(Published by the Authority of the City Council of the City of Chicago)

COPY

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

Regular Meeting -- Wednesday, June 23, 2004

at 10:00 A.M.

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

OFFICIAL RECORD.

VOLUME I

RICHARD M. DALEY
Mayor

JAMES J. LASKI
City Clerk

JOURNAL OF THE PROCEEDINGS OF THE CITY COUNCIL
Regular Meeting -- Wednesday, June 23, 2004

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Attendance At Meeting.

Present -- The Honorable Richard M. Daley, Mayor, and Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone.

Absent -- Aldermen T. Thomas, Levar, Shiller, M. Smith.

Call To Order.

On Wednesday, June 23, 2004 at 10:00 A.M., The Honorable Richard M. Daley, Mayor, called the City Council to order. The clerk called the roll of members and it was found that there were present at that time: Aldermen Flores, Haithcock, Hairston, Lyle, Beavers, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, L. Thomas, Murphy, Rugai, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Natarus, Daley, Tunney, Schulter, Stone -- 38.

Quorum present.

Pledge Of Allegiance.

Alderman Brookins led the City Council and assembled guests in the Pledge of Allegiance to the Flag of the United States of America.

Invocation.

The Reverend Clarence Hilliard of Corinthian Baptist Church opened the meeting with prayer.

At this point in the proceedings, The Honorable Richard M. Daley, Mayor, rose and informed the City Council and assembled guests that a memorial exhibit has been installed on the first floor of City Hall honoring the men and women of the United States military who lost their lives in Afghanistan and Iraq. Lauding the courage and sacrifice of these brave Americans, Mayor Daley encouraged the public to visit the display and add their names or written comments in a Book of Remembrance.

REPORTS AND COMMUNICATIONS FROM CITY OFFICERS.

Rules Suspended -- TRIBUTE TO LATE MR. VERNON JARRETT.

The Honorable Richard M. Daley, Mayor, presented the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- I transmit herewith a resolution honoring the life and memory of Vernon Jarrett.

Your favorable consideration of this resolution will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Alderman Burke 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, Almighty God, in his infinite wisdom and mercy, called Vernon Jarrett, a leading African-American journalist, from this life on May 23, 2004, at the age of eighty-four; and

WHEREAS, Mr. Jarrett, a graduate of Knoxville College, was born in Paris, Tennessee, to two schoolteachers whose parents were former slaves; and

WHEREAS, Following his dreams, Mr. Jarrett journeyed north to Chicago during the heyday of the Great Migration, a mass movement of African-Americans hoping to escape Jim Crow; and

WHEREAS, Mr. Jarrett began his long and distinguished career at the *Chicago Defender* in 1946, before becoming the *Chicago Tribune's* first African-American columnist in 1970, and in 1983 he moved to the *Chicago Sun-Times,* where he served on the editorial board until his retirement in 1994; and

WHEREAS, In recent years, Mr. Jarrett was a columnist for the *New York Times* New American News Syndicate, and his social commentary was heard during the "The Jarrett Journal" on WVON-AM, Chicago's only African-American owned station; and

WHEREAS, As a pioneer in broadcasting in the 1940s, Mr. Jarrett and composer Oscar Brown, Jr. produced "Negro Newsfront", the nation's first daily radio broadcast produced by African-Americans, and later went on to host a Sunday morning talk show on WLS-Channel 7, producing nearly two thousand shows; and

WHEREAS, In addition to his journalism career, Mr. Jarrett was a senior fellow at the University of Illinois at Chicago and taught history and journalism at local colleges; and

WHEREAS, Renowned for being an inspiration for a younger generation of African-Americans, Mr. Jarrett founded the National Association of Black Journalists and served as its president from 1977 to 1979, and he created the N.A.A.C.P.-sponsored Academic, Cultural, Technological and Scientific Olympics (ACT-SO) which has awarded more than One Million Dollars in scholarships, computers and books to thousands of students; and

WHEREAS, His selfless dedication to his profession brought Mr. Jarrett numerous awards and recognition, including being inducted into the National Literary Hall of Fame at the University of Chicago's Gwendolyn Brooks Center, and being awarded the first N.A.A.C.P. James Weldon Johnson Achievement Award, and the Silver Circle Award by the National Academy of Television Arts and Sciences for his thirty years of contributions to the medium; and

WHEREAS, Throughout his career, Mr. Jarrett used his distinctive editorial voice as a forum for commentary on social and economic issues that affected not only the African-American community, but all of Chicago's citizens, and encouraged people of all races to be involved in a struggle to take control of their own lives; and

WHEREAS, The passing of this devoted husband and loving father will be deeply felt by his family and friends, especially his wife, Fernetta; his son, Thomas; his daughter-in-law, Victoria; his four grandchildren, Vernon, Tracy, Francesca and Laura; and a host of other relatives and friends; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, assembled this twenty-third day of June, 2004, do hereby mourn the passing of Vernon Jarrett, a pioneer for African-American journalists who demonstrated the highest ideals of journalism and community responsibility; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the family of Vernon Jarrett as a sign of our sympathy and good wishes.

On motion of Alderman Burke, seconded by Aldermen Hairston, L. Thomas, Brookins, Chandler, Ocasio, Burnett, E. Smith, Carothers and Natarus, the foregoing proposed resolution was *Adopted* by a rising vote.

