs related to the Project here under pursuant to the Escrow Agreement.

3.09 Barricades. Prior to commencing any construction requiring barricades, 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. DPD 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. 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 Developer, the Property and the Project in the City's promotional literature and communications.

3.11 Utility Connections. 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 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, 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.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$2,486,903, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	\$489,000
State of Illinois Grant	\$200,000
Letter of Credit (5/3 Bank)	\$235,117
City Loan	\$756,393
City Forgivable Loan	<u>\$806,393</u>
TOTAL	\$2,486,903

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

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse Developer 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 paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

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

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed one million five hundred sixty-two thousand seven hundred eighty-six Dollars (\$1,562,786) or 62.84% of the actual total Project costs; and provided further, that the \$1,562,786 to be derived from Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as:

(i) The amount of the Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs; and

(ii) The City has been reimbursed from Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Improvements

Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$1,562,786 is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by Developer pursuant to Section 4.01 hereof shall increase proportionately.

(c) City Loan.

The City will place into escrow \$756,393 in City Funds, which will be provided to the Developer as a loan of Incremental Taxes from the Redevelopment Area (the "City Loan") upon Closing Date or within a reasonable time thereafter. The Developer may borrow up to the entire amount of the City Loan. The City Loan shall bear interest at 2% per year and the Developer shall make interest only payments from the date of its issuance until the Maturity Date, as defined below.

The Developer shall issue a Note to the City in the amount of the City Loan, and the maturity date of the City Loan shall be ten years from the date of the issuance of the Note (the "Maturity Date"), at which time any outstanding principal balance, plus accrued and unpaid interest thereon, shall be immediately due and payable. The City Loan shall be secured by a subordinate recapture mortgage on the Project in favor of the City, and the City Loan will be subordinate to Developer's payment of the senior debt.

(d) City Forgivable Loan. A forgivable loan of City Funds in a maximum amount of \$806,393 (the "City Forgivable Loan") provided Developer meets all requirements for payment, shall be made to Developer upon the Closing Date or within a reasonable time thereafter. The City Forgivable Loan will be forgiven upon issuance of the Certificate. The City Forgivable Loan shall be secured by a subordinate recapture mortgage on the Project in favor of the City, and the City Forgivable Loan will be subordinate to Developer's payment of the senior debt.

(e) Developer shall incur TIF-eligible costs no later than 12/31/2024.

4.04 Construction Escrow; Requisition Form. (a) The City and Developer hereby agree to enter into the Escrow Agreement. The Developer will set up an escrow account for City Funds only. All disbursements of City Funds (except for the Prior Expenditures, if any) 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, the terms of this Agreement shall control. The City must receive a Requisition Form and copies of any draw requests and related documents submitted to the Title Company, reviewed and approved by its Monitoring and Compliance division for disbursements under the Escrow Agreement.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

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

(b) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of DPD.

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, 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. Prior to each disbursement of City Funds hereunder, Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by Developer to DPD of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

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

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

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

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

(e) 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;

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

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

The City shall have the right, in its discretion, to require 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 Developer. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Grant. The City Funds being provided hereunder are being provided on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement.

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

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

5.03 Other Governmental Approvals. 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 DPD.

5.04 Financing. Developer has furnished proof reasonably acceptable to the City that 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, Developer has furnished proof as of the Closing Date that the

proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with other sources set forth in Section 4.01) to complete the Project. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. On the Closing Date, Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit D hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such 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), contiguity, location, access and survey. Developer has provided to DPD, 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 DPD's satisfaction, by the Title Policy and any endorsements thereto.

5.06 Evidence of Clean Title. Developer, at its own expense, has provided the City with searches as indicated in the chart below under Developer's name showing no liens against Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens:

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

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

5.08 Insurance. 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 DPD.

5.09 Opinion of Developer's Counsel. On the Closing Date, Developer has furnished the City with an opinion of counsel in a form acceptable to Corporation Counsel.

5.10 Evidence of Prior Expenditures. Developer has provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

5.11 Financial Statements. Developer has provided Financial Statements to DPD for its most recent fiscal year and audited or unaudited interim financial statements.

5.12 [intentionally omitted]

5.13 Environmental. Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property. Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.14 Corporate Documents; Economic Disclosure Statement. Developer has provided a copy of its Articles of Incorporation containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which 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 corporation; and such other corporate documentation as the City has requested.

Developer has provided to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer further will provide any other affidavits or certifications as may be required by federal, state or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

5.15 Litigation. Developer has provided to Corporation Counsel and DPD, a description of all pending or threatened litigation or administrative proceedings involving 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. (a) Except as set forth in Section 6.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. (i) For the TIF-Funded Improvements, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid, the

difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. Developer shall submit copies of the Construction Contract to DPD 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 DPD within five (5) business days of the execution thereof. Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

(b) If, prior to entering into an agreement with a General Contractor for construction of the Project, Developer does not solicit bids pursuant to Section 6.01(a) hereof, then the fee of the General Contractor proposed to be paid out of City Funds shall not exceed []% of the total amount of the Construction Contract. Except as explicitly stated in this paragraph, all other provisions of Section 6.01(a) shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids from all subcontractors.

6.02 Construction Contract. Prior to the execution thereof, Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD'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 Developer, the General Contractor and any other parties thereto, Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. Prior to commencement of construction of any portion of the Project, Developer shall require that the General Contractor be bonded for its performance and payment by sureties that is acceptable to Corporate Counsel.

6.04 Employment Opportunity. 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 8.09 (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 DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the construction of the Project in accordance with the terms of this Agreement and after the final disbursement from the Escrow, and upon Developer's written request, DPD shall issue to Developer a Certificate of Completion ("Certificate") in recordable form certifying that Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement.

DPD shall respond to 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 Developer in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures. Developer acknowledges and understands that the City will not issue a Certificate until the following conditions have been met:

- Evidence acceptable to DPD that the total Project costs is equal to, or in excess of, \$2,486,903. If the final Project cost is less than this amount, the City Forgivable Loan will be reduced on a dollar-for-dollar basis.
- Evidence that the Developer has incurred TIF-eligible costs in an amount equal to, or greater than, the total maximum amount of City Funds.
- Receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the Developer has complied with building permit requirements for the Project.
- Closeout letter from DPD's Construction Compliance unit showing compliance with MBE/WBE, prevailing wage, and City residency requirements.
- Evidence acceptable to DPD that the Project has complied with the Chicago Sustainable Development Policy as outlined in Section 8.22.

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 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 and 8.05 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 Developer or a permitted assignee of Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 Failure to Complete. If 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 TIF-Funded Improvements (including interest

costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, 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 Developer.

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide Developer, at 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 DEVELOPER.

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

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

(c) the execution, delivery and performance by Developer of this Agreement has been duly authorized by all necessary action, and does not and will not violate its Articles of Incorporation or by-laws 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 Developer is now a party or by which Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, Developer shall acquire and 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, Lender Financing as disclosed in the Project Budget and non-governmental charges that Developer is contesting in good faith pursuant to Section 8.15 hereof)

(e) 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 Developer which would impair its ability to perform under this Agreement;

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

(h) 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 Developer is a party or by which 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 Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of Developer since the date of Developer's most recent Financial Statements;

(j) prior to the issuance of a Certificate, Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease 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) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

(k) Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; 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; and

(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 Developer in violation of Chapter 2-156-120 of the Municipal Code;

(m) neither Developer nor any affiliate of 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.

(n) Developer understands that (i) the City Funds are limited obligations of the City, payable solely from moneys on deposit in the TIF Fund; (ii) the City Funds do not constitute

indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (iii) Developer will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

(o) Developer has sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds;

(p) Developer understands that there is no assurance as to the amount or timing of receipt of City Funds, and that the amounts of City Funds actually received by such party may be less than the maximum amounts set forth in Section 4.03(b);

(q) Developer understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement; and

(r) Developer acknowledges that with respect to City Funds, the City has no obligation to provide any continuing disclosure to the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board, to any holder of a note relating to City Funds or any other person under Rule 15c2-12 of the Commission promulgated under the Securities Exchange Act of 1934 or otherwise, and shall have no liability with respect thereto.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and Developer's receipt of all required building permits and governmental approvals, 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 federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. 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 a Certificate with respect thereto.

8.03 Redevelopment Plan. Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, which is hereby incorporated by reference into this Agreement.

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

8.05 Operating Covenant. The Developer must occupy the Property and operate it as a non-profit cultural center throughout the Term of the Agreement. The covenant set forth in this Section 8.05 shall run with the land and be binding upon any transferee of the Property throughout the Term of this Agreement.

8.06 [intentionally omitted]

8.07 Employment Opportunity. Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof.

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

8.09 Prevailing Wage. 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, Developer shall provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions. Unless DPD has given its prior written consent with respect thereto, no Affiliate of 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. Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, 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 or Developer 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 Developer's business, the Property or any other property in the Redevelopment Area.

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

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's most recent three fiscal years for the Term of the Agreement. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

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

8.15 Non-Governmental Charges.

(a) Payment of Non-Governmental Charges. Except for the Permitted Liens, 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, 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. Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. 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 Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or

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

8.16 Developer's Liabilities. 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 Developer to any other person or entity. Developer shall immediately notify DPD of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

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

8.19 Governmental Charges; Liens.

(a) Governmental Charges.

(i) Payment of Governmental Charges. Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon 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) relating to Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. 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 Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

(b) Developer's Failure To Pay Or Discharge Lien. If Developer fails to pay any Governmental Charge or to obtain discharge of the same, Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing

any obligation or liability of Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by 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 Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

8.20 Annual Report(s).

(a) Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, Developer shall submit to DPD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates. As part of the Annual Compliance Report, the Developer shall also submit a report detailing the following information: (a) Number of events held by nonprofits or schools at a discounted rental rate ; (b) number of children served by the daycamp program; (c) number of fulltime equivalent and part time equivalent employees ; (d) number of participants in the language classes.

(b) The Developer will be required to provide this information annually on the anniversary of the issuance of the Certificate throughout the Term of the Agreement. Failure by the Developer to submit the Annual Compliance Report within 60 days of each anniversary will be considered an Event of Default without notice or opportunity to cure. Following this Event of Default, the Developer shall be required to pay, as liquidated damages, \$10,000 for each such Event of Default.

8.21 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant, to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.22 Chicago Sustainable Development Policy. The Developer shall provide evidence acceptable to the City that it has complied with the Chicago Sustainable Development Policy for the Project within one (1) year after the date of the issuance of the Certificate. If a default occurs under the Chicago Sustainable Development Policy requirement, the City shall have the option in its sole discretion to reduce the amount of the City Funds by, or require repayment of City Funds already paid to the Developer of, Two-hundred and Fifty Thousand Dollars (\$250,000).

8.23. FOIA and Local Records Act Compliance.

(a) FOIA. The Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short

period of time, unless the records requested are exempt under the FOIA. If the Developer receives a request from the City to produce records within the scope of FOIA, then the Developer covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request shall be an Event of Default.

(b) **Exempt Information.** Documents that the Developer submits to the City under Section 8.21, (Annual Compliance Report) or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) **Local Records Act.** The Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq, as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act

8.24 Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of 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. 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 Developer operating on the Property (collectively, with 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. Developer agrees for itself and its successors and assigns, and 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 (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, 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.

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 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.

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 DPD 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.

Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. 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 DPD, affidavits and other supporting documentation will be required of 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 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 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 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 Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether 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.

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. 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 (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (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 E-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 26 percent by MBEs.
- (2) At least six percent by WBEs.

(b) For purposes of this Section 10.03 only, Developer (and any party to whom a contract is let by Developer in connection with the Project) shall be deemed a "Contractor" and this Agreement (and any contract let by 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, as applicable.

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

(d) 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 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 Developer's compliance with this MBE/WBE commitment. 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 Developer, on five Business Days' notice, to allow the City to review 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, 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, as applicable.

(f) Any reduction or waiver of 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, as applicable.

(g) Prior to the commencement of the Project, Developer shall be required to meet with the City's monitoring staff with regard to 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, 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, 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 Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to 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 Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

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

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

When any work is to be done adjacent to or on railroad or transit property, Developer must provide cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the

aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

(c) Post Construction:

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

(d) Other Requirements:

Developer must furnish the City of Chicago, Department of Planning and Development, 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. 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 Developer to obtain and maintain the specified coverages. 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, canceled, or non-renewed.

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

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 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 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.

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

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

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

SECTION 13. INDEMNIFICATION

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

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

(ii) 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 official statement, limited offering memorandum or private placement memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

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

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

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. 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 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 Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by 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 Developer hereunder:

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

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

(c) the making or furnishing by 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, 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 Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of 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 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 Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of 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 Developer which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of Developer;

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

(kl) The failure of Developer, or the failure by any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer, to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend disbursement of City Funds, place a lien on the Project in the amount of City Funds paid, and/or seek reimbursement of any City Funds paid. Upon the occurrence of an Event of Default under Section 8.05, Developer shall be obligated to repay to the City all previously disbursed City Funds.

15.03 Curative Period. In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless 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 Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which

are not capable of being cured within such thirty (30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured.

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 D 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 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 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 Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to 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 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 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 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 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 Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "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 Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of 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 by the City to Developer of a Certificate pursuant to Section 7 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 DPD.

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.

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Developer:</p> <p>DANK Haus German American Cultural Center 4740 North Western Avenue Chicago, Illinois 60625 Attention: Monica Jirak, Executive Director</p>
<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division</p>	<p>With Copies To:</p> <p>Vedder Price P.C. 222 North LaSalle Street Chicago, Illinois 60601 Attention: Mark C. Svalina, Esq.</p>

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 the Redevelopment Plan 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 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, official or employee of the City shall be personally liable to Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. 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 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 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 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.

18.09 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.

18.10 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.

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

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

18.13 Approval. Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD'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, DPD 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 DPD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.14 Assignment. 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 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 Section 8.24 (Survival of Covenants) hereof, for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

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

18.17 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, 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 Developer has locations in the State. Failure by 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.

18.18 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.

18.19 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.

18.20 Business Relationships. Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (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)(a "Financial Interest"), 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, 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. 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.

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.

GERMAN AMERICAN NATIONAL CONGRESS
CHAPTER CHICAGO -- NORTH AND D.A.N.K. HOUSE
d/b/a DANK HAUS GERMAN AMERICAN CULTURAL
CENTER, an Illinois not-for-profit corporation

By: _____

Its: _____

CITY OF CHICAGO

By: _____

Ciere Boatright
Commissioner, Department of Planning and Development

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ of GERMAN AMERICAN NATIONAL CONGRESS CHAPTER CHICAGO -- NORTH AND D.A.N.K. HOUSE d/b/a DANK HAUS GERMAN AMERICAN CULTURAL CENTER, an Illinois not-for-profit corporation (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of Developer, as his/her free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of _____, 2024.

Notary Public

My Commission Expires _____

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Ciere Boatright, personally known to me to be the Commissioner of the Department of Planning and Development of the CITY OF CHICAGO (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the City, as his/her 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 ___ day of _____, 2024.

Notary Public

My Commission Expires _____

[(Sub)Exhibits "A" and "F" referred to in this DANK Haus German American Cultural Center Redevelopment Agreement unavailable at time of printing.]

(Sub)Exhibits "B", "C", "D", "E-1", "E-2" and "G" referred to in this DANK Haus German American Cultural Center Redevelopment Agreement read as follows:

(Sub)Exhibit "B".

(To DANK Haus German American Cultural Center Redevelopment Agreement)

Property.

(Subject To Survey And Title Insurance)

Legal Description:

Lots 5, 6, 7 and 8 in Block 1 in the Northwest Land Association's Subdivision of that part of the east half of the northeast quarter of Section 13, Township 40 North, Range 13, East of the Third Principal Meridian, lying north of the right-of-way of the Northwestern Elevated Railroad (except that part of said lots lying east of a line 50 feet west of and parallel with the east line of Section 13, aforesaid taken for widening Western Avenue) in Cook County, Illinois.

Common Address:

4740 North Western Avenue
Chicago, Illinois 60625.

Permanent Index Number (PIN):

13-13-207-018-0000.

(Sub)Exhibit "C".
(To DANK Haus German American Cultural Center Redevelopment Agreement)

TIF-Funded Improvements.*

Substructure	
Basement Construction	\$ 21,450
Shell	
Exterior Enclosure (e.g. exterior walls, windows, doors)	\$ 12,500
Roofing	\$ 7,360
Interiors	
Interior Construction (e.g. partitions, interior doors, fittings)	\$ 90,931
Stairs (e.g. construction and finishes)	\$ 240,550
Interior Finishes (e.g. wall, floor, ceiling)	\$ 344,532
Services	
Plumbing (e.g. domestic water distribution, sanitary waste, rain water drainage)	\$ 863,420
HVAC (e.g. energy supply; heat, cooling, distribution systems)	\$ 70,000
Fire Protection (e.g. sprinklers, standpipes)	\$ 27,250
Electrical (e.g. service and distribution, lighting and wiring, communications and security)	\$ 182,750
Special Construction & Demolition	
Selective Building Demolition (e.g. building elements, hazardous components abatement)	\$ 107,100
Total Hard Costs	\$ 1,971,343
Soft Costs/Fees	
Professional Services	
Architecture, Engineering and Design (e.g. feasibility studies, master planning, design work)	\$ 187,274
Total Soft Costs	\$ 187,274
Total	\$ 2,158,617

*Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03.

(Sub)Exhibit "D".

(To DANK Haus German American Cultural Center Redevelopment Agreement)

Permitted Liens.

1. Liens or encumbrances against the Property:

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

Which for clarity, shall include a line of credit with Fifth-Third Bank N.A. -- outstanding balance of [\$0.00] (as of the date hereof), with a maturity of on-demand.

2. Liens or encumbrances against Developer or the Project, other than liens against the Property, if any:

[To be completed by Developer's counsel, subject to City approval.]

(Sub)Exhibit "E-1"

(To DANK Haus German American Cultural Center Redevelopment Agreement)

Project Budget.

Substructure	
Basement Construction	\$ 21,450
Shell	
Exterior Enclosure (e.g. exterior walls, windows, doors)	\$ 12,500
Roofing	\$ 7,360
Interiors	
Interior Construction (e.g. partitions, interior doors, fittings)	\$ 90,931
Stairs (e.g. construction and finishes)	\$ 240,550
Interior Finishes (e.g. wall, floor, ceiling)	\$ 344,532
Services	
Plumbing (e.g. domestic water distribution, sanitary waste, rain water drainage)	\$ 863,420
HVAC (e.g. energy supply; heat, cooling, distribution systems)	\$ 70,000
Fire Protection (e.g. sprinklers, standpipes)	\$ 27,250
Electrical (e.g. service and distribution, lighting and wiring, communications and security)	\$ 182,750
Special Construction & Demolition	
Selective Building Demolition (e.g. building elements, hazardous components abatement)	\$ 107,100
Building Sitework	
Site Improvements (e.g. roadways, sidewalks, landscaping, site development)	\$ 3,500
Total Hard Costs	\$ 1,971,343
Soft Costs/Fees	
Professional Services	
Architecture, Engineering and Design (e.g. feasibility studies, master planning, design work)	\$ 187,274
Construction Management	
Construction Insurance and Professional Dues (e.g. insurance expense, bond fees and dues)	\$ 17,387
3.0 Permits & Titles (e.g. building inspection, permit application, permit filing, occupancy permits)	\$ 41,239
General Conditions & Requirements	
General Conditions	\$ 50,396
Overhead & Profit	
Overhead	\$ 219,264
Total Soft Costs	\$ 515,560
Total	\$ 2,486,903

(Sub)Exhibit "E-2".
(To DANK Haus German American Cultural Center Redevelopment Agreement)

MBE/WBE Budget.

Substructure	
Basement Construction	\$ 21,450
Shell	
Exterior Enclosure (e.g. exterior walls, windows, doors)	\$ 12,500
Roofing	\$ 7,360
Interiors	
Interior Construction (e.g. partitions, interior doors, fittings)	\$ 90,931
Stairs (e.g. construction and finishes)	\$ 240,550
Interior Finishes (e.g. wall, floor, ceiling)	\$ 344,532
Services	
Plumbing (e.g. domestic water distribution, sanitary waste, rain water drainage)	\$ 863,420
HVAC (e.g. energy supply; heat, cooling, distribution systems)	\$ 70,000
Fire Protection (e.g. sprinklers, standpipes)	\$ 27,250
Electrical (e.g. service and distribution, lighting and wiring, communications and security)	\$ 182,750
Special Construction & Demolition	
Selective Building Demolition (e.g. building elements, hazardous components abatement)	\$ 107,100
Building Sitework	
Site Improvements (e.g. roadways, sidewalks, landscaping, site development)	\$ 3,500
Total Hard Costs	\$ 1,971,343
Soft Costs/Fees	
Professional Services	
Architecture, Engineering and Design (e.g. feasibility studies, master planning, design work)	\$ 187,274
Total Soft Costs	\$ 187,274
Total	\$ 2,158,617
Project MBE Total at 26%	\$ 561,240
Project WBE Total at 6%	\$ 129,517

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

[Developer]

By: _____
Name

Title: _____

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

My commission expires: _____

Agreed and Accepted:

Name

Title: _____

City of Chicago,
Department of Planning and Development

REDEVELOPMENT AGREEMENT WITH AND ISSUANCE OF TAX INCREMENT FINANCING ASSISTANCE FUNDS TO DOUBLE DOWN DEVELOPMENT LLC AND DOUBLE DOOR LIQUORS 2.5 LLC FOR REDEVELOPMENT OF BUILDING INTO COMMERCIAL SPACE INCLUDING VENUE FOR LIVE MUSIC ENTERTAINMENT AND TUITION-FREE AFTERSCHOOL PROGRAM AT 1050 -- 1052 W. WILSON AVE.

[O2024-0012445]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred an ordinance concerning the authority to enter into and execute a Redevelopment Agreement with and issuance of Tax Increment Financing (TIF) funds to Double Down Development LLC and Double Door Liquors 2.5 LLC for redevelopment into commercial space including live music venue and space for tuition-free afterschool programs at 1050 -- 1052 West Wilson Avenue in the 46th Ward (O2024-0012445), in an amount not to exceed \$5,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with no dissenting votes on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago (the "City") is a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois authorized to exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, Pursuant to ordinances adopted by the City Council (the "City Council") of the City, published in the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") for such date identified on Exhibit A attached hereto, and under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.1, et seq., as amended (the "Act"), the City Council: (i) approved and adopted a redevelopment plan and project (the "Plan") for a portion of the City identified on Exhibit A (the "Redevelopment Area"); (ii) designated the Redevelopment Area as a "redevelopment project area" within the requirements of the Act; and (iii) adopted tax increment allocation financing for the Redevelopment Area (items (i) -- (iii), each as amended from time to time, collectively the "TIF Ordinance"); and

WHEREAS, Double Down Development LLC ("DDD"), an Illinois limited liability company, owns certain real estate generally located at 1050 -- 1052 West Wilson Avenue in the City, as more precisely described on Exhibit B attached hereto and hereby made a part hereof (the "Project Site"), which is located within the boundaries of the Redevelopment Area; and

WHEREAS, The Department of Planning and Development ("DPD") desires to make a grant (the "Grant") to DDD and Double Door Liquors 2.5 LLC ("DDL 2.5"), an Illinois limited liability company (DDD and DDL 2.5 referred to herein collectively as the "Grantee") as named in Exhibit A for the purpose of wholly or partially funding certain costs (the "TIF-Funded Improvements") of the Project described in Exhibit A (the "TIF Project"), in the amount and under the terms and conditions set forth in Exhibit A; and

WHEREAS, A budget for the TIF Project and a description of the TIF-Funded Improvements are each incorporated into Exhibit A; and

WHEREAS, The TIF Project lies wholly within the boundaries of the Redevelopment Area; and

WHEREAS, The Grantee will be obligated to undertake the TIF Project in accordance with the Plan and the terms and conditions set forth in Exhibit A, with the TIF Project to be financed in part by a Grant consisting of certain incremental taxes deposited from time to time in the Special Tax Allocation Fund for the Redevelopment Area (as defined in the TIF Ordinance) pursuant to Section 5/11-74.4-8(b) of the Act; and

WHEREAS, Pursuant to Resolution 24-CDC-27 adopted by the Community Development Commission of the City (the "Commission") on July 9, 2024, the Commission has recommended that the Grantee and/or its affiliated entities be designated as the developer for the TIF Project and that DPD be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with Grantee for the TIF Project; and

WHEREAS, DDD proposes to rehabilitate the approximately 15,000 square foot Project Site and redevelop it into commercial space including a venue for live music entertainment and a tuition-free afterschool program (the "Class 7 Project"); and

WHEREAS, In 2021, DDD filed a Class 7a eligibility application with the Office of the Assessor of Cook County, Illinois (the "Assessor") in connection with the Class 7 Project and Project Site; and

WHEREAS, Pursuant to an ordinance (the "7a Ordinance") adopted by the City Council on December 15, 2021 and published in the *Journal* on such date at pages 42362 to 42395, DDD was granted the Class 7a tax classification status for the Class 7 Project and Project Site; and

WHEREAS, Subsequent to the Council's approval of the 7a Ordinance, DDD's estimated budget for the Class 7 Project grew beyond the \$2,000,000 threshold designated by Section 74-63(9) of the County Tax Incentive Ordinance, Classification System for Assessment, as amended from time to time (the "County Ordinance"); and

WHEREAS, The City has determined the appropriate tax classification for the Class 7 Project is now a Class 7b; and

WHEREAS, DDD has filed a Class 7b eligibility application with the Assessor in connection with the Class 7 Project and Project Site; and

WHEREAS, DDD purchased the Project Site for value; and

WHEREAS, The Class 7 Project will increase employment opportunities, economic activity in the area and growth in the real property tax base; and

WHEREAS, The redevelopment objective of the City in connection with the Project Site is to redevelop underutilized properties, attract new businesses, retain and encourage the expansion of existing viable businesses, increase employment opportunities, increase economic activity in the area, increase growth in the real property tax base, and provide a venue for people to watch live music; and

WHEREAS, The intended use by DDD of the Project Site is to redevelop it into commercial space including a live music venue and a space for tuition-free afterschool music programs; and

WHEREAS, Section 74-65(b) of the County Ordinance provides that in connection with filing an eligibility application with the Assessor, an applicant for Class 7b classification must obtain an ordinance or resolution from the municipality in which the real estate is located expressly stating, among other things, that: (a) the municipality has determined that eligibility factors (1) through (5) under Section 74-65(a) of the County Ordinance are present; and (b) the municipality supports and consents to the Class 7b application to the Assessor; and

WHEREAS, DPD has reviewed the proposed Class 7 Project and has determined that it meets the necessary eligibility requirements for Class 7b designation, and hereby recommends to City Council that the City expressly determine, among other things, by ordinance that: (a) the required eligibility factors are present; (b) the City supports and consents to the repeal of the 7a Ordinance; and (c) the City supports and consents to the Class 7b application to the Assessor by DDD for the Class 7 Project; now, therefore,

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

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

SECTION 2. The Grantee is hereby collectively designated as the "Developer" for the TIF Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. The Commissioner of DPD (the "Commissioner") and a designee of the Commissioner (collectively, the "Authorized DPD Officer") are each hereby authorized, subject to approval by the City's Corporation Counsel, to negotiate, execute and deliver a redevelopment agreement (the "TIF Redevelopment Agreement") with the Grantee and to execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Grant. The execution of such agreements and instruments and the performance of such acts shall be conclusive evidence of such approval. The Authorized DPD Officer is hereby authorized, subject to the approval of the Corporation Counsel as to form and legality, to negotiate any and all terms and provisions in connection with the Grant which do not substantially modify the terms described in the form of TIF Redevelopment Agreement attached as Exhibit A hereto. Upon the execution and receipt of proper documentation, the Authorized DPD Officer is hereby authorized to disburse the proceeds of the Grant to the Grantee.

SECTION 4. The City hereby repeals the 7a Ordinance.

SECTION 5. The City hereby determines that the Class 7 Project meets eligibility factor (1) under Section 74-65(a) of the County Ordinance in that the Project Site is located in an area in need of commercial development and designated by the City as the Wilson Yard Redevelopment Project Area.

SECTION 6. The City hereby determines that the Class 7 Project meets eligibility factor (2) under Section 74-65(a) of the County Ordinance in that real estate taxes in the area during the last six years have either declined, remained stagnant and/or potential real estate taxes are not being fully realized due to the depressed condition of the Redevelopment Area, and/or the Project Site, or property values as determined by the assessed value ("AV") or equalized assessed value ("EAV") for the Redevelopment Area or the Project Site have declined over the last six years, or property values as determined by the AV or EAV are increasing at a rate that is less than the balance of the City's AV or EAV for the last six years; or property values as determined by the AV or EAV for the Redevelopment Area/Project Site are increasing at a rate that is less than Consumer Price Index (CPI) for All Urban Consumers as published by the US Department of Labor for the last six years.

SECTION 7. The City hereby determines that the Class 7 Project meets eligibility factor (3) under Section 74-65(a) of the County Ordinance in that there is a reasonable expectation that the Class 7 Project is viable and likely to go forward on a reasonably timely basis if granted Class 7b designation and will therefore result in the economic enhancement of the area.

SECTION 8. The City hereby determines that the Class 7 Project meets eligibility factor (4) under Section 74-65(a) of the County Ordinance in that certification of the Class 7 Project for Class 7b designation will materially assist development, redevelopment or rehabilitation of the area and the Class 7 Project would not go forward without the full incentive offered under Class 7b.

SECTION 9. The City hereby determines that the Class 7 Project meets eligibility factor (5) under Section 74-65(a) of the County Ordinance in that certification of the Class 7 Project for Class 7b designation is reasonably expected to ultimately result in an increase in real property tax revenue and employment opportunities within the area.

SECTION 10. The City hereby expressly determines that eligibility factors (1) through (5) under Section 74-65(a) of the County Ordinance are present for the Class 7 Project, and hereby expressly supports and consents to the Class 7b application of DDD to the Assessor for Class 7b designation of the Class 7 Project and the Project Site.

SECTION 11. The City has received and filed DDD's Economic Disclosure Statement, as defined in the County Ordinance.

SECTION 12. The Authorized DPD Officer is hereby authorized to deliver a certified copy of this ordinance to the Assessor and to furnish such additional information as may be required in connection with the filing of the application by DDD with the Assessor for Class 7b designation of the Class 7 Project.

SECTION 13. The Authorized DPD Officer is hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver a redevelopment agreement between DDD and the City substantially in the form attached hereto as Exhibit C and made a part hereof (the "Tax Incentive Classification Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Tax Incentive Classification Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Tax Incentive Classification Redevelopment Agreement.

SECTION 14. To the extent that any ordinance, resolution, rule, order or provision of the Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provisions of this ordinance.

SECTION 15. This ordinance shall be effective as of the date of its passage and approval.

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

Exhibit "A".
(To Ordinance)

Double Door Theater Redevelopment Agreement.

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

**DOUBLE DOWN DEVELOPMENT, LLC AND DOUBLE DOOR LIQUORS 2.5, LLC
DOUBLE DOOR THEATER REDEVELOPMENT AGREEMENT
(Chicago Recovery Plan Medium Community Development Grant)**

This Double Door Theater Redevelopment Agreement (this "Agreement") is made as of the Closing Date by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Developer. Capitalized terms not otherwise defined herein shall have the meaning given in the table headed "Project Information," the Recitals, or Section 2, as applicable.

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Project Information	Section 10 Indemnification
Signature Page	Section 11 Default and Remedies
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Section 9 Environmental Matters	Exhibit G Escrow Agreement, if applicable

PROJECT INFORMATION

Term	Definition											
Certificate Deadline	12/31/2025											
City Grant	\$5,000,000											
Closing Date												
Commencement Date	10/01/2024											
Completion Date	12/31/2025											
Developer	Double Down Development, LLC, an Illinois limited liability company; and Double Door Liquors 2.5, LLC, an Illinois limited liability company (collectively, the "Developer")											
Estimated Project Cost	\$10,352,175											
Funding Sources	<table border="1"> <thead> <tr> <th>Funding Source</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Equity</td> <td>\$1,587,660</td> </tr> <tr> <td>Lender Financing</td> <td>\$3,639,515</td> </tr> <tr> <td>City Grant</td> <td>\$5,000,000</td> </tr> <tr> <td>TOTAL</td> <td>\$10,352,175</td> </tr> </tbody> </table>		Funding Source	Amount	Equity	\$1,587,660	Lender Financing	\$3,639,515	City Grant	\$5,000,000	TOTAL	\$10,352,175
Funding Source	Amount											
Equity	\$1,587,660											
Lender Financing	\$3,639,515											
City Grant	\$5,000,000											
TOTAL	\$10,352,175											
Notice Addresses	<p>If to the Developer: Double Down Development LLC 128 N. Campbell Ave Chicago, IL 60612 <u>Attention:</u> Peter Bruce</p> <p>Double Door Liquors 2.5 LLC 1050 W. Wilson Ave Chicago, IL 60640 <u>Attention:</u> Sean Mulroney</p> <p>If to the City: City of Chicago, Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 <u>Attention:</u> Commissioner</p> <p>with a copy to</p> <p>City of Chicago, Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 <u>Attention:</u> Finance and Economic Development Division</p>											

Permitted Liens	[TITLE OF MORTGAGE] in favor of [LENDER NAME] dated as of [DATE OF MORTGAGE] and filed on [FILING DATE] with the Recorder's Office of Cook County as document number [DOCUMENT NUMBER]; and those matters set forth as Schedule B title exceptions in the Title Policy, but only so long as applicable title endorsements, if any, issued in conjunction therewith on the Closing Date continue to remain in full force and effect
Redevelopment Plan	The redevelopment plan and project for the TIF Area as approved and adopted by the City Council
TIF Area	Wilson Yard Redevelopment Project Area
Title Company	[NAME OF TITLE COMPANY]
Trade Names	Double Door

Signature page to Redevelopment Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on or as of the Closing Date.

DOUBLE DOWN DEVELOPMENT, LLC
an Illinois limited liability company

By: _____
Name: Peter Bruce
Title: Managing Member

DOUBLE DOOR LIQUORS 2.5, LLC
an Illinois limited liability company

By: _____
Name: Sean Mulrone
Title: Managing Member

CITY OF CHICAGO

By: _____
Ciere Boatright, Commissioner
Department of Planning and Development

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Peter Bruce (the "Representative"), personally known to me to be the Managing Member of Double Down Development, LLC, an Illinois limited liability company ("Developer"), 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 the Representative signed, sealed, and delivered said instrument, pursuant to the authority given to the Representative by Developer, as the Representative's free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of _____, 2024.

Notary Public

My Commission Expires _____

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Sean Mulrone (the "Representative"), personally known to me to be the Managing Member of Double Door Liquors 2.5, LLC, an Illinois limited liability company ("Developer"), 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 the Representative signed, sealed, and delivered said instrument, pursuant to the authority given to the Representative by Developer, as the Representative's free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of _____, 2024.

Notary Public

My Commission Expires _____

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

GIVEN under my hand and official seal this ___ day of _____, 2024.

Notary Public

My Commission Expires _____

SECTION 1. 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 "TIF 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.** On the Ordinance Date, the City Council of the City (the "City Council") adopted an ordinance authorizing the Commissioner of DPD to enter into this Agreement to fund a portion of the costs of the Project.

D. **TIF Area.** The Project is located in the TIF Area. Under ordinances (collectively, the "TIF Adoption Ordinances") adopted on [DATE TIF AREA ORDINANCES WERE ADOPTED] and published in the Journal of Proceedings of the City Council of the City for such date, the City Council: (i) approved a redevelopment plan and project (the "Redevelopment Plan") for the TIF Area; (ii) designated the TIF Area as a "redevelopment project area" within the requirements of the TIF Act; and (iii) adopted tax increment financing for the TIF Area. [Items(i)-(iii) were amended by ordinance(s) adopted on [DATE TIF AREA ORDINANCES WERE AMENDED].]

E. **City Funds.** The City agrees to use, in the amounts set forth in Section 4.02 and Section 4.05, Incremental Taxes (as defined below) (the "City Funds") to pay for or reimburse the Developer for the costs of TIF-Funded Improvements (as defined below) pursuant to the terms and conditions of this Agreement.

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

SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the table headed "Project Information" or the foregoing recitals, the following terms shall have the meanings set forth below, and unless otherwise specified, references to Recitals, Sections, Articles and Exhibits are references to Recitals, Sections, Articles and Exhibits of this Agreement:

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

"Annual Compliance Report" means a signed report from Developer to the City in substantially the form attached as Exhibit E to this Agreement.

"Certificate" means the Certificate of Completion of Construction or Rehabilitation.

"City Council" is defined in the Recitals.

"City Funds" is defined in the Recitals.

"City Grant" means the grant from the City to the Developer of City Funds, not to exceed the amount specified in the table headed "Project Information."

"Closing Date" means the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"Corporation Counsel" means the City's Department of Law.

"EDS" means the City's Economic Disclosure Statement and Affidavit, on the City's then-current form.

[Subject to receipt and review of Environmental Reports and additions related thereto by the City's Department of Fleet & Facility Management ("2FM").] "Environmental Laws" means any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code.

"Equity" means funds of Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in the Funding Sources.

"Escrow" means, if applicable, the construction escrow established pursuant to the Escrow Agreement.

"Escrow Agreement" means, if applicable, the Escrow Agreement establishing a construction escrow, to be entered into as of the Closing Date by the City, the Title Company (or an affiliate of the Title Company), Developer and Developer's lender(s), substantially in the form of Exhibit G attached hereto.

"Event of Default" is defined in Section 11.

"Final Project Cost" means the total actual cost of the construction of the Project, as certified to and acceptable to DPD under Section 6.01.

"IEPA" means the Illinois Environmental Protection Agency.

"Incremental Taxes" means such ad valorem taxes which, pursuant to the TIF Adoption Ordinances and Section 5/11-74.4-8(b) of the TIF Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the TIF Fund established to pay redevelopment project costs and obligations incurred in the payment thereof.

"Lender Financing" means funds borrowed by Developer from lenders and irrevocably available to pay for costs of the Project, in the amounts set forth in the Funding Sources.

"MBE(s)" means 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" means the budget attached hereto as Exhibit B.

"MBE/WBE Program" is defined in Exhibit F.

"Municipal Code" is defined in the Recitals.

"NFR Letter" means a "no further remediation" letter issued by IEPA pursuant to the Site Remediation Program.

"Occupancy Covenant" is defined in Section 7.05.

"Operations Covenant" is defined in Section 7.04.

"Project Budget" means the budget attached hereto as Exhibit B, showing the total cost of the Project by line item, furnished by Developer to DPD, in accordance with Section 4.02.

"Property" means the real property described on Exhibit A.

"Redevelopment Plan" is defined in the Recitals.

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

"Requisition Form" means the document, in the form attached hereto as Exhibit D, to be delivered by Developer to DPD pursuant to Section 4.06.

"Scope Drawings, Plans and Specifications" means 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.

"Site Remediation Program" means the program for the environmental remediation of the Property undertaken by the Developer and overseen by the IEPA, upon completion of which (to the satisfaction of the IEPA) the IEPA shall issue an NFR Letter with respect to the Property to the Developer.

"Survey" means a plat of survey in the most recently revised form of ALTA/NSPS land title survey of the Property, meeting the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2021, dated within 75 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Sustainable Development Policy" means the Chicago Sustainable Development Policy for the Project in effect as of the date of Developer's initial application for the City Grant.

"Term of the Agreement" means the period of time commencing on the Closing Date and ending at the third anniversary of the date the Certificate is issued.

"TIF Act" is defined in the Recitals.

"TIF Fund" means the special tax allocation fund created by the City in connection with the TIF Area into which the Incremental Taxes will be deposited.

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

"TIF Adoption Ordinances" is defined in the Recitals.

"Title Policy" means a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer 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.

"WBE(s)" means 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 Project Completion. With respect to the rehabilitation and construction of the Project, Developer shall: (i) commence construction no later than the Commencement Date, and (ii) complete construction and conduct operations therein no later than the Completion Date.

3.02 Estimated Project Cost; Project Budget; Funding Sources. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than the Estimated Project Cost. Project costs shall be applied in the manner set forth in the Project Budget. The Developer hereby certifies to the City that (a) the Funding Sources shall be sufficient to complete the Project, and (b) the Project Budget and Funding Sources are true, correct and complete in all material respects.

3.03 Scope Drawings, Plans and Specifications. Developer has delivered the Scope Drawings, Plans and Specifications to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings, Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.06. The Scope Drawings, Plans and Specifications shall at all times conform to all applicable federal, state and local laws, ordinances and regulations. 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.

3.04 DPD Approval. Any approval granted by DPD 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 DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.05 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.02 (Other Governmental Approvals). Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals (including but not limited to DPD'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.

3.06 Change Orders. Except as provided below in this Section 3.06, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by Developer to DPD as necessary; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of Developer Space by five percent (5%) or more (either individually or cumulatively); (b) a change in the use of Developer Space to a use other than the Project; (c) a delay in the completion of the Project by six (6) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget of ten percent (10%) or more. Developer shall not authorize or

permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith prior to the receipt by Developer of DPD's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement).

3.07 Survey Updates. On the Completion Date, the Developer shall provide an updated Survey if the Project added new improvements to the Property.

3.08 Signs and Public Relations. 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 Developer, the Property and the Project in the City's promotional literature and communications.

SECTION 4. CITY GRANT

4.01 City Grant. Subject to the terms and conditions of this Agreement, the City hereby agrees to provide up to the amount of the City Grant to reimburse the cost of TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs.

4.02 Uses of City Grant. City Grant funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Improvements. Exhibit B sets forth, by line item, the Project Budget for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Grant funds for each line item therein (subject to the conditions described in this Agreement), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a TIF- Funded Improvement.

4.03 Distribution of City Grant.

Escrow Agreement alternative: If the Developer has elected to receive the City Grant via progress payments (escrow), then subject to the conditions described in Section 4.01 and Section 4.02, the City shall disburse the City Grant in installments as described in the Escrow Agreement.

No Escrow Agreement alternative: If the Developer has not elected to receive the City Grant via progress payments (escrow), then subject to the conditions described in Section 4.01 and Section 4.02, the City shall pay 100% of the City Grant at the issuance of the Certificate.

4.04 Requisition Form. When Developer submits documentation to the City in connection with a request for the payment of the City Grant as described in Section 4.03, beginning on the first request for payment and continuing through the earlier of (i) the Term of the Agreement or (ii) the date that Developer has been reimbursed in full under this Agreement, Developer shall provide DPD with a Requisition Form, along with the documentation described therein. Developer shall meet with DPD at the request of DPD to discuss the Requisition Form(s) previously delivered.

4.05 Preconditions of Disbursement. Prior to disbursement of the City Grant hereunder, Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion.

4.06 Cost Overruns. If the aggregate cost of TIF-Funded Improvements exceeds the City Grant funds available pursuant to Section 4.01, or if the cost of completing the Project exceeds the Estimated Project Cost, 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 Project.

4.07 Conditional Grant. The City Grant being provided hereunder is being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Grant is subject to being reimbursed as provided in Section 11.02. The City Grant will be paid only so long as the amount of Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such grant.

SECTION 5. CONDITIONS PRECEDENT

The Developer must satisfy the following conditions before the City will execute and deliver this Agreement, unless such conditions are waived in writing by the City:

5.01 Project Budget. DPD must have approved the Project Budget.

5.02 Other Governmental Approvals. The Developer must have secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DPD. Such approvals shall include, without limitation, all building permits necessary for the Project; provided, however, that if the City agrees to close before construction commences, such building permits shall be secured prior to commencement of any such construction work.