At this point in the proceedings, The Honorable Richard M. Daley, Mayor, rose to offer the prayers of his own family and the condolences of the people of Chicago to the family of Mr. Vernon Jarrett. Praising Mr. Jarrett for his illustrious career which pioneered the way for a younger generation of African-Americans in broadcast and print journalism, Mayor Daley also remembered Mr. Jarrett for his longstanding community involvement and commitment to improving the quality of life for all Chicagoans. Reflecting on his efforts to help achieve a successful educational system for children in every community, Mayor Daley recalled Mr. Jarrett's support of reading programs such as One Book-One Chicago and his encouragement of students to gain a greater understanding of their diverse cultural history and heritage. Declaring him a "great Chicagoan" who has left and indelible mark on our city, Mayor Daley hailed Mr. Jarrett as a passionate advocate for education and an inspiration to future generations. Mayor Daley then left the Mayor's rostrum and strode to the commissioner's gallery where he presented a parchment copy of the memorial resolution to the family of Mr. Vernon Jarrett.

Rules Suspended -- CHICAGO POLICE OFFICER WILLIAM D. GRASSI HONORED FOR HEROIC ACTIONS IN APPREHENSION OF VIOLENT OFFENDERS.

The Honorable Richard M. Daley, Mayor, presented the following comunication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- I transmit herewith a congratulatory resolution concerning Police Officer William D. Grassi and his exemplary conduct during the events of April 18, 2004.

Your favorable consideration of this resolution will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Alderman Burke 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, Shortly before midnight on April 18, 2004, Chicago Police Officer William D. Grassi (Star Number 19223), assigned to the 14th Police District Tactical Unit, was conducting a narcotics surveillance in the 1300 block of North Campbell; and

WHEREAS, Officer Grassi suddenly heard gunshots, then saw two young men running into a nearby alley, brandishing handguns; and

WHEREAS, Disregarding his own safety, Officer Grassi began running after the two armed men, then announced his office and ordered the men to stop and drop their weapons; and

WHEREAS, Hearing Officer Grassi's command, the offenders turned and began firing at him. Officer Grassi returned fire and continued his pursuit undeterred. The chase led through alleys and yards and over fences, even as Officer Grassi and the fleeing suspects continued to exchange gunfire; and

WHEREAS, Summoned to the area, fellow officers arrived and soon assisted Officer Grassi in taking both offenders into custody, together with a semi-automatic handgun belonging to one of the men; and

WHEREAS, The men were both identified as street gang members and they had just shot and killed a rival gang member, just a block away from where Officer Grassi first saw them running; and

WHEREAS, Both offenders have been charged with the First Degree Murder of the rival gang member and the Attempted First Degree Murder of Officer Grassi; and

WHEREAS, Just one year earlier, in March of 2003, Officer Grassi was faced with another violent offender who pulled a handgun and began firing at the officer during a traffic stop. Following a running gun battle, Officer Grassi arrested the offender and recovered the handgun, resulting in that offender also being charged with Attempted First Degree Murder; and

WHEREAS, Officer Grassi's quick thinking, cool-headed response, tenacity and utter disregard for his life-threatening circumstances are emblematic of the Chicago Police Department, and his actions were responsible for removing three highly dangerous criminals from the streets of Chicago; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, assembled this twenty-third day of June, 2004, do hereby honor Police Officer William D. Grassi for his heroic actions; and

Be It Further Resolved, That a suitable copy of this resolution be presented to Officer Grassi, and placed in his personnel file, as a token of our esteem.

On motion of Alderman Burke, seconded by Aldermen Flores, Solis, Ocasio, Carothers and Allen, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, T. Thomas, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

At this point in the proceedings, The Honorable Richard M. Daley, Mayor, rose and on behalf of the people of Chicago, extended congratulations and appreciation to Police Officer William D. Grassi for his courageous actions in the apprehension of armed offenders. The selfless dedication exhibited by Officer Grassi is representative of the Police Department motto "We Serve and Protect", Mayor Daley declared, and indicative of the men and women who have dedicated their lives to the service and protection of all Chicagoans. Decrying the scourge of drugs and gangs which besets every community, Mayor Daley renewed his call for all Chicagoans to assist their police in combating its spread. After calling the City Council's attention to the presence in the visitors' gallery of Officer Grassi's family, Mayor Daley invited Officer

Grassi to the Mayor's rostrum where he conveyed his personal thanks and presented the officer with a parchment copy of the congratulatory resolution.

Rules Suspended -- CHICAGO FIRE DEPARTMENT PARAMEDIC IN CHARGE CHARLES REEVES AND FIRE PARAMEDIC DENISE MC CORMICK HONORED FOR HEROIC RESCUE.

The Honorable Richard M. Daley, Mayor, presented the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- I transmit herewith a congratulatory resolution concerning Paramedic In Charge Charles Reeves and Fire Paramedic Denise McCormick and their exemplary conduct during the events of Memorial Day, 2004.

Your favorable consideration of this resolution will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Alderman Burke 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, In the very early morning hours of Memorial Day, 2004, Ambulance 5 of the Chicago Fire Department was dispatched to a report of an auto accident and possible car in the water at 130th Street and Indiana Avenue; and

WHEREAS, Upon arriving and surveying the scene, Paramedic In Charge Charles Reeves and his partner, Fire Paramedic Denise McCormick, at first saw nothing out of the ordinary; and

WHEREAS, Continuing his survey, Paramedic Reeves remembered that he had previously been at this site for a similar accident, then he and Paramedic McCormick suddenly noticed broken concrete barriers and, farther back from the road, several freshly damaged trees; and

WHEREAS, Paramedic Reeves decided that closer inspection was needed and he told Paramedic McCormick to stand by with a life ring, while he made his way through the plants and rocks near the water's edge; and

WHEREAS, As Paramedic Reeves continued his search, he heard splashing and a muffled voice, then spotted a woman near the water. He saw that she was soaking wet, and she responded to his questions in a disoriented and confused manner; and

WHEREAS, Alarmed by not seeing a car either on the shore or in the water and unable to determine whether other victims might be involved, Paramedic Reeves called for his partner to radio for a rescue dive team response; and

WHEREAS, A Fire Department rescue helicopter, along with rescue divers and nearby land companies, was dispatched and was soon on the scene, and as a result of intensive efforts, the responding personnel found the vehicle, which fortunately was empty; and

WHEREAS, The members of Truck 62 helped carry the victim back to the ambulance once she was immobilized on a backboard, fitted with a cervical collar and had her leg splinted for a badly fractured ankle; and

WHEREAS, Fire Department personnel continued their treatment of the woman, who as her condition stabilized, became more aware but also more frightened and nearly hysterical. She remembered the painful impact and then treading water, and stated she could not swim. Paramedic McCormick was instrumental not only in providing treatment for the woman's traumatic injuries, but also in calming her, for she was experiencing severe psychological distress as a result of her ordeal; and

WHEREAS, The crew of Ambulance 5 brought their many years of experience to bear on this unusual situation and showed skill, teamwork and professionalism by sizing up the situation, locating the victim, bringing all necessary resources to the scene quickly, then rendering quick and effective emergency care; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, assembled this twenty-third day of June, 2004, do hereby congratulate Paramedic In Charge Charles Reeves and Fire Paramedic Denise McCormick on their dramatic and effective rescue; and

Be It Further Resolved, That a suitable copy of this resolution be presented to Paramedic In Charge Charles Reeves and Fire Paramedic Denise McCormick, and placed in their personnel files, as a token of our esteem.

On motion of Alderman Burke, seconded by Aldermen Beale, Rugai and Carothers, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

At this point in the proceedings, The Honorable Richard M. Daley, Mayor, rose and on behalf of the people of Chicago, expressed appreciation to Paramedic In Charge Charles Reeves and Fire Paramedic Denise McCormick for saving the life of an auto accident victim. Reflecting upon the many lives saved by the city's paramedics and fire fighters and the lives that will be saved by those dedicated professionals, Mayor Daley lauded the discipline and commitment that is the hallmark of the Chicago Fire Department. After recognizing the presence in the visitors' gallery of the honorees' families, Mayor Daley invited Paramedic In Charge Charles Reeves and Fire Paramedic Denise McCormick to the Mayor's rostrum where he extended his personal thanks and presented each with a parchment copy of the congratulatory resolution.

Rules Suspended -- CONGRATULATIONS EXTENDED TO RECIPIENTS OF 2004 SUAVE PERFORMANCE PLUS TEACHER AWARDS.

The Honorable Richard M. Daley, Mayor, presented the following communication:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- I transmit herewith a congratulatory resolution regarding the Suave Performance Plus award winning teachers.

Your favorable consideration of these appointments will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Alderman Burke 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, On May 6, 2004, Mayor Richard M. Daley and the Chicago Public Schools presented the 2004 Suave Performance Award to six Chicago public high school teachers whose extra efforts in the classroom made a real difference in the lives of their students; and

WHEREAS, In 1997, Mayor Daley established the School Partners Program to build productive relationships between businesses and schools aimed at improving the quality of education for all students in Chicago's public schools; and

WHEREAS, A member of the School Partners Program, Unilever Home and Personal Care Products USA created the Suave Performance Plus Award to recognize the vital role that teachers play in shaping the minds and lives of their students; and

WHEREAS, The Suave Performance Plus Award is the only teaching award of its kind in which students nominate, evaluate and select outstanding teachers who have helped them to succeed; and

WHEREAS, Students from more than one hundred Chicago public high schools were invited to nominate current high school teachers who performed above and beyond the requirements of their job, set an example of achievement for students through extra work, gave freely of their time to help students learn and motivated students to go the extra mile; and

WHEREAS, Donn Alan Simon, a special education teacher at Edwin G. Foreman High School created and provides funding for the Photo Club, an after-school program that helps students express themselves in a creative and constructive way and offers struggling students a chance to receive extra help with their studies; and

WHEREAS, Mario McManus is a mathematics teacher at Westinghouse Career Academy High School who volunteers her time for numerous after-school activities, including college entrance exam tutoring and helping to coach the boys track team; and

WHEREAS, Amonaquenette Parker is a special education teacher at Hugh Manley Career Academy High School who, in addition to a full course load and involvement in numerous extra-curricular activities, devotes much of her weekends and vacations to spending time with her students; and

WHEREAS, Barbara Elaine Horwick is a language arts teacher at Consuela B. York High School who, through her innovative gardening and landscaping lessons, instills in her students important vocational skills, builds self-esteem and motivates her students; and

WHEREAS, Gregory Lawrence Williams, a mathematics teacher at South Shore High School and head coach for the boys track and cross-country teams, is a devoted student advocate who spends countless hours helping his students and players get into college and secure both academic and athletic-based scholarships; and

WHEREAS, Marianne Doulgeris is an English and French teacher at the Chicago High School for Agricultural Sciences who sacrifices much of her personal time to lead several after-school programs and spends time and money to help her students succeed; and

WHEREAS, Each in his or her own unique way, this year's recipients of the Suave Performance Plus Award achieved outstanding results with students, motivated them to learn and equipped them with the values and skills they need to reach their full potential as human beings and to succeed in our rapidly changing society; and

WHEREAS, No one is more deserving of our admiration and respect than these extraordinary teachers who gave generously of themselves each day to educate and inspire our children; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, assembled this twenty-third day of June, 2004, do hereby applaud Donn Alan Simon, Marlo McManus, Amonaquenette Parker, Barbara Elaine Horwick, Gregory Lawrence Williams and Marianne Doulgeris for their impressive dedication to teaching, the most noble of professions, and for their leadership in the classroom, school and community; and

Be It Further Resolved, That suitable copies of this resolution be presented to all named recipients of the 2004 Suave Performance Plus Award as a token of our appreciation and esteem.