5.03 Financing. The Developer must have furnished proof reasonably acceptable to the City that it has Equity and Lender Financing to complete the Project.

5.04 Acquisition and Title. The Developer must have furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured, along with copies of all Schedule B title exception documents. The Title Policy must be dated as of the Closing Date and contain only those title exceptions acceptable to the City in its sole discretion and evidence the recording of this Agreement. The Title Policy must contain such endorsements as may be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. If the Project involves any acquisition of real property, the Developer must have provided DPD with documentation related to such acquisition acceptable to the City in its sole discretion.

5.05 Evidence of Clean Title. The Developer, at its own expense, must have provided the City with searches under its name and any Trade Names as follows:

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

5.06 Environmental. [Subject to receipt and review of Environmental Reports and additions related thereto by 2FM.] Developer has provided DPD with copies of that certain Phase I Environmental Site Assessment ("Phase I ESA") completed with respect to the Property and any Phase II Environmental Site Assessment ("Phase II ESA") with respect to the Property required by the City. Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audit(s). If applicable based on results of the Phase II ESA, the Developer shall provide the City with a final comprehensive (if applicable) NFR Letter with respect to the Property, signed by the IEPA upon issuance thereof.

5.07 Corporate Documents. Developer has provided a copy of its articles or certificate of incorporation or organization containing the original certification of the Secretary of State; certificates of good standing from the Secretary of State of its state of incorporation or organization and all other states in which Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; bylaws or operating agreement; and such other organizational documentation as the City has requested.

5.08 Economic Disclosure Statement. Developer shall provide to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer further will provide any other affidavits or certifications as may be required by federal, state or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference.

5.09 Insurance. The Developer, at its own expense, must have insured the Property in accordance with Exhibit C hereto, or Accord Form 27 certificates evidencing the required coverages.

5.10 Construction Compliance Informational Conference. Developer shall provide to the City a copy of the informational conference letter signed by DPD's construction and compliance division.

5.11 Surveys. Developer shall provide the City with a copy of the Survey(s).

SECTION 6. COMPLETION OF CONSTRUCTION OR REHABILITATION

6.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the Project in accordance with the terms of this Agreement and upon the Developer's written request, DPD shall issue to the Developer a Certificate of Completion of Construction or Rehabilitation (the "Certificate") in recordable form certifying that the Developer has fulfilled its obligation to complete the

Project in accordance with the terms of this Agreement. If the Developer has not fulfilled its obligation, DPD will issue a written statement detailing the measures which must be taken in order to obtain them.

DPD may require a single inspection by an inspecting architect hired at the Developer's expense to confirm the completion of the Project. DPD shall make its best efforts to respond to Developer's written request for the Certificate within forty-five (45) days by issuing the Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for the Certificate upon completion of such measures.

The Developer acknowledges and understands that the City will not issue the Certificate and pay out, as applicable, (a) the City Grant (if the Developer has not elected to receive the City Grant via an Escrow Agreement), or (b) the final installment of the City Grant (if the Developer has elected to receive the City Grant via an Escrow Agreement), until the following conditions have been met:

- Evidence certified to and acceptable to DPD of the Final Project Cost. As described in Section 4.02, the City Grant will be reduced on a pro rata basis if the Final Project Cost is less than the Estimated Project Cost;
- Evidence that the Developer has incurred costs of TIF-Funded Improvements in an equal amount to, or greater than, the City Grant;
- Receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the developer has complied with building permit requirements for Project;
- Evidence acceptable to DPD that the Project is in compliance with the Operations Covenant and the Occupancy Covenant; and
- Evidence acceptable to DPD in the form of a closeout letter from the Department of Housing's Bureau of Construction and Compliance stating that the Developer is in complete compliance with all City Requirements (MBE/WBE, City Residency, and Prevailing Wage), as defined in Exhibit F.

6.02 Continuing Obligations. The Certificate relates only to the respective performance of the work associated with the Project improvements. After the issuance of the Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein unrelated to such work will remain in 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 7.02, 7.04, and 7.05 as covenants that run with the land will bind any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement or such shorter period as may be explicitly provided for therein. The other executory terms of this Agreement shall be binding only upon the Developer or a permitted assignee under Section 7.01(i).

6.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of this Agreement, the Certificate will not be issued, and the City will have the right to terminate this Agreement. If this occurs, no City Grant funds will be paid to the Developer.

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

6.05 Failure to Obtain Certificate. If the Developer has not received the Certificate by the Certificate Deadline, the City shall have the right to terminate the Agreement and cancel any future payments.

SECTION 7. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER

7.01 General. Developer represents, warrants and covenants, as of the Closing Date and as of the date of each disbursement of the City Grant hereunder that:

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

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

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

(d) during the Term of the Agreement, the Developer will continue to own good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon), or a leasehold interest therein, free and clear of all liens except for the Permitted Liens and such other matters as DPD may consent to in writing;

(e) 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 Developer which would impair its ability to perform under this Agreement;

(g) Developer has and shall maintain all government permits, certificates and consents necessary to conduct its business and to construct, complete and operate the Project;

(h) 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 Developer is a party or by which Developer is bound;

(i) Developer shall not do any of the following without the prior written consent of DPD for the Term of the Agreement: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease 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) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

(j) Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; 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 as disclosed to the City; and

(k) 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 Developer in violation of Chapter 2-156-120 of the Municipal Code;

7.02 Covenant to Redevelop. Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. 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 a Certificate with respect thereto.

7.03 Use of City Grant. City Grant funds disbursed to Developer shall be used by Developer solely to reimburse Developer for its payment for TIF-Funded Improvements as provided in this Agreement.

7.04 Operations Covenant. The Developer hereby covenants and agrees, throughout the Term of the Agreement, to maintain its operations at the Project (the "Operations Covenant"). The Operations Covenant shall run with the land and be binding upon any transferee.

7.05 Occupancy Covenant. The Developer hereby covenants and agrees, throughout the Term of the Agreement, to maintain that the entire Project shall remain occupied, and otherwise open for business (the "Occupancy Covenant"). The Occupancy Covenant shall run with the land and be binding upon any transferee.

7.06 Jobs Reporting Requirement. The Developer hereby covenants and agrees, throughout the Term of the Agreement, to report to DPD information about jobs maintained at the Project, in a form acceptable to DPD in its sole discretion.

7.07 Annual Compliance Report. Following the issuance of the Certificate, each Year throughout the Term of the Agreement, the Developer shall submit to DPD by June 30th the Annual Compliance Report itemizing each of Developer's obligations under this Agreement during the preceding calendar year. If this report is not received within this timeframe, the City will notify Developer in writing of such deficiency. Thereafter, Developer shall have ten (10) days to file the Annual Compliance Report with DPD. Developer's failure to timely submit the report will constitute an event of default.

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

7.09 Conflict of Interest. 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 TIF program, or any consultant hired by the City or Developer 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 Developer's business, the Property or any other property in the TIF Area.

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

7.11 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's most recent fiscal year ended before the Closing Date and each year thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

7.12 Insurance. The Developer shall provide and maintain during the Term of the Agreement, and cause other applicable parties to provide and maintain, the insurance coverages specified in Exhibit C.

7.13 Compliance with Laws. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

7.14 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 in the Recorder's Office of Cook County. If the Permitted Liens include any existing mortgages, such mortgagee must execute a subordination agreement acceptable to the City in its sole discretion.

7.15 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

7.16 Non-Governmental Charges. Except for the Permitted Liens, and subject to the next sentence, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charges. The Developer has the right, before any delinquency occurs, to contest any Non-Governmental Charge by appropriate legal proceedings properly and diligently prosecuted, so long as such proceedings serve to prevent any sale or forfeiture of the Property.

7.17 Governmental Charges.

(a) Payment of Governmental Charges. Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, a lien upon 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) relating to Developer, the Property or the Project including but not limited to real estate taxes.

(b) Right to Contest. 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 Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option:

(i) Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by 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) Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the

Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

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

7.19 FOIA and Local Records Act Compliance.

(a) FOIA. The Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Developer receives a request from the City to produce records within the scope of FOIA, then the Developer covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that the Developer submits to the City with the Annual Compliance or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) Local Records Act. The Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et seq., as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act.

SECTION 8. MAINTAINING RECORDS AND RIGHT TO INSPECT

8.01 Books and Records. The Developer, the general contractor and each subcontractor shall keep and maintain books and records that fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto and as otherwise necessary to evidence the Developer's compliance with its obligations under this Agreement, including, but not limited to, payroll records, general contractor's and subcontractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices and the like. Such books and records shall be available at the applicable party's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense.

8.02 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 9. ENVIRONMENTAL MATTERS

[Subject to receipt and review of Environmental Reports and additions related thereto by 2FM.] The Developer hereby represents and warrants to the City that it has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with the requirements of all Environmental Laws and this Agreement. The Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City and relating to the Project or the Property.

SECTION 10. INDEMNIFICATION

Developer agrees to indemnify, defend and hold the City, its officers, officials, members, agents and employees harmless from and against any and all losses, costs, damages, liabilities, claims, suits, judgments, demands, actions, causes of action of every kind or nature and expenses (including, without limitation, attorneys' fees and court costs) arising out of or incidental to the failure of Developer to perform its obligations under this Agreement. Upon reasonable notice from the City of any claim which the City believes to be covered hereunder, Developer shall timely appear in and defend all suits brought upon such claim and shall pay all costs and expenses incidental thereto, but the City shall have the right, at its option and at its own expense, to participate in the defense of any suit, without relieving Developer of any of its obligations hereunder. The obligations set forth in this section shall survive any termination or expiration of this Agreement.

SECTION 11. DEFAULT AND REMEDIES

11.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 7 (Covenants, Representations, and Warranties of Developer), shall constitute an "Event of Default" by the Developer hereunder:

(a) the failure of Developer to complete the Project in accordance with the terms of this Agreement;

(b) the failure of the Developer to comply with any covenant or obligation, or the breach by the Developer of any representation or warranty, under this Agreement or any related agreement;

(c) the making or furnishing by 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) the commencement of any bankruptcy, insolvency, liquidation or reorganization proceedings under any applicable state or federal law, 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;

(e) 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;

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

(g) the dissolution of the Developer or the death of any natural person who owns a 50% or more ownership interest in the Developer, unless, in the case of a death, the Developer establishes to the DPD's satisfaction that such death shall not impair the Developer's ability to perform its executory obligations under this Agreement; or

(h) in the event the Developer relocates the business without the prior written consent of the City during the Term of the Agreement.

11.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, may suspend disbursement of the City Grant and may seek reimbursement of the City Grant. 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.

11.03 Cure Period. In the event Developer shall fail to perform a covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to perform such covenant within thirty (30) days of its receipt of a written notice from the City specifying that it has failed to perform such covenant.

SECTION 12. MORTGAGING OF THE PROJECT

The Permitted Liens are the only mortgages or deeds of trust in place as of the Closing Date with respect to the Property or any portion thereof. No mortgagee shall have the right to succeed to the Developer's rights under this Agreement unless the sale, assignment, or transfer receives the sole written consent of the City. This consent shall be in the City's sole discretion and which, if granted, may be conditioned upon, among other things, the assignee's assumption of all of the Developer's obligations under this Agreement.

Upon the request of a lender providing Lender Financing, the City shall agree to subordinate its interests under this Agreement to the mortgage of such lender pursuant to a written subordination agreement, the form of which shall be in a form reasonably acceptable to the City and Corporation Counsel.

SECTION 13. GENERAL PROVISIONS

13.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties 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 13.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental or construction obligations of Developer by more than ten percent (10%) 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 Developer by more than one-hundred and eighty (180) days.

13.02 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.

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

13.04 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.

13.05 No Implied Waivers. No waiver by either Party of any breach of any provision of this Agreement will be a waiver of any continuing or succeeding breach of the breached provision, a waiver of the breached provision itself, or a waiver of any right, power or remedy under this Agreement. No notice

to, or demand on, either Party in any case will, of itself, entitle that Party to any further notice or demand in similar or other circumstances.

13.06 Titles and Headings. Titles and headings to paragraphs contained in this Agreement are for convenience only and are not intended to limit, vary, define or expand the content of this Agreement.

13.07 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.

13.08 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.

13.09 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.

13.10 Governing Law and Venue. This Agreement will be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to the principles of conflicts of law thereof. If there is a lawsuit under this Agreement, each Party hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois.

13.11 Approval. Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD'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, DPD 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 DPD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

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

13.13 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes

with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

13.14. Notices. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the Notice Address, by any of the following means: (a) personal service; (b) overnight courier, or (c) registered or certified mail, return receipt requested.

13.15. Severability. If any provision of this Agreement, or the application thereof, to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms shall provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein.

13.16. Survival of Agreements. All warranties, representations, covenants and agreements of this Agreement shall be true, accurate and complete at the time of the execution of this Agreement, and shall survive the execution, delivery and acceptance of this Agreement by the parties hereto and shall be in effect throughout the Term of the Agreement.

13.17. Exhibits. All of the exhibits attached to this Agreement are incorporated into this Agreement by reference.

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

[(Sub)Exhibit "G" referred to in this Double Door Theater Redevelopment Agreement unavailable at time of printing.]

(Sub)Exhibits "A", "B", "C", "D", "E" and "F" referred to in this Double Door Theater Redevelopment Agreement read as follows:

(Sub)Exhibit "A".
(To Double Door Theater Redevelopment Agreement)

Legal Description Of Property.

[Subject To Survey And Title Insurance]

Legal Description:

Lot 2 in W.H. Vehon's Subdivision of Lots 122, 123, 181 and the east half of Lot 182 of William Deering's Surrenden Subdivision in Section 17, Township 40 North, Range 14, East of the Third Principal Meridian in Cook County, Illinois.

Property Address:

1050 West Wilson Avenue
Chicago, Illinois 60640.

Property Identification Number ("PIN"):

14-17-209-034-0000.

(Sub)Exhibit "B".
 (To Double Door Theater Redevelopment Agreement)

Project Budget.

	<u>Project Budget</u>	<u>MBE/WBE Budget</u>	<u>TIF- Funded Improvements</u>
Acquisition Costs	\$ -		\$ -
Hard Costs			
Building Sitework	\$ 10,000	\$ 10,000	\$ 10,000
Substructure	\$ 130,000	\$ 130,000	\$ 130,000
Shell	\$ 1,344,750	\$ 1,344,750	\$ 1,344,750
Interiors	\$ 1,669,614	\$ 1,669,614	\$ 1,669,614
Services	\$ 3,992,130	\$ 3,992,130	\$ 3,992,130
FFE	\$ 255,000		
Special Construction & Demolition	\$ 713,000	\$ 713,000	\$ 713,000
Hard Cost Contingency	\$ 470,012	\$ 470,012	\$ 470,012
Total Hard Costs	\$ 8,584,506	\$ 8,329,506	\$ 8,329,506
Soft Costs/Fees			
Other Professional Services	\$ 400,000		
Construction Management	\$ 170,060		
General Conditions & Requirements	\$ 700,000		
Overhead & Profit	\$ 497,609		
Total Soft Costs	\$ 1,767,669	\$ -	\$ -
Total	\$ 10,352,175	\$ 8,329,506	\$ 8,329,506
Project MBE Total at 26%	\$ 2,165,672		
Project WBE Total at 6%	\$ 499,770		

(Sub)Exhibit "C".
(To Double Door Theater Redevelopment Agreement)

Insurance Requirements.

Developer shall comply, and require its general contractor and subcontractors to comply, with the City's insurance requirements for the monitoring term. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in the Agreement.

Developer must furnish the Department of Planning and Development with the Certificates of Insurance, or such similar evidence, to be in force on the date of the Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of the Agreement. Developer must submit evidence of insurance prior to closing. Developer shall advise all insurers of the Agreement provisions regarding insurance.

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

Commercial General Liability Insurance (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.

Coverage must include the following: all premises and operations, products/completed operations, explosion, collapse, underground, separation of insured, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, noncontributory basis for any liability arising directly or indirectly from the work.

Workers' Compensation And Employer's 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.

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, noncontributory basis.

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.

All capitalized terms which are not defined herein have the meanings given such terms in the Agreement. The City shall have the right, in its discretion, to require 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 Developer.

Double Down Development LLC
an Illinois limited liability company

By: _____
Peter Bruce,
Managing Member

Double Door Liquors 2.5 LLC
an Illinois limited liability company

By: _____
Sean Mulrone, y,
Managing Member

Subscribed and sworn before me this
_____ day of _____, 2024.

Notary Public

My commission expires: _____

(Sub)Exhibit "E".
(To Double Door Theater Redevelopment Agreement)

Annual Compliance Report.

**DOUBLE DOWN DEVELOPMENT, LLC AND DOUBLE DOOR LIQUORS 2.5, LLC
DOUBLE DOOR THEATER REDEVELOPMENT AGREEMENT
Dated as of [INSERT DATE]
[INSERT YEAR] Annual Compliance Report**

Pursuant to Section 7.07 of the above referenced redevelopment agreement ("RDA"), Double Down Development, LLC and Double Door Liquors 2.5, LLC (collectively, the "Developer") is committed to providing an annual compliance report.

Obligations under the Agreement during the [INSERT YEAR] calendar year:

- (a) Itemize each of Developer's obligations under this Agreement during the preceding calendar year.
- Compliance with the Operations Covenant (Section 7.04) – Pursuant to Section 7.04 of the RDA, the Project is required to maintain its operations at the Project.
 - Compliance with the Occupancy Covenant (Section 7.05) – Pursuant to Section 7.05 of the RDA, the Project is required to have one hundred percent (100%) of the Project remain open, occupied, and otherwise open for business.
 - Compliance with the Jobs Reporting Requirement (Section 7.06).
 - Delivery of Financial Statements and unaudited financial statements (Section 7.11).
 - Delivery of updated insurance certificate (Section 7.12)
 - Provide evidence of payment of Non-Governmental Charges (Section 7.16)
 - Compliance with all executory provisions of the RDA.
- (b) Certify Developer's compliance or noncompliance with such obligations.
- The Project is in operation.
 - The Property is [INSERT PERCENTAGE] occupied.
- (c) Attach evidence of such compliance or noncompliance.
- (d) Provide a report stating the number of jobs, if any, created as a result of the Project for this reporting period.
- (e) Certify that Developer is not in default beyond applicable notice and cure period with respect to any provision of the Agreement or any related agreements;
- Developer hereby certifies that the project is not in default with any provisions of the Agreement.

Attachments

I certify that the Developer is not in default with respect to any provision of the Redevelopment Agreement, or any related agreements.

DOUBLE DOWN DEVELOPMENT, LLC

[INSERT DATE]

DOUBLE DOOR LIQUORS 2.5, LLC

[INSERT DATE]

(Sub)Exhibit "F".
(To Double Door Theater Redevelopment Agreement)

Construction Compliance.

AGREEMENTS WITH CONTRACTORS

1. Bid Requirement for General Contractor and Subcontractors. Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and shall submit all bids received to DPD, if requested, for its inspection and written approval. (i) For the TIF-Funded Improvements, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner.
2. Construction Contract. Prior to the Closing Date, the Developer must provide DPD with a certified copy of the construction contract, together with any modifications, amendments or supplements thereto, and upon DPD's request, a copy of any subcontracts. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.
3. Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer must require the General Contractor to be bonded for its payment by sureties having an AA rating or better using a bond in a form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.
4. Employment Profile. Upon DPD's request, the Developer, the General Contractor and all subcontractors must submit to DPD statements of their respective employment profiles. Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the Construction Hiring Requirements.
5. Other Provisions. In addition to the requirements of Agreements with Contractors, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.05 (Change Orders), Exhibit F. Construction Hiring Requirements, and Section 9.01 (Books and Records) of the RDA.

CONSTRUCTION HIRING REQUIREMENTS

1. Employment Opportunity. The Developer 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 the 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 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 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 Paragraph, 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 (1) through (4) 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 paragraph shall be a basis for the City to pursue its remedies under the Redevelopment Agreement.

2. Prevailing Wage. The Developer, the General Contractor and all subcontractors must pay the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all persons working on the Project. 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 Prevailing Wage.

3. City Resident Construction Worker Employment Requirement. The Developer agrees for itself and its successors and assigns, and 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 DPD 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 DPD, 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 DPD, 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 Paragraph 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 Paragraph 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 Paragraph. 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 paragraph to be included in all construction contracts and subcontracts related to the Project.

4. 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 the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this paragraph 4, during the course of the Project, at least the following percentages of the MBE/WBE Budget attached hereto as Exhibit B (as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBEs or WBEs:

- i. At least 26 percent by MBEs;
and
- ii. At least 6 percent by WBEs.

(b) For purposes of MBE/WBE Commitment 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" as such terms are defined in Section 2-92-420, Municipal Code of Chicago.

(c) Consistent with Section 2-92-440, Municipal Code of Chicago, 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 a General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this paragraph 4. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

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

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

(f) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this paragraph 4 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

(g) Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this Section 7.04. During this meeting, the Developer

shall demonstrate to DPD its plan to achieve its obligations under this Section 7.04, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall, upon the request of the monitoring staff of DPD, such interim reports as the monitoring staff may require. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder.

Exhibit "B".
(To Ordinance)

Legal Description.

Legal Description Of The Project Site:

Lot 2 in W.H. Vehon's Subdivision of Lots 122, 123, 181 and the east half of Lot 182 of William Deering's Surrenden Subdivision in Section 17, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Property Address:

1050 -- 1052 West Wilson Avenue
Chicago, Illinois 60640.

Permanent Tax Identification Number ("PIN"):

14-17-209-034-0000.

Exhibit "C".
(To Ordinance)

Tax Incentive Classification Redevelopment Agreement.

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

This Tax Incentive Classification Redevelopment Agreement (this "Agreement") is made as of the Agreement Date by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Developer. Capitalized terms not otherwise defined herein shall have the meaning given in the table headed "Project Information" or in Section 2, as applicable.

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Project Information	Section 9 Indemnification
Signature Page	Section 10 Default and Remedies
Section 1 Recitals	Section 11 Mortgaging of the Project
Section 2 Definitions	Section 12 General Provisions
Section 3 The Project	Exhibit A Legal Description of the Property
Section 4 Conditions Precedent	Exhibit B MBE/WBE Budget
Section 5 Completion of Construction or Rehabilitation	Exhibit C Insurance Requirements
Section 6 Covenants/Representations/Warranties of Developer	Exhibit D Annual Compliance Report
Section 7 Maintaining Records and Right to Inspect	Exhibit E Construction Compliance
Section 8 Environmental Matters	

PROJECT INFORMATION

Term (Agreement Section where first used)	Definition
Agreement Date (preamble)	_____, 2024
Developer (preamble)	Double Down Development, LLC, an Illinois limited liability company
Project (3.01)	Redevelopment of 1050-1052 W. Wilson Avenue into an entertainment venue.
Ordinance Date (Recitals)	[INSERT]
Commencement Date (3.01)	10/01/2024
Completion Date (3.01)	12/31/2025
Facility (3.04)	the approximately 15,000 square foot commercial building located on the Property
Minimum Project Investment (3.04)	\$10,352,175, see Project Budget
Certificate Deadline (5.03)	[THE DATE 2 YEARS AFTER THE ORDINANCE DATE]
Notice Addresses (12.14)	<p>If to the Developer: Double Down Development, LLC, 1050 W. Wilson Ave, Chicago, IL 60640 Attention: Peter Bruce</p> <p>If to the City: City of Chicago, Department of Planning and Development, 121 North LaSalle Street, Room 1000, Chicago, Illinois 60602, Attention: Commissioner; with a copy to City of Chicago, Department of Law, 121 North LaSalle Street, Room 600, Chicago, Illinois 60602, Attention: Finance and Economic Development Division</p>
Tax Incentive (Recitals)	The Class 7b tax incentive granted to the Property under the Cook County Tax Incentive Ordinance and to which the City Council consented pursuant to the ordinance that was adopted on the Ordinance Date.

Signature page to Redevelopment Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the Agreement Date.

**Double Down Development, LLC, an
Illinois limited liability company**

By: _____

Name: Peter Bruce

Title: Managing Member

CITY OF CHICAGO

By: _____

Ciere Boatright, Commissioner

Department of Planning and Development

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Peter Bruce, personally known to me to be the Managing Member of Double Down Development, LLC, an Illinois limited liability company ("Developer"), 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 Developer, as his free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of _____, 2024.

Notary Public

My Commission Expires _____

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

GIVEN under my hand and official seal this ___ day of _____, 2024.

Notary Public

My Commission Expires _____

(SEAL)

SECTION 1. 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. Cook County Authority. The Cook County Board of Commissioners has enacted under Chapter 74, Article II of the Cook County Code of Ordinances, the Cook County Tax Incentive Ordinance, Classification System for Assessment, as amended from time to time (the "County Tax Incentive Ordinance"), which provides for, among other things, real estate tax incentives to property owners who build, rehabilitate, enhance and occupy property which is located within Cook County, Illinois and which is used primarily for commercial purposes.

C. Municipal Code Requirements. The City is required under Section 2-45-160 of the Municipal Code of the City of Chicago, as amended from time to time (the "Municipal Code"), to enter into a redevelopment agreement with each applicant seeking City approval of a tax incentive classification filed on or after November 1, 2020. The City may seek revocation of certain Cook County tax incentives under Section 2-45-165 of the Municipal Code for various reasons, including the failure of an applicant to comply with the requirements of a redevelopment agreement.

D. City Council Authority. On the Ordinance Date, the City Council of the City (the "City Council") adopted an ordinance consenting to the Developer's application for a Tax Incentive (as defined herein) and authorized the Commissioner of DPD to enter into this Agreement (the "City Ordinance").

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 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the table headed "Project Information", the following terms shall have the meanings set forth below:

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

"Annual Compliance Report" shall mean a signed report from Developer to the City in substantially the form attached as Exhibit D to this Agreement.

"Application" shall mean that certain application that Developer submitted to the City seeking the City's consent to the Tax Incentive.

"Certificate" shall mean the Certificate of Completion of Construction or Rehabilitation.

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

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"Compliance Period" shall mean that period beginning on the Closing Date and ending upon the expiration of the Term of the Agreement.

"Corporation Counsel" shall mean the City's Department of Law.

"EDS" shall mean the City's Economic Disclosure Statement and Affidavit, on the City's then-current form.

"[Subject to receipt and review of Environmental Reports and additions related thereto by the City's Department of Fleet & Facility Management ("2FM").] Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code.

"Event of Default" shall have the meaning set forth in Section 10 hereof.

"Final Project Cost" shall mean the total actual cost of the construction of the Project, as certified to and acceptable to DPD under Section 5.01 hereof.

"Jobs Covenant" shall have the meaning set forth in Section 6.05 hereof.

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

"MBE/WBE Budget" shall mean the budget attached hereto as Exhibit B.

"MBE/WBE Program" shall have the meaning set forth in Exhibit E hereof.

"Municipal Code" shall have the meaning set forth in the Recitals.

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

"Occupancy Covenant" shall have the meaning set forth in Section 6.04 hereof.

"Operations Covenant" shall have the meaning set forth in Section 6.03 hereof.

"Project Budget" shall mean the budget showing the total cost of the Project by line item, furnished by Developer to DPD as part of its Application.

"Property" shall mean the real property described on Exhibit A.

"Tenant" shall mean the third party, or such other tenant approved in the sole discretion of the City (with such approval not unreasonably withheld), that enters into a lease with the Developer for the Property after completion of the Project.

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending at the end of the last tax year for which the Developer receives the Tax Incentive.

"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 Project Completion. With respect to the rehabilitation and construction of the Project, Developer shall: (i) commence construction no later than the Commencement Date, and (ii) complete construction and conduct operations therein no later than the Completion Date.

3.02 Project Budget. Developer has furnished to DPD as part of the Application, and DPD has approved, the Project Budget showing total costs for the Project in an amount not less than the Minimum Project Investment.

3.03 Other Approvals. Developer shall not commence construction of the Project until Developer has obtained all necessary permits and approvals.

3.04 Change Orders. Except as provided below in this Section 3.04, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by Developer to DPD as necessary; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of the Facility by five percent (5%) or more; (b) a change in the use of the Property or Facility to a use other than the Project; (c) a delay in the completion of the Project by more than one hundred and eighty (180) days; (d) any reduction in the Minimum Project Investment; or (e) any reduction in the MBE/WBE Budget. Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection

therewith prior to the receipt by Developer of DPD's written approval (to the extent said City prior approval is required pursuant to the terms of this Agreement).

3.05 Signs and Public Relations. At the request of DPD, Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating the City's consent to the Tax Incentive. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding Developer, the Property and the Project in the City's promotional literature and communications.

SECTION 4. CONDITIONS PRECEDENT

The Developer must satisfy the following conditions before the City will execute and deliver this Agreement, unless such conditions are waived in writing by the City:

4.01 Project Budget. DPD must have approved the Project Budget, including the Minimum Project Investment, and the MBE/WBE Budget.

4.02 Lease. If applicable, the Developer must have provided the City with a copy of a lease with Tenant evidencing that Tenant has leased the Property for a minimum term extending through the end of the Compliance Period.

4.03 Economic Disclosure Statement. Developer shall provide to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer further will provide any other affidavits or certifications as may be required by federal, state or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference.

4.04 Construction Compliance Informational Conference. Developer shall provide to the City a copy of the informational conference letter signed by DPD's construction and compliance division.

SECTION 5. COMPLETION OF CONSTRUCTION OR REHABILITATION

5.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the Project in accordance with the terms of this Agreement (and any requirements contained in the City Ordinance) and upon the Developer's written request, DPD shall issue to the Developer a Certificate of Completion of Construction or Rehabilitation (the "Certificate") in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. If the Developer has not fulfilled its obligation, DPD will issue a written statement detailing the measures which must be taken in order to obtain them.

DPD may require a single inspection by an inspecting architect hired at the Developer's expense to confirm the completion of the Project. DPD shall make its best efforts to respond to Developer's written request for the Certificate within forty-five (45) days by issuing the Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for the Certificate upon completion of such measures.

The Developer acknowledges and understands that the City will not issue the Certificate, until the following conditions have been met:

- Evidence certified to and acceptable to DPD of the Final Project Cost demonstrating that the Developer has completed the Project in accordance with this Agreement and the Application and that it has made the Minimum Project Investment;
- Receipt of a Certificate of Occupancy or other evidence acceptable to DPD that the developer has complied with building permit requirements for Project;
- Evidence acceptable to DPD that the Project is in compliance with the Operations Covenant and the Occupancy Covenant;
- Evidence acceptable to DPD that the Developer, at its own expense, insured the Property in accordance with Exhibit C hereto, including Accord Form 27 certificates evidencing the required coverages; and
- Evidence acceptable to DPD in the form of a closeout letter from DPD's Compliance and Monitoring division stating that the Developer is in complete compliance with all City Requirements (MBE/WBE, City Residency, and Prevailing Wage), as defined in Exhibit E.

5.02 Continuing Obligations. The Certificate relates only to the respective performance of the work associated with the Project improvements. After the issuance of the Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein unrelated to such work will remain in 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 6.02, 6.03, 6.04, 6.05 and 6.06 as covenants that run with the land will bind any transferee of the Property throughout the Term of the Agreement or such shorter period as may be explicitly provided for therein. The other executory terms of this Agreement shall be binding only upon the Developer or a permitted assignee of this Agreement.

5.03 Failure to Complete. If the Developer fails to complete the Project in accordance with the terms of this Agreement, and/or if the Developer has not received the Certificate by the Certificate Deadline, the Certificate will not be issued, and the City will have the right to pursue any available legal remedies.

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

SECTION 6. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER

6.01 General. Developer represents, warrants and covenants, as of the date of this Agreement hereunder that:

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

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

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

(d) except as otherwise provided herein, including without limitation as set forth in Section 6.01 (i), during the Term of the Agreement, the Developer will continue to own good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon), or a leasehold interest therein;

(e) 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 Developer which would impair its ability to perform under this Agreement;

(g) Developer has and shall maintain all government permits, certificates and consents necessary to conduct its business and to construct, complete and operate the Project;

(h) 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 Developer is a party or by which Developer is bound;

(i) Developer shall not, except in the ordinary course of business, do any of the following without the prior written consent of DPD for the Term of the Agreement: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease 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) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

(j) 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 Developer in violation of Chapter 2-156-120 of the Municipal Code;

6.02 Covenant to Redevelop. Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto and all federal, state and local laws, ordinances (including the City Ordinance), rules, regulations, executive orders and codes applicable to the Project, the Property

and/or Developer. 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 a Certificate with respect thereto.

6.03 Operations Covenant. The Developer hereby covenants and agrees, throughout the Term of the Agreement, to operate the Project at the Facility, or to cause any Tenant to operate the Project at the Facility, in a manner consistent with the Tax Incentive requirements (the "Operations Covenant"). The covenants set forth in this Section shall run with the land and be binding upon any transferee.

6.04 Occupancy Covenant. The Developer hereby covenants and agrees, throughout the Term of the Agreement, to maintain or to cause the Tenant to maintain, that not less than fifty percent (50%) of the Project shall remain open, occupied, and otherwise open for business (the "Occupancy Covenant"). The covenants set forth in this Section shall run with the land and be binding upon any transferee.

6.05 Jobs Covenant. Not less than forty (40) full-time equivalent (minimum of 35 hours per week) construction jobs shall be created by Developer within six (6) months of the Commencement Date; and not less than sixty (60) additional full-time equivalent, permanent jobs shall be created by Developer or Tenant within two (2) years of completion of the Project, for a total of sixty (60) full-time equivalent, permanent jobs to be retained or created by Developer or Tenant at the Facility through the Term of the Agreement.

6.06 Annual Compliance Report. Each year throughout the Term of the Agreement, the Developer shall submit to DPD by August 1st the Annual Compliance Report itemizing each of Developer's obligations under this Agreement during the preceding year. If the Annual Compliance Report is not received within this timeframe, the City will notify Developer in writing of such deficiency. Thereafter, Developer shall have ten (10) days to file the Annual Compliance Report with DPD. Developer's failure to timely submit the Annual Compliance Report will constitute an event of default.

6.07 Conflict of Interest. 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 or any consultant hired by the City or Developer 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 Developer's business, the Property or any other property in the applicable Redevelopment Area.

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

6.09 Insurance. The Developer shall provide and maintain during the Term of the Agreement, and cause other applicable parties to provide and maintain, the insurance coverages specified in Exhibit C.

6.10 Compliance with Laws. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances (including the City Ordinance), rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

6.11 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 in the Recorder's Office of Cook County.

6.12 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

6.13 Non-Governmental Charges. The Developer agrees to pay or cause to be paid when due any Non-Governmental Charges. The Developer has the right, before any delinquency occurs, to contest any Non-Governmental Charge by appropriate legal proceedings properly and diligently prosecuted, so long as such proceedings serve to prevent any sale or forfeiture of the Property.

6.14 Governmental Charges.

(a) Payment of Governmental Charges. Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property or the Project, or become due and payable, and which create, may create, a lien upon 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) relating to Developer, the Property or the Project including but not limited to real estate taxes.

(b) Right to Contest. 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 Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option:

(i) Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by 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) Developer shall furnish a good and sufficient bond or other security satisfactory to DPD in such form and amounts as DPD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the

Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

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

6.16 FOIA and Local Records Act Compliance.

(a) FOIA. The Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If the Developer receives a request from the City to produce records within the scope of FOIA, then the Developer covenants to comply with such request within 48 hours of the date of such request. Failure by the Developer to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that the Developer submits to the City with the Annual Compliance Report or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by the Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If the Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) Local Records Act. The Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq., as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, the Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act

SECTION 7. MAINTAINING RECORDS AND RIGHT TO INSPECT

7.01 Books and Records. The Developer, the general contractor and each subcontractor shall keep and maintain books and records that fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto and as otherwise necessary to evidence

the Developer's compliance with its obligations under this Agreement, including, but not limited to, payroll records, general contractor's and subcontractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices and the like. Such books and records shall be available at the applicable party's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense.

7.02 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 8. ENVIRONMENTAL MATTERS

[Subject to receipt and review of Environmental Reports and additions related thereto by 2FM.] The Developer hereby represents and warrants to the City that it has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with the requirements of all Environmental Laws and this Agreement. The Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City and relating to the Project or the Property.

SECTION 9. INDEMNIFICATION

Developer agrees to indemnify, defend and hold the City, its officers, officials, members, agents and employees harmless from and against any and all losses, costs, damages, liabilities, claims, suits, judgments, demands, actions, causes of action of every kind or nature and expenses (including, without limitation, attorneys' fees and court costs) arising out of or incidental to the failure of Developer to perform its obligations under this Agreement. Upon reasonable notice from the City of any claim which the City believes to be covered hereunder, Developer shall timely appear in and defend all suits brought upon such claim and shall pay all costs and expenses incidental thereto, but the City shall have the right, at its option and at its own expense, to participate in the defense of any suit, without relieving Developer of any of its obligations hereunder. The obligations set forth in this section shall survive any termination or expiration of this Agreement.

SECTION 10. DEFAULT AND REMEDIES

10.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 6 (Covenants, Representations, and Warranties of Developer), shall constitute an "Event of Default" by the Developer hereunder:

- (a) the failure of Developer to complete the Project in accordance with the terms of this Agreement;
- (b) the failure of the Developer to comply with any covenant or obligation, or the breach by the Developer of any representation or warranty, under this Agreement or any related agreement;

(c) the making or furnishing by 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) the commencement of any bankruptcy, insolvency, liquidation or reorganization proceedings under any applicable state or federal law, 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;

(e) 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;

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

(g) the dissolution of the Developer or the death of any natural person who owns a 50% or more ownership interest in the Developer, unless, in the case of a death, the Developer establishes to the DPD's satisfaction that such death shall not impair the Developer's ability to perform its executory obligations under this Agreement.

10.02 Remedies. Upon the occurrence of an Event of Default, the City may seek revocation of the Tax Incentive pursuant to the County Tax Incentive Ordinance, terminate this Agreement and all related agreements, and/or, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any other available remedy.

10.03 Cure Period. (a) In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless 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.

(b) Developer shall be entitled to one 18-month cure period, which can be extended an additional six (6) months in the reasonable discretion of the Commissioner of DPD (for a total of 24 months), commencing on the date of issuance of the Certificate for failure to perform under Section 6.04 (Occupancy Covenant) and Section 6.05 (Jobs Covenant). Any cure period under this Section 10.03(b) shall not count toward the Compliance Period of this Agreement. If one failure to perform under either Section 6.04 or Section 6.05 has occurred and been cured as set forth in this Section 10.03(b), then any subsequent failure to perform under either Section 6.04 or Section 6.05 shall constitute an Event of Default.

(c) In the event Developer shall fail to perform any other non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to

the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, that there shall be no cure period, under this Section 10.03 with respect to Developer's failure to comply with Section 6.03 (Operations Covenant).

SECTION 11. MORTGAGING OF THE PROJECT

If a mortgagee succeeds to Developer's interest in the Property or any portion thereof by exercising remedies under such mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts a written assignment of Developer's interest under this Agreement, the City agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of Developer under this Agreement.

SECTION 12. GENERAL PROVISIONS

12.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties 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 12.01 shall be defined as any deviation from the terms of the Agreement which (i) operates to cancel or otherwise reduce any developmental or construction obligations of Developer by more than ten percent (10%); (ii) materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both; (iii) increases any time agreed for performance by Developer by more than one-hundred and eighty (180) days; (iv) decreases the Minimum Project Investment by five percent (5%) or more; or (v) decreases the MBE/WBE Budget by ten percent (10%) or more.

12.02 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.

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

12.04 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.

12.05 No Implied Waivers. No waiver by either party of any breach of any provision of this Agreement will be a waiver of any continuing or succeeding breach of the breached provision, a waiver of the breached provision itself, or a waiver of any right, power or remedy under this Agreement. No notice to, or demand on, either party in any case will, of itself, entitle that party to any further notice or demand in similar or other circumstances.

12.06 Titles and Headings. Titles and headings to paragraphs contained in this Agreement are for convenience only and are not intended to limit, vary, define or expand the content of this Agreement.

12.07 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.

12.08 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.

12.09 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.

12.10 Governing Law and Venue. This Agreement will be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to the principles of conflicts of law thereof. If there is a lawsuit under this Agreement, each party hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois.

12.11 Approval. Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD'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, DPD 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 DPD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

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

12.13 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, civil unrest which may render the Property or surrounding area unsafe, pandemic, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing

temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

12.14. Notices. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the Notice Address, by any of the following means: (a) personal service; (b) overnight courier, or (c) registered or certified mail, return receipt requested.

12.15. Severability. If any provision of this Agreement, or the application thereof, to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances shall remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms shall provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein.

12.16. Survival of Agreements. All warranties, representations, covenants and agreements of this Agreement shall be true, accurate and complete at the time of the execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and shall be in effect throughout the Term of the Agreement.

12.17. Exhibits. All of the exhibits attached to this Agreement are incorporated into this Agreement by reference.

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

12.19. Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, 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 Developer has locations in the State. The Developer shall also include a provision in its lease with the Tenant that the Tenant also is required to comply with this Section 12.19.

[(Sub)Exhibit "A" referred to in this Tax Incentive Classification Redevelopment Agreement constitutes (Sub)Exhibit "A" to Tax Increment Financing Redevelopment Agreement and printed on page 18080 of this *Journal*.]

(Sub)Exhibits "B", "C", "D" and "E" referred to in this Tax Incentive Classification Redevelopment Agreement read as follows:

(Sub)Exhibit "B".
(To Tax Incentive Classification Redevelopment Agreement)

MBE/WBE Budget.

Minimum Project Investment	\$ 10,352,175
Hard Construction Cost	8,329,506
M/WBE Targets	
MBE (26 percent)	2,165,672
WBE (6 percent)	499,770
Total M/WBE Budget:	\$ 10,352,175

(Sub)Exhibit "C".
(To Tax Incentive Classification Redevelopment Agreement)

Insurance Requirements.

Developer shall comply, and require its general contractor and subcontractors to comply, with the City's insurance requirements for the monitoring term. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in the Agreement.

Developer must furnish the Department of Planning and Development with the Certificates of Insurance, or such similar evidence, to be in force on the date of the Agreement, and Renewal Certificates of Insurance, or such other similar evidence, if the coverages have an expiration or renewal date occurring during the term of the Agreement. Developer shall advise all insurers of the Agreement provisions regarding insurance.

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

Commercial General Liability Insurance (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.

Coverage must include the following: all premises and operations, products/completed operations, explosion, collapse, underground, separation of insured, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, noncontributory basis for any liability arising directly or indirectly from the work.

Workers' Compensation And Employer's 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.

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, noncontributory basis.

(Sub)Exhibit "D".
(To Tax Incentive Classification Redevelopment Agreement)

Annual Compliance Report.

DOUBLE DOWN DEVELOPMENT, LLC
Agreement Dated as of [INSERT DATE]
[INSERT YEAR] Annual Compliance Report

Pursuant to Section 6.06 of the above referenced redevelopment agreement ("RDA") and Section 2-45-160 of the Municipal Code, Double Down Development, LLC ("Developer") is committed to providing an annual compliance report.

1. Obligations under Section 2-145-160 of the Municipal Code from _____, 202__ through July 31, 202_:

(a) An affidavit from the Developer detailing the current status of the Project and certification that it meets any obligations or compliance requirements specified in the ordinance or resolution adopted by the City Council approving the Tax Incentive or in the RDA;

(b) A jobs report providing anonymized information on each employee, including their status as full-time or part-time; the ZIP code of the employee's primary residency; the employee's total employment tenure in months; and a statement of whether the employee's wages are in compliance with the minimum wage as specified by Mayoral Executive Order 2014-1 and the Chicago Minimum Wage rate as specified in Chapter 1-24 of the Municipal Code;

(c) Any reports, affidavits, or other statements required to be filed with Cook County or the Cook County Assessor for the applicable annual period; and

(d) Such other reports as may be specified in the ordinance or resolution adopted by the City approving the Tax Incentive, the RDA, or as may be otherwise agreed to in writing by the Developer in connection therewith.