On motion of Alderman Burke, seconded by Aldermen Stroger, E. Smith and Reboyras, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

At this point in the proceedings, The Honorable Richard M. Daley, Mayor, rose and on behalf of the people of Chicago, offered congratulations and appreciation to the 2004 Suave Performance Plus award honorees. Commending the honorees for their passion and commitment to teaching excellence, Mayor Daley acknowledged society's debt to these committed teaching professionals who, through their labors, ensure society's future. By allowing students to nominate, evaluate and select outstanding teachers, the Suave Performance Plus Award program has provided a forum to recognize the dedicated efforts of educators whose extra efforts have made a positive impact on the lives of their students. Mayor Daley also expressed appreciation to Unilever/Suave for its conceptualization and implementation of the Suave Performance Plus Award for teaching excellence and lauded the Unilever Corporation for its longstanding community involvement. After calling the City Council's attention to the presence in the visitors' gallery of the honorees' families, friends, colleagues and students, Mayor Daley invited to the Mayor's rostrum Mr. Donn Alan Simon, Ms. Marlo McManus, Ms. Barbara Elaine Horwick and Mr. Gregory Lawrence Williams together with Mr. Irving Koppel, Ms. Alejandre London and Mr. Andrew Gross of Unilever/Suave, where he conveyed his personal appreciation and presented each with a parchment copy of the congratulatory resolution.

Rules Suspended -- GRATITUDE EXTENDED TO MS. ESSIE STEPHENSON FOR OUTSTANDING PUBLIC SERVICE.

Alderman Austin moved to *Suspend the Rules Temporarily* for the purpose of going out of the regular order of business for immediate consideration of a congratulatory resolution. The motion *Prevailed.*

The following is said proposed resolution:

WHEREAS, Since 1970, when Essie Stephenson joined the Chicago Police Department as a crossing guard, this outstanding citizen has shown unsurpassed dedication in promoting the public safety and welfare of the children in her charge; and

WHEREAS, Since 1971, Essie Stephenson has added to her assignments the direction of traffic for summer school children, the teaching and nurturing of summer camp students in arts and crafts programs for the Chicago Park District and has volunteered her time and energies on other projects; and

WHEREAS, In addition to raising two children, David and Debra, Essie Stephenson has helped to nurture the minds and hearts of many hundreds of children through the years. After first making sure her own children were safe and sound, she leaves her home on this city's far south side at 4:00 A.M. to travel to her post at Ashland and Barry Avenues on the north side. She has stood for safety through rain, sleet, snow and the dark of the winter months, often not returning to her home until well after 4:00 P.M.; and

WHEREAS, Many children regard Essie Stephenson as family and include her elsewhere in their lives. She has been asked to accompany the children on field trips or to attend their graduation exercises. And after almost thirty-four years, she finds herself "crossing" children who are sons and daughters of the children she "crossed" in a previous decade; and

WHEREAS, Essie Stephenson is a fixture with her winning smile and loving personality that have made a difference in the lives of many children. She has learned which child needs the extra touch, a little extra encouragement, some help with clothing or even a hug; and

WHEREAS, The world can be a dangerous place for a child attempting to cross a big city street. Essie Stephenson has shepherded three generations of pint-sized pedestrians. Her dedication exemplifies the highest standards of public service; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, assembled here this twenty-third day of June, 2004 A.D., pay tribute and express our gratitude to Essie Stephenson for over three decades of outstanding service to this great city and to its children, and we extend to this outstanding citizen our very best wishes for continuing success and fulfillment in all she does; and

Be It Further Resolved, That a suitable copy of this resolution be prepared and presented to Essie Stephenson.

On motion of Alderman Austin, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

REGULAR ORDER OF BUSINESS RESUMED.

Referred -- REAPPOINTMENT OF MS. SHARON GIST GILLIAM, MS. HALLIE AMEY AND MS. SANDRA YOUNG AS COMMISSIONERS OF CHICAGO HOUSING AUTHORITY.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, at the request of two aldermen present (under the provisions of Council Rule 43), *Referred to the Committee on Housing and Real Estate*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- I have reappointed the following individuals as commissioners of the Chicago Housing Authority for terms effective immediately and expiring on July 7, 2009:

Sharon Gist Gilliam, Chairman of the Authority

Hallie Amey

Sandra Young

Your favorable consideration of these appointments will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPOINTMENT OF MS. MARY E. WIGGINS AS COMMISSIONER OF CHICAGO HOUSING AUTHORITY.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, at the request of two aldermen present (under the provisions of Council Rule 43), *Referred to the Committee on Housing and Real Estate*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- I have appointed Mary E. Wiggins as a commissioner of the Chicago Housing Authority for a term effective immediately and expiring upon the appointment of her successor, to succeed Mamie Bone, whose term will expire on July 7, 2004.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPOINTMENT OF MS. JOANNA K. BOHDZIEWICZ-BOROWIEC AS MEMBER OF ADVISORY COUNCIL ON IMMIGRANT AND REFUGEE AFFAIRS.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, at the request of two aldermen present (under the provisions of Council Rule 43), *Referred to the Committee on Human Relations:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- I have appointed Joanna K. Bohdziewicz-Borowiec as a member of the Advisory Council on Immigrant and Refugee Affairs to a term expiring on July 1, 2007, to replace Mark Dobrzycki, who has resigned.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPOINTMENT OF MR. ISRAEL PYAKANE NWIDOR AS MEMBER OF ADVISORY COUNCIL ON IMMIGRANT AND REFUGEE AFFAIRS.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, at the request of two aldermen present (under the provisions of Council Rule 43), *Referred to the Committee on Human Relations*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- I have appointed Israel Pyakane Nwidor as a member of the Advisory Council on Immigrant and Refugee Affairs to a term expiring on July 1, 2007, to succeed Benjamin T. MaCarthy, whose term has expired.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPOINTMENT OF MR. DANIEL F. DUGAN AS MEMBER OF CHICAGO EMERGENCY TELEPHONE SYSTEM BOARD.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, at the request of two aldermen present (under the provisions of Council Rule 43), *Referred to the Committee on Police and Fire*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- I have appointed Daniel F. Dugan as a member of the Chicago Emergency Telephone System Board for a term effective immediately and expiring on July 1, 2007, to complete the unexpired term of Thomas M. Byrne, who has resigned.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPOINTMENT OF MR. JERRY C. ROBINSON AS MEMBER OF CHICAGO EMERGENCY TELEPHONE SYSTEM BOARD.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, at the request of two aldermen present (under the provisions of Council Rule 43), *Referred to the Committee on Police and Fire*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- I have appointed Jerry C. Robinson as a member of the Chicago Emergency Telephone System Board for a term effective immediately and expiring on July 1, 2006, to complete the unexpired term of Hiram Grau, who has resigned.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AMENDMENT OF TITLES 1, 8 AND 13 OF MUNICIPAL CODE OF CHICAGO CONCERNING RECOVERY OF COSTS TO CITY FOR FINES, FEES OR SERVICES.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Buildings*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- At the request of the Corporation Counsel, I transmit herewith an ordinance authorizing an amendment to the Municipal Code regarding cost recovery.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AUTHORIZATION FOR RESTRUCTURING OF LOAN AGREEMENT WITH PARK TOWER LIMITED PARTNERSHIP CONCERNING LOAN ASSUMPTION BY AIMCO HYDE PARK TOWERS, L.L.C. FOR PROPERTY AT 5132 -- 5144 SOUTH HYDE PARK BOULEVARD.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Finance*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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 a HODAG loan assumption by Aimco Hyde Park Tower and a loan modification.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AUTHORIZATION FOR APPROVAL OF REDEVELOPMENT PLAN, DESIGNATION OF REDEVELOPMENT PROJECT AREA AND ADOPTION OF TAX INCREMENT ALLOCATION FINANCING FOR LAKESIDE/CLARENDON REDEVELOPMENT PROJECT AREA.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinances transmitted therewith, *Referred to the Committee on Finance*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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 establishing the Lakeside/Clarendon T.I.F. District.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AUTHORIZATION FOR APPROVAL OF REDEVELOPMENT PLAN, DESIGNATION OF REDEVELOPMENT PROJECT AREA AND ADOPTION OF TAX INCREMENT ALLOCATION FINANCING FOR 47TH/STATE REDEVELOPMENT PROJECT AREA.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinances transmitted therewith, *Referred to the Committee on Finance:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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 establishing the 47th/State T.I.F. District.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- DESIGNATION OF CHICAGO KLEE DEVELOPMENT L.L.C. AS PROJECT DEVELOPER, APPROVAL FOR SALE OF CITY-OWNED PROPERTY AT 4001 -- 4013 NORTH MILWAUKEE AVENUE AND 4022 -- 4032 NORTH CICERO AVENUE AND AUTHORIZATION FOR EXECUTION OF REDEVELOPMENT AGREEMENT AND ISSUANCE OF CITY-NOTE.

The Honorable Richard M. Daley, Mayor, submitted the following communication

which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Finance*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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 Chicago Klee Development L.L.C. regarding the Klee Building.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- DESIGNATION OF WHP HOMES, L.L.C., WHP TOWER, L.L.C. AND WHP TOWER RENTAL, L.L.C. AS PROJECT DEVELOPERS AND AUTHORIZATION FOR EXECUTION OF REDEVELOPMENT AGREEMENTS AND WAIVER OF FEES FOR PROPERTIES WITHIN CENTRAL WEST REDEVELOPMENT PROJECT AREA.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinances transmitted therewith, *Referred to the Committee on Finance*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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 execution of redevelopment agreements with WHP Tower L.L.C. and WHP Homes L.L.C. regarding West Haven Park.