2. Obligations under the Agreement from _____, 202__ through July 31, 202_:

(a) Itemize each of Developer's obligations under this Agreement during the preceding calendar year.

- Compliance with the Operations Covenant (Section 6.03) – Pursuant to Section 6.03 of the RDA, the Project is required to maintain its operations at the Project.
- Compliance with the Occupancy Covenant (Section 6.04) – Pursuant to Section 6.04 of the RDA, the Project is required to maintain that not less than fifty percent (50%) of the Project shall remain open, occupied, and otherwise open for business.
- Compliance with the Jobs Covenant (Section 6.05) – Pursuant to Section 6.05 of the RDA, the Project is required to create and retain a minimum number of FTE jobs at the Project.
- Delivery of updated insurance certificate (Section 6.09)
- Provide evidence of payment of Non-Governmental Charges (Section 6.13)
- Compliance with all executory provisions of the RDA.

(b) Certify Developer's compliance or noncompliance with such obligations.

- The Project is in operation.

- The Property is [INSERT PERCENTAGE] occupied.
 - The Project has [INSERT NUMBER] FTE jobs.
- (c) Attach evidence of such compliance or noncompliance.
- (d) Certify that Developer is not in default beyond applicable notice and cure period with respect to any provision of the Agreement or any related agreements;
- Developer hereby certifies that the project is not in default with any provisions of the Agreement.

Attachments

I certify that the Developer is not in default with respect to any provision of the Redevelopment Agreement, or any related agreements.

DOUBLE DOWN DEVELOPMENT, LLC

[INSERT DATE]

(Sub)Exhibit "E".
(To Tax Incentive Classification Redevelopment Agreement)

Construction Compliance.

AGREEMENTS WITH CONTRACTORS

1. **Bid Requirement for General Contractor and Subcontractors.** Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and shall submit all bids received to DPD, if requested, for its inspection and written approval. (i) Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner.
2. **Construction Contract.** Prior to the Closing Date, the Developer must provide DPD with a certified copy of the construction contract, together with any modifications, amendments or supplements thereto, and upon DPD's request, a copy of any subcontracts. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the Project shall be provided to DPD within five (5) business days of the execution thereof.
3. **Performance and Payment Bonds.** Prior to the commencement of any portion of the Project which includes work on the public way, the Developer must require the General Contractor to be bonded for its payment by sureties having an AA rating or better using a bond in a form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.
4. **Employment Profile.** Upon DPD's request, the Developer, the General Contractor and all subcontractors must submit to DPD statements of their respective employment profiles. Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the Construction Hiring Requirements.
5. **Other Provisions.** In addition to the requirements of Agreements with Contractors, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.05 (Change Orders), Exhibit E. Construction Hiring Requirements, and Section 9.01 (Books and Records) of the RDA.

CONSTRUCTION HIRING REQUIREMENTS

1. **Employment Opportunity.** The Developer 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 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 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 Paragraph, 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 paragraph shall be a basis for the City to pursue its remedies under the Redevelopment Agreement.

2. **Prevailing Wage.** The Developer, the General Contractor and all subcontractors must pay the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all persons working on the Project. 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 Prevailing Wage.

3. **City Resident Construction Worker Employment Requirement.** The Developer agrees for itself and its successors and assigns, and 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 DPD 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 DPD, 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 DPD, 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 Paragraph 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 Paragraph 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 Paragraph. 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 paragraph to be included in all construction contracts and subcontracts related to the Project.

4. 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 the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this paragraph 4., during the course of the Project, at least the following percentages of the MBE/WBE Budget attached hereto as Exhibit B (as these budgeted amounts may be reduced to reflect decreased actual costs) shall be expended for contract participation by MBEs or WBEs:

- i. At least 26 percent by MBEs
And
- ii. At least 6 percent by WBEs.

(b) For purposes of MBE/WBE Commitment 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" as such terms are defined in Section 2-92-420, Municipal Code of Chicago.

(c) Consistent with Section 2-92-440, Municipal Code of Chicago, 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 a General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this paragraph 4. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

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

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

(f) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this paragraph 4 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

(g) Prior to the commencement of the Project, the Developer, the General Contractor and all major subcontractors shall be required to meet with the monitoring staff of DPD with regard to the Developer's compliance with its obligations under this Agreement. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this Agreement, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall, upon the request of the monitoring staff of DPD, such interim reports as the monitoring staff may require. Failure to submit such documentation on a timely basis, or a determination by DPD, upon analysis of the documentation, that the Developer is not complying with its obligations hereunder shall, upon the delivery of written notice to the Developer, be deemed an Event of Default hereunder.

SECOND AMENDMENT TO REDEVELOPMENT AGREEMENT AND SECOND AMENDMENT TO AUTHORIZING ORDINANCE WITH OUR REVIVAL CHICAGO LLC, OUR REVIVAL CHICAGO OPERATING COMPANY LLC AND SOUTHSIDE REVIVAL NFP FOR RESTORATION OF RAMOVA THEATER AT 3518 S. HALSTED ST.

[SO2024-0012446]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred a substitute ordinance concerning the Second Amendment to the Redevelopment Agreement and a Second Amendment to the authorizing ordinance with Our Revival Chicago LLC, Our Revival Chicago Operating Company LLC and Southside Revival NFP for restoration of Ramova Theater located at 3518 South Halsted Street in the 11th Ward (SO2024-0012446), in an amount not to exceed \$15,596,000 in tax increment financing (TIF) funds, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with no dissenting votes on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed substitute ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, the City of Chicago (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; and

WHEREAS, 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 through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, Pursuant to an ordinance adopted by the City Council (the "City Council") of the City on January 14, 1997, a certain redevelopment plan and project (the "Plan") for the 35th/Halsted Redevelopment Project Area (the "Area") was approved pursuant to the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on January 14, 1997, the Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on January 14, 1997, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on April 24, 2020 (the "Initial Ordinance"), and published at pages 15233 -- 15295 of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*"), which Initial Ordinance was first amended by an ordinance adopted by the City Council on May 26, 2021 and published at pages 30321 -- 30387 of the *Journal* (the "First Amended Ordinance"), and was subsequently amended by an ordinance adopted by the City Council on July 20, 2022 and published at pages 50345 -- 50362 of the *Journal* (the "Second Amended Ordinance" and together with the Initial Ordinance and the First Amended Ordinance, the "TIF Redevelopment Agreement Ordinance"), the City entered into that certain Ramova Theater Redevelopment Agreement dated as of September 2, 2021 and recorded on September 17, 2021 as Document Number 2126057016 in the Office of the Cook County Recorder of Deeds (the "Original Agreement") with Our Revival Chicago LLC, an Illinois limited liability company ("ORC"), Our Revival Chicago Operating Company LLC, an Illinois limited liability company ("OPCO") and Southside Revival NFP, an Illinois not-for-profit corporation ("NFP" and collectively with OPCO and ORC, the "Developer"), which Original Agreement was amended by a First Amendment to Ramova Theater Redevelopment Agreement dated as of August 12, 2022 and recorded on August 23, 2022 as Document Number 2223540038 in the Office of the Cook County Recorder of Deeds (the "First Amendment" and together with the Original Agreement, the "Agreement"); and

WHEREAS, Subsequent to the execution of the Agreement, Developer has encountered a number of challenges that have caused changes to the budget and timing of the Project, which changes include, without limitation, increasing the amount of City Funds, increasing the Project Budget, adjusting payment dates for City Funds, and adjusting completion and loan forgiveness dates (all undefined capitalized terms used herein have the meanings ascribed to them in the Agreement unless otherwise noted); and

WHEREAS, Such aforementioned changes to the budget and timing of the Project require amendments to certain provisions of the Agreement and to the TIF Redevelopment Agreement Ordinance; now, therefore,

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

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The TIF Redevelopment Agreement Ordinance is hereby amended by replacing Section 4 thereof in its entirety with the following:

“Section 4. The City Council of the City hereby finds that the City is authorized to pay \$15,596,000 (“City Funds”) from Incremental Taxes deposited in the general account of the TIF Fund (the “General Account”) to Developer to finance a portion of the eligible costs included within the Project. The proceeds of the City Funds are hereby appropriated for the purposes set forth in this Section 4.”

SECTION 3. The Commissioner of DPD (the “Commissioner”) or a designee of the Commissioner are each hereby authorized, with the approval of the City’s Corporation Counsel as to form and legality, to negotiate, execute and deliver a second amendment to the Agreement among the City and the Developer in substantially the form attached hereto as Exhibit A and made a part hereof (the “Second Amendment”), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Second Amendment, with such changes, deletions and insertions as shall be approved by the persons executing the Second Amendment. The Commissioner or a designee of the Commissioner is each hereby authorized to give such approvals and consents on behalf of the City as are expressly provided for in the Amendment.

SECTION 4. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 5. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 6. This ordinance shall be in full force and effect immediately upon its passage and approval.

Exhibit “A” referred to in this ordinance reads as follows:

Exhibit "A".
(To Ordinance)

This agreement was prepared by and after recording return to:
Ann R. Kaplan-Perkins, Esq.
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

**SECOND AMENDMENT
TO
RAMOVA THEATER REDEVELOPMENT AGREEMENT**

This Second Amendment to Ramova Theater Redevelopment Agreement (this "Second Amendment") is made as of this ____ day of _____, by and among the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), Our Revival Chicago, LLC, an Illinois limited liability company ("ORC"), Our Revival Chicago Operating Company, LLC, an Illinois limited liability company (OPCO") and Southside Revival NFP, an Illinois not for profit corporation ("NFP" and collectively with OPCO and ORC, the "Developer").

This Second Amendment amends that certain Ramova Theater Redevelopment Agreement by and among the City and the Developer dated as of September 2, 2021, and recorded on September 17, 2021, as Document Number 2126057016 in the Office of the Cook County Recorder of Deeds (the "Original Agreement"), as amended by that certain First Amendment to Ramova Theater Redevelopment Agreement by and among the City and the Developer dated as of August 12, 2022, and recorded on August 23, 2022, as Document Number 2223540038 in the Office of the Cook County Recorder of Deeds (the "First Amendment", and together with the Original Agreement, the "Agreement").

RECITALS

Subsequent to the execution of the Agreement, Developer encountered a number of challenges that have caused changes to the budget and timing of the project. Developer and the City have agreed to enter into this Amendment to memorialize such changes, which include, without limitation, increasing the amount of City Funds, increasing the Project Budget, adjusting payment dates for City Funds, and adjusting completion and loan forgiveness dates.

Such aforementioned changes to the budget and timing of the project require amendments to certain provisions of the Agreement.

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 ONE: INCORPORATION; DEFINITIONS

1.01. The recitals set forth above and the exhibits attached hereto are incorporated herein by reference and made a part hereof.

1.02. The definition of “Developer Note” in Section 2. DEFINITIONS of the Agreement is hereby deleted.

1.03. The definition of “Principal” in Section 2. DEFINITIONS of the Agreement is hereby replaced with the following:

“Principal” shall mean the principal balance of Developer Note A, as may be adjusted from time to time based on the City’s forgiveness of the Forgivable Loan.

1.04. Section 2. DEFINITIONS of the Agreement is hereby amended to add the following definitions:

“Certificate of Substantial Completion” shall mean the Certificate of Substantial Completion described in Section 7A hereof.

“Developer Note A” shall mean that certain Developer Note A in substantially the form attached as Exhibit N-1 hereto made by Developer to the City in the original principal amount of the City Funds minus the Substantial Completion Loan.

“Developer Note B” shall mean that certain Developer Note B in substantially the form attached as Exhibit N-2 hereto made by Developer to the City in the original principal amount of the Substantial Completion Loan.

“Forgivable Loan” shall have the meaning set forth in Section 4.08(a) hereof.

“Substantial Completion Loan” shall have the meaning set forth in Section 4.03(b) hereof.

1.05. Any capitalized term used but not otherwise defined herein shall have the same meaning as set forth in the Agreement.

SECTION TWO. AMENDED TIMING, PROJECT BUDGET AND BUDGET EXHIBITS.

2.01. Section 3.01 of the Agreement is hereby amended to replace the “complete construction and commence business operations” date of May 31, 2023 with June 30, 2025.

2.02. Each of Section 3.03 and Section 7.01(b)(ii) is hereby amended to replace \$38,374,221 as the total Project Budget with \$40,628,221.

2.03. Exhibit C Revised (TIF-Funded Improvements) of the Agreement is hereby amended as set forth on Exhibit C Second Revised attached to this Amendment.

2.04. Exhibit G-1 Revised (Project Budget) of the Agreement is hereby amended as set forth on Exhibit G-1 Second Revised attached to this Amendment.

2.05. Exhibit G-2 Revised (MBE/WBE Budget) of the Agreement is hereby amended as set forth on Exhibit G-2 Second Revised attached to this Amendment.

SECTION THREE. AMENDED CITY FUNDS AND DEVELOPER NOTES.

3.01. Section 4.01 of the Agreement is hereby amended to read in its entirety as follows:

"4.01. Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$40,628,221 to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity - Investors	\$2,707,377
Equity – Historic Tax Credits	\$6,424,844
Bank Loan	\$4,000,000
SBA Loan	\$3,500,000
PACE Financing	\$7,400,000
State Funds/State Funds Bridge Loan	\$1,000,000
TIF Loan	\$15,596,000
	\$40,628,221

Provided, however, the PACE Financing may be increased to an amount up to \$7,500,000 in accordance with Section 18.22 below."

3.02. Section 4.03 of the Agreement is hereby amended to read in its entirety as follows:

"4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C Second Revised sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost. City Funds shall not be loaned to Developer hereunder until expenditure of 25% of the Project Budget.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to loan up to \$15,596,000 in City funds from Incremental Taxes (the "City Funds") to pay for or reimburse Developer for the costs of the TIF-Funded Improvements, as follows:

- i. an installment payment of \$4,548,000 ("Initial Payment") at approximately 20% completion, as measured by work performed and hard costs incurred, based on architect's certification;
- ii. an installment payment of \$4,548,000 ("Substantial Completion Payment") upon issuance of the Certificate of Substantial Completion;
- iii. a loan of \$2,000,000 ("Substantial Completion Loan") upon issuance of the Certificate of Substantial Completion; and
- iv. a final payment of \$4,500,000 ("Final Payment") within 45 days following the issuance of the Certificate;

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed \$15,596,000 of the actual total Project costs; and provided further, that Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose to the extent that the amount of the Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs; and provided further, that the City Funds shall be reduced by \$250,000 if Developer does not comply with the Chicago Sustainable Development Policy as required in Section 8.22 hereof. Developer acknowledges and agrees that the payment of City Funds is subordinated to the payment of those prior obligations made prior to the Closing Date, as set forth herein in Exhibit O. Any obligations made by the City after the Closing Date shall be subordinated to the payment of the City Funds.

Developer acknowledges and agrees that the City’s obligation to loan City Funds to pay for TIF-Funded Improvements is contingent upon the fulfillment of the conditions set forth above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by Developer pursuant to Section 4.01 hereof shall increase proportionately.

(c) Letter of Credit Option - Deleted”

3.03. Section 4.08 of the Agreement is hereby amended to read in its entirety as follows:

“4.08 Conditional Loan of City Funds.

(a) A maximum of \$13,596,000 of the City Funds being provided hereunder are being loaned to Developer subject to the Developer’s compliance with the provisions of this Agreement (the “Forgivable Loan”). As a condition of this Agreement and receipt of the Forgivable Loan, Developer shall execute and deliver the Developer Note A in the original principal amount of the City Funds that Developer requests in the Requisition Form. The Forgivable Loan shall bear interest at the rate of 0.5% per annum, and the Developer shall make annual interest only payments except as outlined below.

The City shall forgive that portion of the Principal amount of the Forgivable Loan, plus accrued and unpaid interest, as set forth below, provided Developer submits an Annual Compliance Report evidencing that all ongoing requirements of this Agreement have been satisfied during the preceding year:

Date of Annual Compliance Report	Loan Forgiveness Schedule
2024	N/A
2025	N/A
2026	\$1,699,500 of the outstanding Principal plus accrued interest
2027	\$1,699,500 of the outstanding Principal plus accrued interest
2028	\$1,699,500 of the outstanding Principal plus accrued interest
2029	\$1,699,500 of the outstanding Principal plus accrued interest
2030	\$1,699,500 of the outstanding Principal plus accrued interest

2031	\$1,699,500 of the outstanding Principal plus accrued interest
2032	\$1,699,500 of the outstanding Principal plus accrued interest
2033	\$1,699,500 of the outstanding Principal plus accrued interest.

(b) A maximum of \$2,000,000 of the City Funds being provided hereunder are being loaned to Developer as the Substantial Completion Loan subject to the Developer's compliance with Section 7A of this Agreement. As a condition of this Agreement and receipt of the Substantial Completion Loan, Developer shall execute and deliver the Developer Note B in the original principal amount of the Substantial Completion Loan.

(c) To the extent an Annual Compliance Report shows reports an uncured Event of Default (other than noncompliance with Section 8.23 (Minimum Occupancy Covenant), no forgiveness of Principal or interest shall occur for the applicable year unless and until the Developer has cured any defaults for which it has received notice. To the extent that an Annual Compliance Report shows noncompliance with Section 8.23 (Minimum Occupancy Covenant), no forgiveness of Principal or interest shall occur for that year, but such noncompliance may be corrected in the following year in accordance with Section 15.03(a). In the event that the Developer corrects such non-compliance and the Compliance Period is thereby extended, then the City shall forgive Principal and interest due for the non-compliant year(s) as of the first year (or, as applicable, the second year) of the extended Compliance Period.

(d) Developer shall notify the City of any changes in the ownership interests of Developer. Except in connection with a Permitted Transfer, any new equity investor (i.e., other than an equity investor at the time of the commencement of Clawback Period) that will acquire 7.5% or more of the Developer will be subject to the City's prior written approval which approval shall not unreasonably be withheld, conditioned or delayed. Failure to provide such notice or receive such approval shall be an Event of Default. After the expiration of the Clawback Period, all changes in ownership interest must take effect (i) on or after the first business day in January and (ii) on or before the first business day in April in each calendar year (or portion thereof) during Compliance Period; provided that DPD may consent to one or more changes in ownership after the first business day in April which consent shall be in its sole discretion.

(e) If a Capital Event occurs, Developer agrees to pay and remit to the City an amount equal to the outstanding Principal balance of the Forgivable Loan. There shall be no applicable cure period for Capital Events. The City shall have the right to immediately accelerate payment of the Forgivable Loan, including all accrued and unpaid interest."

3.04. The total amount of TIF-Funded Improvements set forth in Section 7.01(b)(vii) of the Agreement is hereby amended to be \$15,596,000.

3.05. Exhibit N (Developer Note) of the Agreement is hereby replaced in its entirety with Exhibit N-1 (Developer Note A) in the form attached to this Amendment.

3.06. The Agreement is hereby amended to add Exhibit N-2 (Developer Note B) in the form attached to this Amendment.

SECTION FOUR. SUBSTANTIAL COMPLETION; CONSTRUCTION COMPLETION

4.01. The Agreement is hereby amended to add a new SECTION 7A. to read in its entirety as follows:

"SECTION 7A. SUBSTANTIAL COMPLETION OF CONSTRUCTION OR REHABILITATION.

7A.01 Upon substantial completion of the rehabilitation of the Project in accordance with the terms of this Agreement, and upon Developer's written request, DPD shall issue to Developer a Certificate of Substantial Completion, and shall make the Substantial Completion Payment and the Substantial Completion Loan of City Funds to Developer.

7A.02 The Certificate of Substantial Completion will not be issued until the following requirements have been met:

- (i) The City has received an architect's certification in form satisfactory to DPD that the Project is substantially complete in accordance with the Plans and Specifications;
- (ii) The Theater, the Restaurant and the Brewery spaces are occupied and open for business;
- (iii) The Developer has submitted evidence of compliance with all requirements of the City of Chicago's Sustainable Development Policy or evidence of payment to the City for failure to meet the Sustainable Development Policy as it pertains to the Project (see Section 8.24);
- (iv) The Developer has received a temporary Certificate of Occupancy from the City or other evidence reasonably acceptable to DPD that the Developer has substantially complied with building permit requirements;
- (v) The Developer has submitted an acceptable Preliminary Summary of Information regarding the historic characteristics of the building, as required under Section 8.25;
- (vi) Developer has incurred costs for TIF-Funded Improvements or such amounts are included in the Project Budget in an amount equal to or higher than \$11,096,000;
- (vii) Developer has delivered to the City (a) the originally-executed Developer Note for cancellation, (b) an executed Requisition Form, and (c) the executed Developer Note A; and
- (viii) The Developer has delivered to the City an executed Developer Note B reflecting the amount of City Funds disbursed under the Substantial Completion Loan."

4.02. Section 7.01(b) of the Agreement is hereby amended to read in its entirety as follows:

"(b) The Certificate will not be issued until the following requirements have been met:

- (i) The City's Monitoring and Compliance unit has determined in writing that the Developer is in complete compliance with all City requirements (M/WBE, City residency and prevailing wage) as required in this Agreement;
- (ii) The City has received evidence acceptable to DPD that the total Project cost is equal to, or in excess of, \$40,628,221, subject to any cost savings achieved by Developer and reported to DPD;
- (iii) The Developer has received a Certificate of Occupancy from the City or other evidence reasonably acceptable to DPD that the Developer has complied with building permit requirements;
- (iv) Developer has incurred costs for TIF-Funded Improvements or such amounts are included in the Project Budget in an amount equal to or higher than \$15,596,000; and
- (v) The Developer has delivered to the City an executed Requisition Form and Developer Note A."

SECTION FIVE. DEFAULT AND REMEDIES

5.01. Section 15.02 of the Agreement is hereby amended to read in its entirety as follows:

"15.02 Remedies. Upon the occurrence of an Event of Default other than a breach of the Minimum Occupancy Covenant, Operations Covenant or a Capital Event, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend disbursement of City Funds, place a lien on the Project in the amount of City Funds paid, accelerate the Forgivable Loan and/or accelerate the Substantial Completion Loan as set forth in this Section 15.02 below. 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 damages (except from NFP), injunctive relief or the specific performance of the agreements contained herein. Upon the occurrence of an Event of Default under Section 15.01(j), the Developer shall have the remedy set forth in Section 8.01(g).

Upon the occurrence of an Event of Default because of failure to comply with Section 8.24, Sustainability, the City's sole remedy shall be the right to seek reimbursement of \$250,000 in City Funds through acceleration of the Forgivable Loan. Notwithstanding the foregoing, if the City Funds paid to Developer were reduced by \$250,000 due to anticipated failure to achieve Sustainability Certification as described in Section 4.03(b), then the City shall not have the right to seek reimbursement of an additional \$250,000 by accelerating the Forgivable Loan pursuant to the immediately preceding sentence.

Upon the occurrence of an Event of Default for a breach of the Minimum Occupancy Covenant, Operations Covenant or a Capital Event, Developer shall pay and remit to the City an amount equal to (i) the outstanding principal balance of the Substantial Completion Loan plus accrued interest, and (ii) the outstanding Principal balance of the Forgivable Loan plus accrued interest, immediately upon demand from the City. In addition, 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

damages, injunctive relief or the specific performance of the agreements contained herein.”

5.02. Section 15.03(a) of the Agreement is hereby amended to read in its entirety as follows:

“(a) With respect to an Event of Default under Section 8.22 (Operations Covenant) and Section 8.23 (Minimum Occupancy Covenant) hereof, Developer shall be entitled to two non-consecutive one-year cure periods (each an “Occupancy Cure Period”) during the Compliance Period. During each Occupancy Cure Period, no forgiveness of the Forgivable Loan shall occur, and the Compliance Period shall be extended an additional year for each Occupancy Cure Period that Developer elects provided that Developer meets the requirements of Section 8.22 (Operations Covenant) and Section 8.23 (Minimum Occupancy Covenant) in the calendar year following the calendar year of noncompliance. So long as the Developer cures the Operations Covenant and Minimum Occupancy Covenant default during the Occupancy Cure Period, the City shall forgive the portion of the Loan that would have been forgiven in such year but for the default; provided, however, that the City shall not be obligated to forgive that portion of the Loan for the calendar year of noncompliance until the first additional calendar year or second additional calendar year, as applicable. Any subsequent default under Section 8.23 shall constitute an Event of Default without notice or opportunity to cure.”

SECTION SIX. MISCELLANEOUS

6.01. Developer hereby acknowledges receipt of the Initial Payment.

6.02. Except as amended hereby, the provisions of the Agreement remain in full force and effect in accordance with its terms.

6.03. In the event of any conflict between the provisions of the Agreement and the provisions of this Amendment, the provisions of this Amendment shall control.

6.04. All prior agreements, whether written or oral, regarding the amendment of the Agreement are superseded by this Amendment.

6.05. This Amendment may be executed in counterparts, each of which shall be deemed an original.

6.06. The Developer shall cause one original counterpart of this Amendment, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of the county in which the Project is located. 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 Amendment showing the date and recording number of record.

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

OUR REVIVAL CHICAGO, LLC, an Illinois limited liability company

By: Baum ORS Sponsor, LLC, a Delaware limited liability company, its managing member

By: _____
Tyler Nevius, Its Manager

SOUTHSIDE REVIVAL NFP, an Illinois not for profit corporation

By: _____
Tyler Nevius, its President

OUR REVIVAL CHICAGO OPERATING COMPANY, LLC, an Illinois limited liability company

By: Our Revival Syndicate, LLC, an Illinois limited liability company, its sole member

By: _____
Tyler Nevius, Executive Manager

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

By: _____
Ciere Boatright, Commissioner

(Sub)Exhibit "C".

(To Second Amendment To Ramova Theater Redevelopment Agreement)

TIF-Funded Improvements.

	Project Budget	TIF-Eligible Budget
Acquisition	\$ 4,371,624	\$ 4,371,624
Hard Costs		
Site	\$ 211,606	\$ 211,606
Substructure	\$ 818,269	\$ 818,269
Structure	\$ 4,394,210	\$ 1,486,624
Exterior Enclosure	\$ 1,016,499	\$ 1,016,499
Finishes	\$ 4,581,144	\$ 4,581,144
Vertical transportation	\$ 178,596	\$ 178,596
MEPs	\$ 5,662,550	\$ 2,296,932
Brewery Buildout - Hard Costs (brewing equipment)	\$ 1,286,185	
Theatre Fit out - Hard Costs (AV equipment, stage lighting)	\$ 2,519,642	
Hard Cost Contingency	\$ -	
Total Hard Costs	\$ 20,668,701	\$ 10,589,670
Soft Cost/Fees		
Architect	\$ 1,454,911	\$ 1,454,911
Acquisition OH/Closing Costs	\$ -	
Owner's Rep	\$ 150,906	
Environmental	\$ 29,930	\$ 29,930
Project Closing Costs	\$ 156,605	\$ 156,605
Legal (Zoning, Finance, Permitting)	\$ 1,089,049	\$ 1,089,049
Financing Costs (Equity/Debt)	\$ 275,969	
HTC Transaction Costs	\$ -	
Due Diligence Costs	\$ 18,495	
Appraisal	\$ 15,000	\$ 15,000
Licenses, Food, Liquor, etc.	\$ -	
Property Taxes	\$ 519,744	
Opening Cost Allowance (Brewery Consultant, Staff-up Costs, etc.)	\$ 277,532	
Payroll, Other Insurance	\$ 93,906	
Developer Labor and Overhead	\$ 789,279	
General conditions, insurance, fees	\$ 2,417,165	\$ 2,417,165
Soft Cost Contingency	\$ 611,071	
Operating Reserve - cash contingency	\$ 825,000	
HTC Deferred Development Fee	\$ 2,300,000	
Total Soft Costs	\$ 11,024,562	\$ 5,162,660
Interest Carry - Real Estate	\$ 1,227,551	\$ 368,265
Interest Carry - Bridge	\$ 626,835	\$ 188,051
Interest Carry - PACE	\$ 1,802,760	\$ 540,828
Interest Carry & Application - SBA	\$ 713,206	
Interest Carry - NFP	\$ 31,836	
Interest Carry - Member Loan	\$ 108,147	
Interest Carry - City STSC Loan	\$ 53,000	
Total Interest Costs	\$ 4,563,334	\$ 1,097,144
Total	\$ 40,628,221	\$ 21,221,098

(Sub)Exhibit "G-1".
(To Second Amendment To Ramova Theater Redevelopment Agreement)

Project Budget.

Acquisition	\$	4,371,624
Hard Costs		
Site	\$	211,606
Substructure	\$	818,269
Structure	\$	4,394,210
Exterior Enclosure	\$	1,016,499
Finishes	\$	4,581,144
Vertical transportation	\$	178,596
MEPs	\$	5,662,550
Brewery Buildout - Hard Costs (brewing equipment)	\$	1,286,185
Theatre Fit out - Hard Costs (AV equipment, stage lighting)	\$	2,519,642
Hard Cost Contingency	\$	-
Total Hard Costs	\$	20,668,701
Soft Cost/Fees		
Architect	\$	1,454,911
Acquisition OH/Closing Costs		
Owner's Rep	\$	150,906
Environmental	\$	29,930
Project Closing Costs	\$	156,605
Legal (Zoning, Finance, Permitting)	\$	1,089,049
Financing Costs (Equity/Debt)	\$	275,969
HTC Transaction Costs		
Due Diligence Costs	\$	18,495
Appraisal	\$	15,000
Licenses, Food, Liquor, etc.		
Property Taxes	\$	519,744
Opening Cost Allowance (Brewery Consultant, Staff-up Costs, etc.)	\$	277,532
Payroll, Other Insurance	\$	93,906
Developer Labor and Overhead	\$	789,279
General conditions, insurance, fees	\$	2,417,165
Soft Cost Contingency	\$	611,071
Operating Reserve - cash contingency	\$	825,000
HTC Deferred Development Fee	\$	2,300,000
Total Soft Costs	\$	11,024,562
Interest Carry - Real Estate	\$	1,227,551
Interest Carry - Bridge	\$	626,835
Interest Carry - PACE	\$	1,802,760
Interest Carry & Application - SBA	\$	713,206
Interest Carry - NFP	\$	31,836
Interest Carry - Member Loan	\$	108,147
Interest Carry - City STSC Loan	\$	53,000
Total Interest Costs	\$	4,563,334
Total	\$	40,628,221

(Sub)Exhibit "G-2".
(To Second Amendment To Ramova Theater Redevelopment Agreement)

MBE/WBE Budget.

	Project Budget	WBE/MBE Budget
Acquisition	\$ 4,371,624	
	\$ -	
Hard Costs	\$ -	
Site	\$ 211,606	\$ 211,606
Substructure	\$ 818,269	\$ 818,269
Structure	\$ 4,394,210	\$ 4,394,210
Exterior Enclosure	\$ 1,016,499	\$ 1,016,499
Finishes	\$ 4,581,144	\$ 4,581,144
Vertical transportation	\$ 178,596	\$ 178,596
MEPs	\$ 5,662,550	\$ 5,662,550
Brewery Buildout - Hard Costs (brewing equipment)	\$ 1,286,185	\$ 1,045,550
Theatre Fit out - Hard Costs (AV equipment, stage lighting)	\$ 2,519,642	\$ 1,525,516
Hard Cost Contingency	\$ -	
Total Hard Costs	\$ 20,668,701	\$ 19,433,940
Soft Cost/Fees		
Architect	\$ 1,454,911	
Acquisition OH/Closing Costs	\$ -	
Owner's Rep	\$ 150,906	
Environmental	\$ 29,930	
Project Closing Costs	\$ 156,605	
Legal (Zoning, Finance, Permitting)	\$ 1,089,049	
Financing Costs (Equity/Debt)	\$ 275,969	
HTC Transaction Costs	\$ -	
Due Diligence Costs	\$ 18,495	
Appraisal	\$ 15,000	
Licenses, Food, Liquor, etc.	\$ -	
Property Taxes	\$ 519,744	
Opening Cost Allowance (Brewery Consultant, Staff-up Costs, etc.)	\$ 277,532	
Payroll, Other Insurance	\$ 93,906	
Developer Labor and Overhead	\$ 789,279	
General conditions, insurance, fees	\$ 2,417,165	
Soft Cost Contingency	\$ 611,071	
Operating Reserve - cash contingency	\$ 825,000	
HTC Deferred Development Fee	\$ 2,300,000	
Total Soft Costs	\$ 11,024,562	\$ -
Interest Carry - Real Estate	\$ 1,227,551	
Interest Carry - Bridge	\$ 626,835	
Interest Carry - PACE	\$ 1,802,760	
Interest Carry & Application - SBA	\$ 713,206	
Interest Carry - NFP	\$ 31,836	
Interest Carry - Member Loan	\$ 108,147	
Interest Carry - City STSC Loan	\$ 53,000	
Total Interest Costs	\$ 4,563,334	\$ -
Total	\$ 40,628,221	\$ 19,433,940
	MBE @ 26%	\$ 5,052,824
	WBE @ 6%	\$ 1,186,036.40

(Sub)Exhibit "N-1".
(To Second Amendment To Ramova Theater Redevelopment Agreement)

Developer Note A.

Chicago, Illinois

\$13,596,000

FOR VALUE RECEIVED, the undersigned, SOUTHSIDE REVIVAL NFP, an Illinois not-for-profit corporation ("Maker"), hereby promises to pay to the order of the City of Chicago, Illinois ("Holder") at its Department of Finance, 121 North LaSalle Street, Suite 700, Chicago, Illinois 60602, or at such other place as Holder may appoint, the principal sum of Thirteen Million Five Hundred Ninety-six Thousand Dollars (\$13,596,000) together with interest thereon at a rate of 0.5% per annum on the outstanding principal balance from time to time, due and payable in full on _____, 2033 (the "Maturity Date"); provided, however, that the term "Maturity Date" shall also mean such earlier date as of which the principal of and interest on the Forgivable Loan may become due and payable because of acceleration or prepayment as provided in that certain Redevelopment Agreement dated as of September 2, 2021 between Maker and Holder (as amended, the "RDA").

Interest charged on this Note will accrue on the basis of a year consisting of 360 days, comprised of 12 months of 30 days each. Interest shall be due and payable to Holder annually.

Maker has executed and delivered this Note pursuant to the terms of the RDA in connection with the reimbursement of TIF-Funded Improvements by Maker on the property described on Exhibit B-1 and B-2 to the RDA (the "Project Property"). All capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the RDA.

This Note may be prepaid by Maker at any time, in whole or in part, at a price equal to 100% of the principal amount being prepaid plus accrued interest on such amount to the prepayment date.

If any payment of principal or interest, if any, due hereunder, or any other charges due to Holder as required under this Note or the RDA, shall not be paid on the date such payment is due, Maker shall pay Holder hereof as liquidated damages and not as a penalty an additional "late charge" of 5 percent of such delinquent payment or the maximum permitted by law, whichever is less, in order to defray the increased cost of collection occasioned by any such late payments. Further, any such delinquent payments (not including interest payments) shall bear interest from and after the date due at the lesser of the rate of 15 percent per annum or the maximum rate permitted by law until so paid.

Maker will pay all costs and expenses of collection, including attorneys' fees, incurred or paid by Holder in enforcing this Note or the obligations evidenced by the RDA to the extent permitted by law.

Maker hereby waives presentment, demand, notice, protest and all other demands or notices in connection with the delivery, acceptance, endorsement, performance, default or enforcement of this Note, except as may be specifically set forth in the RDA as to notices.

Holder is expressly authorized to apply payments made under this Note as Holder may elect against any and all amounts, or portions thereof, then due and payable to Holder hereunder or under the RDA.

The City shall forgive that portion of the Principal amount of the Forgivable Loan, plus accrued and unpaid interest, as set forth below, provided Developer submits an Annual Compliance Report evidencing that all ongoing requirements of the RDA have been satisfied during the preceding year:

Date of Annual Compliance Report	Loan Forgiveness Schedule
2024	N/A
2025	N/A
2026	\$1,699,500 of the outstanding Principal plus accrued interest
2027	\$1,699,500 of the outstanding Principal plus accrued interest
2028	\$1,699,500 of the outstanding Principal plus accrued interest
2029	\$1,699,500 of the outstanding Principal plus accrued interest
2030	\$1,699,500 of the outstanding Principal plus accrued interest
2031	\$1,699,500 of the outstanding Principal plus accrued interest
2032	\$1,699,500 of the outstanding Principal plus accrued interest
2033	\$1,699,500 of the outstanding Principal plus accrued interest

Upon Maker's failure to pay, when due, any installment of principal of or interest, if any, on this Note in accordance with the terms hereof, or upon Maker's failure to pay when due (including any applicable notice and/or cure periods) any other sums or perform or observe any covenant, term or provision hereof on a timely basis as required hereunder (which failure to perform or observe remains unremedied for 30 days after notice thereof from Holder to Maker; provided, however, that Holder shall not be precluded during any such periods from exercising any remedies available under the RDA if its security becomes or is about to become materially jeopardized by any such failure), or upon the occurrence of an Event of Default under the RDA, then, at the option of Holder hereof, Holder may elect without notice to Maker to accelerate the maturity of this Note and upon such election the principal sum remaining unpaid hereon, together with accrued interest, if any, hereon and any additional indebtedness due by Maker to Holder under the RDA, shall become at once due and payable at the place of payment as aforesaid, and Holder may proceed to exercise any rights and remedies available to Holder under the RDA and to exercise any other rights and remedies against Maker or with respect to this Note which Holder may have at law, in equity or otherwise. None of the rights or remedies of Holder hereunder or under the RDA are to be deemed waived or affected by any failure to exercise same. All remedies conferred upon Holder by the RDA or any other instrument, document or agreement to which Maker is a party or under which Maker is bound, shall be cumulative and not exclusive; any such remedies may be exercised singularly, concurrently or consecutively at Holder's option.

No delay or omission on the part of Holder in exercising any right hereunder shall operate as a waiver of such right or of any other right of Holder, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion.

The parties hereto intend and believe that each provision in this Note comports with all applicable law. However, if any provision in this Note is found by a court of law to be in violation of any applicable law, and if such court should declare any provision of this Note to be unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such provision shall be given full force and effect to the fullest possible extent that is legal, valid and enforceable, that the remainder of this Note shall be construed as if such

unlawful, void or unenforceable provision were not contained herein, and that the rights, obligations and interests of Maker and Holder under the remainder of this Note shall continue in full force and effect.

Upon any endorsement, assignment or other transfer of this Note by Holder or by operation of law, the term "Holder" as used herein shall mean such endorsee, assignee or other transferee or successor. This Note shall inure to the benefit of Holder, its successors and assigns and shall be binding upon Maker, its successors and assigns.

MAKER HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE STATE OF ILLINOIS, AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT, AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE AND BE EFFECTIVE IN THE MANNER PRESCRIBED FOR NOTICES AS SET FORTH HEREIN. MAKER HEREBY WAIVES TRIAL BY JURY, ANY OBJECTION BASED UPON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER. NOTHING IN THIS PARAGRAPH SHALL AFFECT THE RIGHT OF HOLDER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF HOLDER TO BRING ANY ACTION OR PROCEEDING AGAINST MAKER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

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) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified mail, return receipt requested.

IF TO HOLDER:

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

WITH COPIES TO:

Office of the Corporation Counsel
City of Chicago
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division
and

Department of Finance
City of Chicago
121 North LaSalle Street, Suite 700
Chicago, Illinois 60602
Attention: Comptroller

IF TO MAKER:

Southside Revival NFP
2812 S. Hillcock Ave.
Chicago, IL 60608
Attn: Tyler Nevius

WITH COPIES TO:

Dykema Gossett PLLC
10 South Wacker Drive, Suite 2300
Chicago, IL 60606
Attn: Andrew Scott, Esq.
Facsimile: 312-876-1155

Applegate & Thorne-Thomsen, P.C.
425 S. Financial Place, Suite 1900
Chicago, IL 60605
Attn: Dan Klaff

Such addresses may be changed by notice to the other parties given in the same manner as above provided. Any notice, demand or request sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the Business Day immediately following deposit with the overnight courier and, if sent pursuant to clause (d) above, shall be deemed received two Business Days following deposit in the mail.

This Note shall be construed and enforced according to the internal laws of the State of Illinois without regard to its conflict of laws principles.

Subject to the terms contained in the next two succeeding paragraphs, the indebtedness evidenced by this Note shall be non-recourse and in the event of default hereunder, Holder's sole source of satisfaction of repayment of the amounts due to Holder hereunder or under the RDA shall be limited to Holder's rights with respect to the collateral pledged and assigned under the RDA.

Notwithstanding the immediately preceding paragraph, nothing herein or in the RDA shall limit the rights of Holder, following any of the events hereinafter described, to take any action as may be necessary or desirable to pursue Maker, if any, for any and all Losses incurred by Holder arising from: (i) a material misrepresentation, fraud made in writing or misappropriation of funds by Maker, if any, (ii) intentional, or material waste to the Project Property; (iii) use of proceeds of the Forgivable Loan for costs other than TIF-Funded Improvements; (iv) the occurrence of a transfer other than a Permitted Transfer without Holder's prior written consent, to the extent such transfer results from the intentional, willful, voluntary and/or negligent acts or omissions of Maker, if any; (v) any breach of Maker's representations, warranties or covenants regarding Hazardous Materials or Environmental Laws contained in the RDA; (vi) the occurrence of any uninsured casualty to the Project Property or other collateral or security provided under the RDA for which there has been a failure to maintain insurance coverage as required by the terms and provisions of the RDA; or (vii) the misappropriation or misapplication of insurance proceeds or condemnation awards relating to the Project Property or other collateral or security provided under the RDA.

Holder waives any and all right to seek or demand any personal deficiency judgment against Maker, in conjunction with a foreclosure proceeding, under or by reason of any of the non-recourse monetary obligations of Maker; provided, however, that the foregoing shall not limit or affect Holder's right to sue or otherwise seek recourse against Maker, if any, in any separate action or proceeding for all Losses incurred by Holder arising from any of the matters described in the immediately preceding paragraph hereof.

In any case where the date of payment of interest, if any, on or principal of this Note shall not be a Business Day, then payment of such interest or principal need not be made on such date but may be made on the next succeeding Business Day and, if interest is charged on this Note, this Note shall continue to bear interest until such date of payment.

THE TERMS AND PROVISIONS OF THE RDA ARE HEREBY INCORPORATED BY REFERENCE AND MADE A PART OF THIS NOTE.

IN WITNESS WHEREOF, Maker has caused this Note to be duly executed on the date first above written.

SOUTHSIDE REVIVAL NFP, an Illinois not-for-profit corporation

By: _____
Tyler Nevius, President

(Sub)Exhibit "N-2".

(To Second Amendment To Ramova Theater Redevelopment Agreement)

Developer Note B.

Chicago, Illinois

\$2,000,000

_____, 2024

FOR VALUE RECEIVED, the undersigned, SOUTHSIDE REVIVAL NFP, an Illinois not-for-profit corporation ("Maker"), hereby promises to pay to the order of the City of Chicago, Illinois ("Holder") at its Department of Finance, 121 North LaSalle Street, Suite 700, Chicago, Illinois 60602, or at such other place as Holder may appoint, the principal sum of Two Million Dollars (\$2,000,000) together with interest thereon at a rate set forth below on the outstanding principal balance from time to time, due and payable in full on October __, 2034 (the "Maturity Date"); provided, however, that the term "Maturity Date" shall also mean such earlier date as of which the principal of and interest on the Substantial Completion Loan may become due and payable because of acceleration or prepayment as provided in that certain Redevelopment Agreement dated as of September 2, 2021 between Maker and Holder (as amended, the "RDA").

Commencing on the second anniversary of the date of this Note, interest shall accrue on the outstanding principal balance of this Note at a rate per annum equal to the lesser of the 10 Year Treasury Rate or the 10 Year SOFR swap rate per Chatham Financial – U.S. Market Data. Interest charged on this Note will accrue on the basis of a year consisting of 360 days, comprised of 12 months of 30 days each. Interest shall be due and payable to Holder annually.

Payments of principal and interest shall be made annually according to the payment schedule attached hereto, commencing on the second anniversary of the date of this Note.

Maker has executed and delivered this Note pursuant to the terms of the RDA in connection with the reimbursement of TIF-Funded Improvements by Maker on the property described on Exhibit B-1 and B-2 to the RDA (the "Project Property"). All capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the RDA.

This Note may be prepaid by Maker at any time, in whole or in part, at a price equal to 100% of the principal amount being prepaid plus accrued interest on such amount to the prepayment date.

If any payment of principal or interest, if any, due hereunder, or any other charges due to Holder as required under this Note or the RDA, shall not be paid on the date such payment is due, Maker shall pay Holder hereof as liquidated damages and not as a penalty an additional "late charge" of 5 percent of such delinquent payment or the maximum permitted by law, whichever is less, in order to defray the increased cost of collection occasioned by any such late payments. Further, any such delinquent payments (not including interest payments) shall bear interest from and after the date due at the lesser of the rate of 15 percent per annum or the maximum rate permitted by law until so paid.

Maker will pay all costs and expenses of collection, including attorneys' fees, incurred or paid by Holder in enforcing this Note or the obligations evidenced by the RDA to the extent permitted by law.

Maker hereby waives presentment, demand, notice, protest and all other demands or notices in connection with the delivery, acceptance, endorsement, performance, default or enforcement of this Note, except as may be specifically set forth in the RDA as to notices.

Holder is expressly authorized to apply payments made under this Note as Holder may elect against any and all amounts, or portions thereof, then due and payable to Holder hereunder or under the RDA.

Upon Maker's failure to pay, when due, any installment of principal of or interest, if any, on this Note in accordance with the terms hereof, or upon Maker's failure to pay when due (including any applicable notice and/or cure periods) any other sums or perform or observe any covenant, term or provision hereof on a timely basis as required hereunder (which failure to perform or observe remains unremedied for 30 days after notice thereof from Holder to Maker; provided, however, that Holder shall not be precluded during any such periods from exercising any remedies available under the RDA if its security becomes or is about to become materially jeopardized by any such failure), or upon the occurrence of an Event of Default under the RDA, then, at the option of Holder hereof, Holder may elect without notice to Maker to accelerate the maturity of this Note and upon such election the principal sum remaining unpaid hereon, together with accrued interest, if any, hereon and any additional indebtedness due by Maker to Holder under the RDA, shall become at once due and payable at the place of payment as aforesaid, and Holder may proceed to exercise any rights and remedies available to Holder under the RDA and to exercise any other rights and remedies against Maker or with respect to this Note which Holder may have at law, in equity or otherwise. None of the rights or remedies of Holder hereunder or under the RDA are to be deemed waived or affected by any failure to exercise same. All remedies conferred upon Holder by the RDA or any other instrument, document or agreement to which Maker is a party or under which Maker is bound, shall be cumulative and not exclusive; any such remedies may be exercised singularly, concurrently or consecutively at Holder's option.

No delay or omission on the part of Holder in exercising any right hereunder shall operate as a waiver of such right or of any other right of Holder, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion.

The parties hereto intend and believe that each provision in this Note comports with all applicable law. However, if any provision in this Note is found by a court of law to be in violation of any applicable law, and if such court should declare any provision of this Note to be unlawful, void or unenforceable as written, then it is the intent of all parties hereto that such provision shall be given full force and effect to the fullest possible extent that is legal, valid and enforceable, that the remainder of this Note shall be construed as if such unlawful, void or unenforceable provision were not contained herein, and that the rights, obligations and interests of Maker and Holder under the remainder of this Note shall continue in full force and effect.

Upon any endorsement, assignment or other transfer of this Note by Holder or by operation of law, the term "Holder" as used herein shall mean such endorsee, assignee or other transferee or successor. This Note shall inure to the benefit of Holder, its successors and assigns and shall be binding upon Maker, its successors and assigns.

MAKER HEREBY CONSENTS TO THE JURISDICTION OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE STATE OF ILLINOIS, AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT, AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE AND BE EFFECTIVE IN THE MANNER PRESCRIBED FOR NOTICES AS SET FORTH HEREIN. MAKER HEREBY WAIVES TRIAL BY JURY, ANY OBJECTION BASED UPON FORUM NON CONVENIENS, AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER. NOTHING IN THIS PARAGRAPH SHALL AFFECT THE RIGHT OF HOLDER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER

PERMITTED BY LAW OR AFFECT THE RIGHT OF HOLDER TO BRING ANY ACTION OR PROCEEDING AGAINST MAKER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

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) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified mail, return receipt requested.

IF TO HOLDER: Department of Planning and Development
City of Chicago
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602
Attention: Commissioner

WITH COPIES TO: Office of the Corporation Counsel
City of Chicago
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division
and

Department of Finance
City of Chicago
121 North LaSalle Street, Suite 700
Chicago, Illinois 60602
Attention: Comptroller

IF TO MAKER: Southside Revival NFP
2812 S. Hillock Ave.
Chicago, IL 60608
Attn: Tyler Nevius

WITH COPIES TO: Dykema Gossett PLLC
10 South Wacker Drive, Suite 2300
Chicago, IL 60606
Attn: Andrew Scott, Esq.
Facsimile: 312-876-1155

Applegate & Thorne-Thomsen, P.C.
425 S. Financial Place, Suite 1900
Chicago, IL 60605
Attn: Dan Klaff

Such addresses may be changed by notice to the other parties given in the same manner as above provided. Any notice, demand or request sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the Business Day immediately following deposit with the overnight courier and, if sent pursuant to clause (d) above, shall be deemed received two Business Days following deposit in the mail.

This Note shall be construed and enforced according to the internal laws of the State of Illinois without regard to its conflict of laws principles. Subject to the terms contained in the next two succeeding paragraphs, the indebtedness evidenced by this Note shall be non-recourse and in the event of default hereunder, Holder's sole source of satisfaction of repayment of the amounts due to Holder hereunder or under the RDA

shall be limited to Holder's rights with respect to the collateral pledged and assigned under the RDA.

Notwithstanding the immediately preceding paragraph, nothing herein or in the RDA shall limit the rights of Holder, following any of the events hereinafter described, to take any action as may be necessary or desirable to pursue Maker, if any, for any and all Losses incurred by Holder arising from: (i) a material misrepresentation, fraud made in writing or misappropriation of funds by Maker, if any, (ii) intentional, or material waste to the Project Property; (iii) use of proceeds of the Substantial Completion Loan for costs other than TIF-Funded Improvements; (iv) the occurrence of a transfer other than a Permitted Transfer without Holder's prior written consent, to the extent such transfer results from the intentional, willful, voluntary and/or negligent acts or omissions of Maker, if any; (v) any breach of Maker's representations, warranties or covenants regarding Hazardous Materials or Environmental Laws contained in the RDA; (vi) the occurrence of any uninsured casualty to the Project Property or other collateral or security provided under the RDA for which there has been a failure to maintain insurance coverage as required by the terms and provisions of the RDA; or (vii) the misappropriation or misapplication of insurance proceeds or condemnation awards relating to the Project Property or other collateral or security provided under the RDA.

Holder waives any and all right to seek or demand any personal deficiency judgment against Maker, in conjunction with a foreclosure proceeding, under or by reason of any of the non-recourse monetary obligations of Maker; provided, however, that the foregoing shall not limit or affect Holder's right to sue or otherwise seek recourse against Maker, if any, in any separate action or proceeding for all Losses incurred by Holder arising from any of the matters described in the immediately preceding paragraph hereof.

In any case where the date of payment of interest, if any, on or principal of this Note shall not be a Business Day, then payment of such interest or principal need not be made on such date but may be made on the next succeeding Business Day and, if interest is charged on this Note, this Note shall continue to bear interest until such date of payment.

THE TERMS AND PROVISIONS OF THE RDA ARE HEREBY INCORPORATED BY REFERENCE AND MADE A PART OF THIS NOTE.

IN WITNESS WHEREOF, Maker has caused this Note to be duly executed on the date first above written.

SOUTHSIDE REVIVAL NFP, an Illinois not-for-profit corporation

By: _____
Tyler Nevius, President

[Payment Schedule referred to in this Developer Note B unavailable at time of printing.]

REDEVELOPMENT AGREEMENT WITH AND ISSUANCE OF TAX INCREMENT FINANCING ASSISTANCE FUNDS TO TIMELINE THEATER COMPANY FOR CONSTRUCTION OF NEW THEATER AUDITORIUM AT 5033 -- 5035 N. BROADWAY.

[O2024-0012447]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred an ordinance concerning the authority to enter into and execute a Redevelopment Agreement with and issuance of Tax Increment Financing (TIF) funds to TimeLine Theatre Company for redevelopment of existing warehouse and construction of new theater auditorium at 5033 -- 5035 North Broadway in the 48th Ward (O2024-0012447), in an amount not to exceed \$14,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with no dissenting votes on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on June 27, 2001 and published at pages 62216 to 62320 of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "Journal") of such date, a certain redevelopment plan and project (the "Plan") for the Lawrence/Broadway Redevelopment Project Area (the "Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on June 27, 2001 and published at pages 62321 to 62330 of the *Journal* of such date, the Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance (the "TIF Ordinance") adopted by the City Council on June 27, 2001 and published at pages 62331 to 62340 of the *Journal* of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Area redevelopment project costs (as defined in the Act) incurred pursuant to the Plan; and

WHEREAS, TimeLine Theatre Company, an Illinois not-for-profit corporation (the "Developer"), owns property within the Redevelopment Area at 5033 -- 5035 North Broadway, Chicago, Illinois 60612 (the "Site"), which is located within the Area; and

WHEREAS, The Site is improved with a warehouse, the front two-thirds of which the Developer shall demolish and then replace with a new theater auditorium, and the rear one-third of which Developer shall renovate for "back of the house" administrative, storage and other functions (the "Facility"); and

WHEREAS, The Facility will become the permanent home of the TimeLine Theatre, which is the theater company operated by the Developer, and will include a main theatre, rehearsal room, gallery and exhibit space, cafe, offices, theatrical support spaces and an education/community room, the latter of which, when not in use for TimeLine Theatre productions, will be available for use by community groups and short- and long-term rentals ("Project"); and

WHEREAS, The Developer has proposed to undertake the redevelopment of the Site in accordance with the Plan and pursuant to the terms and conditions of a proposed

redevelopment agreement to be executed by the Developer and the City, including but not limited to rehabilitation of the facilities, and to be financed in part by incremental taxes (as defined in the Act) from the Area; and

WHEREAS, Pursuant to Resolution 22-CDC-15 adopted by the Community Development Commission of the City of Chicago (the "Commission") on May 10, 2022, the Commission recommended that the Developer be designated as the developer for the Project and that the City's Department of Planning and Development ("DPD") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Developer for the Project; now, therefore,

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

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 3. The Commissioner of DPD (the "Commissioner") or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver a redevelopment agreement between the Developer and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

SECTION 4. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 5. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 6. This ordinance shall be in full force and effect upon its passage and approval.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".
(To Ordinance)

TimeLine Theatre Redevelopment Agreement.

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

This TimeLine Theatre Redevelopment Agreement (this "Agreement") is made as of this _____ day of _____, 20__, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and TimeLine Theatre Company, an Illinois not-for-profit corporation ("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, in accordance with the provisions of the Act, the City Council of the City (the "City Council"): (i) approved and adopted a redevelopment plan and project (the "Redevelopment Plan") for the Lawrence/Broadway redevelopment project area (the "Redevelopment Area"); (ii) designated the Redevelopment Area as a "redevelopment project area"; and (iii) adopted tax increment allocation financing for the Redevelopment Area (the "TIF Adoption Ordinance"), pursuant to ordinances ((i) – (iii), collectively, the "TIF Ordinances") adopted on June 27, 2001 and published in the Journal for such date.

D. The Project: Developer owns or intends to purchase certain property located within the Redevelopment Area at 5033-35 North Broadway, Chicago, Illinois 60640 and legally described on Exhibit A (the "Property"), and, within the time frames set forth in Section 3.01, shall redevelop an existing warehouse, the front two-thirds of which the Developer shall demolish and then replace with a new approximately 33,606 square foot theater auditorium, and the rear one-third of which Developer shall renovate for "back of the house" administrative, storage and other functions (the "Facility"). The Facility will become the permanent home of the TimeLine Theatre, which is the theater company operated by the Developer, and will include a main theatre, rehearsal room, gallery and exhibit space, cafe, offices, theatrical support spaces and an education/community room, the latter of which, when not in use for TimeLine Theatre productions, will be available for use by community groups and short- and long-term rentals. The "Project" means the Facility and related improvements, including, but not limited to the TIF-Funded Improvements defined below and set forth on Exhibit B. The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: Developer will carry out the Project in accordance with this Agreement and the Redevelopment Plan.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03, Incremental Taxes (as defined below), via two loans by the City to Developer, to pay for or reimburse Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

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

SECTION 1. RECITALS, HEADINGS AND EXHIBITS

The foregoing recitals are hereby incorporated into this Agreement by reference. The paragraph and section headings contained in this Agreement, including without limitation those set forth in the following table of contents, are for convenience only and are not intended to limit, vary, define, or expand the content thereof. Developer agrees to comply with the requirements set forth in the following exhibits which are attached to and made a part of this Agreement. All provisions listed in the Exhibits have the same force and effect as if they had been listed in the body of this Agreement.

Table of Contents	List of Exhibits
1. Recitals, Headings and Exhibits 2. Definitions 3. The Project 4. Financing 5. Conditions Precedent 6. Agreements with Contractors 7. Completion of Construction or Rehabilitation 8. Covenants/Representations/Warranties of Developer 9. Covenants/Representations/Warranties of the City 10. Developer's Employment Obligations 11. Environmental Matters 12. Insurance 13. Indemnification 14. Maintaining Records/Right to Inspect 15. Defaults and Remedies 16. Mortgaging of the Project 17. Notice 18. Miscellaneous	A *Legal Description of the Property B *Project Budgets (Project Budget, MBE/WBE Budget and TIF-Funded Improvements). C Requisition Form D *Preliminary TIF Projection -- Real Estate Taxes (An asterisk (*) indicates which exhibits are to be recorded.)

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, and unless otherwise specified, references to Recitals, Sections, Articles and Exhibits are references to Recitals, Sections, Articles and Exhibits of this Agreement:

“Act” is defined in the Recitals.

“Affiliate” means any person or entity directly or indirectly controlling, controlled by or under common control with Developer.

“Annual Compliance Report” means a signed report from Developer to the City (a) itemizing each of Developer's obligations under this Agreement during the preceding calendar year, (b) certifying Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that Developer is not in default with respect to any provision of this Agreement, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Operating Covenant (Section 8.06); (2) compliance with the Jobs Covenant (Section 8.06); (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); (6) delivery of evidence of compliance with the Sustainable Development Policy (Section 8.22); (7); and (8) compliance with all other executory provisions of this Agreement.

"Available Project Funds" means: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by Developer pursuant to this Agreement.

"Certificate" means the Certificate of Completion of Construction or Rehabilitation described in Section 7.01.

"Change Order" means 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 Contract" is defined in Section 8.01(l).

"City Council" is defined in the Recitals.

"City Funds" is defined in Section 4.03(b).

"Closing Date" means the date of execution and delivery of this Agreement by all parties to this Agreement, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"Contract" is defined in Section 10.03.

"Contractor" is defined in Section 10.03.

"Construction Contract" means the construction contract to be entered into between Developer and the General Contractor providing for construction of the Project.

"Corporation Counsel" means the City's Department of Law.

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

"EDS" means the City's Economic Disclosure Statement and Affidavit, on the City's then-current form, whether submitted in paper or via the City's online submission process.

"Employer(s)" is defined in Section 10.

"Employment Plan" is defined in Section 5.12.

"Environmental Laws" means any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal

Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code.

"Equity" means Developer's funds (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03(b).

"Escrow" means the construction escrow established pursuant to the Escrow Agreement.

"Escrow Agreement" means the Escrow Agreement establishing a construction escrow, to be entered into as of the date of this Agreement by the City, if applicable, the Title Company (or an affiliate of the Title Company), Developer and Developer's lender(s), in a form acceptable to the City.

"Event of Default" is defined in Section 15.

"Facility" is defined in the Recitals.

"Financial Interest" is defined in Section 2-156-010 of the Municipal Code.

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

"Full-Time Equivalent Employee" or "FTE" shall mean an employee of Developer or an Affiliate (or, with respect to job shares or similar work arrangements, two such employees counted collectively as a single FTE) who is employed in a permanent position at least 35 hours per week at the Project during the applicable month, excluding (a) persons engaged as or employed by independent contractors, third party service providers or consultants and (b) persons employed or engaged by Developer or by third parties in positions ancillary to Developer's operations at the Project including, without limitation, food service workers, security guards, cleaning personnel, or similar positions.

"General Contractor" means the general contractor(s) hired by Developer pursuant to Section 6.01.

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

"Human Rights Ordinance" is defined in Section 10.

"In Balance" is defined in Section 4.07.

"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 TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof, as adjusted to reflect the amount of the TIF District Administration Fee.

"Indemnitee" and "Indemnitees" are defined in Section 13.01.

"Lender Financing" means funds borrowed by Developer from lenders and irrevocably available to pay for costs of the Project, in the amount set forth in Section 4.01.

"MBE(s)" means 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" means the MBE/WBE Budget attached as Exhibit B, as described in Section 10.03.

"MBE/WBE Program" is defined in Section 10.03.

"Municipal Code" means the Municipal Code of the City of Chicago, as amended from time to time.

"New Mortgage" is defined in Article 16.

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

"Permitted Liens" means (i) mortgages against the Property and/or the Project recorded on or before the date of this Agreement and securing the Lender Financing, (ii) leases of portions of the Property entered into after the date hereof in Developer's ordinary course of business, if any, and (iii) those matters set forth as Schedule B title exceptions in the Title Policy, 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.

"Permitted Mortgage" is defined in Article 16.

"Plans and Specifications" means 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 Expenditures" is defined in Section 4.05(a).

"Project" is defined in the Recitals.

"Project Budget" means the Project Budget attached as Exhibit B, showing the total cost of the Project by line item, furnished by Developer to DPD, in accordance with Section 3.03.

"Property" is defined in the Recitals.

"Redevelopment Area" is defined in the Recitals.

"Redevelopment Plan" is defined in the Recitals.

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

"Requisition Form" means the document, in the form attached as Exhibit C, to be delivered by Developer to DPD pursuant to Section 4.04 of this Agreement.

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

"Survey" means a plat of survey in the most recently revised form of ALTA/NSPS land title survey of the Property, meeting the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, effective February 23, 2021, dated within 75 days before 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(s) providing Lender Financing).

"Sustainable Development Policy" shall mean the Sustainable Development Policy of the City as in effect on the Closing Date.

"Term of the Agreement" means the period of time starting on the Closing Date and ending on the date that is 10 years following the Closing Date.

"TIF Adoption Ordinance" is defined in the Recitals.

"TIF District Administration Fee" means the fee described in Section 4.05(b).

"TIF Expiration Date" shall have the meaning set forth in Section 3.01 hereof.

"TIF Forgivable Loan" shall have the meaning set forth in Section 4.03(c) hereof.

"TIF Forgivable Developer Note" shall have the meaning set forth in Section 4.03(c) hereof.

"TIF Fund" means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

"TIF-Funded Improvements" means those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the

City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. Exhibit B lists the TIF-Funded Improvements for the Project.

"TIF Loan" shall have the meaning set forth in Section 4.03(c) hereof.

"TIF Loan Developer Note" shall have the meaning set forth in Section 4.03(c) hereof.

"TIF Loan Mortgage" shall have the meaning set forth in Section 4.03(c) hereof

"TIF Ordinances" is defined in the Recitals.

"Title Company" means [_____].

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

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

"WBE(s)" means 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 Completion. With respect to the Facility, Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof, endeavor to complete construction of all TIF-Funded Improvements no later than December 31, 2025. Developer acknowledges that the TIF Area expires on December 31, 2025 (the "TIF Expiration Date"). Developer further acknowledges and agrees that, unless the TIF Expiration Date is extended, no TIF-Funded Improvements that are incurred by Developer after the TIF Expiration Date will be reimbursed with City Funds (through the TIF Forgivable Loan and the TIF Loan). If TIF-Funded Improvements incurred by Developer by the TIF Expiration Date do not equal or exceed \$14,000,000, the total amount of City Funds payable to Developer (which payments may occur after the TIF Expiration Date, in 2026) shall be reduced accordingly and Developer shall **forfeit any claim on that reduction.**

3.02 Scope Drawings and Plans and Specifications. If requested by DPD, Developer has delivered the Scope Drawings and Plans and Specifications to DPD, and DPD reserves the right to review and approve these documents. If requested by DPD, Developer shall submit to DPD subsequent proposed changes to the Scope Drawings or Plans and Specifications as a Change Order pursuant to Section 3.04. The Scope Drawings and Plans and Specifications shall always conform to the Redevelopment Plan and all applicable federal, state, and local laws, ordinances and regulations. 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. Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than \$41,753,667. Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct, and complete in all material respects. Developer shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04.

3.04 Change Orders. Except as provided below in this Section 3.04, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to changes to the Project must be submitted by Developer to DPD concurrently with the progress reports described in Section 3.07; provided, that any Change Order relating to any of the following must be submitted by Developer to DPD for DPD's prior written approval: (a) a reduction in the gross or net square footage of the Project by five percent (5%) or more (either individually or cumulatively); (b) a change in the use of the Project to a use other than as described in Recital D to this Agreement; (c) a delay in the completion of the Project by six (6) months or more; or (d) Change Orders resulting in an aggregate increase to the Project Budget for the Project of ten percent (10%) or more. Developer shall not authorize or permit the performance of any work relating to any Change Order or the furnishing of materials in connection therewith before Developer receives DPD's written approval (to the extent City prior approval is required pursuant to the terms of this Agreement). 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 agreed to provide under this Agreement or provide any other additional assistance to Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders other than those set forth above do not require DPD's prior written approval as set forth in this Section 3.04, but within 10 business days after executing such a Change Order, Developer shall notify DPD in writing of such Change Order and the source of funding therefor.

3.05 DPD Approval. Any approval granted by DPD 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 DPD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

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

3.07 Progress Reports and Survey Updates. Developer shall provide DPD with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DPD's written approval pursuant to Section 3.04). Developer shall provide an updated Survey to DPD if requested by DPD or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 Inspecting Agent or Architect. An independent agent or architect (other than Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect to these inspections to DPD, before Developer requests disbursement for costs related to the Project under this Agreement or the Escrow Agreement, if any. If approved by the City, the inspecting agent or architect may be the same one being used in such role by a lender providing Lender Financing, provided that such agent or architect (a) is not also Developer's agent or architect and (b) acknowledges in writing to the City that the City may rely on the findings of such agent or architect.

3.09 Barricades. Before starting any construction requiring barricades, 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. DPD 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. 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 Developer, the Property and the Project in the City's promotional literature and communications.

3.11 Utility Connections. 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 Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related to such connections.

3.12 Permit Fees. In connection with the Project, 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.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The estimated total cost of the Project is shown below, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	\$22,184,673
Lender Financing	\$2,668,994

City Funds (subject to <u>Section 4.03</u>)	\$14,000,000*
State Grant	\$2,900,000
Estimated Total	\$41,753,667

* \$4,000,000 TIF Loan and \$10,000,000 TIF Forgivable Loan

The payment of City Funds, including the timing of payment, is subject to the terms and conditions of this Agreement, including but not limited to Section 4.03 and Section 5.

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

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to reimburse Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit B 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 in Exhibit B subject to Sections 4.03(b) and 4.05(b), contingent upon the City receiving documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

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

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Incremental Taxes (TIF Forgivable Loan)	\$10,000,000
Incremental Taxes (TIF Loan)	\$4,000,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of \$14,000,000 or 34.0% of the actual total Project costs, with such amount to be further reduced by the TIF District Administration Fee; and

provided further, that the City Funds to be derived from Incremental Taxes shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as:

- (i) The amount of the Incremental Taxes deposited into the TIF Fund shall be sufficient to pay for such costs; and
- (ii) The City has been reimbursed from Incremental Taxes for the amount previously disbursed by the City for TIF-Funded Improvements.

Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$14,000,000 is contingent upon the fulfillment of the conditions set forth in parts (i) and (ii) above. If such conditions are not fulfilled, the amount of Equity to be contributed by Developer pursuant to Section 4.01 shall increase proportionately.

Developer further acknowledges and agrees that no TIF-Funded Improvements that are incurred by Developer after the TIF Expiration Date will be reimbursed with City Funds (through the TIF Forgivable Loan and the TIF Loan). If TIF-Funded Improvements incurred by Developer by the TIF Expiration Date do not equal or exceed \$14,000,000, the total amount of City Funds payable to Developer (which payments may occur after the TIF Expiration Date, in 2026) shall be reduced accordingly and Developer shall forfeit any claim on that reduction.

(c) City Loans. Upon the Developer having submitted one or more Requisition Forms for payment prior to the TIF Expiration Date, the City shall issue both the TIF Forgivable Loan and the TIF Loan, and both the TIF Forgivable Loan Developer Note and the TIF Loan Developer Note, and pay out the proceeds of both loans to the limits approved in the Requisition Form or Forms, as follows:

The TIF Forgivable Loan will not accrue interest or require payments through the period of construction and will be forgiven upon receiving Certificate of Completion.

The TIF Loan interest rate will be equal to the thirty-year Treasury at the time of the Closing and will be fixed for the duration of the TIF Loan ("TIF Loan Interest Rate"). The TIF Loan will accrue interest but not require regular payments prior to the sixth anniversary from receipt of Certificate of Occupancy ("TIF Loan Deferral Period").

- i. To the extent that the TIF Loan is repaid during the TIF Loan Deferral Period, then any accrued interest during this time shall be forgiven ("TIF Loan Interest Forgiveness").
- ii. During the TIF Loan Term (defined below), the principal balance will accrue at a rate equal to the thirty-year Treasury at the time of RDA closing and will be fixed for the duration of the TIF Loan ("TIF Loan Interest Rate").
- iii. If the TIF Loan is not repaid within the TIF Loan Deferral Period, then the interest accrued during the TIF Loan Deferral Period will be added to the outstanding principal balance.
- iv. On the sixth anniversary from receipt of the Certificate of Completion, until the TIF Loan matures ("TIF Loan Repayment Period"), regular principal and interest payments will be required.
- v. The outstanding principal balance of the TIF Loan will amortize based on a 30-year schedule during the TIF Loan Repayment Period, with interest and principal payments due on a quarterly basis.

- vi. The TIF Loan will mature ten years after the receipt of the Certificate of Completion ("TIF Loan Term"), at which time any outstanding principal balance shall be immediately due and payable.
- vii. The TIF Loan shall be secured by a subordinate recapture mortgage (the TIF Loan Mortgage) on the Project in favor of the City

The TIF Loan and TIF Forgivable Loan will be subordinate to the senior debt.

4.04 Requisition Form. One or more Requisition Forms for reimbursement of TIF-Funded Improvements, along with the documentation described in the Requisition Form, may be submitted from time to time, but not more often than quarterly (except for the final Requisition Form, which must be submitted not later than January 31, 2026), and only for reimbursement (not contemporaneous payment) of TIF-Funded Improvements. Developer shall meet with DPD at the request of DPD to discuss any Requisition Form.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Effect of Prior Expenditures on Equity or Lender Financing demonstrated before the Closing Date. If Developer incurs and pays Project expenses before the Closing Date and wants these expenses to reduce the amount of Equity or Lender Financing, then Developer shall provide documentation of these expenses satisfactory to DPD prior to the Closing Date. Any such expenses reviewed and approved in writing by DPD, in its sole discretion, shall be referred to as "Prior Expenditures". Prior Expenditures made for TIF-Funded Improvements may be reimbursed to Developer under the terms of this Agreement. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to Developer but shall reduce the amount of Equity and/or Lender Financing Developer is required to contribute under Section 4.01.

(b) TIF District Administration Fee. Annually, the City may allocate an amount (the "TIF District Administration Fee") not to exceed five percent (5%) of the Incremental Taxes to pay costs the City incurred to administer and monitor the Redevelopment Area, including the Project. 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 before any City Funds are paid under this Agreement.

(c) Allocation Among Line Items. Disbursements 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 DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of DPD.

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03, or if the cost of completing the Project exceeds the Project Budget, 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. Before each disbursement of City Funds, Developer shall submit documentation regarding the applicable expenditures to DPD, which shall be satisfactory to DPD in its sole discretion. Developer's delivery of any request for disbursement of City Funds shall, in addition to the items expressly set forth in such request, constitute Developer's certification to the City, as of the date of such request for disbursement, that:

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

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

(c) Developer has approved all work and materials for the current disbursement request 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 Developer is in compliance with all covenants contained in this Agreement;

(e) 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;

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

(g) the Project is In Balance. The Project shall be deemed to be in balance ("In Balance") only if the total of the Available Project Funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. Developer hereby agrees that, if the Project is not In Balance, Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require 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 Developer. In addition, Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08 Conditional Grant. The City Funds are being granted on a conditional basis, subject to Developer's compliance with the provisions of this Agreement and are subject to being reimbursed as provided in Section 15.02.

SECTION 5. CONDITIONS PRECEDENT

Developer has complied with the following conditions to the City's satisfaction on or before the Closing Date:

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

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

5.03 Other Governmental Approvals. 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 DPD.

5.04 Financing. Developer has furnished proof reasonably acceptable to the City that Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 to complete the Project and satisfy its obligations under this Agreement. If such funds include Lender Financing, Developer has furnished proof as of the Closing Date that the proceeds of the Lender Financing (a) are available for Developer to draw upon as needed and (b) are sufficient, along with the Equity and/or other sources set forth in Section 4.01, to complete the Project. If the City is not a party to the Escrow Agreement, then Developer has delivered to DPD a copy of the Escrow Agreement. Any liens against the Property existing at the Closing Date have been subordinated to certain encumbrances of the City set forth in this Agreement pursuant to a subordination agreement, in a form acceptable to the City, executed on or before the Closing Date, which is to be recorded, at Developer's expense, with the Cook County Clerk's Office.

5.05 Acquisition and Title. On the Closing Date, Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions that are Permitted Liens and evidences the recording of this Agreement pursuant to the provisions of Section 8.18. The Title Policy also contains such 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), contiguity, location, access, and survey. Developer has provided to DPD, on or before 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 DPD's satisfaction, by the Title Policy and any endorsements to the Title Policy.

5.06 Evidence of Clean Title. Developer, at its own expense, has provided the City with searches as indicated in the chart below under Developer's name and Developer's trade names showing no liens against Developer, the Property or any fixtures now or hereafter affixed to the Property, except for the Permitted Liens:

Jurisdiction	Searches
Secretary of State	UCC, Federal tax

Cook County Clerk's Office	UCC, Fixtures, Federal tax, State tax, Memoranda of judgments
U.S. District Court, Northern District - Illinois	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

5.07 Surveys. Developer has furnished the City with a copy of the Survey.

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

5.09 Opinion of Developer's Counsel. On the Closing Date, Developer has furnished the City with an opinion of counsel in form and substance acceptable to Corporation Counsel. If Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions required by the Corporation Counsel, such opinions must be obtained by Developer from its general corporate counsel or such other counsel acceptable to the Corporation Counsel.

5.10 Evidence of Prior Expenditures. Developer has provided evidence satisfactory to DPD in its sole discretion of the Prior Expenditures, if any, in accordance with the provisions of Section 4.05(a).

5.11 Financial Statements. Developer has provided Financial Statements to DPD for its most recent fiscal year and audited or unaudited interim financial statements.

5.12 [intentionally omitted]

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

5.14 Corporate Documents; Economic Disclosure Statement. Developer has provided a copy of its articles or certificate of incorporation or organization containing the original certification of the Secretary of State; certificates of good standing from the Secretary of State of its state of incorporation or organization and all other states in which Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; bylaws or operating agreement; and such other organizational documentation as the City has requested.

Developer has provided to the City an EDS, dated as of the Closing Date, which is incorporated by reference, and Developer further will provide any other affidavits or certifications as may be required by federal, state, or local law in the award of public contracts, all of which affidavits or certifications are incorporated by reference. Notwithstanding acceptance by the City of the EDS, failure of the EDS to include all information required under the Municipal Code renders

this Agreement voidable at the option of the City. Developer and any other parties required by this Section 5.14 to complete an EDS must promptly update their EDS(s) on file with the City whenever any information or response provided in the EDS(s) is no longer complete and accurate, including changes in ownership and changes in disclosures and information pertaining to ineligibility to do business with the City under Chapter 1-23 of the Municipal Code, as such is required under Sec. 2-154-020, and failure to promptly provide the updated EDS(s) to the City will constitute an event of default under this Agreement.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in Section 6.01(b) below, before entering into an agreement with a General Contractor or any subcontractor for construction of the Project, Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and if requested by DPD shall submit all bids received to DPD for its inspection and written approval. (i) For the TIF-Funded Improvements, Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b). Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Copies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days after they are signed. Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by DPD and all requisite permits have been obtained.

(b) If, before entering into an agreement with a General Contractor for construction of the Project, Developer does not solicit bids pursuant to Section 6.01(a), then the fee of the General Contractor proposed to be paid out of City Funds shall not exceed 30% of the total amount of the Construction Contract. Except as explicitly stated in this paragraph, all other provisions of Section 6.01(a) shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids from all subcontractors.

6.02 Construction Contract. Before executing the Construction Contract, Developer shall deliver to DPD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DPD's prior written approval, which DPD shall grant or deny within ten (10) business days after delivery of the proposed Construction Contract. Within ten (10) business days after the Construction Contract is executed by all parties thereto, Developer shall deliver to DPD and Corporation Counsel a certified copy of such contract together with any modifications, amendments, or supplements thereto.

6.03 Performance and Payment Bonds. Before starting construction of any portion of the Project, Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. Before starting construction of any portion of the Project which includes work on the public way, Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form acceptable to the City. The City shall be named as obligee or co-obligee on any such bonds.

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

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 8.09 (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). Copies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DPD within five (5) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon completion of the construction and/or rehabilitation of the Project in accordance with the terms of this Agreement and upon Developer's written request, DPD shall issue to Developer a Certificate in recordable form certifying that Developer has fulfilled its obligation to complete the construction and/or rehabilitation of the Project in accordance with the terms of this Agreement. DPD shall respond to 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 Developer to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures.

The Developer acknowledges and understands that the City will not issue the Certificate until the following conditions have been met:

- Evidence acceptable to DPD that the Total Project Cost equals or exceeds \$41,753,667; as described in Section 4.03(b), the City Funds will be reduced on a dollar-for-dollar basis if the Total Project Cost is less than this amount; and
- Evidence that Developer has incurred TIF-eligible expenses in an amount equal to, or greater than, the total amount of City Funds for the Project up to \$14,000,000; and
- Receipt of a Certificate of Occupancy for the Project or other evidence acceptable to DPD that the developer has complied with building permit requirements for the Project; and

- The Project is occupied and open for business, as demonstrated by issuance of a Certificate of Occupancy for the theater (or other evidence reasonably acceptable to DPD that the Developer Parties have complied with building permit requirements) and commencement of ticket sales for a scheduled event at the theatre; and
- Evidence acceptable to DPD in the form of a closeout letter from DPD's Compliance and Monitoring division stating that the Developer is in complete compliance with all City Requirements (MBE/WBE, City Residency, and Prevailing Wage); and
- Evidence acceptable to DPD that the Project has complied with the Sustainable Development Policy; and
- There exists neither an Event of Default which is continuing nor a condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the construction and/or rehabilitation of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to Developer's obligation to complete such activities have been satisfied. After the Certificate is issued, however, all executory terms and conditions of this Agreement and all representations and covenants contained in this Agreement 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 Section 8.02 (Covenant to Redevelop), Section 8.06 (Jobs Covenant; Operating Covenant), Section 8.19 (Real Estate Provisions) and Section 8.20 (Annual Compliance Report) 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 when the Certificate is issued, 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 Certificate is issued shall be binding only upon Developer or a permitted assignee of Developer who, pursuant to Section 18.14 (Assignment) of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities under this Agreement.

7.03 Failure to Complete. If 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 under this Agreement;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. If the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.03, 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 Developer.

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

SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER.

8.01 General. The representations and warranties provided by Developer under this Agreement are material conditions precedent to the City's obligations under this Agreement. Developer represents, warrants, and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder and throughout the Term of the Agreement, that:

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

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

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

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, Developer shall acquire and 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, Lender Financing as disclosed in the Project Budget and non-governmental charges that Developer is contesting in good faith pursuant to Section 8.15)

(e) 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 Developer which would impair its ability to perform under this Agreement;

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

(h) 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 Developer is a party or by which 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 Developer's assets, liabilities, results of operations and financial condition, and there has been no material adverse change in Developer's assets, liabilities, results of operations or financial condition since the date of Developer's most recent Financial Statements;

(j) before the Certificate is issued, Developer shall not do any of the following without the prior written consent of DPD: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease 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 to the Property) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to Developer's financial condition;

(k) Developer has not incurred, and, before the Certificate is issued, shall not, without the prior written consent of the Commissioner of DPD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached to the Property, except Lender Financing disclosed in the Project Budget; and

(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 Developer in violation of Chapter 2-156-120 of the Municipal Code;

(m) neither Developer nor any affiliate of 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.

(n) Developer understands that (i) the City Funds are limited obligations of the City, payable solely from moneys on deposit in the account of the TIF Fund designated for the Project; (ii) the City Funds do not constitute indebtedness of the City within the meaning of any constitutional or statutory provision or limitation; (iii) Developer will have no right to compel the exercise of any taxing power of the City for payment of the City Funds; and (iv) the City Funds do not and will not represent or constitute a general obligation or a pledge of the faith and credit of the City, the State of Illinois or any political subdivision thereof;

(o) Developer has sufficient knowledge and experience in financial and business matters, including municipal projects and revenues of the kind represented by the City Funds, and has been supplied with access to information to be able to evaluate the risks associated with the receipt of City Funds;

(p) Developer understands that there is no assurance as to the amount or timing of receipt of City Funds, and that the amounts of City Funds actually received by such party may be substantially less than the maximum amounts set forth in Section 4.03(b);

(q) Developer understands it may not sell, assign, pledge or otherwise transfer its interest in this Agreement or City Funds in whole or in part except in accordance with the terms of Section 18.14 (Assignment) of this Agreement, and, to the fullest extent permitted by law, agrees to indemnify the City for any losses, claims, damages or expenses relating to or based upon any sale, assignment, pledge or transfer of City Funds in violation of this Agreement; and

(r) Developer acknowledges that with respect to City Funds, the City has no obligation to provide any continuing disclosure to the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board, to any holder of a note relating to City Funds or any other person under Rule 15c2-12 of the Commission promulgated under the Securities Exchange Act of 1934 or otherwise and shall have no liability with respect thereto.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03, and Developer's receipt of all required building permits and governmental approvals, Developer shall redevelop the Property in accordance with this Agreement and all its Exhibits, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments to such documents, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee but shall be deemed satisfied when the City issues the Certificate.

8.03 Redevelopment Plan. Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan, which is hereby incorporated by reference into this Agreement.

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

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

8.06 Jobs Covenant; Operating Covenant; Occupancy Covenant. Developer will aspire to retain not less than 12 FTE permanent jobs and 14 PTE permanent jobs at the Project within 12 months of the completion thereof; and will aspire to create not less than 200 additional temporary FTE jobs. Developer agrees to report the number of jobs annually, whether FTE or otherwise.

Developer hereby covenants and agrees to maintain its operations within the City of Chicago at the Facilities through the Term of the Agreement.

Developer will be required to use good faith efforts to maintain at least 100 performances during the first calendar year of the Term of the Agreement and shall be obligated to maintain at least 100 performances per calendar year in the theatre space during each one calendar year anniversary period of the Certificate issuance for years 2 through 10 of the Term of the Agreement; provided that the Developer shall not be in default as long it maintains at least 300 total performances in any consecutive three-year period.

8.07 Employment Opportunity; Progress Reports. Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10. Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 75% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, how Developer shall correct any shortfall

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

8.09 Prevailing Wage. 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, Developer shall provide the City with copies of all such

contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions. Unless DPD has given its prior written consent, no Affiliate of 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. Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon DPD's request, before any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, 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 or Developer 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 Developer's business, the Property or any other property in the Redevelopment Area.

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

8.13 Financial Statements. Developer shall obtain and provide to DPD Financial Statements for Developer's most recent fiscal year and each fiscal year thereafter for the Term of the Agreement. In addition, Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DPD may request.

8.14 Insurance. Developer, at its own expense, shall comply with all provisions of Section 12.

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, 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, 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. Developer shall furnish to DPD, within thirty (30) days of DPD's request, official receipts from the appropriate entity, or other proof satisfactory to DPD, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. 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 Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or

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

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

8.17 Compliance with Laws. To the best of Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, Developer shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing. Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements to this Agreement to be recorded and filed, at Developer's expense, against the Property on the date hereof in the Cook County Clerk's Office.

8.19 Real Estate Provisions.

(a) Governmental Charges.

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

(ii) Right to Contest. 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. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.19(c) below; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying, or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless Developer has given prior written notice to DPD of Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

(i) Developer shall demonstrate to DPD's satisfaction that legal proceedings instituted by 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 before the final determination of such proceedings; and/or

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

(b) Developer's Failure To Pay Or Discharge Lien. If Developer fails to pay any Governmental Charge or to obtain discharge of the same, then Developer shall advise DPD in writing. At that time DPD in its sole discretion may, but shall not be obligated to, make all or any part of such payment or obtain such discharge and take any other related action which DPD deems advisable. By taking any action under this paragraph, DPD shall not waive or release any obligation or liability of Developer under this Agreement. The Developer shall promptly reimburse DPD for all sums, if any, DPD pays under this paragraph and expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto. Notwithstanding anything contained in this paragraph to the contrary, this paragraph shall not be construed to obligate the City to pay any Governmental Charge. If Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require Developer to submit to the City audited Financial Statements at Developer's own expense.

(c) Real Estate Taxes. [Intentionally omitted]

(d) Notification to the Cook County Assessor of Change in Use or Ownership. If required under 35 ILCS 200/15-20 due to a change in use or ownership of the Property, within 90 days after the Closing Date, Developer shall complete a letter of notification, in accordance with 35 ILCS 200/15-20, notifying the Cook County Assessor of such change in use or ownership. After delivery of the notification, Developer shall forward a copy of the return receipt to DPD, with a copy to the City's Corporation Counsel's office.

8.20 Annual Compliance Report. Starting when the Certificate is issued and continuing throughout the Term of the Agreement, Developer shall submit to DPD the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

8.21 Inspector General. It is the duty of Developer and the duty of any bidder, proposer, contractor, subcontractor, and every applicant for certification of eligibility for a City contract or program, and all of Developer's officers, directors, agents, partners, and employees and any such bidder, proposer, contractor, subcontractor or such applicant, to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Developer represents that it understands and will abide by all provisions of Chapter 2-56 of the Municipal Code and that it will inform subcontractors of this provision and require their compliance.