Your favorable consideration of these ordinances resolution will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPROVAL FOR ACQUISITION OF VARIOUS PROPERTIES IN PROXIMITY TO CHICAGO MIDWAY INTERNATIONAL AIRPORT FOR RUNWAY PROTECTION ZONE AND AIRPORT DEVELOPMENT.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Aviation:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of Aviation, I transmit herewith an ordinance authorizing the acquisition of property for Midway Airport.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AMENDMENT OF 2004 ANNUAL APPROPRIATION ORDINANCE WITHIN FUND 925 TO PROVIDE GRANT AWARD TO OFFICE OF EMERGENCY MANAGEMENT AND COMMUNICATIONS.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on the Budget and Government Operations*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- At the request of the Budget Director, I transmit herewith a Fund 925 amendment.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AMENDMENT OF YEAR XXX COMMUNITY DEVELOPMENT BLOCK GRANT ORDINANCE TO PROVIDE FUNDING FOR PUBLIC SERVICE PROJECTS ADMINISTERED BY VARIOUS MUNICIPAL AGENCIES.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on the Budget and Government Operations*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- At the request of the Budget Director, I transmit herewith an ordinance adjusting the Year XXX C.D.B.G. delegate agency awards.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AUTHORIZATION FOR INSTALLATION OF WATER MAINS AT VARIOUS LOCATIONS.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on the Budget and Government Operations*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- At the request of the Budget Director, I transmit herewith water main orders.

Your favorable consideration of these orders will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AMENDMENT OF PRIOR ORDINANCE WHICH AUTHORIZED ESTABLISHMENT OF NEW HOMES FOR CHICAGO PROGRAM.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Housing and Real Estate*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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 an amendment to the New Homes for Chicago ordinance.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPROVAL OF AMENDMENT NUMBER 3 TO NORTH KENWOOD/OAKLAND CONSERVATION AREA PLAN.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Housing and Real Estate:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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 Plan Amendment Number 3 to the North Kenwood/Oakland Conservation Plan.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- ACCEPTANCE OF BIDS, APPROVAL FOR SALE AND AUTHORIZATION FOR EXECUTION OF REDEVELOPMENT AGREEMENTS FOR VARIOUS CITY-OWNED PROPERTIES.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinances transmitted therewith, *Referred to the Committee on Housing and Real Estate*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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 property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPROVAL FOR CONVEYANCE OF CITY-OWNED PROPERTY AT 7200 -- 7202 SOUTH UNIVERSITY AVENUE TO CHICAGO PARK DISTRICT FOR EXPANSION OF HOARD PLAYGROUND PARK.

The Honorable Richard M. Daley, Mayor, submitted the following communication

which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Housing and Real Estate*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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 a transfer of property to the Chicago Park District for the Hoard Playground Park.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- REPEAL OF PRIOR ORDINANCES WHICH AUTHORIZED SALE OF CITY-OWNED PROPERTIES AT 3055 WEST LEXINGTON STREET, 745 SOUTH ALBANY AVENUE AND 1601 SOUTH LAWNDALE AVENUE/3649 -- 3661 WEST 16th STREET.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Housing and Real Estate*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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 a repeal of prior authorization for sale of city-owned property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AUTHORIZATION FOR EXECUTION OF LEASE AGREEMENTS AT 4150 WEST 55TH STREET, 6969 WEST GRAND AVENUE AND 6348 SOUTH ARCHER AVENUE FOR DEPARTMENT OF HEALTH AND CHICAGO PUBLIC LIBRARY.

The Honorable Richard M. Daley, Mayor, submitted the following communication which was, together with the proposed ordinances transmitted therewith, *Referred to the Committee on Housing and Real Estate*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

June 23, 2004.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of General Services, I transmit herewith ordinances authorizing the execution of lease agreements.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

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

The Honorable James J. Laski, City Clerk, informed the City Council that documents have been filed in his office relating to the respective subjects designated as follows:

Placed On File -- APPROVAL BY FEDERAL AVIATION ADMINISTRATION OF APPLICATION TO IMPOSE PASSENGER FACILITY CHARGE AT CHICAGO O'HARE INTERNATIONAL AIRPORT.

A communication from Mr. Daryl McNabb, Department of Aviation, under the date of June 18, 2004, transmitting approval of an application, submitted to the Federal Aviation Administration on June 17, 2004, to impose a passenger facility charge at Chicago O'Hare International Airport, which was *Placed on File.*

Placed On File -- AMENDMENT NUMBER 1 TO REDEVELOPMENT PLAN FOR 43RD STREET/COTTAGE GROVE AVENUE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA.

A communication from Mr. Randall L. Johnson, Assistant Corporation Counsel, under the date of May 28, 2004, transmitting Amendment Number 1 to the redevelopment plan for the 43rd Street/Cottage Grove Avenue Tax Increment Financing Redevelopment Project Area, which was *Placed on File.*

Placed On File -- CITY COMPTROLLER'S QUARTERLY REPORTS FOR PERIOD ENDED MARCH 31, 2004.

The following documents received in the Office of the City Clerk from Mr. Tariq G. Malhance, City Comptroller, were *Placed on File.*

City of Chicago Corporate Fund; Condensed Statement of Cash Receipts and Disbursements for three months ended March 31, 2004.

Statement of Funded Debt as of March 31, 2004.

City of Chicago Corporate Fund; Statement of Funded Debt as of March 31, 2004.

Placed On File -- QUARTERLY REPORT OF BOND HOLDINGS DETAILING ALL ACTIVE INVESTMENTS AS OF MARCH 31, 2004.

A communication from Mr. Tariq Malhance, City Comptroller, under the date of May 7, 2004, transmitting a quarterly report of bond holdings detailing all active City of Chicago investments as of March 31, 2004, 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 May 26, 2004 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 June 22, 2004 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 May 26, 2004, 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.

PUBLICATION OF SPECIAL PAMPHLETS.