8.22 Sustainable Development Policy. The Developer shall provide evidence acceptable to the City that they have complied with the Sustainable Development Policy for the Project within one (1) year after the date of the Certificate. If a default occurs under this Section 8.22, the City shall have the right to reduce the City Funds by \$250,000 as described in Section 15.02.

8.23. FOIA and Local Records Act Compliance.

(a) FOIA. Developer acknowledges that the City is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et. seq., as amended ("FOIA"). The FOIA requires the City to produce records (very broadly defined in FOIA) in response to a FOIA request in a very short period of time, unless the records requested are exempt under the FOIA. If Developer receives a request from the City to produce records within the scope of FOIA, then Developer covenants to comply with such request within 48 hours of the date of such request. Failure by Developer to timely comply with such request shall be an Event of Default.

(b) Exempt Information. Documents that Developer submits to the City as part of the Annual Compliance Report or otherwise during the Term of the Agreement that contain trade secrets and commercial or financial information may be exempt if disclosure would result in competitive harm. However, for documents submitted by Developer to be treated as a trade secret or information that would cause competitive harm, FOIA requires that Developer mark any such documents as "proprietary, privileged or confidential." If Developer marks a document as "proprietary, privileged and confidential", then DPD will evaluate whether such document may be withheld under the FOIA. DPD, in its discretion, will determine whether a document will be exempted from disclosure, and that determination is subject to review by the Illinois Attorney General's Office and/or the courts.

(c) Local Records Act. Developer acknowledges that the City is subject to the Local Records Act, 50 ILCS 205/1 et. seq., as amended (the "Local Records Act"). The Local Records Act provides that public records may only be disposed of as provided in the Local Records Act. If requested by the City, Developer covenants to use its best efforts consistently applied to assist the City in its compliance with the Local Records Act.

8.24 Survival of Covenants. All warranties, representations, covenants and agreements of Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate

and complete at the time of Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties to this Agreement and, except as provided in Section 7 when the Certificate is issued, 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 under this Agreement.

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 to this Agreement and be in effect throughout the Term of the Agreement.

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. 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 Developer operating on the Property (collectively, with 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.

10.02 City Resident Construction Worker Employment Requirement. Developer agrees for itself and its successors and assigns, and 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 (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, 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.

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 in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

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

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 DPD 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.

Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of DPD, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. 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 DPD, affidavits and other supporting documentation will be required of 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 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 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 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 Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code may be withheld by the City pending the Chief Procurement Officer's determination as to whether 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.

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. 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 (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code (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 B) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 26 percent by MBEs.
- (2) At least six percent by WBEs.

(b) For purposes of this Section 10.03 only, Developer (and any party to whom a contract is let by Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by 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, as applicable.

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

(d) 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 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 Developer's compliance with this MBE/WBE commitment. 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 Developer, on five Business Days' notice, to allow the City to review 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, 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, as applicable.

(f) Any reduction or waiver of 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, as applicable.

(g) Before starting the Project, Developer shall be required to meet with the City's monitoring staff with regard to 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, 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, 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 Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to 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 Developer to halt the Project, (2) withhold any further payment of any City Funds to Developer or the General Contractor, or (3) seek any other remedies against Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all its Exhibits, the Scope Drawings, Plans and Specifications and all amendments thereto and the Redevelopment Plan.

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the

following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

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

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

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

(c) Post Construction:

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

(d) Other Requirements:

Developer must furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 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. Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent before 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 Developer to obtain and maintain the specified coverages. 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, canceled, or non-renewed.

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

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 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 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.

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

(ii) 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 official statement, limited offering memorandum or private placement memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of Developer or any Affiliate of Developer; or

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

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. 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 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 Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by 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 during the Term of the Agreement, subject to the provisions of Section 15.03, shall constitute an "Event of Default" by Developer under this Agreement:

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

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

(c) Developer makes or furnishes to the City 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 under this Agreement, 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, 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 Developer or for the liquidation or reorganization of Developer, or alleging that Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of 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 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 Developer, for any substantial part of Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of 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) any judgment or order is entered against Developer and remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

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

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

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

(k) a refinance, sale or transfer of the Project or any part thereof before the expiration of the Term of the Agreement without the prior written consent of the City;

(l) Developer or any party that is a Controlling Person (defined in Section 1-23-010 of the Municipal Code) with respect to Developer fails to maintain eligibility to do business with the City in violation of Section 1-23-030 of the Municipal Code; such failure shall render this Agreement voidable or subject to termination, at the option of the Chief Procurement Officer; or

(m) Developer fails to submit the Annual Compliance Report to the City within 60 days after each anniversary of the Closing Date.

Notwithstanding the above, the Developer shall be entitled to two non-consecutive one-year cure periods (each being a "Compliance Cure Period") during the Term of the Agreement to cure the failure to submit the Annual Compliance Report; however, any Compliance Cure Period claimed shall extend the Term of the Agreement by one year. If two Compliance Cure Periods have occurred, then any subsequent default under 15.01(M) shall constitute an Event of Default without further notice or opportunity to cure.

Any payment of liquidated damages by Developer shall not relieve Developer of its obligation under Section 8.20.

For purposes of Sections 15.01(i) and 15.01(j), a person with a material interest in Developer shall be one having a direct or indirect beneficial interest (including ownership) exceeding 10% of Developer.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and Developer are or shall be parties, suspend disbursement of City Funds, place a lien on the Project in the amount of City Funds paid, or seek reimbursement of any 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 damages, injunctive relief or the specific performance of the agreements contained in this Agreement. Upon the occurrence of an Event of Default under Section 8.06, Developer shall be obligated to repay to the City all previously disbursed City Funds.

Upon the occurrence of an Event of Default under Section 15.01(k) hereof, Developer shall immediately pay and remit to the City an amount equal to 100% of TIF Funds paid to Developer.

Upon a failure to submit the Annual Compliance Report within the time given in 15.01(m) hereof, Developer shall immediately pay liquidated damages to the City of \$10,000 for each such Event of Default.

Upon the occurrence of an Event of Default because of failure to comply with Section 8.22, (Sustainable Development Policy), the City's remedy shall be the right to reduce the amount of City Funds by \$250,000.

15.03 Curative Period. In the event Developer shall fail to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision

of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless 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 Developer shall fail to perform a non-monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, Developer shall not be deemed to have committed an Event of Default under this Agreement if it has started to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured. This paragraph does not apply to an Annual Compliance Report default referenced under Section 15.01(m) hereof.

SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date of this Agreement with respect to the Property or any portion thereof that were made before or on the date of this Agreement in connection with Lender Financing and which are Permitted Liens are referred to in this Agreement as the "Existing Mortgages." Any mortgage or deed of trust that Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to in this Agreement as a "New Mortgage." Any New Mortgage that 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 in this Agreement as a "Permitted Mortgage." The City and Developer agree as follows:

(a) If a mortgagee or any other party shall succeed to 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 Developer's interest under this Agreement in accordance with Section 18.14 (Assignment), the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to 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) If any mortgagee shall succeed to 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 Developer's interest under this Agreement in accordance with Section 18.14 (Assignment), the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "Developer" under this Agreement; 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 Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of Developer which accrued before

such party succeeded to the interest of Developer under this Agreement, in which case Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest under this Agreement, 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) Before the City issues a Certificate under Section 7, Developer shall not execute a New Mortgage with respect to the Property or any portion of the Property without the prior written consent of the Commissioner of DPD.

SECTION 17. NOTICE

Unless otherwise specified, any notice, demand or request required under this Agreement 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.

<p>If to the City:</p> <p>City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602 Attention: Commissioner</p>	<p>If to Developer:</p> <p>TimeLine Theatre Company 5539 N Broadway Ave. Chicago, Illinois 60640 Attention: Elizabeth Auman</p>
<p>With Copies To:</p> <p>City of Chicago Department of Law 121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attention: Finance and Economic Development Division</p>	<p>With Copies To:</p> <p>Applegate & Thorne-Thomsen 425 S. Financial Place, Suite 1900 Chicago, Illinois 60605 Attn: Nick Brunick</p>

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 its Exhibits may not be amended or modified without the prior written consent of the parties to this Agreement; provided, however, that the City, in its sole discretion, may amend, modify, or supplement the Redevelopment Plan without the consent of any party to this Agreement. 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) 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 Developer by more than ninety (90) days.

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

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

18.04 Further Assurances. 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 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 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 of this Agreement. 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 to this Agreement, shall constitute a waiver of any such parties' rights or of any obligations of any other party to this Agreement as to any future transactions.

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

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 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.

18.09 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 in this Agreement and the remainder of this Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

18.10 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.

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

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

18.13 Approval. Wherever this Agreement provides for the approval or consent of the City, DPD or the Commissioner, or any matter is to be to the City's, DPD'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, DPD 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 DPD in making all approvals, consents, and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.14 Assignment. 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 Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, as described in Section 7.02 (Effect of Issuance of Certificate; Continuing Obligations), for the Term of the Agreement. Developer consents to the City's sale, transfer, assignment, or other disposal of this Agreement at any time in whole or in part.

18.15 Binding Effect. This Agreement shall be binding upon Developer, the City and their respective successors and permitted assigns (as provided in this Agreement) and shall inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided in this Agreement). Except as otherwise provided in this Agreement, 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.

18.16 Force Majeure. Neither the City nor 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 under this Agreement. The individual or entity relying on this section with respect to

any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.17 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if Developer is required to provide notice under the WARN Act, 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 Developer has locations in the State. Failure by 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 in this Agreement.

18.18 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party to this Agreement 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.

18.19 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.

18.20 Business Relationships. Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code, (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)(a "Financial Interest"), 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, 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. 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.

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

TimeLine Theatre Company

By: _____

Its: _____

CITY OF CHICAGO, an Illinois municipal corporation,
By and through its Department of Planning and
Development

By: _____
Ciere Boatright, Commissioner

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, _____, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that _____, personally known to me to be the _____ of TimeLine Theatre Company, an Illinois not-for-profit corporation (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the [Board of Directors] of Developer, as his/her free and voluntary act and as the free and voluntary act of Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ____ day of _____, ____.

Notary Public

My Commission Expires _____

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

GIVEN under my hand and official seal this ____th day of _____, ____.

Notary Public

My Commission Expires _____

[(Sub)Exhibit "D" referred to in this TimeLine Theatre
Redevelopment Agreement unavailable
at time of printing.]

(Sub)Exhibits "A", "B" and "C" referred to in this TimeLine Theatre Redevelopment
Agreement read as follows:

(Sub)Exhibit "A".
(To TimeLine Theatre Redevelopment Agreement)

Legal Description Of Property.

[Subject To Survey And Title Insurance]

Legal Description:

Property Address:

Property Identification Numbers ("PINs"):

14-08-404-009-0000; and

14-08-404-010-0000.

(Sub)Exhibit "B".
(To TimeLine Theatre Redevelopment Agreement)

Project Budget.

Project Budgets (Project Budget, MBE/WBE Budget and TIF-Funded Improvements)

Notwithstanding the total of TIF-Funded Improvements or the amount of TIF-eligible costs, the assistance to be provided by the City is limited to the amount described in Section 4.03.

	Project Budget	MBE/WBE Budget	TIF Eligible Budget
Acquisition Cost	\$ 2,699,000	\$ -	\$ 2,699,000
Total Acquisition Cost	\$ 2,699,000	\$ -	\$ 2,699,000
Hard Costs			
Preconstruction	\$ 142,122	\$ 142,122	\$ 90,848
Site Preparation	\$ 1,384,252	\$ 1,384,252	\$ 636,370
Demolition	\$ 586,441	\$ 586,441	\$ 586,441
Concrete	\$ 1,356,300	\$ 1,356,300	\$ 625,340
Precast Concrete*	\$ 3,045,538	\$ 3,045,538	\$ -
Structure	\$ 1,044,482	\$ 1,044,482	\$ 245,000
Masonry Restoration	\$ 510,270	\$ 510,270	\$ 501,970
Interior Finishes	\$ 2,137,101	\$ 2,137,101	\$ 989,528
Roofing	\$ 475,400	\$ 475,400	\$ 156,882
Interior & Exterior Doors	\$ 331,611	\$ 331,611	\$ 126,153
Windows and Flooring	\$ 1,578,447	\$ 1,578,447	\$ 362,370
Specialized Construction	\$ 538,324	\$ 538,324	\$ 42,763
Elevators	\$ 569,000	\$ 569,000	\$ 369,850
Fire Suppression	\$ 337,125	\$ 337,125	\$ 111,251
Plumbing	\$ 908,172	\$ 908,172	\$ 363,269
HVAC	\$ 2,514,420	\$ 2,514,420	\$ 829,759
Electrical	\$ 3,849,656	\$ 3,849,656	\$ 1,539,862
Audio Visual	\$ 477,813	\$ 477,813	\$ 157,678
General Requirements	\$ 863,464	\$ -	\$ 345,386
General Conditions	\$ 1,202,001	\$ -	\$ 1,202,001
Contingencies	\$ 1,276,336	\$ 1,276,336	\$ 25,000
Construction Management Fee	\$ 628,207	\$ -	\$ 261,647
Insurance	\$ 583,230	\$ -	\$ 235,881
Testing & Investigation	\$ 297,088	\$ 297,088	\$ 151,088
Total Hard Costs	\$ 26,636,800	\$ 23,359,898	\$ 9,956,337
Soft Costs			
Furniture, Fixtures & Equipment (FF&E)	\$ 1,009,550	\$ -	\$ -
Computer Network & Telecommunications	\$ 71,400	\$ -	\$ -
Architecture & Engineering	\$ 3,551,006	\$ -	\$ 1,327,300
Project Management	\$ 856,300	\$ -	\$ 856,300
Owner General Requirements	\$ 1,002,844	\$ -	\$ 450,263
Moving	\$ 20,000	\$ -	\$ -
Total Soft Cost	\$ 6,511,100	\$ -	\$ 2,633,862
Owner Managed Costs			
Fundraising	\$ 1,156,138	\$ -	\$ -
Building Operational/Carrying Cost	\$ 921,296	\$ -	\$ -
Staffing Project Admin	\$ 521,100	\$ -	\$ -
Legal	\$ 210,114	\$ -	\$ 210,114
Accounting	\$ 14,000	\$ -	\$ -
Other Consultants	\$ 238,848	\$ -	\$ 5,148
Other Costs	\$ 6,922	\$ -	\$ -
Bond	\$ 266,368	\$ -	\$ 266,368
Title Company	\$ 160,000	\$ -	\$ -
Total Owner Managed Costs	\$ 3,494,786	\$ -	\$ 481,630
Financing	\$ 1,411,393	\$ -	\$ 423,418
Contingency	\$ 1,000,589	\$ -	\$ -
Total Project Cost	\$ 41,753,667	\$ 23,359,898	\$ 16,194,247
Project MBE Budget at 26%	\$ -	\$ 6,073,573	\$ -
Project WBE Budget at 6%	\$ -	\$ 1,401,594	\$ -

*Seeking W/MBE Exclusion. Included in W/MBE calculation until approved.

All capitalized terms which are not defined in this Requisition Form have the meanings given such terms in the Agreement.

TimeLine Theatre Company

By: _____
Name

Title: _____

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

My commission expires: _____

Agreed and Accepted:

Name

Title: _____

City of Chicago
Department of Planning and Development

SETTLEMENT AGREEMENT REGARDING CASE OF *BASS V. DAKURAS, ET AL.*
[Or2024-0012802]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was transmitted a proposed order authorizing the Corporation Counsel to enter into and execute a settlement order for the

following case: *Bass v. Dakuras, et al.*, cited as Case Number 19 CV 7557 (Northern District of Illinois); 23-2882 (7th Circuit) (Or2024-0012802), in the amount of \$332,500, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed order transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with one dissenting vote made by Alderperson Sposato on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 47.

Nays -- Alderperson Sposato -- 1.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the Corporation Counsel is hereby authorized and directed to enter into and execute a settlement agreement in the following matter: *Bass v. Dakuras, et al.*, cited as Case Number 19 CV 7557 (Northern District of Illinois); 23-2882 (7th Circuit), in the amount of \$332,500.

SETTLEMENT AGREEMENT REGARDING CASE OF *TILILA WADE, INDIVIDUALLY AND AS MOTHER AND NEXT FRIEND OF JADA-DIOR HAMILTON, MINOR V. CHARLES DOUGHERTY AND CITY OF CHICAGO, A MUNICIPAL CORPORATION, DOING BUSINESS AS CITY OF CHICAGO POLICE DEPARTMENT.*

[Or2024-0012803]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was transmitted a proposed order authorizing the Corporation Counsel to enter into and execute a settlement order for the following case: *Tilila Wade, individually and as mother and next friend of Jada-Dior Hamilton, a minor v. Charles Dougherty and City Of Chicago, a municipal corporation, doing business as City Of Chicago Police Department*, cited as Case Number 2021 L 006121 (Or2024-0012803), in the amount of \$445,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed order transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with no dissenting votes on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the Corporation Counsel is hereby authorized and directed to enter into and execute a settlement agreement in the following matter: *Tilila Wade, individually and as mother and next friend of Jada-Dior Hamilton, a minor v. Charles Dougherty and City Of Chicago, a municipal corporation, doing business as City Of Chicago Police Department*, cited as Case Number 2021 L 006121, in the amount of \$445,000.

SETTLEMENT AGREEMENT REGARDING CASE OF *EDDIE BANKS V. CITY OF CHICAGO V. JOHN TINKER*.

[Or2024-0012804]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was transmitted a proposed order authorizing the Corporation Counsel to enter into and execute a settlement order for the following case: *Eddie Banks v. City of Chicago v. John Tinker*, cited as Case Number 2021 L 009966 (Or2024-0012804), in the amount of \$1,750,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed order transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with one dissenting vote made by Alderperson Lopez on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 47.

Nays -- Alderperson Lopez -- 1.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the Corporation Counsel is hereby authorized and directed to enter into and execute a settlement agreement in the following matter: *Eddie Banks v. City of Chicago v. John Tinker*, cited as Case Number 2021 L 009966, in the amount of \$1,750,000.

PAYMENT OF MISCELLANEOUS REFUNDS, COMPENSATION FOR PROPERTY DAMAGE, ET CETERA.

[SO2024-0012805]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, small claims division, to which was referred an order for payments of various small claims against the City of Chicago (Or2024-0012805), having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed order transmitted herewith.

This recommendation was concurred in by a vote of the members of the committee present with no dissenting votes on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the City Comptroller is authorized and directed to pay the following named claimants the respective amounts set opposite their names, said amount to be paid in full and final settlement of each claim on the date and location by type of claim as follows:

[List of claimants printed on page 18205 of this *Journal*.]

City Of Chicago
Journal Report for City Council GL Claims

Last Name	First Name	Address	City	State	Zip Code	DOL	Total Paid	Payee	Location of Accident
Claimant Type Desc: Property(7)									
TZOU MAS	DANNY	6339 26TH STREET	BERWYN	IL	60402	03/07/2024	\$1,300.00	Claimant	1546 WAUGUSTA BLVD
		Total of Split Claims:							
		Number							
		Amount							
		1							
		\$1,300.00							
Claimant Type Desc: Vehicle(8)									
BAILEY-SPRAWLS	MARY	538 N LAWLER AVE	CHICAGO	IL	60644	03/21/2024	\$162.38	Claimant	2709 W CHICAGO AVE
BRANDENBURG	JESSICA	1333 S WABASH AVE	CHICAGO	IL	60605	03/10/2024	\$168.24	DEPARTMENT OF REVENUE	4600 S CICERO
DOMBROWSKI	JAMES	3984 E. 112TH ST	CHICAGO	IL	60617	01/26/2024	\$1,165.22	Claimant	2115 S. LAKE SHORE
GALOUNIS	CATHLEEN	840 WAGON DRIVE	NEW LENOX	IL	60451	04/02/2024	\$180.09	Claimant	2044 N ASHLAND AVE
LOW	CHIN	3508 S WASHTENAW AVE	CHICAGO	IL	60632	05/06/2024	\$150.35	Claimant	35th & ARTESIAN AVE
MOSQUEDA	MATTHEW	9168 DEL PRADO DR. #25	PALOS HILLS	IL	60465	04/06/2024	\$732.62	Claimant	1637 S. LAKE SHORE
O'CONNOR	CLARE	1522 LATHROP AVE.	RIVER FOREST	IL	60305	04/03/2024	\$65.50	DEPARTMENT OF REVENUE	4250 N. JEAN BAPTISTE
O'CONNOR	CLARE	1522 LATHROP AVE.	RIVER FOREST	IL	60305	04/03/2024	\$207.65	Claimant	4250 N. JEAN BAPTISTE
PEREZ-TORRES	MICHAEL	805 ALLISON AVE. APT. 3	MANHATTAN	KS	66502	12/30/2023	\$223.02	Claimant	5360 S. CICERO AVE.
PEREZ-TORRES	MICHAEL	805 ALLISON AVE. APT. 3	MANHATTAN	KS	66502	12/30/2023	\$85.40	DEPARTMENT OF REVENUE	5360 S. CICERO AVE.
POLIZZI	KERRY	598 S. BRYAN ST.	ELMHURST	IL	60126	05/29/2024	\$139.66	Claimant	602 W. 76TH ST.
RHOTON	LISA	2010 ELIZABETH AVE.	ZION	IL	60099	04/07/2024	\$234.16	Claimant	4901 W. DEVON AVE.
		Total of Split Claims:							
		Number							
		Amount							
		12							
		\$3,518.29							
		Total of Split Claims:							
		Number							
		Amount							
		13							
		\$4,818.29							

ISSUANCE OF CITY OF CHICAGO CHARITABLE SOLICITATION (TAG DAY) PERMIT.

[Or2024-0012807]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred a proposed order authorizing a Charitable Solicitation on the Public Way (Tag Day) permit for The Nature Conservancy (Or2024-012807), having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed order transmitted herewith.

This recommendation was concurred in by a vote of the members of the committee present with no dissenting votes on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the Committee on Finance is hereby authorized and directed to issue a charitable solicitation (tag day) permit to the following organization:

- A. The Nature Conservancy
January 1, 2025 through December 31, 2025 -- Citywide.

This order shall take effect and be in force from and after its passage.

Do Not Pass -- CLAIMS FOR VARIOUS REFUNDS.

[SCL2024-0012806]

The Committee on Finance submitted the following report:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, small claims division, to which was referred on subsequent dates, sundry claims for various refunds (CL2024-0012806), having the same under advisement, begs leave to report and recommend that Your Honorable Body *Do Not Pass* said claims for payment.

This recommendation was concurred in by a vote of the members of the committee, with no dissenting votes, on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

On motion of Alderperson Dowell, the committee's recommendation was *Concurred In* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Hopkins, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Beale, Chico, Lee, Ramirez, Quinn, Gutiérrez, Lopez, Coleman, Moore, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Tabares, Scott, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Cardona, Waguespack, Rodríguez-Sánchez, Conway, Villegas, Sposato, Nugent, Vasquez, Napolitano, Reilly, Knudsen, Lawson, Gardiner, Clay, Martin, Manaa-Hoppenworth, Hadden, Silverstein -- 48.

Nays -- None.

Alderperson Mitchell moved to reconsider the foregoing vote. The motion was lost.

[List of denied claimants printed on page 18208 of this *Journal*.]

City Of Chicago

Denied Claims by Claim Name

Denied Date: 10/09/2024

Claimant Name	Claimant Address	Incident Date	Introduced to City Council	Claim Number	Denial Reason
AGNEW, BRIAN K.		8/10/24 12:00 AM	09/18/2024	2024370818	MAT CONSTRUCTION LEASING INC.
ALBINA, AGNIESZKA		5/9/24 12:00 AM		2024370796	FILE CLAIM WITH CHICAGO TRANSIT AUTHORITY PH:
ARROYO-ROMERO, ANALLELY I		5/19/24 12:00 AM		2024370792	DUPLICATE CLAIM
BERMAN, ELLIOTT M		3/28/24 12:00 AM		2024370784	THIRD PARTY PEOPLE GAS 200 E RANDOLPH ST, CHICAGO IL
BIELANSKA, BRONISLAWA		7/15/24 12:00 AM	09/18/2024	2024370812	S&S FORESTRY IS NOT LIABLE FOR DAMAGES DUE TO
DOSS, STEVEN		5/16/24 12:00 AM	09/18/2024	2024370795	PLEASE FILE WITH ILLINOIS DEPARTMENT OF
DUDECK, MICHAEL R.		2/15/24 12:00 AM		2024370704	THE DEPARTMENT OF WATER MANAGEMENT COMPLETED AN
EDWARDS, VICTOR C		4/28/24 12:00 AM		2024370523	THE DAMAGE IN THE CLAIM WAS NOT A RESULT OF TREE
EMEZIE, PRECIOUS A		3/6/24 12:00 AM	05/22/2024	2024370561	OVER \$2,500. REFERRED TO LAW DEPT. CCMSI
JEAN-PIERRE, MILDRED		7/14/24 12:00 AM		2024370811	STREETS AND SANITATION FORESTRY DEPARTMENT ARE NOT
MCBRIDE, ELYSIA D.		2/24/24 12:00 AM		2024370518	THE DAMAGE IN THE CLAIM WAS NOT A RESULT OF TREE
OZINGA ENERGY LLC		2/9/24 12:00 AM	04/17/2024	2024370452	CLAIMANT NON-RESPONSIVE
PETRESCU, DANIEL F		10/2/23 12:00 AM		2023370794	UNITED ROAD TOWING INC. ATT: CLAIMS COMMITTEE, 16327 S
PRICE, KATRINA C.		9/16/23 12:00 AM	09/18/2024	2023370793	NO LEGAL PROVISION FOR PAYING YOUR CLAIM
PRIMER, FAITH R.		7/16/24 12:00 AM	09/18/2024	2024370820	S&S FORESTRY IS NOT LIABLE FOR DAMAGES CAUSED BY
PROGRESSIVE UNIVERSAL INS.		1/25/24 12:00 AM	09/18/2024	2024370805	DUPLICATE CLAIM#: 2024370534

Action Deferred -- REFUNDING OF GENERAL OBLIGATION/SALES TAX SECURITIZATION CORPORATION BOND, SERIES 2024.

[SO2024-0012442]

The Committee on Finance submitted the following report which was, on motion of Alderperson Lopez and Alderperson Tabares, *Deferred* and ordered published:

CHICAGO, October 9, 2024.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred a substitute ordinance concerning the refunding of the General Obligation/Sales Tax Securitization Corporation Bond, Series 2024 (SO2024-0012442), having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a voice vote of the members of the committee present, with three (3) dissenting votes from Alderpersons Lopez, Cardona and Waguespack on October 2, 2024.

Respectfully submitted,

(Signed) PAT DOWELL,
Chair.

Alderperson Lopez moved to amend Page 19 of the ordinance on its face by striking from Section 2.18 (d) "85" and inserting "90" in lieu thereof so that the sentence reads "Bonds sold pursuant to a Contract of Purchase shall be sold at a price of not less than 90 percent of the principal amount of the Bonds being sold."

Alderperson Dowell moved to lay the motion on the table.

The Clerk called the roll and the motion to *Lay on the Table* the motion to amend the ordinance on its face *Prevailed* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Ramirez, Gutiérrez, Coleman, Taylor, Mosley, Rodríguez, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Rodríguez-Sánchez, Conway, Vasquez, Knudsen, Lawson, Clay, Martin, Manaa-Hoppenworth, Hadden -- 28.

Nays -- Alderpersons Hopkins, Beale, Chico, Lee, Quinn, Lopez, Moore, Curtis, O'Shea, Tabares, Scott, Cardona, Waguespack, Villegas, Sposato, Nugent, Napolitano, Reilly, Gardiner, Silverstein -- 20.

Thereupon, on motion of Alderperson Lopez and Alderperson Tabares, the said proposed ordinance was *Deferred* and ordered published.

The following is said proposed substitute ordinance transmitted with the foregoing committee report:

WHEREAS, The City of Chicago (the "City") is a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution (the "Constitution") of the State of Illinois (the "State") having a population in excess of 25,000 and is a home rule unit of local government under Section 6(a) of Article VII of the Constitution; and

WHEREAS, In accordance with the provisions of Section 6(a) of Article VII of the Constitution, the City may exercise any power and perform any function pertaining to its government and affairs, including the power to tax and the power to incur debt; and

WHEREAS, Division 13 of Article 8 of the Illinois Municipal Code (the "Securitization Act"), authorizes the City, as a home rule municipality, to enter into agreements to assign, sell, transfer or otherwise convey its interest in all or any part of any revenues or taxes that it receives from the State Comptroller, the State Treasurer or the Department of Revenue of the State; and

WHEREAS, The City Council of the City (the "City Council") enacted an ordinance on October 11, 2017 (the "Authorizing Ordinance") which was published in the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") for such date at pages 55903 through 55915, inclusive, authorizing the formation of the Sales Tax Securitization Corporation (the "Corporation"), and the City entered into an Assignment, Purchase and Sale Agreement dated as of December 14, 2017, as amended by that certain First Amendment to Assignment, Purchase and Sale Agreement, dated January 30, 2020, and that Second Amendment to Assignment, Purchase and Sale Agreement, dated December 22, 2021 (collectively, the "Sale Agreement") with the Corporation in accordance with the Securitization Act, pursuant to which the City sold to the Corporation all of the City's right, title and interest in and to certain Sales Tax Revenues (as defined in the Sale Agreement); and

WHEREAS, The purchase price paid by the Corporation to the City under the Sale Agreement included: (i) the proceeds of obligations issued and to be issued by the Corporation (the "Sales Tax Obligations"); and (ii) a residual certificate issued by the Corporation in accordance with the hereinafter defined Sales Tax Master Indenture, which entitles the owner thereof to receive all moneys deposited in the Residual Fund (which is created under and defined in that certain Master Trust Indenture, dated as of December 1, 2017, by and between the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Sales Tax Master Indenture")); and

WHEREAS, The City has heretofore: (i) authorized the borrowing of money pursuant to one or more line of credit agreements to provide funds for working capital or interim financing for capital projects (the "Line of Credit Indebtedness"); (ii) authorized the borrowing of money pursuant to the City's commercial paper programs for working capital or interim financing for capital projects (the "Commercial Paper Indebtedness"); (iii) borrowed money for the development of one or more of the City's tax increment financing areas, and has

issued and has outstanding notes of the City in evidence of such borrowing (collectively, the "TIF Notes"); and (iv) issued, and there are currently outstanding, various series of general obligation bonds (collectively, the "Outstanding City Bonds"); and

WHEREAS, The Corporation has heretofore issued, and there are currently outstanding, various series of Sales Tax Obligations (such Sales Tax Obligations, together with the Line of Credit Indebtedness, the Commercial Paper Indebtedness, the TIF Notes, and the Outstanding City Bonds, the "Outstanding Indebtedness"); and

WHEREAS, The City has determined that it is in the best interests of the inhabitants of the City and necessary for the welfare of the government and affairs of the City to authorize the refunding of all or a portion of the Outstanding Indebtedness (said portion of the Outstanding Indebtedness to be refunded being referred to herein as the "Refunded Indebtedness") in order to achieve debt service savings for the City or to restructure debt service of the Outstanding Indebtedness, including, in connection therewith, paying any additional costs in connection with financing such refundings, including, but not limited to, any fees, costs or premiums incurred in effectuating such refunding through a tender offer for any of the Refunded Indebtedness or an exchange of Bonds (as hereinafter defined) for any of the Refunded Indebtedness (an "Exchange Transaction") (collectively, the "Purposes"); and

WHEREAS, The City has determined that it is in the best interests of the inhabitants of the City and necessary for the welfare of the government and affairs of the City to implement a plan to provide for the financing of the Purposes (the "Financing Plan"), in each case if and to the extent determined by the Mayor of the City (the "Mayor"), the Chief Financial Officer of the City (the "Chief Financial Officer") or the City Comptroller of the City (the "City Comptroller") (an "Authorized Officer" as referred to herein being either the Chief Financial Officer or the City Comptroller); and

WHEREAS, The City has determined to finance the implementation of the Financing Plan through: (i) the issuance of its general obligation bonds (collectively, the "Bonds") as herein described; and (ii) authorizing the Corporation to issue additional Sales Tax Obligations (the "Additional Sales Tax Obligations"); and

WHEREAS, Subject to the Debt Issuance Limitation (as hereinafter defined), the City has determined to issue and sell Bonds in the manner hereinafter authorized, in one or more series, in an aggregate principal amount not to exceed \$1,500,000,000 to finance the costs of the Purposes, such borrowing being for proper public purposes and in the public interest, and the City, by virtue of its constitutional home rule powers and all laws applicable thereto, has the power to issue such Bonds; and

WHEREAS, Subject to the Debt Issuance Limitation, the City has determined to authorize the issuance by the Corporation, for the benefit of the City, of Additional Sales Tax Obligations in an aggregate principal amount not to exceed \$1,500,000,000 to finance the costs of the Purposes; and

WHEREAS, In accordance with Section 5(d) of the Authorizing Ordinance ("Section 5(d)"), the Mayor has filed a request (the "Mayoral Request") with the City Council identifying the aforesaid financing needs in order to finance the Purposes and identifying the Sales Tax Revenues as the source of repayment for the Additional Sales Tax Obligations, and the City Council has determined to approve the Mayoral Request by adoption of this ordinance, in accordance with Section 5(d); and

WHEREAS, The repayment of any Sales Tax Obligation will not be an obligation, general or special, of the City and will not be secured by the City's full faith and credit; and

WHEREAS, Any series of the Bonds or the Additional Sales Tax Obligations may be issued such that the interest thereon is either includible in ("Taxable Bonds") or excludable from ("Tax-Exempt Bonds") the gross income of their owners for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, The City has granted to the Corporation the power to issue tax-exempt Sales Tax Obligations "on behalf of the City", within the meaning of U.S. Treasury Regulation Section 1.103-1(b) and the power to issue non-tax-exempt Sales Tax Obligations on behalf of the City; and

WHEREAS, It is desirable to authorize the issuance of the Bonds under and pursuant to one or more trust indentures between the City and a bond trustee substantially in the form authorized by Section 2.2(c) hereof, as each may from time to time be amended or supplemented in accordance with its provisions (each such trust indenture being hereinafter referred to as a "Trust Indenture"); and

WHEREAS, In connection with the issuance of the Bonds, it is desirable to authorize an Authorized Officer to appoint a bank or trust company to act as bond trustee under one or more Trust Indentures (each such bank or trust company acting in the capacity as bond trustee, bond registrar and paying agent under one or more Trust Indentures, together with any successor bank or trust company appointed by an Authorized Officer and acting in such capacity, being hereinafter referred to as a "Bond Trustee"); now, therefore,

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

Article I.

Authorization And Debt Issuance.

SECTION 1.1 Authorization. The City Council, after a public meeting heretofore held on this Ordinance by the Committee on Finance of the City Council (the "Finance Committee"), pursuant to proper notice and in accordance with the findings and recommendations of the Finance Committee, hereby finds that all of the recitals contained in the preambles to this ordinance are full, true and correct and does incorporate them into this ordinance by this

reference. This ordinance is adopted pursuant to Section 6(a) of Article VII of the Constitution. The City has determined that it is in the best interests of the inhabitants of the City and necessary for the welfare of the government and affairs of the City to implement the Financing Plan.

SECTION 1.2 Debt Issuance And Debt Limit. \$1,500,000,000 aggregate principal amount of Bonds and Additional Sales Tax Obligations are hereby authorized to be issued for the purpose of financing the Purposes (the "Debt Issuance Authorization"). The combined aggregate principal amount of Bonds and Additional Sales Tax Obligations issued under the authorizations contained in this ordinance for the Purposes shall not exceed \$1,500,000,000 (the "Debt Issuance Limitation").

Article II.

Authorization And Details Of General Obligation Bonds.

SECTION 2.1 Findings And Determinations. The City Council hereby finds and determines as follows:

(a) that the issuance of the Bonds to implement the Financing Plan is in the best interests of the City;

(b) that the City's ability to issue the Bonds from time to time without further action by the City Council at various times, in various principal amounts and with various interest rates and interest rate mechanisms, maturities, redemption provisions and other terms will enhance the City's opportunities to obtain financing upon the most favorable terms available; and

(c) that the delegations of authority that are contained in this ordinance are necessary and desirable. Thus, authority is granted to the Mayor or an Authorized Officer to determine to sell one or more series of the Bonds, at one or more times, as and to the extent the Mayor or an Authorized Officer determines that such sale or sales is desirable and in the best interests of the City.

SECTION 2.2 Authorization Of Bonds And Trust Indentures.

(a) Bonds are hereby authorized to be issued in one or more series in an aggregate principal amount not to exceed \$1,500,000,000 for the purpose of financing all or a portion of the cost of the Purposes including therewith: (i) costs of issuance, including any underwriters' discount, origination fee or similar fee charged by any Purchasers (as hereinafter defined); (ii) capitalized interest on the Bonds; and (iii) credit enhancements (including, but not limited to, premiums for the purchase of policies of municipal bond insurance with respect to the Bonds).

(b) The Bonds may be issued from time to time in one or more series in an aggregate principal amount not exceeding the amount specified above, or such lesser amounts as may be determined by an Authorized Officer.

(c) The Bonds of each series may be issued pursuant to, and have such terms and provisions as are set forth in, a Trust Indenture between the City and a Bond Trustee substantially in the form attached as Exhibit A, which is incorporated in this ordinance by this reference, but with such revisions in text as the Mayor or the Authorized Officer executing the same shall determine are necessary or desirable, the execution thereof, and any amendment thereto, by the Mayor or such Authorized Officer to evidence the City Council's approval of all such revisions. Such revisions may include, among other things: (i) revisions required in the case of the issuance of a series of Taxable Bonds; (ii) revisions required to accommodate the inclusion of working capital as part of the Financing Plan; (iii) revisions required to accommodate the sale of the Bonds on a forward-delivery basis; (iv) revisions required to accommodate the sale of the Bonds to a Direct Purchaser (as hereinafter defined); (v) revisions required to reflect the issuance of the Bonds as Direct Purchase Bonds (as hereinafter defined); and (vi) revisions required to reflect the issuance of the Bonds in an Exchange Transaction. With respect to any series of Bonds issued pursuant to a Trust Indenture, in the event of any conflict between the provisions of this ordinance and such Trust Indenture (including in the form of Bond attached thereto as an exhibit), the terms of such Trust Indenture shall be deemed to control. The Mayor or an Authorized Officer is authorized to enter into one or more of such Trust Indentures from time to time on behalf of the City.

(d) The Bonds will bear interest at fixed rates and pay interest as described below. Each series of Bonds shall be dated such date as shall be agreed upon by an Authorized Officer and the Purchasers of such Bonds, shall be in fully registered form, shall be in such minimum denominations and integral multiples thereof as shall be agreed upon by an Authorized Officer and the purchasers of such Bonds (but no single Bond shall represent installments of principal maturing on more than one date), and shall be numbered as determined by the applicable Bond Registrar (as hereinafter defined).

All or any portion of the Bonds may be issued and sold from time to time as a direct purchase to holders (the "Direct Purchase Bonds"). The Direct Purchase Bonds shall be sold as provided in Section 2.18 hereof.

(e) Any series of the Bonds may be issued on a forward-delivery basis.

(f) The principal of the Bonds of each series shall become due and payable on or before the date which is 40 years after the date of issuance of such series. Each series of Bonds shall bear interest at a rate or rates not to exceed 12 percent per annum. Any portion of the Bonds may be issued as Taxable Bonds or Tax-Exempt Bonds as determined by an Authorized Officer to be beneficial to the City.

(g) Each Bond shall bear interest from the later of its date or the most recent interest payment date to which interest has been paid or duly provided for, until the principal

amount of such Bond is paid, such interest (computed upon the basis of a 360 day period of twelve 30 day months) being payable on the dates as shall be determined by an Authorized Officer at the time of the sale of each series of Bonds. Interest on each Bond shall be paid to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date, by check or draft of the applicable Bond Registrar, or, at the option of any registered owner of \$1,000,000 or more in aggregate principal amount of Bonds of a series, by wire transfer of immediately available funds to such bank in the continental United States of America as the registered owner of such Bonds shall request in writing to the applicable Bond Registrar.

The principal of the Bonds and any redemption premium shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the designated corporate trust office of the applicable Bond Registrar.

(h) Each of the Bonds shall be designated "General Obligation Bonds, Series ____" or shall have such other designations or descriptions as determined by an Authorized Officer to be necessary to properly identify and differentiate the Bonds at the time of the sale of the Bonds, and with such other additions, modifications or revisions as shall be determined to be necessary by an Authorized Officer at the time of the sale of such Bonds to reflect the calendar year of issuance of the Bonds, the order of sale of the Bonds, the specific series of the Bonds, whether the Bonds are being issued as Taxable Bonds or Tax-Exempt Bonds, whether the Bonds are Direct Purchase Bonds, the purposes for which the Bonds are being sold and any other authorized features of the Bonds determined by an Authorized Officer as desirable to be reflected in the title of the Bonds being issued and sold. As used in this ordinance, "City Clerk" shall mean the duly qualified and acting City Clerk of the City or any Deputy City Clerk or other person who may lawfully take a specific action or perform a specific duty prescribed for the City Clerk pursuant to this ordinance.

SECTION 2.3 Execution And Authentication.

(a) The seal of the City or a facsimile thereof shall be affixed to or printed on each of the Bonds, and the Bonds shall be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the duly qualified and acting City Clerk, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

(b) All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the applicable Bond Registrar or Bond Trustee as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this ordinance unless and until such certificate of authentication shall have been duly executed by the applicable Bond Registrar or Bond Trustee by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such

Bond has been authenticated and delivered under this ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the applicable Bond Registrar or Bond Trustee if signed by an authorized officer of such Bond Registrar or Bond Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued under this ordinance.

SECTION 2.4 Registration And Transfer.

(a) The City shall cause books (the "Bond Register") for the registration and for the transfer of each series of Bonds as provided in this ordinance to be kept at the designated corporate trust office of a bank or trust company designated by an Authorized Officer, as the registrar for the City in connection with such series of Bonds (the "Bond Registrar"), which shall, with respect to a series of Bonds issued pursuant to a Trust Indenture, be the Bond Trustee for such series of Bonds. The City is authorized to prepare multiple Bond blanks executed by the Mayor and attested by the City Clerk for use in the transfer and exchange of Bonds.

(b) Upon surrender for transfer of any Bond at the designated corporate trust office of the applicable Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to such Bond Registrar and duly executed by the registered owner or its attorney duly authorized in writing, the City shall execute and such Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees one or more fully registered Bonds of the same series, interest rate and maturity of authorized denominations, for a like principal amount. Any Bond or Bonds may be exchanged at said office of the applicable Bond Registrar for a like aggregate principal amount of Bonds of the same series, type, interest rate and maturity of other authorized denominations. The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the applicable Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; provided that the aggregate principal amount of Bonds of each series, maturity and interest rate authenticated by the applicable Bond Registrar or Bond Trustee shall not exceed the authorized principal amount of Bonds for such series, maturity and interest rate less previous retirements.

(c) The applicable Bond Registrar shall not be required to transfer or exchange: (i) any Bond after notice calling such Bond for redemption has been mailed; or (ii) any Bond during a period of 15 days next preceding mailing of a notice of redemption of such Bond; provided, however, that provisions relating to the transfer or exchange of Bonds of a series shall be as determined by an Authorized Officer at the time of the sale of such series and may be set forth in a notification of sale as described in Section 2.18(i) hereof (a "Notification of Sale").

(d) The person in whose name any Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of, redemption premium, if any, or interest on any Bond, as appropriate, shall be made only to or

upon the order of the registered owner thereof or its legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(e) No service charge shall be made for any transfer or exchange of Bonds, but the City or the applicable Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except that no such payment may be required in the case of the issuance of a Bond or Bonds for the unredeemed portion of the Bond surrendered for redemption.

SECTION 2.5 Book-Entry Only System. If so determined and directed by an Authorized Officer in connection with the sale of any of the Bonds, such Bonds may be issued in book entry only form. In connection with the issuance of Bonds in book entry only form, an Authorized Officer is authorized to execute and deliver to the book entry depository selected by such Authorized Officer such depository's standard form of representation letter. If any of the Bonds are registered in the name of a securities depository which uses a book entry system, the standing of the beneficial owner to enforce any of the covenants herein may be established through the books and records of such securities depository or a participant therein.

SECTION 2.6 Replacement Of Bonds. If any Bond, whether in temporary or definitive form, is lost (whether by reason of theft or otherwise), destroyed (whether by mutilation, damage, in whole or in part, or otherwise) or improperly cancelled, the applicable Bond Registrar may authenticate a new Bond of like series, date, maturity date, interest rate, denomination and principal amount and bearing a number not contemporaneously outstanding; provided that: (i) in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the applicable Bond Registrar; and (ii) in the case of any lost Bond or Bond destroyed in whole, there shall be first furnished to the applicable Bond Registrar evidence of such loss or destruction, together with indemnification of the City and such Bond Registrar, satisfactory to such Bond Registrar. If any lost, destroyed or improperly cancelled Bond shall have matured or is about to mature, or has been called for redemption, instead of issuing a duplicate Bond, the applicable Bond Registrar shall pay the same without surrender thereof if there shall be first furnished to such Bond Registrar evidence of such loss, destruction or cancellation, together with indemnity, satisfactory to it. Upon the issuance of any substitute Bond, the applicable Bond Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

SECTION 2.7 Redemption And Repurchase.

(a) The Bonds may be made subject to redemption prior to maturity at the option of the City, in whole or in part on any date, at such times and at such redemption prices (to be expressed as a percentage of the principal amount of Bonds being redeemed to be redeemed) not to exceed 120 percent, plus, accrued interest to the date of redemption, as determined by an Authorized Officer at the time of the sale thereof.

(b) Notwithstanding the foregoing, such 120 percent limitation on the redemption price of Bonds shall not apply where the redemption price is based upon a formula designed to compensate the owner of the Bonds to be redeemed based upon prevailing market conditions on the date fixed for redemption, commonly known as a "make whole" redemption price (the "Make-Whole Redemption Price"). At the time of sale of the Bonds, an Authorized Officer shall determine the provisions of the formula to be used to establish any Make-Whole Redemption Price, which may vary depending on whether the Bonds are issued as Taxable Bonds or Tax-Exempt Bonds. An Authorized Officer shall confirm and transmit the applicable Make-Whole Redemption Price on such dates and to such parties as shall be necessary to effectuate such redemption.

(c) If fewer than all of the outstanding Bonds of a series are to be optionally redeemed, the Bonds to be called shall be called from such maturities and interest rates of such series as may be determined by an Authorized Officer.

(d) Certain of the Bonds of a series may be made subject to mandatory redemption, at par and accrued interest to the date fixed for redemption, as determined by an Authorized Officer at the time of the sale thereof.

(e) An Authorized Officer is authorized to sell (at a price determined by such Authorized Officer to be in the best interests of the City) or waive any right the City may have to call any of the Bonds or Outstanding Indebtedness for optional redemption, in whole or in part, and is further authorized to expend the proceeds of any such sales for any purpose for which the proceeds of the Bonds are authorized to be expended and for the payment or prepayment of any City debt obligations whether issued before or after the date of adoption of this Ordinance, all as determined by an Authorized Officer; provided however, to the extent that interest on such Bonds or Outstanding Indebtedness is excluded from gross income for federal income tax purposes, such expenditures shall not adversely affect such exclusion. If determined to be necessary or appropriate, an Authorized Officer is authorized to solicit the consent of holders of outstanding Bonds or Outstanding Indebtedness to any such sale or waiver.

(f) At the time of sale of Bonds of a series, an Authorized Officer is authorized to determine the manner of redeeming such Bonds, either by lot in the manner hereinafter provided or pro rata in the manner determined by an Authorized Officer at the time of sale, if less than all of the Bonds of the same series, maturity and interest rate are to be redeemed.

(g) The Bonds shall be redeemed only in amounts equal to the respective minimum authorized denominations and integral multiples thereof. In the event of the redemption of fewer than all the Bonds of the same series, maturity and interest rate by lot, the aggregate principal amount thereof to be redeemed shall be the minimum authorized denomination for such series or an integral multiple thereof, and the applicable Bond Registrar

shall assign to each Bond of such series, maturity and interest rate, a distinctive number for each minimum authorized denomination of such Bond and shall select by lot from the numbers so assigned as many numbers as, at such minimum authorized denomination for each number, shall equal the principal amount of such Bonds to be redeemed. In such case, the Bonds to be redeemed shall be those to which were assigned numbers so selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal such minimum authorized denomination for each number assigned to it and so selected. In the event of the redemption of fewer than all Bonds of the same series, maturity and interest rate on a pro rata basis, if the Bonds are held in book entry form at the time of redemption, at the time of sale of the Bonds, an Authorized Officer is authorized to direct the Bond Registrar to instruct the book entry depository to select the specific Bonds within such maturity and interest rate for redemption pro rata among such Bonds. The City shall have no responsibility or obligation to ensure that the book entry depository properly selects such Bonds for redemption.

(h) An Authorized Officer shall, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the applicable Bond Registrar), notify the applicable Bond Registrar of such redemption date and of the principal amount of Bonds of such series to be redeemed.

(i) In connection with any mandatory redemption of Bonds of a series as authorized above, the principal amounts of Bonds of such series to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds of such series credited against future mandatory redemption requirements in such order of the mandatory redemption dates as an Authorized Officer may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date of Bonds of a series, the applicable Bond Registrar may, and if directed by an Authorized Officer shall, purchase Bonds of such series required to be retired on such mandatory redemption date at such prices as an Authorized Officer shall determine. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the payment required on such next mandatory redemption date with respect to such series of Bonds.

(j) The applicable Bond Registrar shall promptly notify the City in writing of the Bonds, or portions thereof, selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount and the interest rate thereof to be redeemed.

(k) Subject to the limitation on redemption price set forth above, the terms of such redemption shall be determined by an Authorized Officer at the time of sale of the Bonds of each series and may be set forth in a Notification of Sale.

SECTION 2.8 Notice Of Redemption.

(a) Unless waived by any owner of Bonds to be redeemed, notice of the call for any such redemption shall be given by the applicable Bond Registrar on behalf of the City by

mailing the redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the applicable Bond Register or at such other address as is furnished in writing by such registered owner to such Bond Registrar, but the failure to mail any such notice or any defect therein as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. Any notice of redemption mailed as provided in this Section shall be conclusively presumed to have been given whether or not actually received by the addressee.

(b) All notices of redemption shall state:

(1) the series designation of the Bonds to be redeemed;

(2) the redemption date;

(3) the redemption price, or in the case of a redemption of Bonds at a Make-Whole Redemption Price, a description of the formula by which the redemption price shall be determined;

(4) if less than all outstanding Bonds of a series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts and interest rates of the Bonds to be redeemed);

(5) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date;

(6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated corporate trust office of the applicable Bond Registrar; and

(7) such other information as shall be deemed necessary by the applicable Bond Registrar at the time such notice is given to comply with law, regulation or industry standard.

(c) With respect to an optional redemption of any series of Bonds, such notice may state that said redemption is conditioned upon the receipt by the applicable Bond Registrar on or prior to the date fixed for redemption of moneys sufficient to pay the redemption price of the Bonds of such series. If such moneys are not so received, such redemption notice shall be of no force and effect, the City shall not redeem such Bonds and the applicable Bond Registrar shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed. Unless the notice of redemption shall be made conditional as provided above,

on or prior to any redemption date for a series of Bonds, the City shall deposit with the applicable Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions thereof of such series which are to be redeemed on that date.

(d) Notice of redemption having been given as aforesaid, the Bonds, or portions thereof, so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City defaults in the payment of the redemption price or unless, in the event of a conditional notice as described above, the necessary moneys were not deposited) such Bonds, or portions thereof, shall cease to bear or accrue interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the applicable Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same series, interest rate and maturity in the amount of the unpaid principal.

(e) If any Bond or portion thereof called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by such Bond, or portion thereof, so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the applicable Bond Registrar and shall not be reissued.

(f) If any Bond is not presented for payment when the principal amount thereof becomes due, either at maturity or at a date fixed for redemption thereof or otherwise, and if moneys sufficient to pay such Bond are held by the applicable Bond Registrar for the benefit of the registered owner of such Bond, such Bond Registrar shall hold such moneys for the benefit of the registered owner of such Bond without liability to the registered owner for interest. The registered owner of such Bond thereafter shall be restricted exclusively to such funds for satisfaction of any claims relating to such Bond.

SECTION 2.9 Form Of Bonds. The Bonds of each series shall be prepared in substantially the following form with such insertions and revisions as shall be necessary to reflect the terms and provisions of the sale of the Bonds of such series pursuant to Section 2.18 hereof; provided that if the text of any Bond is to be printed in its entirety on the front side of such Bond, then the text shown or appearing on the reverse side of such Bond shall replace the second paragraph on the front side of the form of the Bond shown below and the legend, "See Reverse Side for Additional Provisions," shall be omitted.

All Bonds may be prepared with such insertions and revisions as shall be necessary in connection with the issuance of such Bonds as Direct Purchase Bonds or for the sale of such Bonds to a Direct Purchaser.

[Form Of Bond -- Front Side]

Registered Number _____

\$ _____

United States Of America

State Of Illinois

City Of Chicago

General Obligation Bond

Series _____

Interest Rate:

Maturity Date:

Dated Date:

CUSIP:

_____ percent

_____ 1, 20__

_____, 20__

Registered Owner:

Principal Amount:

The City of Chicago (the "City") hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360 day year of twelve 30 day months) on such Principal Amount from the later of the date of this Bond or the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on _____ of each year commencing _____ 1, 20__, until said Principal Amount is paid. Principal of this bond (this "Bond" or these "Bonds") and redemption premium, if any, shall be payable in lawful money of the United States of America upon presentation and surrender at the designated corporate trust office of _____, Chicago, Illinois, as [bond trustee,] bond registrar and paying agent (the "Bond Registrar"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar mailed to the address of such Registered Owner as it appears on such registration books or at such other address

furnished in writing by such Registered Owner to the Bond Registrar or, at the option of any Registered Owner of \$1,000,000 or more in aggregate principal amount of the Bonds, by wire transfer of immediately available funds to such bank in the continental United States of America as the Registered Owner hereof shall request in writing to the Bond Registrar.

Reference is made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

It is certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, and have been done and performed in regular and due form and time as required by law; that the indebtedness of the City, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

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

In Witness Whereof, The City of Chicago by the City Council has caused its corporate seal to be imprinted by facsimile hereon and this Bond to be signed by the duly authorized facsimile signature of the Mayor and attested by the facsimile signature of the City Clerk, all as of the Dated Date identified above.

(Facsimile Signature)
Mayor,
City of Chicago

Attest:

(Facsimile Signature)
City Clerk,
City of Chicago

[Seal]

Date of Authentication: _____, ____.

Certificate Of Authentication.

This Bond is one of the Bonds described in the within mentioned Bond Ordinance and is one of the General Obligation Bonds, [Refunding] Series _____, of the City of Chicago.

By: _____ (Manual Signature)
Authorized Officer

[Form Of Bond -- Reverse Side]

City Of Chicago

General Obligation Bond

Series _____

For the prompt payment of this Bond, both principal and interest, as aforesaid, as the same become due, and for the levy of taxes sufficient for that purpose (the "Pledged Taxes"), the full faith, credit and resources of the City are irrevocably pledged.

This Bond is one of a series of Bonds aggregating the original principal amount of \$ _____ issued pursuant to the constitutional home rule powers of the City for the purposes of: (A)(i) paying costs of the Purposes described in the hereinafter defined Bond Ordinance; (ii) capitalizing or funding such interest on the Bonds as may be necessary; (iii) paying costs of credit enhancements; and (iv) paying expenses incidental to the issuance of the Bonds; and (B) refinancing Line of Credit Indebtedness (as defined in the Bond Ordinance) relating to interim financing for any Purposes, and was authorized by an ordinance adopted by the City Council of the City on _____, 20__ (the "Bond Ordinance").

The Bonds maturing on or after _____, _____, are redeemable prior to maturity at the option of the City, in whole or in part on any date on or after _____ 1, _____, and if less than all of the outstanding Bonds are to be redeemed, the Bonds to be called shall be called from such maturities and interest rates as shall be determined by the City and if less than all of the Bonds of a single maturity and the same interest rate are to be redeemed then [by lot] [pro rata] within such maturity and interest rate in the manner hereinafter provided, the Bonds to be redeemed at the redemption prices (being expressed as a percentage of the principal amount) set forth below, plus accrued interest to the date of redemption:

Dates Of Redemption

Redemption Price

The Bonds maturing on _____, _____, are subject to mandatory redemption prior to maturity on _____ of the years _____ to _____, inclusive, and the Bonds maturing on _____, _____, are subject to mandatory redemption prior to maturity on _____ of the years _____ to _____, inclusive, in each case at par and accrued interest to the date fixed for redemption.

[Redemption by lot] In the event of the redemption of less than all the Bonds of like maturity and interest rate, the aggregate principal amount thereof to be redeemed shall be \$_____,000 or an integral multiple thereof, and the Bond Registrar shall assign to each Bond of such maturity and interest rate a distinctive number for each \$_____,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$_____,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal \$_____,000 for each number assigned to it and so selected.

[Redemption pro-rata] In the event of the redemption of less than all of the Bonds of like maturity and interest rate, the Bonds to be redeemed will be selected pro-rata in the manner determined pursuant to the Bond Ordinance.

Notice of any such redemption shall be sent by first class mail not less than 20 days nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar; provided that the failure to mail any such notice or any defect therein as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. When so called for redemption, this Bond shall cease to bear interest on the specified redemption date, provided that funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

This Bond is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denominations, of the same interest rate, series and maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Bond Registrar shall not be required to transfer or exchange this Bond (A) after notice calling this Bond for redemption has been mailed, or (B) during a period of 15 days next preceding mailing of a notice of redemption of this Bond.

The Bonds are issued in fully registered form in the denomination of \$____,000 each or authorized integral multiples thereof. This Bond may be exchanged at the designated corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same interest rate, series and maturity of other authorized denominations, upon the terms set forth in the Bond Ordinance.

The City and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and redemption premium, if any, and for all other purposes and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

(Assignment)

For Value Received, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and irrevocably constitutes and appoints _____

attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

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

SECTION 2.10 General Obligations. Each Bond shall be a direct and general obligation of the City for the payment of which (as to principal, interest and redemption premium, if any, as appropriate) the City pledges its full faith and credit. Each Bond shall be payable (as to principal, interest and redemption premium, if any, as appropriate) from any moneys, revenues, receipts, income, assets or funds of the City legally available for such purpose, including but not limited to the proceeds of the Pledged Taxes (as defined in Section 2.11 hereof), except as provided in Section 2.11 hereof. Repayment of one or more series of Bonds may be secured by repayments of loans funded by such Bonds, if determined by an Authorized Officer at the time of issuance of such Bonds to be in the best interests of the City. Each Authorized Officer is authorized to make such determinations.

SECTION 2.11 Tax Levy.

(a) For the purpose of providing the funds required to pay as the same become due: (i) the principal of and interest and redemption premium, if any, on the Bonds; and (ii) to the extent determined by an Authorized Officer to be necessary or desirable, periodic fees and expenses payable to parties involved in the provision of ongoing services relating to the Bonds, such as rating agencies and entities providing financial market information to be used in connection with the structuring and sale of the Bonds (the "Ongoing Financing Services"), there is hereby levied upon all of the taxable property within the City, in the years for which any of said Bonds are outstanding, a direct annual tax sufficient for that purpose, provided, however, that such levy shall not exceed \$300,000,000 in any single levy year. Such levy for a series of the Bonds shall be fully set forth in one or more Notifications of Sale delivered in connection with the issuance of such series of the Bonds; provided that collections of such levy for any year in an amount in excess of that necessary to make the payments described in clauses (i) and (ii), above (x) may be used for any lawful public purpose designated by the City Council or (y) may be reduced and abated by an Authorized Officer if such reduction is deemed desirable by an Authorized Officer in connection with the sale or sales of the Bonds, in each case as determined from time to time by an Authorized Officer as provided in Section 2.18 hereof.

(b) The tax levy made in this section is not subject to the "Aggregate Levy" limitation contained in the Chicago Property Tax Limitation Ordinance contained in Chapter 3-92 of the Municipal Code of Chicago (the "Municipal Code"), and Section 3-92-020 of the Municipal Code is superseded to exclude the tax levy herein from the definition of "Aggregate Levy" contained therein.

(c) The term "Pledged Taxes" means the taxes hereinabove levied for collection for the purpose of providing the funds necessary to make the payments described in clauses (a)(i) and (ii) of this section, and also includes any amounts deposited into the hereinafter defined Bond Fund or deposited with the Ad Valorem Tax Escrow Agent (as defined in Section 2.13 hereof) by an Authorized Officer for the purpose of paying principal of and interest on the Bonds and any accrued interest received and deposited in the Bond Fund or the Ad Valorem Tax Escrow Account, if established pursuant to Section 2.13 hereof. The City Council hereby determines that any collections of the direct annual taxes levied upon all taxable property in the City with respect to any Refunded Indebtedness may, to the extent such collections are no longer needed to pay the Refunded Indebtedness as a result of such refunding (the "Refunded Bond Levies") be deposited into the Bond Fund for any of the Bonds issued hereunder, if so directed by an Authorized Officer, and, if so deposited, such amounts shall be included in the term "Pledged Taxes" as described in the previous sentence. The Refunded Bond Levies, including any portion thereof levied by the City and not yet extended by the County Clerk, may be used by the City to pay the principal of, interest on or redemption price of any Line of Credit Indebtedness.

The City reserves the right to abate all or a portion of the Pledged Taxes required to be levied in any year if and to the extent on or before March 31 of the next succeeding

calendar year (or such earlier date as may be required by law), the City has on hand amounts dedicated to the payments described in clause (i) of paragraph (a) of this section due during the one year period commencing on January 2 of such succeeding calendar year. The City may, but shall not be required to, cause the levy or extension in any year of taxes for the payment of the costs of Ongoing Financing Services.

SECTION 2.12 Continuing Appropriation. The City shall appropriate or otherwise provide amounts sufficient to pay principal of and interest on the Bonds for the years such amounts are due, and the City covenants to take timely action as required by law to carry out the provisions of this section, but, if for any such year it fails to do so, this ordinance shall constitute a continuing appropriation of such amounts without any further action on the part of the City Council.

SECTION 2.13 Bond Funds. Each Authorized Officer is authorized to establish one or more special accounts, if determined to be necessary in connection with the sale of any of the Bonds, separate and segregated from all other funds and accounts of the City (each a "Bond Fund"), which shall be: (i) held by an Authorized Officer; or (ii) maintained by a Bond Trustee pursuant to a Trust Indenture; or (iii) maintained with a bank or trust company to be designated by an Authorized Officer (each an "Ad Valorem Tax Escrow Account") pursuant to an escrow agreement (each an "Ad Valorem Tax Escrow Agreement"), between the City and the applicable Escrow Agent named therein (each an "Ad Valorem Tax Escrow Agent"), and each Authorized Officer is authorized to execute and deliver one or more Ad Valorem Tax Escrow Agreements in connection with the sale of the Bonds in such form as the officers so executing such agreement may deem appropriate in accordance with the provisions of this ordinance.

SECTION 2.14 Direct Deposit Of Pledged Taxes. In lieu of the proceeds of the Pledged Taxes being deposited with the City Treasurer of the City (the "City Treasurer"), each Authorized Officer is authorized to direct the County Collectors (the "County Collectors") of The County of Cook, Illinois ("Cook County") and The County of DuPage, Illinois ("DuPage County") to deposit the proceeds of the Pledged Taxes directly into the Bond Fund held pursuant to the applicable Trust Indenture or the applicable Ad Valorem Tax Escrow Account, if such Trust Indenture has been executed and delivered or such Ad Valorem Tax Escrow Account has been created.

SECTION 2.15 Legally Available Funds. If the Pledged Taxes to be applied to the payment of the Bonds are not available in time to make any payments of principal of or interest on the Bonds when due, then an Authorized Officer is directed to make such payments from any other moneys, revenues, receipts, income, assets or funds of the City that are legally available for that purpose in advance of the collection of such Pledged Taxes, and when the proceeds thereof are received, such other funds shall be replenished, all to the end that the credit of the City may be preserved by the prompt payment of the principal of and interest on the Bonds as the same become due.

SECTION 2.16 Filing Of Ordinance And Notification Of Sale With County Clerks. A copy of this ordinance, duly certified by the City Clerk, and a copy of each Notification of Sale shall be filed in the respective offices of the County Clerks of Cook County and DuPage County (the "County Clerks"), and such filing of each Notification of Sale shall constitute the authority for, and it shall be the duty of, the County Clerks to extend the taxes levied pursuant to Section 2.11 hereof for collection in such years as shall be indicated in each such Notification of Sale, such taxes to be in addition to and in excess of all other taxes heretofore or hereafter authorized to be levied by the City on its behalf.

SECTION 2.17 Additional Filings Of Ordinance. A copy of this ordinance, duly certified by the City Clerk, shall also be filed with each applicable Bond Trustee, each applicable Ad Valorem Tax Escrow Agent, if any, each applicable Bond Registrar, and if the County Collectors are authorized to deposit the proceeds of the Pledged Taxes levied pursuant to Section 2.11 hereof directly with a Bond Trustee or an Ad Valorem Tax Escrow Agent pursuant to Section 2.14 hereof, with such County Collectors.

SECTION 2.18 Bond Sales.

(a) Each Authorized Officer is authorized to sell all or any portion of the Bonds from time to time: (i) to or at the direction of an underwriter or group of underwriters to be selected by such Authorized Officer (the "Underwriters"); or (ii) to a Direct Purchaser (the Underwriters and Direct Purchasers being collectively referred to herein as the "Purchasers"), with the concurrence of the Chairman of the Finance Committee or, if unavailable or absent, the Vice Chairman of the Finance Committee, on such terms as such Authorized Officer may deem to be in the best interests of the City within the limitations set forth in this ordinance. Any Bonds may be sold in an Exchange Transaction, the same being a transaction in which the beneficial holders of any Outstanding Indebtedness are solicited by the City to tender the Outstanding Indebtedness they hold in exchange for any Bonds to be issued by the City hereunder.

(b) The principal amount of and the interest on the Bonds due in any levy year of each series and maturity in the aggregate (after taking into account (i) interest on the Bonds of such series to be paid from proceeds of such series and (ii) mandatory redemptions) shall not exceed the maximum annual levy amount specified in Section 2.11 of this ordinance. The Bonds may be sold from time to time as an Authorized Officer shall determine that the proceeds of such sales are needed.

(c) Either Authorized Officer is authorized and directed to: (i) select the particular Outstanding Indebtedness which will constitute Refunded Indebtedness under this Ordinance by application of the proceeds of sale of the Bonds; (ii) cause all necessary notices of redemption of the Refunded Indebtedness selected for refunding as provided above to be given in accordance with the terms of the respective ordinances or indentures, as applicable, authorizing the Refunded Indebtedness; (iii) execute such contracts and documents as may be necessary in connection with a tender offer of any Refunded Indebtedness; and (iv) execute such contracts and documents as may be necessary in

connection with an Exchange Transaction including, but not limited to, a dealer manager agreement and an information agent agreement; (v) disseminate any documents which may be required as part of a tender offer or Exchange Transaction, including, but not limited to, an invitation for tender offer or exchange and related disclosure documents.

(d) The Mayor or an Authorized Officer is authorized to execute and deliver a contract of purchase with respect to each sale of the Bonds to, or at the direction of, the Purchasers, in substantially the form previously used for similar general obligation bonds of the City (the "Contract of Purchase"), with appropriate revisions to reflect the terms and provisions of the Bonds and such other revisions in text as the Mayor or an Authorized Officer shall determine are necessary or desirable in connection with the sale of the Bonds, including, if applicable, customary provisions relating to the sale of all or a portion of the Bonds on a forward delivery basis if the Mayor or such Authorized Officer finds and determines that a forward delivery of such Bonds is in the best interest of the City. Bonds sold pursuant to a Contract of Purchase shall be sold at a price of not less than 85 percent of the principal amount of the Bonds being sold. The compensation paid to the Purchasers in connection with any sale of Bonds, including any origination fee charged by a Direct Purchaser, shall not exceed five percent of the principal amount of the Bonds being sold. Nothing contained in this ordinance shall limit the sale of the Bonds or any maturity or maturities thereof at a price or prices in excess of the principal amount thereof.

(e) The Bonds may be sold as Direct Purchase Bonds in a manner and containing such terms authorized by an Authorized Officer, including pursuant to a placement agent arrangement, to a purchaser or purchasers other than the Underwriters (collectively, the "Direct Purchasers"), such Direct Purchasers to be selected by an Authorized Officer and such sale being permitted at a price of not less than 85 percent of the principal amount of the Direct Purchase Bonds being sold. The Mayor or an Authorized Officer is authorized to do all such things and to execute and deliver such additional documents, agreements and certificates as shall be necessary in connection with the sale of Direct Purchase Bonds.

(f) In connection with any sale of the Bonds, an Authorized Officer is authorized to obtain one or more policies of bond insurance from recognized bond insurers selected by an Authorized Officer, if such Authorized Officer determines such bond insurance to be desirable in connection with such sale of the Bonds. Either Authorized Officer may, on behalf of the City, make covenants with such bond insurer that are not inconsistent with the provisions of this ordinance and are necessary to carry out the purposes of this ordinance.

(g) Following the final sale of Bonds of all series under this ordinance, the final Notification of Sale to the City Council described in paragraph (i) of this section shall notify the City Council of the total of all taxes levied in each year pursuant to paragraph (a) of Section 2.11 hereof for all Bonds issued pursuant to this ordinance.

(h) The preparation, use and distribution of a preliminary official statement, an official statement, a limited offering memorandum, a private placement memorandum, or any

other disclosure document relating to each sale and issuance of any series of the Bonds are ratified and approved. The Mayor and each Authorized Officer are each authorized to execute and deliver an official statement or other disclosure document relating to each sale and issuance of such series of the Bonds on behalf of the City. The preliminary official statement, official statement, limited offering memorandum, private placement memorandum, and other disclosure documents herein authorized shall contain the terms and provisions of and security for the Bonds, the manner in which the Bonds shall be sold, the use of proceeds of the Bonds, financial information for the City, and such other information as the Mayor or an Authorized Officer determines to be advisable under the circumstances.

(i) In connection with the sale of any series of Bonds, an Authorized Officer shall file in the Office of the City Clerk and, for any series of Bonds for which the Pledged Taxes will be levied, the County Clerks, a Notification of Sale directed to the City Council setting forth: (i) the series designation, the aggregate principal amount and authorized denominations of, maturity schedule and redemption provisions for such Bonds sold; (ii) the principal amounts and interest rates on such Bonds sold; (iii) information regarding the specific Outstanding Indebtedness or any portion thereof to be refunded or refinanced with proceeds of Bonds; (iv) the date on and price at which the Outstanding Indebtedness selected for refunding shall be redeemed or otherwise prepaid (if such redemption shall occur prior to stated maturity) and the amount of any tender price or exchange price paid in connection with the payment of Outstanding Indebtedness; (v) the identity of the insurer or insurers issuing the bond insurance policy or policies, if any, referred to in paragraph (f) of this section; (vi) the identity of the Bond Trustees or the Bond Registrar, if any, selected for such Bonds; (vii) the identity of the Purchasers selected for such Bonds; (viii) the compensation paid to the Underwriters in connection with such sale; (ix) any origination fee or other fee required by a Direct Purchaser; (x) the amount of Pledged Taxes levied pursuant to Section 2.11 with respect to the Bonds for each year during which the Bonds are outstanding; and (xi) any other matter authorized by this ordinance to be determined by an Authorized Officer at the time of the sale of the Bonds of each series.

(j) In connection with any sale of the Bonds, an Authorized Officer is authorized to execute and deliver one or more agreements of the City (each a "Continuing Disclosure Undertaking") to comply with the requirements of Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934 ("Rule 15c2-12"), in a form approved by the Corporation Counsel of the City. Upon its execution and delivery on behalf of the City as herein provided, each Continuing Disclosure Undertaking will be binding on the City, and the officers, employees and agents of the City are authorized to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of each Continuing Disclosure Undertaking as executed. Each Authorized Officer is further authorized to amend each Continuing Disclosure Undertaking in accordance with its respective terms from time to time following its execution and delivery as that Authorized Officer shall deem necessary. In addition, an Authorized Officer is authorized to make all future filings with the Electronic Municipal Market Access system operated by the Municipal Securities Rulemaking Board or such other municipal securities information

repository as shall be designated by the SEC, all in accordance with the provisions of Section (b)(5) of Rule 15c2-12. Notwithstanding any other provision of this ordinance, the sole remedies for any failure by the City to comply with any Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any applicable Bond to seek mandamus or specific performance by court order to cause the City to comply with its obligations under such Continuing Disclosure Undertaking.

(k) The Bonds shall be duly prepared and executed in the form and manner provided herein and delivered to the Purchasers in accordance with the applicable terms of sale.

(l) The Mayor, each Authorized Officer, the City Treasurer and the City Clerk are each authorized to execute and deliver such other documents and agreements as an Authorized Officer shall deem necessary and appropriate and perform such other acts prior to or following the issuance of the Bonds as may be necessary or desirable in connection with the issuance of the Bonds and any transactions contemplated herein related to the application of the proceeds of the Bonds or Corporate Funds (together the "Authorized Funds") or collections or application of Pledged Taxes levied for the payment of the Bonds or other purposes hereunder, but subject to any limitations on or restrictions of such power or authority as herein set forth.

SECTION 2.19 Application Of Bond Sale Proceeds.

(a) The proceeds from the sale of any series of the Bonds shall be used as follows:

(1) The sum representing the accrued interest received, if any, shall be used to pay the first interest becoming due on the Bonds sold, and to that end, shall be deposited in the applicable Bond Fund or the applicable Ad Valorem Tax Escrow Account, if established.

(2) From the sale proceeds derived from any such sale of a series of the Bonds: (i) such sum as may be determined by an Authorized Officer to be necessary to pay not more than three years of interest on the Bonds may be used to pay such interest, and to that end, may be deposited in the applicable Bond Fund established for such Bonds; and (ii) the sum determined by an Authorized Officer to be sufficient to pay the Refunded Indebtedness being refunded at or prior to their respective maturities, at a price of par, the applicable redemption premium and accrued interest thereon up to and including said redemption or maturity dates, and any payment or premium required in connection with a tender offer and purchase of any Refunded Indebtedness, shall be deposited into the respective debt service funds established for the Refunded Indebtedness or into one or more "Refunded Indebtedness Escrow Accounts" to be held by one or more banks or trust companies to be designated by an Authorized Officer (each a "Refunding Escrow Agent"), each pursuant to the terms of an escrow agreement (each a "Refunding Escrow Agreement"), and the Mayor, an Authorized Officer and the City Clerk, or any of them, are authorized to execute and deliver each Refunding Escrow Agreement, and any amendment thereto, in such form as the officer so executing shall deem appropriate to

effect the Financing Plan; provided, however, that with respect to any Bonds issued in an Exchange Transaction, an amount equal to the principal amount of such Bonds issued pursuant to the Exchange Transaction shall be deemed to have been deposited into the applicable Bond Fund for the Refunded Indebtedness refunded in such Exchange Transaction and will be deemed to have been used for the purpose of paying such Refunded Indebtedness.

(b) From the sale proceeds of a series of the Bonds not applied as provided in paragraph (a) of this section, the amount deemed necessary by an Authorized Officer shall be applied to the payment of the costs of issuance of such Bonds, including the premium or fee for bond insurance, if any, and any unexpended portion of the sale proceeds shall be deposited into the Bond Fund for such series of the Bonds.

(c) Notwithstanding any provision of the Municipal Code, investments acquired with proceeds of the Bonds or investment income thereon may include but are not limited to agreements entered into between the City and providers of securities under which agreements such providers agree to purchase from or sell to the City specified securities on specific dates at predetermined prices, all as established at the time of execution of any such agreement and as set forth in such agreement, and guaranteed investment contracts, forward purchase agreements and other similar investment vehicles. Such guaranteed investment contracts, forward purchase agreements and other similar investment vehicles may, to the extent permitted by operative authorizing documents and by applicable law, be assigned or transferred from one bond transaction to another or apply to the proceeds of more than one bond transaction on a commingled or non-commingled basis, as determined by an Authorized Officer. The Mayor or an Authorized Officer is authorized to enter into any amendments to or restatements of existing documents or to execute new documents, to consent to actions being taken by others or to obtain the consent of other parties, as may be necessary or desirable in this respect. Investment income derived from Bond proceeds may be: (w) expended for the same purposes for which Bond proceeds may be expended; (x) used for the payment or prepayment of City debt obligations; (y) deposited in the Corporate Fund; or (z) rebated to the United States of America as provided in Section 2.20 hereof, all as determined by an Authorized Officer or the Budget Director. Any commingled investment income from guaranteed investment contracts, forward purchase agreements and other similar investment vehicles shall be apportioned among bond transactions as determined by an Authorized Officer or as otherwise required by operative authorizing documents and applicable law.

SECTION 2.20 Tax Covenants. The City covenants that it will take no action in the investment of the proceeds of Tax-Exempt Bonds which would result in making the interest payable on any of such Tax-Exempt Bonds subject to federal income taxes by reason of such Tax-Exempt Bonds being classified as "arbitrage bonds" within the meaning of Section 148 of the Code. The City further covenants that it will act with respect to the proceeds of Tax-Exempt Bonds, the earnings on the proceeds of such Tax-Exempt Bonds

and any other moneys on deposit in any fund or account maintained in respect of such Tax-Exempt Bonds, including, if necessary, a rebate of such earnings to the United States of America, in a manner which would cause the interest on such Tax-Exempt Bonds to continue to be exempt from federal income taxation under Section 103(a) of the Code. Each Authorized Officer is authorized to execute such certifications, tax returns, covenants and agreements as shall be necessary, in the opinion of nationally recognized bond counsel, or in the best interest of the City, as determined by an Authorized Officer, to evidence the City's compliance with the covenants contained in this section.

SECTION 2.21 Proxies. The Mayor and each Authorized Officer may each designate another to act as their respective proxy and, as applicable, to affix their respective signatures to the Bonds whether in temporary or definitive form, and any other instrument, certificate or document required to be signed by the Mayor or an Authorized Officer pursuant to this Ordinance and any instrument, certificate or document required thereby and by any Trust Indenture. In such case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor and each Authorized Officer, respectively. A written signature of the Mayor or of an Authorized Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with the signatures attached, shall be recorded in the *Journal* for such date and filed in the Office of the City Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the Mayor in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of an Authorized Officer is so affixed to an instrument, certificate or document at the direction of such Authorized Officer, the same, in all respects, shall be as binding on the City as if signed by such Authorized Officer in person.

SECTION 2.22 Bond Registrar Agreements. If requested by a Bond Registrar, the Mayor, each Authorized Officer and the City Clerk are each authorized to execute the standard form of agreement between the City and such Bond Registrar with respect to the obligations and duties thereof.

SECTION 2.23 Defeasance And Provision For Payment.

(a) If payment or provision for payment is made, to or for the registered owners of all or a portion of the Bonds, and the principal of and interest due and to become due on any Bond at the times and in the manner stipulated therein, and there is paid or caused to be paid to the applicable Bond Registrar or Bond Trustee, the applicable Ad Valorem Tax Escrow Agent as provided in Section 2.13 hereof, or such bank or trust company as shall be designated by an Authorized Officer (such bank or trust company hereinafter referred to as a "Defeasance Escrow Agent"), all sums of money due and to become due according to the provisions of this ordinance, then these presents and the estate and rights granted by this ordinance shall cease, terminate and be void as to those Bonds or portions thereof except for purposes of registration, transfer and exchange of Bonds and any such

payment from such moneys or obligations. Any Bond shall be deemed to be paid within the meaning of this section when payment of the principal of any such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this ordinance or otherwise), either: (a) shall have been made or caused to have been made in accordance with the terms thereof; or (b) shall have been provided for by irrevocably depositing with the applicable Bond Registrar or Bond Trustee, the applicable Ad Valorem Tax Escrow Agent as provided in Section 2.13 hereof, or a Defeasance Escrow Agent, in trust and exclusively for such payment, (1) moneys sufficient to make such payment; or (2)(A) direct obligations of the United States of America; (B) obligations of agencies of the United States of America, the timely payment of principal of and interest on which are guaranteed by the United States of America; (C) obligations of the following agencies: Federal Home Loan Mortgage Corporation (FHLMC) debt obligations, Farm Credit System (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives) debt obligations, Federal Home Loan Banks (FHL Banks) debt obligations, Fannie Mae debt obligations, Financing Corporation (FICO) debt obligations, and Resolution Funding Corporation (REFCORP) debt obligations; (D) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state, excluding the City, which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; or (E) instruments evidencing an ownership interest in obligations described in the preceding clauses (A), (B) and (C), or (3) a combination of the investments described in clauses (1) and (2) above, such amounts so deposited being available or maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient moneys to make such payment (all as confirmed by a nationally recognized firm of independent public accountants). At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this ordinance, except for the purposes of registration, transfer and exchange of Bonds and any such payment from such moneys or obligations. The defeasance of Bonds under this ordinance shall also be subject to any additional terms and conditions in the applicable Trust Indenture, if any.

(b) No such deposit under this section shall be made or accepted hereunder and no use made of any such deposit unless, in the case of Tax-Exempt Bonds, the applicable Bond Registrar or Bond Trustee, the applicable Ad Valorem Tax Escrow Agent, or the applicable Defeasance Escrow Agent, as the case may be, shall have received an opinion of nationally recognized bond counsel to the effect that such deposit and use would not cause any of such Tax-Exempt Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code or any successor provision thereto.

(c) Nothing in this ordinance shall prohibit a defeasance deposit of escrow securities as provided in this section or a defeasance deposit with respect to the Refunded Indebtedness pursuant to any Refunding Escrow Agreement authorized by this ordinance

from being subject to a subsequent sale of such escrow securities and reinvestment of all or a portion of the proceeds of that sale in escrow securities which, together with money to remain so held in trust, shall be sufficient to provide for payment of principal, redemption premium, if any, and interest on any of the defeased Bonds or Refunded Indebtedness, as appropriate. Amounts held by the applicable Bond Registrar or Bond Trustee, the applicable Ad Valorem Tax Escrow Agent, or any Defeasance Escrow Agent or any Refunding Escrow Agent, in excess of the amounts needed so to provide for payment of the defeased Bonds or Refunded Indebtedness, as appropriate, may be subject to withdrawal by the City. The Mayor or an Authorized Officer is authorized to execute and deliver from time to time one or more agreements (and amendments thereto) with counterparties selected by an Authorized Officer, with respect to the investment and use of such excess amounts held by the applicable Bond Registrar or Bond Trustee, the applicable Ad Valorem Tax Escrow Agent, or a Defeasance Escrow Agent or a Refunding Escrow Agent.

SECTION 2.24 Negotiation Of Direct Purchase Bond Terms. With respect to the Direct Purchase Bonds, an Authorized Officer is authorized to negotiate the terms and provisions of such Direct Purchase Bonds in addition to or as an alternative to the terms and provisions of the Trust Indenture securing the applicable series of Bonds. In addition, an Authorized Officer is hereby authorized to provide such certifications on behalf of the City as may be required by a Direct Purchaser.

Article III.

Additional Sales Tax Obligations.

SECTION 3.1 Findings And Determinations. The City Council hereby finds and determines as follows:

(a) that the issuance of the Additional Sales Tax Obligations by the Corporation to finance the City's funding obligations (including the Purposes) is in the best financial interest of the City and, accordingly, the Mayoral Request is hereby approved;

(b) that the City's authorization of the issuance by the Corporation of Additional Sales Tax Obligations from time to time without further action by the City Council at various times, in various principal amounts and with various interest rates and interest rate mechanisms, maturities, redemption provisions and other terms will enhance the Corporation's opportunities to obtain financing upon the most favorable terms available for the benefit of the City; and

(c) that the delegations of authority that are contained in this ordinance are necessary and desirable. Thus, authority is granted to the Mayor and each Authorized Officer to determine to request the Corporation to sell one or more series of Additional Sales Tax Obligations, at one or more times, as and to the extent the Mayor or an Authorized Officer determines that such sale or sales is desirable and in the best financial interest of the City.

SECTION 3.2 Authorization Of Additional Sales Tax Obligations.

(a) All or a portion of the Debt Issuance Authorization may be issued as Additional Sales Tax Obligations. Additional Sales Tax Obligations are hereby authorized to be issued to pay the costs of the Purposes in an aggregate principal amount not to exceed \$1,500,000,000, and the principal amount of such Additional Sales Tax Obligations, together with the principal amount of any Bonds issued hereunder, shall not exceed the Debt Issuance Limitation. Such Additional Sales Tax Obligations may be issued for the Purposes in one or more series of: (i) Additional Sales Tax Obligations issued pursuant to Section 2.01 of the Sales Tax Master Indenture ("Senior Sales Tax Obligations"); (ii) Additional Sales Tax Obligations issued pursuant to Section 2.05 of the Sales Tax Master Indenture and the Second Lien Supplemental Trust Indenture, dated as of January 1, 2020, by and between the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee ("Second Lien Sales Tax Obligations"); (iii) additional Subordinated Indebtedness (as defined in the Sales Tax Master Indenture); or (iv) any combination thereof. Such Additional Sales Tax Obligations shall have a term not exceeding 40 years, shall bear interest at a rate or rates not exceeding 12 percent per annum, and shall be sold at a price of not less than 85 percent of the aggregate principal amount thereof. The interest component of the Additional Sales Tax Obligations, as designated by series, may be either includible or excludable from gross income of the owners thereof for federal income tax purposes under Section 103 of the Code. The authority granted hereby is in addition to any authority previously granted by the City Council for the issuance by the Corporation of Sales Tax Obligations.

(b) This ordinance serves as authorization by the City for the issuance of Senior Sales Tax Obligations by the Corporation pursuant to Section 2.02 of the Sales Tax Master Indenture and Subordinated Indebtedness, including Second Lien Sales Tax Obligations, by the Corporation pursuant to Section 2.05 of the Sales Tax Master Indenture.

SECTION 3.3 Purposes. The net proceeds of each series of Additional Sales Tax Obligations shall be available to pay any of the costs of the Purposes, including therewith: (i) costs of issuance, including purchasers discount; (ii) capitalized interest on the Additional Sales Tax Obligations; and (iii) costs of credit enhancements (including, but not limited to, premiums for the purchase of policies of municipal bond insurance with respect to the Additional Sales Tax Obligations).

Article IV.

Enactment.