Authorization For Issuance Of City Of Chicago General Obligation Revenue Bonds (Emergency Communications System), Series 2004 And Levy And Collection Of Direct Annual Tax.

The City Clerk informed the City Council that the ordinance authorizing the issuance of City of Chicago General Obligation Revenue Bonds (Emergency Communications System), Series 2004 and the levy and collection of a direct annual tax, which was passed by the City Council on May 26, 2004 and which was requested to be published in pamphlet form, was published in pamphlet form on June 2, 2004 by being printed in full text in a special pamphlet.

Authorization For Issuance Of City Of Chicago General Obligation Project And Refunding Bonds, Series 2004 And Levy And Collection of Direct Annual Tax.

The City Clerk informed the City Council that the ordinance authorizing the

issuance of City of Chicago General Obligation Project and Refunding Bonds, Series 2004 and the levy and collection of a direct annual tax, which was passed by the City Council on May 26, 2004 and which was requested to be published in pamphlet form, was published in pamphlet form on June 2, 2004 by being printed in full text in a special pamphlet.

Authorization For Issuance Of City Of Chicago Wastewater Transmission Revenue Bonds, Project And Refunding Series 2004.

The City Clerk informed the City Council that the ordinance providing for the Authorization for Issuance of City of Chicago Wastewater Transmission Revenue Bonds, Project and Refunding Series 2004, which was passed by the City Council on May 26, 2004 and which was requested to be published in pamphlet form, was published in pamphlet form on June 7, 2004 by being printed in full text in a special pamphlet.

Authorization For Issuance Of City Of Chicago Water Revenue Project And Refunding Bonds, Series 2004 And Water System Commercial Paper Notes.

The Clerk informed the City Council that the ordinance providing for the Authorization for Issuance of City of Chicago Water Revenue Project and Refunding bonds, Series 2004 and Water System Commercial Paper Notes, which was passed by the City Council on May 26, 2004 and which was requested to be published in pamphlet form, was published in pamphlet form on June 7, 2004 by being printed in full text in a special pamphlet.

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 duplicate) 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*, as follows:

Bilent and Saden Amedoski, in care of the Law Office of Samuel V.P. Banks -- to classify as a B4-1 Restricted Service District instead of a B3-1 General Retail District the area shown on Map Number 5-N bounded by:

the alley next north of and parallel to West North Avenue; a line 59.25 feet east of and parallel to North Sayre Avenue; West North Avenue; and North Sayre Avenue.

Mr. Jimmy Banys, in care of Gordon & Pikarski -- to classify as an R5 General Residence District instead of an R4 General Residence District the area shown on Map Number 3-G bounded by:

a line perpendicular to North Racine Avenue, 93.66 feet in length commencing at a point 312.2 feet north of the intersection of North Milwaukee Avenue and North Racine Avenue; North Racine Avenue; a line perpendicular to North Racine Avenue, 75.29 feet in length commencing at a point 234.62 feet north of the intersection of North Milwaukee Avenue and North Racine Avenue; the alley next northeast of North Milwaukee Avenue; and the alley next west of North Racine Avenue.

Mr. Cameron Benninghoven/Benninghoven Interests, L.L.C. -- to classify as a B2-4 Restricted Retail District instead of an R4 General Residence District the area shown on Map Number 5-G bounded by:

West Webster Avenue; North Racine Avenue; a line 25 feet south of and parallel to West Webster Avenue; and a line 80.07 feet west of and parallel to North Racine Avenue.

Beverly Bank & Trust Co., in care of Mr. James J. Banks -- to classify as a B4-1 Restricted Service District instead of a B2-1 Restricted Retail District the area shown on Map Number 24-I bounded by:

a line 125 feet north of and parallel to West 103rd Street; South Western Avenue; West 103rd Street; and a line 146 feet west of and parallel to South Western Avenue.

Beverly Place, L.L.C., in care of Axis Properties L.L.C. -- to classify as an R4 General Residence District instead of an R1 Single-Family Residence District and a B2-1 Restricted Retail District and further, to classify as a Residential-Business Planned Development instead of an R4 General Residence District the area shown on Map Number 24-H bounded by:

a line 348 feet north of West 103rd Street; a line 150 feet west of South Wood Street; West 103rd Street; the east line of the Chicago, Rock Island & Pacific Railroad right-of-way; a line 299.91 feet north of West 103rd Street; and a line 40 feet east of the Chicago, Rock Island & Pacific Railroad right-of-way.

Mr. John E. Boyle, in care of Mr. James J. Banks -- to classify as a C1-2 Restricted Commercial District instead of an R3 General Residence District the area shown on Map Number 5-M bounded by:

a line 30 feet north of and parallel to West Dickens Avenue; North Mason Avenue; West Dickens Avenue; and the alley next west of and parallel to North Mason Avenue.

Mr. Christopher Browne and Mr. Michael Browne -- to classify as an R4 General Residence District instead of an R3 General Residence District the area shown on Map Number 12-L bounded by:

a line 130 feet north of and parallel to West 53rd Place; South Laramie Avenue; a line 100 feet north of and parallel to West 53rd Place; and the public alley next west of and parallel to South Laramie Avenue.

BTB Development Company, in care of Mr. James J. Banks -- to classify as an R4 General Residence District instead of an M1-2 Restricted Manufacturing District and further, to classify as a Residential Planned Development instead of an R4 General Residence District the area shown on Map Number 8-F bounded by:

the alley next south of and parallel to West 38th Street; a line 475.63 feet east of South Normal Avenue; the alley next north of and parallel to West Pershing Road; South Normal Avenue; a line 25 feet south of the alley next south of and parallel to West 38th Street; and a line 100.50 feet east of South Normal Avenue.