SECTION 4.1 Construction. Articles I and II of this ordinance are part of the contract between the City and the owners of the Bonds. Pursuant to the home rule powers of the City, to the extent that any ordinance, resolution, rule, order or provision of the Municipal Code or part thereof, is in conflict with or inconsistent with the provisions of this ordinance, the provisions of this ordinance shall be controlling. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to render voidable at the option of the City any document, instrument or agreement authorized under this ordinance or to impair the validity of this ordinance or the instruments authorized by this ordinance or to impair the rights of the Corporation or the owners of any Additional Sales Tax Obligations issued by the Corporation to receive payment of the principal of or interest on such Additional Sales Tax Obligations or to impair the security for such Additional Sales Tax Obligations or to impair the rights of the owners of the Bonds to receive payment of the principal of or interest on the Bonds or to impair the security for the Bonds; provided further that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Municipal Code. The documents, agreements and instruments authorized under this Ordinance shall not be deemed to be "city contracts" for the purposes of Section 11-4-1600(e) of the Municipal Code.

SECTION 4.2 Additional Authorization. The Mayor, the Authorized Officers and the City Clerk, for and on behalf of the City shall be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the City under and pursuant to this ordinance and are hereby further authorized, empowered and directed for and on behalf of the City, to execute and deliver all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this ordinance or to evidence said authority.

SECTION 4.3 Pamphlet Publication. This ordinance shall be published by the City Clerk, by causing to be printed in special pamphlet form at least five copies hereof, which copies are to be made available in the Office of the City Clerk for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this ordinance.

SECTION 4.4 Title. This ordinance may hereafter be cited as the "2024 GO/STSC Refunding Financing Plan Ordinance".

SECTION 4.5 Effective Date. This ordinance shall be in full force and effect upon its passage, approval and publication as provided herein.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".
(To Ordinance)

Trust Indenture.

THIS TRUST INDENTURE, made and entered into as of _____ 1, 20__ (this "*Indenture*"), by and between the CITY OF CHICAGO (the "*City*"), a municipal corporation and home rule unit of local government duly organized and existing under the Constitution and laws of the State of Illinois, and _____ (the "*Trustee*"), an Illinois banking corporation with trust powers, having a corporate trust office located in the City of Chicago, Illinois, duly organized, validly existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America,

WITNESSETH:

WHEREAS, pursuant to an ordinance duly adopted by the City Council of the City (the "*City Council*") on the _____ day of _____, 2024 (as supplemented by a Notification of Sale dated _____, 20__, the "*Bond Ordinance*"), the City duly authorized the issuance and sale of its General Obligation [Refunding] Bonds, [Series 2024] (the "*[Series 2024] Bonds*"), in order to provide the funds, together with other available funds, including proceeds of other general obligation bonds, for the purposes of financing all or a portion of the costs of the Refunding and Restructuring Purposes (as defined in the Bond Ordinance) including therewith costs of issuance, including underwriters discount; and

WHEREAS, by virtue of Article VII of the Illinois Constitution of 1970 and pursuant to the Bond Ordinance, the City is authorized to issue the [Series 2024] Bonds, enter into this Indenture and to do or cause to be done all the acts and things herein provided or required to be done; and

WHEREAS, the execution and delivery of the [Series 2024] Bonds and of this Indenture have in all respects been duly authorized and all things necessary to make such [Series 2024] Bonds, when executed by the City and authenticated by the Trustee, the legal, valid and binding obligations of the City and to make this Indenture a legal, valid and binding agreement, have been done; and

WHEREAS, the [Series 2024] Bonds, and the Trustee's Certificate of Authentication to be endorsed on such [Series 2024] Bonds, shall be substantially in the form attached hereto as *Exhibit A*, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture and the Bond Ordinance;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

That the City, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the [Series 2024] Bonds by the Registered Owners thereof, and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure the payment of the principal of, premium, if any, and interest on the [Series 2024] Bonds according to their tenor and effect, and to secure the performance and

observance by the City of all the covenants expressed or implied herein and in the [Series 2024] Bonds, does hereby assign and grant a security interest in and to the following to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the City hereinafter set forth (the "*Trust Estate*"):

GRANTING CLAUSE FIRST

Any moneys, revenues, receipts, income, assets or funds of the City legally available for such purposes, all to the extent provided in this Indenture, including, but not limited to, the proceeds of a direct annual tax levied by the City in the Bond Ordinance upon all taxable property in the City;

GRANTING CLAUSE SECOND

All moneys and securities from time to time held by the Trustee under the terms of this Indenture, except for moneys deposited with or paid to the Trustee and held in trust hereunder for the redemption of [Series 2024] Bonds, notice of the redemption of which has been duly given; and

GRANTING CLAUSE THIRD

Any and all other property, rights and interests of every kind and nature from time to time hereafter by delivery or by writing of any kind granted, bargained, sold, alienated, demised, released, conveyed, assigned, transferred, mortgaged, pledged, hypothecated or otherwise subjected hereto, as and for additional security hereunder by the City or by any other person on its behalf or with its written consent to the Trustee, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future Registered Owners of the [Series 2024] Bonds, without privilege, priority or distinction as to the lien or otherwise of any of the foregoing over any other of the foregoing, except to the extent herein otherwise specifically provided;

PROVIDED, HOWEVER, that if the City, its successors or assigns shall well and truly pay, or cause to be paid, the principal of, premium, if any, and interest on the [Series 2024] Bonds, at the times and in the manner set forth therein according to the true intent and meaning thereof, and shall cause the payments to be made on the [Series 2024] Bonds as required herein, or shall provide, as permitted hereby, for the payment thereof, and shall well and truly cause to be kept, performed and observed all of its covenants and conditions pursuant to the terms of this Indenture, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to them in accordance with the terms and provisions hereof, then upon the final payment thereof this

Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture shall remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all [Series 2024] Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all said property, rights and interests and any other amounts hereby assigned and pledged are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as herein expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and the respective owners of the [Series 2024] Bonds as follows:

ARTICLE I

DEFINITIONS AND GENERAL MATTERS

Section 1.01. Definitions. All capitalized terms used herein unless otherwise defined shall have the meanings given in the recitals above and the following meanings for purposes of this Indenture:

“Authorized Denomination” means \$5,000 and any integral multiple thereof.

“Authorized Officer” means (a) the Mayor, the Chief Financial Officer, the City Comptroller or any other official of the City so designated by a Certificate signed by the Mayor or Chief Financial Officer and filed with the Trustee for so long as such designation shall be in effect, and (b) the City Clerk with respect to the certification of any ordinance or resolution of the City Council or any other document filed in his or her office.

“Beneficial Owner” means the owner of a beneficial interest in the [Series 2024] Bonds registered in the name of Cede & Co., as nominee of DTC (or a successor securities depository or nominee for either of them).

“Bond Counsel” means one or more firms of nationally recognized bond counsel designated by the Corporation Counsel of the City.

“Bond Fund” means the fund of that name established and described in Section 4.03 hereof.

“Bondholder,” “holder,” or *“owner of the [Series 2024] Bonds”* means the Registered Owner or Beneficial Owner of any [Series 2024] Bond, as the case may be.

“Bond Ordinance” has the meaning given to such term in the recitals hereto.

“Bond Register” means the registration books of the City kept by the Trustee to evidence the registration and transfer of [Series 2024] Bonds.

“Bond Year” means a 12-month period commencing on January 2 of each calendar year and ending on January 1 of the next succeeding calendar year.

“*Business Day*” means any day other than (i) a Saturday or Sunday, (ii) a day on which banks located in the city where the Designated Corporate Trust Office is located are authorized or required by law to close, and (iii) a day on which The New York Stock Exchange, Inc., is closed.

“*Capitalized Interest Account*” means the account of that name established within the Bond Fund, as described in Section 4.03 hereof.

“*Certificate*” means an instrument of the City in writing signed by an Authorized Officer. Any such instrument in writing and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal or accounting matters, upon the opinion or representation of counsel or accountants, respectively, unless the officer signing such instrument knows that the opinion or representation with respect to the matters upon which such instrument may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel or accountant or other persons, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture or any Supplemental Indenture, but different officers, counsel, accountants or other persons may certify to different facts, respectively.

“*Chief Financial Officer*” means the Chief Financial Officer appointed by the Mayor, or the City Comptroller of the City at any time a vacancy exists in the office of the Chief Financial Officer.

“*City*” means the City of Chicago, a municipal corporation and home rule unit of local government, organized and existing under the Constitution and laws of the State.

“*City Clerk*” means the duly qualified and acting City Clerk of the City or any Deputy City Clerk or other person that may lawfully take a specific action or perform a specific duty prescribed for the City Clerk pursuant to the Bond Ordinance.

“*City Comptroller*” means the City Comptroller of the City.

“*Code*” means the United States Internal Revenue Code of 1986. References to the Code and to Sections of the Code shall include relevant final, temporary or proposed regulations thereunder as in effect from time to time and as applicable to obligations issued on the Date of Issuance.

“*Date of Issuance*” means _____, 20__, the date of issuance and delivery of the [Series 2024] Bonds to the initial purchasers thereof.

“*Defeasance Obligations*” means: (A) direct obligations of the United States of America; (B) obligations of agencies of the United States of America, the timely payment of principal of and interest on which are guaranteed by the United States of America; (C) obligations of the following: Federal Home Loan Mortgage Corp. debt obligations, Farm Credit System (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives) debt obligations, Federal Home Loan Banks debt obligations, Fannie Mae debt obligations, Financing

Corp. debt obligations, and Resolution Funding Corp. (REFCORP) debt obligations; (D) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; or (E) instruments evidencing an ownership interest in obligations described in the preceding clauses (A), (B) and (C).

“*Delivery Office*” shall mean the following office of the Trustee:

For Purposes of Notice and Presentation of [Series 2024] Bonds for payment or transfers:

“*Deposit Date*” means the Business Day immediately preceding each Interest Payment Date.

“*Designated Corporate Trust Office*” means the corporate trust office of the Trustee located at the address of the Trustee set forth in the definition of “*Delivery Office*” herein, as such address may be changed from time to time by the Trustee.

“*DTC*” means The Depository Trust Company, New York, New York, or its nominee, and its successors and assigns, or any other depository performing similar functions.

“*Expense Fund*” means the fund of that name established and described in Section 4.04 hereof.

“*Federal Obligation*” means any direct obligation of, or any obligation the full and timely payment of principal of and interest on which is guaranteed by, the United States of America.

“*Fitch*” means Fitch Ratings Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated, or shall no longer perform the functions of a securities rating agency, “*Fitch*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

“*Indenture*” means this Indenture, as amended and/or supplemented from time to time in accordance with Article IX hereof.

“*Interest Payment Date*” means each January 1 and July 1. The initial Interest Payment Date shall be July 1, 20__.

"Invitation" means the Invitation to Tender or Exchange Bonds of the City, dated

"Issuance Costs" means the expenses and costs of the City with respect to the authorization, sale and delivery of the [Series 2024] Bonds, the refunding of the Refunded Bonds and the payment for the Tendered Bonds.

"Kroll" means Kroll Bond Rating Agency, Inc., its successors and assigns, and, if Kroll shall be dissolved or liquidated or shall no longer perform the functions of a security rating agency, "Kroll" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

"Maturity Date" means, for the [Series 2024] Bonds of each specified maturity, the applicable maturity date set forth in Section 2.02 hereof.

"Moody's" means Moody's Investors Service, Inc., its successors and assigns, and, if Moody's shall be dissolved or liquidated or shall no longer perform the functions of a security rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

"Municipal Code" means the Municipal Code of Chicago, as from time to time amended.

"Ongoing Financing Services" means any periodic fees and expenses payable to parties involved in the provision of ongoing services relating to the [Series 2024] Bonds, such as rating agencies and entities providing financial market information to be used in connection with the structuring and sale of the [Series 2024] Bonds, as defined in the Bond Ordinance.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel in form and substance acceptable to the City.

"Outstanding," means, when used with reference to any [Series 2024] Bonds, all of such obligations issued under this Indenture that are unpaid, *provided* that such term does not include:

- (a) [Series 2024] Bonds canceled at or prior to such date or delivered to or acquired by the Trustee at or prior to such date for cancellation;
- (b) matured or redeemed [Series 2024] Bonds which have not been presented for payment in accordance with the provisions of this Indenture and for the payment of which the City has deposited funds with the Trustee;
- (c) [Series 2024] Bonds for which the City has provided for payment by depositing in an irrevocable trust or escrow, cash or Defeasance Obligations, in each case, the maturing principal of and interest on which will be sufficient to pay at maturity, or if called for redemption on the applicable redemption date, the principal of, redemption premium, if any, and interest on such [Series 2024] Bonds;

(d) [Series 2024] Bonds in lieu of or in exchange or substitution for which other [Series 2024] Bonds shall have been authenticated and delivered pursuant to this Indenture; and

(e) [Series 2024] Bonds owned by the City and tendered to the Trustee for cancellation.

“Outstanding Indebtedness” has the meaning ascribed thereto in the Bond Ordinance.

“Participant,” when used with respect to any Securities Depository, means any participant of such Securities Depository.

“Paying Agent” means the Trustee and any Paying Agent designated by the Trustee, and any successor thereto.

“Permitted Investments” means any of the following obligations or securities permitted under the laws of the State and the Municipal Code:

(a) interest-bearing general obligations of the United States of America, the State or the City;

(b) United States treasury bills and other non-interest bearing general obligations of the United States of America when offered for sale in the open market at a price below the face value of same, so as to afford the City a return on such investment in lieu of interest;

(c) short-term discount obligations of the United States Government or United States Government agencies;

(d) certificates of deposit of national banks or banks located within the City which are either (i) fully collateralized at least 110 percent by marketable United States Government securities marked to market at least monthly or (ii) secured by a corporate surety bond issued by an insurance company licensed to do business in the State and having a claims-paying rating in the top rating category as rated by a nationally recognized statistical rating organization and maintaining such rating during the term of such investment;

(e) banker’s acceptances of banks and commercial paper of banks whose senior obligations are rated in the top two short-term rating categories by at least two national rating agencies and maintaining such rating during the term of such investment;

(f) tax-exempt securities exempt from federal arbitrage provisions applicable to investments of proceeds of the City’s tax-exempt debt obligations;

(g) shares of money market mutual funds registered under the Investment Company Act of 1940, which shares are registered under the Securities Act of 1933,

including any such fund for which the Trustee or any of its affiliates provides any service including any service for which a fee may be paid; and

(h) any other suitable investment instrument permitted by State laws and the Municipal Code governing municipal investments generally, subject to the reasonable exercise of prudence in making investments of public funds.

"Pledged Taxes" shall have the meaning given to such term in the Bond Ordinance.

"Principal and Interest Account" means the Account of that name established within the Bond Fund, as described in Section 4.03 hereof.

"Principal and Interest Account Requirement" means an amount, equal to the total principal installment and interest due on such [Series 2024] Bonds as of each January 1 and July 1 (including any mandatory redemption of the [Series 2024] Bonds as required by Section 3.01(c) hereof), which amount shall be deposited in the Principal and Interest Account not later than the Deposit Date for such Interest Payment Date.

"Qualified Collateral" means:

- (a) Federal Obligations;
- (b) direct and general obligations of any state of the United States of America or any political subdivision of the State which are rated not less than "AA" or "Aa2" or their equivalents by any nationally recognized securities rating agency; and
- (c) public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under any annual contributions contract or contracts with the United States of America, or project notes issued by public housing authorities, or project notes issued by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America.

"Rating Agency" means any of Fitch, Moody's, S&P and Kroll, or another rating agency that has a credit rating assigned to the [Series 2024] Bonds at the request of the City.

"Record Date" means each June 15 and December 15 (whether or not a Business Day).

"Refunded Bonds" means, collectively, the Refunded _____ Bonds, Refunded _____ Bonds and Refunded _____ Bonds.

"Refunded _____ Bonds" means the portion of the Outstanding Indebtedness described as the Refunded _____ Bonds on *Exhibit C* hereto.

"Refunding Purposes" means the refunding of the Refunded Bonds and the purchase of the Tendered Bonds.

“*Redemption Price*” means with respect to the [Series 2024] Bonds, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such [Series 2024] Bonds.

“*Registered Owner*” or “*Owner*” means the person or persons in whose name or names a Bond shall be registered in the Bond Register.

“*S&P*” means S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, its successors and assigns, and, if S&P shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.

“*Securities Depository*” means DTC and any other securities depository registered as a clearing agency with the Securities and Exchange Commission pursuant to Section 17A of the Securities Exchange Act of 1934, as amended, and appointed as the securities depository for the [Series 2024] Bonds.

“*[Series 2024] Bonds*” means the “General Obligation [Refunding] Bonds, [Series 2024]” of the City issued pursuant to Section 2.01 hereof.

“*State*” means the State of Illinois.

“*Supplemental Indenture*” means any indenture modifying, altering, amending, supplementing or confirming this Indenture duly entered into in accordance with the terms hereof.

“*Tax Certificate*” means the Tax Exemption Certificate and Agreement of the City dated the Date of Issuance pertaining to the [Series 2024] Bonds.

“*Tendered Bonds*” means collectively, the Tendered _____ Bonds, the Tendered _____ Bonds and Tendered _____ Bonds.

“*Tendered _____ Bonds*” means the portion of the City’s General Obligation Bonds, _____ Series _____ set forth on *Exhibit B* hereto which have been tendered by the holders thereof for purchase by the City pursuant to the Invitation.

“*Trust Estate*” means the property conveyed to the Trustee pursuant to the Granting Clauses hereof.

“*Trustee*” means _____, Chicago, Illinois, an Illinois banking corporation with trust powers, and its successors and any entity resulting from or surviving any consolidation or merger to which it or its successors may be a party, and any successor trustee at the time serving as successor trustee hereunder.

“*Underwriters*” means the initial purchasers of the [Series 2024] Bonds from the City pursuant to a Bond Purchase Agreement between the City and _____, as representative of the underwriters named therein, dated _____, 20____.

Section 1.02. Authority for Indenture. This Indenture is executed and delivered by the City by virtue of and pursuant to the Bond Ordinance and as an exercise of its home rule powers. The City has ascertained and hereby determines and declares that the execution and delivery of this Indenture is necessary to meet the public purposes and obligations of the City, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate such purposes of the City and to carry out its powers and is in furtherance of the public benefit, safety and welfare and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the [Series 2024] Bonds and are contracts or agreements necessary, useful or convenient to carry out and effectuate the corporate purposes of the City.

Section 1.03. Indenture to Constitute Contract. In consideration of the purchase and acceptance of [Series 2024] Bonds by those who shall hold the same from time to time, the provisions of this Indenture and any Supplemental Indenture shall be a part of the contract of the City with the Owners of [Series 2024] Bonds and shall be deemed to be and shall constitute a contract between the City, the Trustee, and the Owners from time to time of the [Series 2024] Bonds. The City covenants and agrees with the Owners of [Series 2024] Bonds and the Trustee that it will faithfully perform all of the covenants and agreements contained in this Indenture, in the Bond Ordinance and in the [Series 2024] Bonds.

ARTICLE II

THE [SERIES 2024] BONDS

Section 2.01. Authority for and Issuance of [Series 2024] Bonds. The [Series 2024] Bonds are authorized to be issued by virtue of and pursuant to the Bond Ordinance and as an exercise by the City of its home rule powers. No [Series 2024] Bonds may be issued under the provisions of this Indenture except in accordance with this Article. Except as provided in Section 2.07 hereof, the total principal amount of [Series 2024] Bonds that may be issued hereunder is expressly limited to \$_____.

Section 2.02. General Terms of [Series 2024] Bonds. (a) The [Series 2024] Bonds shall be issued in the aggregate principal amount of \$_____ and shall be designated "City of Chicago General Obligation [Refunding] Bonds, [Series 2024]". The [Series 2024] Bonds shall be issued as fully registered bonds, without coupons, in Authorized Denominations substantially in the form attached as *Exhibit A* thereto. Unless the City shall otherwise direct, the [Series 2024] Bonds shall be lettered and numbered from R-1 and upwards. Each [Series 2024] Bond shall be dated the Date of Issuance and shall mature, subject to prior redemption as provided in Article III hereof, on its Maturity Date.

(b) Each [Series 2024] Bond shall bear interest from the later of its date or the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount of such [Series 2024] Bond is paid, such interest being payable on January 1 and July 1 of each year, commencing on July 1, 20___. Interest on each [Series 2024] Bond shall be paid to the person in whose name such [Series 2024] Bond is registered at the close of business on the Record Date next preceding the applicable Interest Payment Date, by check or draft of the Trustee, or, at

the option of any registered owner of \$1,000,000 or more in aggregate principal amount of [Series 2024] Bonds, by wire transfer of immediately available funds to such bank in the continental United States of America as the registered owner of such [Series 2024] Bonds shall request in writing to the Trustee.

(c) The principal of the [Series 2024] Bonds and any redemption premium shall be payable in lawful money of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, upon presentation and surrender thereof at the Designated Corporate Trust Office of the Trustee.

(d) The [Series 2024] Bonds shall mature on January 1 in each year shown in the following table in the respective principal amount set forth opposite each such year. The [Series 2024] Bonds shall bear interest from and including the Date of Issuance as shown in the table below until payment of the principal or Redemption Price thereof shall have been made or provided for in accordance with the provisions hereof, whether at the applicable Maturity Date, upon redemption, or otherwise. Interest accrued on the [Series 2024] Bonds shall be paid in arrears on each Interest Payment Date. Interest on the [Series 2024] Bonds shall be computed upon the basis of a 360 day year consisting of twelve 30 day months.

YEAR (JANUARY 1)	PRINCIPAL AMOUNT	INTEREST RATE
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Section 2.03. Execution. The seal of the City or a facsimile thereof shall be affixed to or printed on each of the [Series 2024] Bonds, and the [Series 2024] Bonds shall be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and in case any officer whose signature shall appear on any [Series 2024] Bond shall cease to be such officer before the delivery of such [Series 2024] Bond, such signature shall nevertheless be valid and sufficient for all proposes, the same as if such officer had remained in office until delivery.

Section 2.04. Authentication. All [Series 2024] Bonds shall have thereon a certificate of authentication substantially in the form attached hereto as part of *Exhibit A* duly executed by the Trustee as authenticating agent of the City and showing the date of authentication. No [Series

2024] Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until such certificate of authentication shall have been duly executed by the Trustee by manual signature, and such certificate of authentication upon any such [Series 2024] Bond shall be conclusive evidence that such [Series 2024] Bond has been authenticated and delivered under the Bond Ordinance and this Indenture. The certificate of authentication on any [Series 2024] Bond shall be deemed to have been executed by the Trustee if signed by an authorized officer of such Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the [Series 2024] Bonds issued hereunder.

Section 2.05. Form of [Series 2024] Bonds; Temporary [Series 2024] Bonds. The [Series 2024] Bonds issued under this Indenture shall be substantially in the form attached hereto as *Exhibit A*, with such appropriate variations, omissions and insertions as are permitted or required by the Bond Ordinance and this Indenture.

Pending preparation of definitive [Series 2024] Bonds, or by agreement with the purchasers of the [Series 2024] Bonds, the City may issue and, upon its request, the Trustee shall authenticate, in lieu of definitive [Series 2024] Bonds, one or more temporary printed or typewritten [Series 2024] Bonds in Authorized Denominations of substantially the tenor recited above. Upon request of the City, the Trustee shall authenticate definitive [Series 2024] Bonds in exchange for and upon surrender of an equal principal amount of temporary [Series 2024] Bonds. Until so exchanged, temporary [Series 2024] Bonds shall have the same rights, remedies and security hereunder as definitive [Series 2024] Bonds.

Section 2.06. Delivery of [Series 2024] Bonds. Upon the execution and delivery of this Indenture, the City shall execute and deliver to the Trustee, and the Trustee shall authenticate, the [Series 2024] Bonds and deliver them to the purchasers as may be directed by the City as hereinafter in this Section provided.

Prior to the delivery by the Trustee of any of the [Series 2024] Bonds there shall be filed with the Trustee:

- (1) copies, duly certified by the City Clerk of the City, of the Bond Ordinance;
- (2) an original executed counterpart of this Indenture;
- (3) an Opinion of Bond Counsel to the effect that this Indenture (i) has been duly and lawfully authorized by the City Council of the City and executed by the City in accordance with the provisions of the Bond Ordinance and (ii) will, when executed and delivered by the Trustee, be valid and binding upon the City and enforceable in accordance with its terms; and
- (4) a Certificate executed by the Chief Financial Officer stating that all conditions precedent with respect to the execution of all documents by the City relating to the [Series 2024] Bonds have been satisfied.

Section 2.07. Mutilated, Lost, Stolen or Destroyed [Series 2024] Bonds. If any [Series 2024] Bond, whether in temporary or definitive form, is lost (whether by reason of theft or otherwise), destroyed (whether by mutilation, damage, in whole or in part, or otherwise) or improperly cancelled, the Trustee may authenticate a new [Series 2024] Bond of like date, maturity date, interest rate, denomination and principal amount and bearing a number not contemporaneously outstanding; *provided* that (i) in the case of any mutilated [Series 2024] Bond, such mutilated [Series 2024] Bond shall first be surrendered to the Trustee, and (ii) in the case of any lost [Series 2024] Bond or [Series 2024] Bond destroyed in whole, there shall be first furnished to the Trustee evidence of such loss, theft, or destruction satisfactory to the City and the Trustee, together with indemnification of the City and the Trustee, satisfactory to the Trustee. If any lost, destroyed or improperly cancelled [Series 2024] Bond shall have matured or is about to mature, or has been called for redemption, instead of issuing a duplicate [Series 2024] Bond, the Trustee shall pay the same without surrender thereof if there shall be first furnished to the Trustee evidence of such loss, destruction or cancellation, together with indemnity, satisfactory to it. Upon the issuance of any substitute [Series 2024] Bond, the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

All [Series 2024] Bonds shall be owned upon the express condition that the foregoing provisions, to the extent permitted by law, are exclusive with respect to the replacement or payment of mutilated, destroyed, lost, stolen or purchased [Series 2024] Bonds, and shall preclude any and all other rights or remedies.

Section 2.08. Transfer and Exchange of [Series 2024] Bonds; Persons Treated as Owners. (a) Subject to the limitations contained in paragraph (c) of this Section, upon surrender for registration of transfer of any [Series 2024] Bond at the Designated Corporate Trust Office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the [Series 2024] Bondholder or such [Series 2024] Bondholder's attorney duly authorized in writing in such form and with guarantee of signature as shall be satisfactory to the Trustee, the City shall execute, and the Trustee shall authenticate and deliver, in the name of the transferee or transferees, one or more fully registered [Series 2024] Bonds of the same interest rate and Maturity Date of Authorized Denominations, for a like principal amount bearing numbers not contemporaneously outstanding. Subject to the limitations contained in paragraph (c) of this Section, [Series 2024] Bonds may be exchanged at the Designated Corporate Trust Office of the Trustee for a like aggregate principal amount of [Series 2024] Bonds of the same interest rate and Maturity Date of other Authorized Denominations bearing numbers not contemporaneously outstanding.

(b) No service charge shall be made for any transfer or exchange of [Series 2024] Bonds, but the City or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of [Series 2024] Bonds, except that no such payment may be required in the case of the issuance of a [Series 2024] Bond or [Series 2024] Bonds for the unredeemed portion of a [Series 2024] Bond surrendered for redemption.

(c) The Trustee shall not be required to transfer or exchange any [Series 2024] Bond during the period commencing on the Record Date next preceding any Interest Payment Date of

such [Series 2024] Bond and ending on such Interest Payment Date, or to transfer or exchange such [Series 2024] Bond after the mailing of notice calling such [Series 2024] Bond for redemption has been made as herein provided or during the period of 15 days next preceding the giving of notice of redemption of [Series 2024] Bonds of the same Maturity Date and interest rate.

(d) [Series 2024] Bonds delivered upon any registration of transfer or exchange as provided herein or as provided in Section 2.07 hereof shall be valid general obligations of the City, evidencing the same debt as the [Series 2024] Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof and of the Bond Ordinance to the same extent as the [Series 2024] Bond surrendered. The City and the Trustee may treat the Registered Owner of any [Series 2024] Bond as the absolute owner thereof for all purposes, whether or not such [Series 2024] Bond shall be overdue, and shall not be bound by any notice to the contrary. All payments of or on account of the principal of, premium, if any, and interest on any such [Series 2024] Bond as herein provided shall be made only to or upon the written order of the Registered Owner thereof or such Registered Owner's legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such [Series 2024] Bond to the extent of the sum or sums so paid.

Section 2.09. Required Information in [Series 2024] Bond Form. On each date on which the Trustee authenticates and delivers a [Series 2024] Bond, it shall complete the information required to be inserted by the [Series 2024] Bond form and shall keep a record of such information.

Section 2.10. Cancellation. Any [Series 2024] Bond surrendered for the purpose of payment or retirement, or for exchange, transfer or replacement, shall be canceled upon surrender thereof to the Trustee. If the City shall acquire any of the [Series 2024] Bonds, the City shall deliver such [Series 2024] Bonds to the Trustee for cancellation and the Trustee shall cancel the same. Certification of [Series 2024] Bonds canceled by the Trustee shall be made to the City. Canceled [Series 2024] Bonds may be destroyed by the Trustee unless instructions to the contrary are received from the City.

Section 2.11. Book Entry Provisions. The provisions of this Section shall apply as long as the [Series 2024] Bonds are maintained in book entry form with DTC or another Securities Depository, any provisions of this Indenture to the contrary notwithstanding. Notwithstanding anything else to the contrary herein, so long as DTC is the Securities Depository, the [Series 2024] Bonds shall be subject to the operational arrangements of DTC in effect from time to time.

(a) The [Series 2024] Bonds shall be payable to the Securities Depository, or its nominee, as the Registered Owner of the [Series 2024] Bonds, in same day funds on each date on which the principal of, premium, if any, and interest on the [Series 2024] Bonds is due as set forth in this Indenture and the [Series 2024] Bonds. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the City and the Trustee in writing. Without notice to or the consent of the Beneficial Owners of the [Series 2024] Bonds, the City and the Securities Depository may agree in writing to make payments of principal and interest in a manner different from that

set forth herein. If such different manner of payment is agreed upon, the City shall give the Trustee notice thereof, and the Trustee shall make payments with respect to the [Series 2024] Bonds in the manner specified in such notice. Neither the City nor the Trustee shall have any obligation with respect to the transfer or crediting of the principal of, premium, if any, and interest on the [Series 2024] Bonds to Participants or the Beneficial Owners of the [Series 2024] Bonds or their nominees.

(b) If (i) the City determines, or (ii) the City receives notice that the Securities Depository has received notice from its Participants having interests in at least 50 percent in principal amount of the [Series 2024] Bonds, that the Securities Depository or its successor is incapable of discharging its responsibilities as a securities depository, or that it is in the best interests of the Beneficial Owners that they obtain certificated [Series 2024] Bonds, the City may (or, in the case of clause (ii) of this paragraph, the City shall) cause the Trustee to authenticate and deliver [Series 2024] Bond certificates. The City shall have no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any determination described in this paragraph.

(c) If, following a determination or event specified in paragraph (b) of this Section, the City discontinues the maintenance of the [Series 2024] Bonds in book entry form with the then current Securities Depository, the City will issue replacement [Series 2024] Bonds to the replacement Securities Depository, if any, or, if no replacement Securities Depository is selected for the [Series 2024] Bonds, directly to the Participants as shown on the records of the former Securities Depository or, to the extent requested by any Participant, to the Beneficial Owners of the [Series 2024] Bonds shown on the records of such Participant. Any such [Series 2024] Bonds so issued in replacement shall be in fully registered form and in Authorized Denominations, be payable as to interest on the Interest Payment Dates of the [Series 2024] Bonds by check mailed to each Registered Owner at the address of such Registered Owner as it appears on the Bond Register or, at the option of any Registered Owner of not less than \$1,000,000 principal amount of [Series 2024] Bonds, by wire transfer to any address in the United States of America on such Interest Payment Date to such Registered Owner as of such Record Date, if such Registered Owner provides the Trustee with written notice of such wire transfer address not later than the Record Date (which notice may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked by subsequent notice). Principal and premium, if any, on the replacement [Series 2024] Bonds are payable only upon presentation and surrender of such replacement [Series 2024] Bond or [Series 2024] Bonds at the Designated Corporate Trust Office of the Trustee.

(d) The Securities Depository and its Participants, and the Beneficial Owners of the [Series 2024] Bonds, by their acceptance of the [Series 2024] Bonds, agree that the City and the Trustee shall not have liability for the failure of such Securities Depository to perform its obligations to the Participants and the Beneficial Owners of the [Series 2024] Bonds, nor shall the City or the Trustee be liable for the failure of any Participant or other nominee of the Beneficial Owners to perform any obligation of the Participant to a Beneficial Owner of the [Series 2024] Bonds.

(e) As long as Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the Registered Owner of the [Series 2024] Bonds, as nominee of DTC, references herein to the Registered Owners of the [Series 2024] Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the [Series 2024] Bonds.

(f) As long as Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the Registered Owner of the [Series 2024] Bonds:

(i) selection of [Series 2024] Bonds to be redeemed upon partial redemption or presentation of [Series 2024] Bonds to the Trustee upon partial redemption, shall be deemed made when the right to exercise ownership rights in such [Series 2024] Bonds through DTC or DTC's Participants is transferred by DTC on its books;

(ii) any notices of the interest rate on the [Series 2024] Bonds to be provided by the Trustee shall be provided to anyone identifying itself to the Trustee as a person entitled to exercise ownership rights with respect to such [Series 2024] Bonds through DTC or its Participants; and

(iii) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Registered Owners under this Indenture on a fractionalized basis on behalf of some or all of those persons entitled to exercise ownership rights in the [Series 2024] Bonds through DTC or its Participants.

ARTICLE III

REDEMPTION OF [SERIES 2024] BONDS

Section 3.01. Redemption Terms, Dates and Prices. The [Series 2024] Bonds shall be subject to redemption prior to their Maturity Date in the amounts, at the times and in the manner provided in this Section.

(a) *Redemption.* (i) The [Series 2024] Bonds maturing on or after January 1, 20__, are subject to redemption at the option of the City, on any date occurring on or after [January 1] [July 1], 20__, in such principal amounts and from such maturities and interest rates as the City shall determine and by lot within a single maturity and interest rate, at a Redemption Price of 100.0% of the principal amount thereof being redeemed plus accrued interest, if any, to the date of redemption.

The City is authorized to sell or waive any right the City may have to call any of the [Series 2024] Bonds for optional redemption, in whole or in part; *provided*, that such sale or waiver will not adversely affect the excludability of interest on the [Series 2024] Bonds from gross income for federal income tax purposes.

(ii) [Make Whole Redemption Provisions, if any, to be inserted]

(b) *General Provisions Regarding Redemptions.*

(i) No redemption of less than all of the [Series 2024] Bonds Outstanding shall be made pursuant to Section 3.01(a) hereof unless the aggregate principal amount of [Series 2024] Bonds to be redeemed is equal to \$5,000 multiples. Any redemption of less than all of the [Series 2024] Bonds Outstanding shall be made in such a manner that all [Series 2024] Bonds Outstanding after such redemption are in Authorized Denominations. If fewer than all [Series 2024] Bonds Outstanding are to be optionally redeemed, the [Series 2024] Bonds to be called shall be called from such maturities and interest rates as may be determined by an Authorized Officer.

(ii) [Series 2024] Bonds may be called for redemption by the Trustee pursuant to Sections 3.01(a) and 3.01(c) hereof upon receipt by the Trustee at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Trustee) of, in the case of a redemption pursuant to Section 3.01(a) of a written request of the City requesting such redemption, or in the case of a redemption pursuant to Section 3.01(c) in accordance with the mandatory schedule provided herein.

(iii) In lieu of redeeming [Series 2024] Bonds pursuant to Section 3.01(a) hereof, the Trustee may, at the request of the City, use such funds available hereunder for redemption of [Series 2024] Bonds to purchase [Series 2024] Bonds in the open market at a price not exceeding the Redemption Price then applicable hereunder. Any [Series 2024] Bond so purchased in lieu of redemption shall be delivered to the Trustee for cancellation and shall be canceled, all as provided in Section 2.10 hereof.

Section 3.02. Notice of Redemption. (a) Unless waived by any owner of [Series 2024] Bonds to be redeemed, notice of the call for any such redemption shall be given by the Trustee on behalf of the City by mailing the redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the [Series 2024] Bond or [Series 2024] Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Trustee, but the failure to mail any such notice or any defect therein as to any [Series 2024] Bond shall not affect the validity of the proceedings for the redemption of any other [Series 2024] Bond. Any notice of redemption mailed as provided in this Section 3.02 shall be conclusively presumed to have been given whether or not actually received by the addressee.

All notices of redemption shall state:

- (1) the redemption date,
- (2) the Redemption Price,

(3) if less than all outstanding [Series 2024] Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts and interest rates) of the [Series 2024] Bonds to be redeemed,

(4) that on the redemption date the Redemption Price will become due and payable upon each such [Series 2024] Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue or compound from and after said date,

(5) the place where such [Series 2024] Bonds are to be surrendered for payment of the Redemption Price, and

(6) such other information as shall be deemed necessary by the Trustee at the time such notice is given to comply with law, regulation or industry standard.

(b) With respect to an optional redemption of [Series 2024] Bonds, such notice may state that said redemption is conditioned upon the receipt by the Trustee on or prior to the date fixed for redemption of moneys sufficient to pay the Redemption Price of the [Series 2024] Bonds. If such moneys are not so received, such redemption notice shall be of no force and effect, the City shall not redeem such [Series 2024] Bonds and such failure to deposit such funds shall not constitute an Event of Default under this Indenture. The Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such [Series 2024] Bonds will not be redeemed. Unless the notice of redemption shall be made conditional as provided above, on or prior to any redemption date for the [Series 2024] Bonds, the City shall deposit with the Trustee an amount of money sufficient to pay the Redemption Price of all the [Series 2024] Bonds or portions thereof which are to be redeemed on that date.

(c) Notice of redemption having been given as aforesaid, the [Series 2024] Bonds, or portions thereof, so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City defaults in the payment of the Redemption Price or unless, in the event of a conditional notice as described above, the necessary moneys were not deposited) such [Series 2024] Bonds, or portions thereof, shall cease to bear interest. Upon surrender of such [Series 2024] Bonds for redemption in accordance with said notice, such [Series 2024] Bonds shall be paid by the Trustee at the Redemption Price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any [Series 2024] Bond, there shall be prepared for the Registered Owner a new [Series 2024] Bond or [Series 2024] Bonds of the same interest rate and maturity in the amount of the unpaid principal.

(d) If any [Series 2024] Bond, or portion thereof, called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by such [Series 2024] Bond, or portion thereof, so called for redemption. All [Series 2024] Bonds which have been redeemed shall be cancelled and destroyed by the Trustee and shall not be reissued.

(e) Failure to give notice in the manner prescribed hereunder with respect to any [Series 2024] Bond, or any defect in such notice, shall not affect the validity of the proceedings for

redemption for any [Series 2024] Bond with respect to which notice was properly given. Upon the happening of the above conditions and if sufficient moneys are on deposit with the Trustee on the applicable redemption date to redeem the [Series 2024] Bonds to be redeemed and to pay interest due thereon and premium, if any, the [Series 2024] Bonds thus called shall not, after the applicable redemption date, bear interest, be protected by this Indenture or the Bond Ordinance or be deemed to be Outstanding under the provisions of this Indenture.

(f) If any [Series 2024] Bond is transferred or exchanged on the Bond Register after notice has been given calling such [Series 2024] Bond for redemption, the Trustee will attach a copy of such notice to the [Series 2024] Bond issued in connection with such transfer or exchange.

(g) If any [Series 2024] Bond is not presented for payment when the principal amount thereof becomes due, either at maturity or at a date fixed for redemption thereof or otherwise, and if moneys sufficient to pay such [Series 2024] Bond are held by the Trustee for the benefit of the Registered Owner of such [Series 2024] Bond, the Trustee shall hold such moneys for the benefit of the Registered Owner of such [Series 2024] Bond without liability to the Registered Owner for interest. The Registered Owner of such [Series 2024] Bond thereafter shall be restricted exclusively to such funds for satisfaction of any claims relating to such [Series 2024] Bond.

Section 3.03. Selection of [Series 2024] Bonds for Redemption. If less than all the [Series 2024] Bonds having the same Maturity Date and interest rate shall be called for redemption under any provision of this Indenture permitting such partial redemption, (i) such redemption shall be by lot in such manner as the Trustee may determine among such [Series 2024] Bonds, and (ii) subject to other applicable provisions of this Indenture, the portion of any [Series 2024] Bond to be redeemed shall be in a principal amount equal to an Authorized Denomination. In selecting [Series 2024] Bonds for redemption, the Trustee shall assign to each [Series 2024] Bond of like Maturity Date and interest rate, a distinctive number for each minimum Authorized Denomination of such [Series 2024] Bond and shall select by lot from the numbers so assigned as many numbers as, at such minimum Authorized Denomination for each number, shall equal the principal amount of such [Series 2024] Bonds to be redeemed. In such case, the [Series 2024] Bonds to be redeemed shall be those to which were assigned numbers so selected; provided that only so much of the principal amount of each [Series 2024] Bond shall be redeemed as shall equal such minimum Authorized Denomination for each number assigned to it and so selected. If it is determined that one or more, but not all, of the integral multiples of the Authorized Denomination of principal amount represented by any [Series 2024] Bond is to be called for redemption, then, upon notice of intention to redeem such integral multiple of an Authorized Denomination, the Registered Owner of such [Series 2024] Bond shall forthwith surrender such [Series 2024] Bond to the Trustee for (a) payment to such Registered Owner of the Redemption Price of the integral multiple of the Authorized Denomination of principal amount called for redemption, and (b) delivery to such Registered Owner of a new [Series 2024] Bond or [Series 2024] Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such [Series 2024] Bond. New [Series 2024] Bonds representing the unredeemed balance of the principal amount of such [Series 2024] Bond shall be issued to the Registered Owner thereof without charge therefor.

The Trustee shall promptly notify the City in writing of the [Series 2024] Bonds, or portions thereof, selected for redemption and, in the case of any [Series 2024] Bond selected for partial redemption, the principal amount thereof, and the interest rate thereof to be redeemed.

Section 3.04. Deposit of Funds. For the redemption of any of the [Series 2024] Bonds, the City shall cause to be deposited in the Principal and Interest Account moneys sufficient to pay when due the principal of, and premium, if any, and interest on, the [Series 2024] Bonds to be redeemed on the redemption date to be applied in accordance with the provisions hereof.

ARTICLE IV

**APPLICATION OF [SERIES 2024] BOND PROCEEDS;
CREATION OF FUNDS AND SECURITY FOR [SERIES 2024] BONDS**

Section 4.01. Source of Payment of [Series 2024] Bonds. Pursuant to the Bond Ordinance, the [Series 2024] Bonds constitute direct and general obligations of the City for the punctual payment of which the City pledges its full faith and credit and, pursuant to the Bond Ordinance, the Pledged Taxes. The City covenants that the Pledged Taxes shall be used only for the payment of (i) principal of, interest on and Redemption Price, if any, on the [Series 2024] Bonds (or for the purchase by the City of the [Series 2024] Bonds which are then cancelled), and (ii) Ongoing Financing Services, each unless and until all of the [Series 2024] Bonds are paid in full or are fully defeased pursuant to Article VI herein; provided, however, that the levy of Pledged Taxes is subject to abatement as provided in the Bond Ordinance.

Section 4.02. Application of [Series 2024] Bond Proceeds. The City's proceeds from the sale of the [Series 2024] Bonds equal the amount of \$ _____, consisting of the principal amount of the [Series 2024] Bonds plus original issue premium of \$ _____ and less an underwriters' discount of \$ _____. Of such proceeds and at the direction of the City, the Underwriters paid simultaneously with the delivery of the [Series 2024] Bonds, (i) \$ _____ to DTC for the purpose of purchasing the Tendered Bonds, the same being the purchase price of the Tendered Bonds and (ii) \$ _____ to _____, as Escrow Agent with respect to the Refunded _____ Bonds. The remaining proceeds of the [Series 2024] Bonds shall be paid by the Underwriters to the Trustee and shall be applied by the Trustee simultaneously with their delivery as follows:

- (i) Deposit into the Escrow Accounts for the Refunded Series _____ Bonds and the Refunded Series _____ Bonds, held by the Trustee in its capacity as Escrow Agent for the Refunded Series _____ Bonds and the Refunded Series _____ Bonds: \$ _____ (the " _____ Refunding Proceeds");
- (ii) Deposit to Capitalized Interest Account: \$ _____; and
- (iii) Deposit to Expense Fund: \$ _____.

Section 4.03. Creation of Accounts in Bond Fund. (a) There is established with the Trustee a trust fund designated “City of Chicago General Obligation [Refunding] Bonds, [Series 2024] Bond Fund.”

(i) At each such time as is required under this Indenture, the City shall deposit into the Bond Fund, from funds of the City legally available therefor, an amount sufficient to satisfy the Principal and Interest Account Requirement.

(ii) Money on deposit in the Principal and Interest Account of the Bond Fund shall be applied by the Trustee to pay the principal of (whether due at maturity or by mandatory redemption) and interest on the [Series 2024] Bonds as the same shall become due.

(iii) Pending the use of moneys held in the Bond Fund, the Trustee shall invest such moneys in Permitted Investments upon the direction of the Chief Financial Officer or any person designated by the Chief Financial Officer. Income from such investments shall be credited to the account within the Bond Fund from which the investment was made.

(b) *Creation of Principal and Interest Account.* There is established with the Trustee an account within the Bond Fund, designated as the “[Series 2024] Principal and Interest Account” (the “*Principal and Interest Account*”). Amounts on deposit in the Principal and Interest Account shall be used to pay principal and interest on the [Series 2024] Bonds as the same shall become due after funds in the [Series 2024] Capitalized Interest Account have been depleted.

(c) *Creation of Capitalized Interest Account.* There is established with the Trustee an account within the Bond Fund, designated as the “[Series 2024] Capitalized Interest Account” (the “*Capitalized Interest Account*”). Amounts on hand in the Capitalized Interest Account shall be used to purchase Permitted Investments upon direction to the Trustee by the City, *provided* however that any such Permitted Investments so purchased must mature at such times as are sufficient to pay the interest on the [Series 2024] Bonds in accordance with the schedule set forth below. Moneys on deposit in the Capitalized Interest Account, and the interest earnings thereon, shall be applied to pay interest due on the [Series 2024] Bonds on each of the Interest Payment Dates occurring on and before July 1, 20___. On each of the applicable Deposit Dates for each of the following Interest Payment Dates, the Trustee shall withdraw from the Capitalized Interest Account and deposit into the Principal and Interest Account the amount set opposite such Interest Payment Date in the following table:

Interest Payment Date	Amount
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On July 1, 20___, the Trustee shall withdraw from the Capitalized Interest Account and deposit into the Principal and Interest Account any amount then held in the Capitalized Interest Account and the Capitalized Interest Account shall be closed.

Section 4.04. Expense Fund. There is established with the Trustee a trust fund designated “City of Chicago General Obligation [Refunding] Bonds, Refunding [Series 2024] Expense Fund” to be held and applied in accordance with the terms and provisions of this Indenture. Moneys on deposit in the Expense Fund will be paid out by the Trustee to or upon the order of the City in order to provide for the payment or to reimburse the City for the payment of Issuance Costs upon receipt by the Trustee of a written disbursement request from the City identifying the costs of issuance and the amounts thereof to be paid pursuant to such request. Moneys on deposit in the Expense Fund, including the investment earnings thereon, remaining after all disbursements for payment of the costs of issuance have been made shall be deposited by the Trustee into the Principal and Interest Account and upon such deposit the Expense Fund shall be closed.

Section 4.05. Refunding Purposes. The amount of the _____ Refunding Proceeds as set forth in clause (i) of Section 4.02 shall be applied by the Trustee as soon as possible after the Date of Issuance as follows:

(ii) The amount of \$ _____ shall be paid to _____, as Escrow Agent under the Refunded _____ Bonds Escrow Agreement, dated _____ by and between such Escrow Agent and the City for deposit into the Escrow Account established under such Escrow Agreement; and

(ii) The amount of \$ _____ shall be paid to _____, as Escrow Agent under the Refunded _____ Bonds Escrow Agreement, dated _____ by and between such Escrow Agent and the City for deposit into the Escrow Account established under such Escrow Agreement.

Section 4.06. Deposits into Bond Fund and Account Therein. Not later than the Deposit Date, there shall be on deposit in the Principal and Interest Account of the Bond Fund an amount equal to the Principal and Interest Account Requirement.

In addition to the Principal and Interest Account Requirement, there shall be deposited into the Bond Fund any other moneys (exclusive of proceeds applied to other funds or purposes pursuant to Section 4.02 hereof) received by the Trustee under and pursuant to this Indenture, when accompanied by directions from an Authorized Officer depositing such moneys that such moneys are to be paid into the Bond Fund and to one or more accounts therein.

Upon calculation by the Trustee of each Principal and Interest Account Requirement under this Section, the Trustee shall notify the City of the Principal and Interest Account Requirement and the Deposit Date to which it relates, and shall provide the City with such supporting documentation and calculations as the City may reasonably request.

Section 4.06. Tax Covenants. (a) The City covenants that it will take no action in the investment of the proceeds of the [Series 2024] Bonds which would result in making the interest payable on any of such [Series 2024] Bonds subject to federal income taxes by reason of such [Series 2024] Bonds being classified as “arbitrage bonds” within the meaning of Section 148 of the Code.

(b) The City further covenants that it will act with respect to the proceeds of the [Series 2024] Bonds, the earnings on the proceeds of such [Series 2024] Bonds and any other moneys on deposit in any fund or account maintained in respect of such [Series 2024] Bonds, including, if necessary, a rebate of such earnings to the United States of America, in a manner which would cause the interest on such [Series 2024] Bonds to continue to be exempt from federal income taxation under Section 103(a) of the Code.

Section 4.07. Non-presentment of [Series 2024] Bonds. In the event any [Series 2024] Bond shall not be presented for payment when the principal thereof becomes due, whether at maturity, at the date fixed for redemption or otherwise, if moneys sufficient to pay such [Series 2024] Bond shall have been made available to the Trustee for the benefit of the Registered Owner thereof, subject to the provisions of the immediately following paragraph, all liability of the City to the Registered Owner thereof for the payment of such [Series 2024] Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys, without liability for interest thereon, for the benefit of the Registered Owner of such [Series 2024] Bond who shall thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his or her part under this Indenture or on, or with respect to, such [Series 2024] Bond.

Any moneys so deposited with and held by the Trustee not so applied to the payment of [Series 2024] Bonds shall be subject to provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of unclaimed property.

Section 4.08. Moneys Held in Trust. All moneys required to be deposited with or paid to the Trustee for the account of any fund or account referred to in any provision of this Indenture shall be held by the Trustee in trust as provided in Section 8.07 of this Indenture, and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien or security interest created hereby.

ARTICLE V

INVESTMENT OF MONEYS

Section 5.01. Investment of Moneys. Moneys in the Expense Fund shall be invested at the written direction of an Authorized Officer to the fullest extent practicable in Permitted Investments maturing in such amounts and at such times as may be necessary to provide funds when needed to pay Issuance Costs or such other costs as may be required to be paid from such moneys. The City may, and to the extent required for payments from the Expense Fund shall, direct the Trustee in writing to sell any such Permitted Investments at any time, and the proceeds of such sale, and of all payments at maturity and upon redemption of such investments, shall be held in the Expense Fund. Moneys held in the funds, accounts and subaccounts established hereunder shall be invested and reinvested in accordance with the provisions governing investments contained in this Indenture. All such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund, account or subaccount for which they were made.

Section 5.02. Investment Income. The interest earned on any investment of moneys held hereunder, any profit realized from such investment and any loss resulting from such investment shall be credited or charged to the fund, account or subaccount for which such investment was made.

ARTICLE VI

DISCHARGE OF LIEN

Section 6.01. Defeasance. (a) If the City shall pay to the Registered Owners of the [Series 2024] Bonds, or provide for the payment of, the principal, premium, if any, and interest to become due on the [Series 2024] Bonds, then this Indenture and the Bond Ordinance shall be fully discharged and satisfied with respect to the [Series 2024] Bonds. Upon the satisfaction and discharge of this Indenture, the Trustee shall, upon the request of the City, execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and all fiduciaries shall pay over or deliver to the City all funds, accounts and other moneys or securities held by them pursuant to this Indenture which are not required for the payment or redemption of the [Series 2024] Bonds. If payment or provision for payment is made to or for the Registered Owners of all or a portion of the [Series 2024] Bonds, of the principal of and interest due and to become due on any [Series 2024] Bond at the times and in the manner stipulated therein, and there is paid or caused to be paid to the Trustee all sums of money due and to become due according to the provisions of this Indenture, then these presents and the estate and rights hereby and by the Bond Ordinance granted shall cease, terminate and be void as to those [Series 2024] Bonds or portions thereof except for purposes of registration, transfer and exchange of [Series 2024] Bonds and any such payment from such moneys or obligations. Any [Series 2024] Bond shall be deemed to be paid within the meaning of this Section when payment of the principal of any such [Series 2024] Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided for by irrevocably depositing with the Trustee, in trust and exclusively for such payment, (1) moneys sufficient to make such payment or (2) Defeasance Obligations, or (3) a combination of the investments described in clauses (1) and (2) above, such amounts so deposited being available or maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient moneys to make such payment. If the City shall pay and discharge a portion of the [Series 2024] Bonds as aforesaid, such portion shall cease to be entitled to any lien, benefit or security under this Indenture and the Bond Ordinance. The liability of the City with respect to such [Series 2024] Bonds shall continue, but the Registered Owners thereof shall thereafter be entitled to payment (to the exclusion of all other [Series 2024] Bondholders) only out of the Defeasance Obligations deposited with the Trustee under this Article VI.

(b) No such deposit under this Section shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received an opinion of nationally recognized municipal bond counsel to the effect that such deposit and use would not cause any of such [Series 2024] Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code or any successor provision thereto.

(c) Nothing in this Indenture shall prohibit a defeasance deposit of escrow securities as provided in this Section from being subject to a subsequent sale of such escrow securities and reinvestment of all or a portion of the proceeds of that sale in escrow securities which, together with money to remain so held in trust, shall be sufficient to provide for payment of principal, redemption premium, if any, and interest on any of the defeased [Series 2024] Bonds (all as confirmed by a nationally recognized firm of independent public accountants). Amounts held by the Trustee in excess of the amounts needed so to provide for payment of the defeased [Series 2024] Bonds may be subject to withdrawal by the City. No such sale and reinvestment as provided in this paragraph shall be made or accepted hereunder unless the Trustee shall have received an opinion of nationally recognized municipal bond counsel to the effect that such sale and reinvestment would not cause any of the defeased [Series 2024] Bonds to be treated as “arbitrage bonds” within the meaning of Section 148 of the Code or any successor provision thereto.

ARTICLE VII

DEFAULT PROVISIONS; REMEDIES

Section 7.01. Defaults. Each of the following events is hereby declared to be an “Event of Default:”

(a) payment of the principal or Redemption Price, if any, of any [Series 2024] Bonds shall not be made when and as the same shall become due, whether at maturity or upon call for redemption or otherwise;

(b) payment of any installment of interest on any [Series 2024] Bonds shall not be made when and as the same shall become due; or

(c) the City shall fail or refuse to comply with the provisions of this Indenture, or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained herein or in the [Series 2024] Bonds, which materially affects the rights of the Owners of the [Series 2024] Bonds and such failure, refusal or default shall continue for a period of 45 days after written notice thereof by the Trustee or the Owners of not less than 25 percent in aggregate principal amount of the Outstanding [Series 2024] Bonds; *provided, however*, that in the case of any such default which can be cured by due diligence but which cannot be cured within the 45-day period, the time to cure shall be extended for such period as may be necessary to remedy the default with all diligence.

Section 7.02. Remedies. (a) Upon the happening and continuance of any Event of Default specified in paragraph (a) or (b) of Section 7.01 hereof, the Trustee shall proceed, or upon the happening and continuance of any Event of Default (beyond the time periods specified therein) specified in paragraph (c) of Section 7.01 hereof, the Trustee may proceed, and upon the written request of the Owners of not less than 25 percent in aggregate principal amount of the Outstanding [Series 2024] Bonds, shall proceed, in its own name, subject to the provisions of this Section, to protect and enforce its rights and the rights of the Owners of the [Series 2024] Bonds by such of

the following remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(i) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Owners of the [Series 2024] Bonds including the right to require the City to receive and collect taxes adequate to carry out the covenants and agreements as to such taxes and to require the City to carry out any other covenant or agreement with the Owners of the [Series 2024] Bonds and to perform its duties under this Indenture;

(ii) by bringing suit upon the [Series 2024] Bonds;

(iii) by action or suit in equity, require the City to account as if it were the trustee of an express trust for the Owners of the [Series 2024] Bonds; and/or

(iv) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the [Series 2024] Bonds.

(b) In the enforcement of any rights and remedies under this Indenture, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the City but only out of moneys pledged as security for the [Series 2024] Bonds for principal, Redemption Price, interest or otherwise, under any provision of this Indenture or of the [Series 2024] Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such [Series 2024] Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such [Series 2024] Bonds without prejudice to any other right or remedy of the Trustee or of the Owners of the [Series 2024] Bonds, and to recover and enforce a judgment or decree against the City for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available under this Indenture for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

(c) Under no circumstance may the Trustee declare the principal of any [Series 2024] Bond to be due and payable prior to its Maturity Date following the occurrence of an Event of Default under this Indenture.

ARTICLE VIII

TRUSTEE

Section 8.01. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the express terms and conditions set forth herein. Except as otherwise expressly set forth in this Indenture, the Trustee assumes no duties, responsibilities or liabilities by reason of its execution of this Indenture other than as set forth in this Indenture, and this Indenture is executed and accepted by the Trustee subject to all the terms and conditions of its acceptance of the trust under this Indenture. The Trustee shall make payments to [Series 2024] Bondholders and effect optional and mandatory redemptions when required, whether or not its fees and expenses have been fully paid.

Section 8.02. Dealing in [Series 2024] Bonds. The Trustee, in its individual capacity, may buy, sell, own, hold and deal in any of the [Series 2024] Bonds, and may join in any action which the Registered Owner of any [Series 2024] Bond may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other function with the City, and may act as depositary, trustee or agent for any committee or body of the Registered Owners of [Series 2024] Bonds secured hereby or other obligations of the City as freely as if it did not act in any capacity hereunder.

Section 8.03. Compensation of Trustee. The City shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees incurred in and about the performance of their powers and duties under this Indenture and, except as provided in Section 8.01 hereof the Trustee shall have a lien therefor on any and all moneys at any time held by it under this Indenture. The City further agrees to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, which are not due to its negligence or default.

Section 8.04. Notice to Rating Agencies. The Trustee hereby agrees that if at any time (a) the City redeems any portion of the [Series 2024] Bonds Outstanding hereunder prior to their Maturity Date, (b) the City provides for the payment of any portion of the [Series 2024] Bonds pursuant to Section 6.01, (c) a successor Trustee is appointed, (d) any supplement to this Indenture shall become effective, or any party thereto shall waive any provision of this Indenture, or (e) with respect to any other information that a Rating Agency may reasonably request in order to maintain the ratings on the [Series 2024] Bonds, then, in each case, the Trustee shall give notice thereof to each Rating Agency then maintaining a rating on the [Series 2024] Bonds.

Any notice given to a Rating Agency hereunder shall be mailed by first class mail as follows:

If to Fitch:	Fitch Ratings Inc. 33 Whitehall Street New York, NY 10004
If to Moody's:	Moody's Investors Service, Inc. 100 North Riverside Plaza Chicago, IL 60606
If to Kroll:	Kroll Bond Rating Agency, Inc. 845 Third Avenue

Fourth Floor
New York, NY 10022

If to S&P: S&P Global Ratings
130 East Randolph, 36th Floor
Chicago, IL 60601

Section 8.05. Qualification of Trustee. The Trustee hereunder shall be a bank, trust company or national banking association having the powers of a trust company doing business and having a corporate trust office in the City of Chicago, Illinois.

Section 8.06. Responsibilities of Trustee. (a) The recitals of fact herein and in the [Series 2024] Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or any Supplemental Indenture or of any [Series 2024] Bonds issued hereunder or thereunder or in respect of the security afforded by this Indenture or any Supplemental Indenture and the Trustee shall not incur any responsibility in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate of authentication on the [Series 2024] Bonds. The Trustee shall not be under any responsibility or duty with respect to the issuance of the [Series 2024] Bonds for value or the application of the proceeds thereof except to the extent such proceeds are paid to the Trustee in its capacity as Trustee. The Trustee shall not be under any obligation or duty to perform any act that would involve it in expense or liability or to institute or defend any action or suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of paragraph (b) of this Section, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct or that of its agents.

(b) The Trustee, prior to the occurrence of an Event of Default and after the remedy of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and each Supplemental Indenture. In case an Event of Default has occurred and has not been remedied, the Trustee shall exercise such of the rights and powers vested in it by law, this Indenture and each Supplemental Indenture and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provision of this Indenture and any Supplemental Indenture relating to action taken or so to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

Section 8.07. Funds Held in Trust and Security Therefor. Any moneys held by the Trustee, as such, at any time pursuant to the terms of this Indenture or any Supplemental Indenture shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and upon the terms and conditions of this Indenture or any Supplemental Indenture. Subject to the terms of this Indenture concerning Permitted Investments, all moneys (not including securities) held by the Trustee, as such, may be deposited by the Trustee in its banking department, or with such other banks, trust companies, or national banking associations, each having a place of business in the City of Chicago, Illinois, as may be designated by the City and approved by the Trustee. No such funds shall be deposited with any bank, trust company or national banking association, other than the Trustee, in an amount exceeding 25 percent of the amount which an

officer of such bank, trust company or national banking association shall certify to the Trustee and the City as the combined capital, surplus and undivided profits of such bank, trust company or national banking association. No such funds shall be deposited or remain on deposit with any bank, trust company or national banking association in excess of the amount insured by the Federal Deposit Insurance Corporation, unless (a) such bank, trust company or national banking association shall have deposited in trust with the trust department of the Trustee or with a Federal Reserve Bank or branch or, with the written approval of the Trustee and the City, pledged to some other bank, trust company or national banking association, for the benefit of the City and the appropriate fund, account, sub-fund or subaccount, as collateral security for the moneys deposited, Qualified Collateral having a current market value (exclusive of accrued interest) at least equal to 110 percent of the amount of such moneys, or (b) in lieu of such collateral security as to all or any part of such moneys, there shall have been deposited in trust with the trust department of the Trustee, for the benefit of the City and the appropriate fund, account, sub-fund or subaccount, and remain in full force and effect as security for such moneys or part thereof, the indemnifying bond or bonds of a surety company or companies qualified as surety for deposits of funds of the United States of America and qualified to transact business in the State in a sum at least equal to the amount of such moneys or part thereof. The Trustee shall allow and credit interest on any such moneys held by it at such rate as it customarily allows upon similar moneys of similar size and under similar conditions or as required by law. Interest in respect of moneys or on securities in any fund, account, sub-fund or subaccount shall be credited in each case to the fund, account, sub-fund or subaccount in which such moneys or securities are held.

Section 8.08. Evidence on which Trustee May Act. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the City, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, including payment of moneys out of any fund or account, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Except as otherwise expressly provided herein or therein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof or thereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by an Authorized Officer.

Section 8.09. Permitted Acts and Functions. The Trustee may become the Owner of any [Series 2024] Bonds, with the same rights it would have if it were not the Trustee. To the extent permitted by law, the Trustee may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners of [Series 2024] Bonds or to effect or aid in any reorganization growing out of the enforcement of the [Series 2024] Bonds or this Indenture, whether or not any

such committee shall represent the Owners of a majority in aggregate principal amount of the [Series 2024] Bonds then Outstanding.

Section 8.10. Resignation. The Trustee may at any time resign and be discharged of its duties and obligations created by this Indenture by giving not fewer than 60 days' written notice to the City and mailing notice thereof, to the Owners of [Series 2024] Bonds at their addresses shown on the registration books kept by the Trustee within 20 days after the giving of such written notice. Such resignation shall take effect upon the appointment and acceptance of appointment of a successor by the City or the Owners of [Series 2024] Bonds as herein provided.

Section 8.11. Removal. The Trustee may be removed at any time by the Owners of a majority in aggregate principal amount of the [Series 2024] Bonds then Outstanding, excluding any [Series 2024] Bonds held by or for the account of the City, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners of [Series 2024] Bonds or by their attorneys duly authorized in writing and delivered to the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor. The City may remove the Trustee at any time, except during the existence of an Event of Default, for such cause (or upon 30 days' notice for any reason) as shall be determined in the sole discretion of the City by filing with the Trustee an instrument signed by an Authorized Officer and by mailing notice thereof to the Owners of [Series 2024] Bonds at their addresses shown on the registration books kept by the Trustee. Any removal of the Trustee shall take effect upon the appointment and acceptance of appointment of a successor Trustee.

Section 8.12. Appointment of Successor. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, a successor may be appointed by the Owners of a majority in aggregate principal amount of the [Series 2024] Bonds then Outstanding, excluding any [Series 2024] Bonds held by or for the account of the City, by an instrument or concurrent instruments in writing signed by such Owners or their attorneys duly authorized in writing and delivered to such successor Trustee, notification thereof being given to the City and the predecessor Trustee. Pending such appointment, the City shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee (if any) shall be appointed by the Owners of [Series 2024] Bonds as herein authorized. The City shall mail notice to Owners of [Series 2024] Bonds of any such appointment within 20 days after such appointment. Any successor Trustee appointed by the City shall, immediately and without further act, be superseded by a Trustee appointed by the Owners of [Series 2024] Bonds. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the City written notice of resignation as provided in Section 8.10 hereof or after the occurrence of any other event requiring or authorizing such appointment, the Trustee, or any Owner of [Series 2024] Bonds may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint such successor Trustee. Any Trustee appointed under the provisions of this Section shall be a bank, trust company or national banking association, in any such case having corporate trust powers, doing business and having a corporate trust office in the City.

Section 8.13. Transfer of Rights and Property to Successor. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the City, a written instrument of acceptance respecting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the request of the City, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the City be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the City.

Section 8.14. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank, trust company or national banking association which is qualified to be a successor to the Trustee under Section 8.12 hereof and shall be authorized by law to perform all the duties imposed upon it by this Indenture, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act.

Section 8.15. Adoption of Authentication. In case any of the [Series 2024] Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such [Series 2024] Bonds and deliver such [Series 2024] Bonds so authenticated, and in case any of the said [Series 2024] Bonds shall not have been authenticated, any successor Trustee may authenticate such [Series 2024] Bonds in the name of the predecessor Trustee, or in its own name.

Section 8.16. Evidence of Signatures of Owners and Ownership of [Series 2024] Bonds. (a) Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of [Series 2024] Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the ownership by any person of the [Series 2024] Bonds, shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

- (1) The fact and date of the execution by any Owner or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified,

of an officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(2) The authority of the person or persons executing any such instrument on behalf of a corporate Owner of [Series 2024] Bonds may be established without further proof if such instrument is signed by a person purporting to be the president or vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

(b) The ownership of [Series 2024] Bonds and the amount, numbers and other identification, and date of ownership of the same shall be proved by the Bond Register. Any request, consent or vote of the Owner of any [Series 2024] Bond shall bind all future Owners of such [Series 2024] Bond in respect of anything done or suffered to be done by the City or the Trustee in accordance therewith.

Section 8.17. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the City and any Owner of [Series 2024] Bonds and their agents and their representatives, any of whom may make copies thereof.

ARTICLE IX

SUPPLEMENTAL INDENTURE

Section 9.01. Supplemental Indenture Effective Upon Execution by the Trustee. For any one or more of the following purposes and the purposes enumerated in Section 9.04 hereof, and at any time or from time to time, a Supplemental Indenture may be authorized by an ordinance adopted by the City Council of the City, which, upon the filing with the Trustee of a copy of such ordinance certified by the City Clerk and the execution and delivery of such Supplemental Indenture by the City and the Trustee, shall be fully effective in accordance with its terms and not subject to consent by the Registered Owners of the [Series 2024] Bonds:

(a) to add to the covenants and agreements of the City in this Indenture other covenants and agreements to be observed by the City which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(b) to add to the limitations and restrictions in this Indenture other limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(c) to surrender any right, power or privilege reserved to or conferred upon the City by the terms of this Indenture, but only if the surrender of such right, power or

privilege is not contrary to or inconsistent with the covenants and agreements of the City contained in this Indenture;

(d) to confirm, as further assurance, the pledge herein, and the subjection of, additional properties, taxes or other collateral to any lien, claim or pledge created or to be created by, this Indenture;

(e) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Indenture;

(f) to insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect; or

(g) to provide additional duties of the Trustee under this Indenture.

Section 9.02. Supplemental Indentures Effective With Consent of Owners of [Series 2024] Bonds. At any time or from time to time, a Supplemental Indenture may be authorized by an ordinance adopted by the City Council of the City, subject to consent by the Owners of [Series 2024] Bonds in accordance with and subject to the provisions of this Article, which Supplemental Indenture, upon the filing with the Trustee of a copy of such ordinance certified by the City Clerk, upon compliance with the provisions of this Article, and upon execution and delivery of such Supplemental Indenture by the City and the Trustee, shall become fully effective in accordance with its terms.

Section 9.03. General Provisions. (a) This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article. Nothing in this Article shall affect or limit the right or obligation of the City to adopt, make, do, execute, acknowledge or deliver any ordinance, resolution, act or other instrument pursuant to the provisions of this Article or the right or obligation of the City to execute and deliver to the Trustee any instrument which elsewhere in this Indenture it is provided shall be delivered to the Trustee.

(b) Any ordinance authorizing a Supplemental Indenture referred to and permitted or authorized by Section 9.01 or 9.04 hereof may be adopted by the City Council of the City without the consent of any of the Owners of [Series 2024] Bonds, but such Supplemental Indenture shall be executed and delivered by the City and the Trustee and shall become effective only on the conditions, to the extent and at the time provided in this Article. Every Supplemental Indenture delivered to the Trustee for execution shall be accompanied by an opinion of counsel stating that such Supplemental Indenture has been duly and lawfully authorized by the City Council of the City and executed by the City in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and will, when executed and delivered by the Trustee, be valid and binding upon the City and enforceable in accordance with its terms.

(c) The Trustee is hereby authorized to enter into, execute and deliver any Supplemental Indenture referred to and permitted or authorized by this Article and to make all further agreements

and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel that such Supplemental Indenture is authorized or permitted by the provisions of this Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

(e) No Supplemental Indenture shall take effect unless and until there has been delivered to the Trustee an Opinion of Bond Counsel to the effect that such Supplemental Indenture does not adversely affect the exclusion from gross income for federal income tax purposes to which interest on the [Series 2024] Bonds would otherwise be entitled.

Section 9.04. Additional Matters. Additionally, this Indenture may, without the consent of, or notice to, any of the [Series 2024] Bondholders, be supplemented and amended, in such manner as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) to provide for certificated [Series 2024] Bonds; and

(b) to secure or maintain ratings from any Rating Agency in the highest long term debt rating category, of such Rating Agency which are available for the [Series 2024] Bonds, which changes will not restrict, limit or reduce the obligation of the City to pay the principal of, premium, if any, and interest on the [Series 2024] Bonds as provided in this Indenture or otherwise adversely affect the Registered Owners of the [Series 2024] Bonds under this Indenture.

Section 9.05. Mailing of Notice of Amendment. Any provision in this Article for the mailing of a notice or other paper to owners of [Series 2024] Bonds shall be fully complied with if it is mailed postage prepaid only (i) to each Registered Owner of then Outstanding [Series 2024] Bonds at his address, if any, appearing upon the registration books maintained by the City at the Designated Corporate Trust Office of the Trustee, and (ii) to the Trustee.

Section 9.06. Powers of Amendment. Any modification or amendment of this Indenture or of the rights and obligations of the City and of the Owners of the [Series 2024] Bonds, in particular, which requires the consent of the [Series 2024] Bondholders, may be made by a Supplemental Indenture, with the written consent given as provided in Section 9.07, (a) of the Owners of a majority in aggregate principal amount of the [Series 2024] Bonds Outstanding at the time such consent is given, or (b) in case less than all of the then Outstanding [Series 2024] Bonds are affected by the modification or amendment, of the Owners of a majority in aggregate principal amount of the then Outstanding [Series 2024] Bonds so affected. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding [Series 2024] Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or in terms of purchase or the purchase price thereof, without the consent of the owner of such [Series 2024] Bonds, or shall reduce the percentages or otherwise affect the classes of [Series 2024] Bonds the consent of the owners of which is required to effect any such modification or amendment, or shall

change or modify any of the rights or obligations of the Trustee without its written assent thereto. For the purposes of this Section, a [Series 2024] Bond shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the owners of such [Series 2024] Bond.

Section 9.07. Consent of Owners of [Series 2024] Bonds. (a) The City may at any time authorize a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 9.06, to take effect when and as provided in this Section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to the Owners of the [Series 2024] Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the City to the Owners of the [Series 2024] Bonds (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as in this Section provided). Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when, (i) there shall have been filed with the Trustee (1) the written consents of Owners of the percentages of Outstanding [Series 2024] Bonds specified in Section 9.06 and (2) an opinion of counsel stating that such Supplemental Indenture has been duly and lawfully executed and delivered by the City and the Trustee in accordance with the provisions of this Indenture, is authorized or permitted hereby and is valid and binding upon the City and enforceable in accordance with its terms upon its becoming effective as in this Section provided, and (ii) a notice shall have been mailed as hereinafter in this Section provided.

(b) The consent of an Owner of [Series 2024] Bonds to any modification or amendment shall be effective only if accompanied by proof of the Ownership, at the date of such consent, of the [Series 2024] Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 8.16. A certificate or certificates signed by the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 8.16 shall be conclusive that the consents have been given by the Owners of the [Series 2024] Bonds described in such certificate or certificates. Any such consent shall be binding upon the Owner of the [Series 2024] Bonds giving such consent and upon any subsequent Owner of such [Series 2024] Bonds and of any [Series 2024] Bonds issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof) unless such consent is revoked in writing by the Owner of such [Series 2024] Bonds giving such consent or a subsequent Owner thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee hereinafter provided for in this Section is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with the Trustee.

(c) At any time after the Owners of the required percentages of [Series 2024] Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the City a written statement that the Owners of such required percentages of [Series 2024] Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture entered into by the City and the Trustee as of a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required percentages of [Series 2024] Bonds and will be effective as provided in this Section, shall be given to Owners by the Trustee by mailing such notice to the Owners of the [Series 2024]

Bonds (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as provided in this Section). The Trustee shall file with the City proof of the mailing of such notice. A record, consisting of the papers required or permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Trustee and the Owners of all [Series 2024] Bonds at the expiration of 40 days after the filing with the Trustee of proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such 40-day period; except that the Trustee and the City, during such 40-day period and any such further period during which any such action or proceeding may be pending, shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

Section 9.08. Modifications by Unanimous Consent. The terms and provisions of this Indenture and the rights and obligations of the City and of the Owners of the [Series 2024] Bonds hereunder may be modified or amended in any respect upon the consent of the Owners of all the then Outstanding [Series 2024] Bonds to the execution and delivery of such Supplemental Indenture, such consent to be given as provided in Section 9.07 except that no notice to the Owners of the [Series 2024] Bonds shall be required; but no such modification or amendment shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

Section 9.09. Exclusion of [Series 2024] Bonds. [Series 2024] Bonds owned by or for the account of the City shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding [Series 2024] Bonds provided for in this Article, and the City shall not be entitled with respect to such [Series 2024] Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the City shall furnish the Trustee with a Certificate upon which the Trustee may rely, describing all [Series 2024] Bonds so to be excluded.

Section 9.10. Notation on [Series 2024] Bonds. [Series 2024] Bonds authenticated and delivered after the effective date of any action taken as in this Article provided may, and, if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the City and the Trustee as to such action, and in that case upon demand of the Owner of any [Series 2024] Bond Outstanding at such effective date and presentation of his [Series 2024] Bond for that purpose at the Designated Corporate Trust Office of the Trustee or upon any exchange or registration of transfer of any [Series 2024] Bond Outstanding at such effective date, suitable notation shall be made on such [Series 2024] Bond or upon any [Series 2024] Bond issued upon any such exchange or registration of transfer by the Trustee as to any such action. If the City or the Trustee shall so determine, new [Series 2024] Bonds so modified as in the opinion of the Trustee and the City to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Owner of any [Series 2024] Bond then Outstanding shall be exchanged, without cost to such Owner, for [Series 2024] Bonds of the same maturity upon surrender of such [Series 2024] Bond.

ARTICLE X**MISCELLANEOUS**

Section 10.01. Severability. If any provision of this Indenture shall be held or deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 10.02. Payments Due on Saturdays, Sundays and Holidays. If the date for making any payment, or the last date for the performance of any act or the exercise of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made, act performed or right exercised on the next Business Day with the same force and effect as if done on the nominal date provided in this Indenture, and no interest shall accrue for the period after such nominal date.

Section 10.03. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.04. Rules of Interpretation. Unless expressly indicated otherwise, references to Sections or Articles are to be construed as references to Sections or Articles of this instrument as originally executed. Use of the words “herein,” “hereby,” “hereunder,” “hereof,” “hereinbefore,” “hereinafter” and other equivalent words refer to this Indenture and not solely to the particular portion in which any such word is used. In the event of any conflict between the provisions of this Indenture and the Bond Ordinance (including in the form of [Series 2024] Bond attached hereto as *Exhibit A*), the terms of this Indenture shall be deemed to control.

Section 10.05. Captions. The captions and headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Indenture.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the City has caused these presents to be executed in its name and with its official seal hereunto affixed and attested by its duly authorized officials; and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be executed in its corporate name and with its corporate seal hereunto affixed and attested by its duly authorized officers, on the date first above written.

CITY OF CHICAGO

By: _____
Jill Jaworski
Chief Financial Officer

[SEAL]

Attest:

By: _____
Andrea M. Valencia
City Clerk

_____,
as Trustee

By: _____
Name: _____
Authorized Signatory

[(Sub)Exhibits "B" and "C" referred to in this Trust Indenture
unavailable at time of printing.]

(Sub)Exhibit "A" referred to in this Trust Indenture reads as follows:

(Sub)Exhibit "A".
(To Trust Indenture)

Form Of Series 2024 Bond.

REGISTERED
NO. R- _____

\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

CITY OF CHICAGO

GENERAL OBLIGATION [REFUNDING] BOND
[SERIES 2024]

Interest Rate: _____%	Maturity Date: January 1, 20__	Dated Date: _____	CUSIP: 167486 _____
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Registered Owner: CEDE & CO.

Principal Amount:

The City of Chicago (the "City") hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the date of this Bond or the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on January 1 and July 1 of each year commencing July 1, 20__, until said Principal Amount is paid. Principal of this [Series 2024] Bond and redemption premium, if any, shall be payable in lawful money of the United States of America upon presentation and surrender at the designated corporate trust office of _____, Chicago, Illinois, as bond trustee, bond registrar and paying agent (the "Trustee"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Trustee at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Trustee mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Trustee or, at the option of any Registered Owner of \$1,000,000 or more in aggregate principal amount of the [Series 2024] Bonds, by wire transfer of immediately available funds to such bank in the continental United States of America as the Registered Owner hereof shall request in writing to the Trustee.

For the prompt payment of this [Series 2024] Bond, both principal and interest, as aforesaid, as the same become due, and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City irrevocably pledged.

This bond is one of the General Obligation [Refunding] Bonds, [Series 2024] (the “[Series 2024] Bonds”) aggregating the original principal amount of \$ _____, authorized to be issued pursuant to the constitutional home rule powers of the City and an ordinance adopted by the City Council of the City on ___ day of _____, 20__ (as supplemented by a Notification of Sale dated _____, 20__, the “Bond Ordinance”), and issued and secured under the Trust Indenture, dated as of _____ 1, 20__ (the “Indenture”) by and between the City and the Trustee for the purposes of (i) paying costs of the Refunding and Restructuring Purposes described in the Bond Ordinance, (ii) capitalizing or funding such interest on the [Series 2024] Bonds as may be necessary, and (iii) paying expenses incidental to the issuance of the [Series 2024] Bonds. Capitalized terms used herein and not defined shall have the meaning ascribed to such terms in the Indenture.

The [Series 2024] Bonds maturing on or after January 1, 20__, are redeemable prior to maturity at the option of the City, in whole or in part on any date on or after January 1, 20__, and if less than all of the outstanding [Series 2024] Bonds are to be redeemed, the [Series 2024] Bonds to be called shall be called from such maturities and interest rates as shall be determined by the City and if less than all of the [Series 2024] Bonds of a single maturity and the same interest rate are to be redeemed then by lot within such maturity and interest rate in the manner hereinafter provided, the [Series 2024] Bonds to be redeemed at the redemption price of 100% of the principal amount thereof being redeemed, plus accrued interest, if any, to the date of redemption.

In the event of the redemption of less than all the [Series 2024] Bonds of like maturity and interest rate, the aggregate principal amount thereof to be redeemed shall be \$5,000 or an integral multiple thereof, and the Trustee shall assign to each [Series 2024] Bond of such maturity and interest rate a distinctive number for each \$5,000 principal amount of such [Series 2024] Bond and shall select by lot from the numbers so assigned as many numbers as, at \$5,000 for each number, shall equal the principal amount of such [Series 2024] Bonds to be redeemed. The [Series 2024] Bonds to be redeemed shall be the [Series 2024] Bonds to which were assigned numbers so selected; *provided* that only so much of the principal amount of each [Series 2024] Bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

In the event of the redemption of less than all the [Series 2024] Bonds of like maturity and interest rate, the aggregate principal amount thereof to be redeemed shall be \$5,000 or an integral multiple thereof, and the Trustee shall assign to each [Series 2024] Bond of such maturity and interest rate a distinctive number for each \$5,000 principal amount of such [Series 2024] Bond and shall select by lot from the numbers so assigned as many numbers as, at \$5,000 for each number, shall equal the principal amount of such [Series 2024] Bonds to be redeemed. The [Series 2024] Bonds to be redeemed shall be the [Series 2024] Bonds to which were assigned numbers so selected; *provided* that only so much of the principal amount of each [Series 2024] Bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

Notice of any such redemption shall be sent by first class mail not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each [Series 2024] Bond to be redeemed at the address shown on the registration books of the City maintained by the Trustee or at such other address as is furnished in writing by such Registered Owner to the Trustee; *provided* that the failure to mail any such notice or any defect therein as to any [Series 2024] Bond shall not affect the validity of the proceedings for the redemption of any other [Series 2024] Bond. When so called for redemption, this [Series 2024] Bond shall cease to bear interest

on the specified redemption date, *provided* that funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

This [Series 2024] Bond is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Trustee in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this [Series 2024] Bond. Upon such transfer a new [Series 2024] Bond or [Series 2024] Bonds of authorized denominations, of the same interest rate, series and maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Trustee shall not be required to transfer or exchange this [Series 2024] Bond (A) after notice calling this [Series 2024] Bond for redemption has been mailed, or (B) during a period of 15 days next preceding mailing of a notice of redemption of this [Series 2024] Bond.

The [Series 2024] Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This [Series 2024] Bond may be exchanged at the designated corporate trust office of the Trustee for a like aggregate principal amount of [Series 2024] Bonds of the same interest rate, series and maturity of other authorized denominations, upon the terms set forth in the Bond Ordinance.

The City and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and redemption premium, if any, and for all other purposes and neither the City nor the Trustee shall be affected by any notice to the contrary.

It is certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this [Series 2024] Bond did exist, have happened, and have been done and performed in regular and due form and time as required by law; that the indebtedness of the City, including the issue of [Series 2024] Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

This [Series 2024] Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the City of Chicago by the City Council has caused its corporate seal to be imprinted by facsimile hereon and this [Series 2024] Bond to be signed by the duly authorized facsimile signature of the Mayor and attested by the facsimile signature of the City Clerk, all as of the Dated Date identified above.

(Facsimile Signature)
Mayor
City of Chicago

Attest:

(Facsimile Signature)
City Clerk
City of Chicago

[SEAL]

Date of Authentication: _____

CERTIFICATE OF AUTHENTICATION

This [Series 2024] Bond is one of the [Series 2024] Bonds described in the within-mentioned Bond Ordinance and is one of the General Obligation [Refunding] Bonds, [Series 2024], of the City of Chicago.

_____, as Trustee

By: (Manual Signature) _____
Authorized Officer

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within [Series 2024] Bond and irrevocably constitutes and appoints _____

attorney to transfer the said [Series 2024] Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within [Series 2024] Bond in every particular, without alteration or enlargement or any change whatever.

At this point in the proceedings, Alderperson Ervin moved to suspend the Rules temporarily for consideration of various matters that were previously introduced and referred to committee.

Alderperson Beale stated that a motion to suspend the Rules for reconsideration of previous motions made under Council Rule 42 to refer various matters to committee was not appropriate.

The Chair stated that in his view, the Rules were definitive in allowing for a motion to suspend them, but in the spirit of collaboration, he would allow an appeal on this issue.

Alderperson Beale moved to appeal the ruling of the Chair.

The Chair then stated "Shall the Ruling of the Chair Be Sustained?"

The Clerk called the roll and the decision of the Chair was *Sustained* by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Lee, Ramirez, Gutiérrez, Lopez, Coleman, Curtis, O'Shea, Taylor, Mosley, Rodríguez, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Waguespack, Rodríguez-Sánchez, Conway, Vasquez, Knudsen, Lawson, Clay, Martin, Manaa-Hoppenworth, Hadden -- 33.

Nays -- Alderpersons Hopkins, Beale, Chico, Quinn, Moore, Tabares, Scott, Cardona, Villegas, Sposato, Napolitano, Reilly, Gardiner, Silverstein -- 14.

Alderperson Ervin then moved to suspend the Rules temporarily for consideration of various matters that were previously introduced and referred to committee.

The Clerk called the roll and the motion to suspend the Rules lost by yeas and nays as follows:

Yeas -- Alderpersons La Spata, Dowell, Robinson, Yancy, Hall, Mitchell, Harris, Lee, Ramirez, Gutiérrez, Coleman, O'Shea, Taylor, Mosley, Rodríguez, Sigcho-Lopez, Fuentes, Burnett, Ervin, Taliaferro, Cruz, Waguespack, Rodríguez-Sánchez, Conway, Ramirez-Rosa, Vasquez, Knudsen, Clay, Martin, Manaa-Hoppenworth, Hadden -- 31.

Nays -- Alderpersons Hopkins, Beale, Chico, Quinn, Lopez, Moore, Curtis, Tabares, Scott, Cardona, Villegas, Sposato, Napolitano, Reilly, Lawson, Gardiner, Silverstein -- 17.

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