Ms. Delia Canino -- to classify as an R3 General Residence District instead of an R2 Single-Family Residence District the area shown on Map Number 12-M bounded by:

a line 234 feet north of West 53rd Street; the alley next east of South Parkside Avenue; a line 205 feet north of West 53rd Street; and South Parkside Avenue.

Chicago National League Ball Club, Inc. -- to classify as a C2-2 General Commercial District instead of an M1-2 Restricted Manufacturing District and a C2-2 General Commercial District and further, to classify as Stadium Planned Development Number _____ instead of a C2-2 General Commercial District the area shown on Map Number 9-G bounded by:

West Waveland Avenue; North Sheffield Avenue; West Addison Street; and North Clark Street.

Mr. Daniel R. Davis -- to classify as an R3 General Residence District instead of an M1-1 Restricted Manufacturing District the area shown on Map Number 7-H bounded by:

West Wellington Avenue; a line 111.23 feet east of and parallel to North Honore Street; a line 58.03 feet south of and parallel to West Wellington Avenue; and North Honore Street.

Mr. Heriberto Diaz and Mr. Donald Miller, in care of Mr. James J. Banks -- to classify as a B4-4 Restricted Service District instead of a C1-1 Restricted Commercial District the area shown on Map Number 5-I bounded by:

North Stave Street; a line 173.06 feet southeast of the intersection of North California Avenue and North Stave Street, as measured from the southwesterly right-of-way line of North Stave Street and perpendicular thereto; and North California Avenue.

Mr. Roger E. Duba -- to classify as an M1-1 Restricted Manufacturing District instead of an R2 Single-Family Residence District the area shown on Map Number 14-K bounded by:

a line 632 feet south of and parallel to West 59th Street; a line 175 feet east of and parallel to South Knox Avenue; a line 1,292.71 feet south of and parallel to West 59th Street; and South Knox Avenue.

Mr. Juan L. and Ms. Yvette Elias -- to classify as an R4 General Residence District instead of an R3 General Residence District the area shown on Map Number 5-I bounded by:

a line 175 feet, 0 inches south of and parallel to West Altgeld Street; the 14 foot north/south public alley east of and parallel to North Talman Avenue; a line 200 feet, 0 inches south of and parallel to West Altgeld Street; and North Talman Avenue.

Mr. Gildardo Garcia -- to classify as a B4-1 Restricted Service District instead of an R3 General Residence District the area shown on Map Number 6-K bounded by:

the public alley next west of and parallel to South Pulaski Road; a line 77.95 feet north of and parallel to West 30th Street; South Pulaski Road; a line 52.95 feet north of and parallel to West 30th Street.

Mr. Jeremy Goldberg, in care of Mr. James J. Banks -- to classify as an R5 General Residence District instead of an R4 General Residence District the area shown on Map Number 13-G bounded by:

a line 90 feet north of West Winona Street; the alley next east of and parallel to North Kenmore Avenue; a line 40 feet north of West Winona Street; and North Kenmore Avenue.

Mr. James Glunz -- to classify as a B4-2 Restricted Service District instead of a B3-2 General Retail District the area shown on Map Number 11-H bounded by:

Lot 226 in Rudolph's Subdivision of Blocks 4 and 5 in W.B. Ogden's Subdivision of the southwest quarter of Section 18, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Mr. Timothy Heywood -- to classify as an R4 General Residence District instead of a B4-1 Restricted Service District the area shown on Map Number 28-J bounded by:

a line 420 feet south of and parallel to West 111th Street; South Kedzie Avenue; a line 540 feet south of and parallel to West 111th Street; and the public alley next west of and parallel to South Kedzie Avenue.

Hispanic Housing Development Corporation -- to classify as an R4 General Residence District instead of an R3 General Residence District the area shown on Map Number 3-J bounded by:

a line approximately 216 feet south of the south line of West Le Moyne Street; North Springfield Avenue; a line approximately 240 feet south of the south line of West Le Moyne Street; and a 16 foot public alley on the east (also described as the area within Lot 10 in Block 7 in Hosmer and Mackey's Subdivision of Blocks 1 to 6 and 12 to 16 in Freer's Subdivision of the west half of the northwest quarter of Section 2, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois).

Hispanic Housing Development Corporation -- to classify as an R4 General Residence District instead of an R3 General Residence District the area shown on Map Number 3-J bounded by:

a line approximately 124.15 feet south of the south line of West Thomas Street; North Ridgeway Avenue; a line approximately 149.15 feet south of the south line of West Thomas Street; and a 16 foot public alley on the west (also described as the area within Lot 6 in Block 5 in Treat's Subdivision of the northeast quarter of the southwest quarter of Section 2, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois).

Hispanic Housing Development Corporation -- to classify as an R4 General Residence District instead of an R3 General Residence District the area shown on Map Number 5-I bounded by:

a line 150 feet north of and parallel to West Cortland Street; the public alley next east of and parallel to North Whipple Street; a line 125 feet north of and parallel to West Cortland Street; and South Whipple Street.

Hispanic Housing Development Corporation -- to classify as an R5 General Residence District instead of a B4-1 Restricted Service District the area shown on Map Number 7-J bounded by:

the public alley next north of and parallel to West Diversey Avenue; a line 25 feet east of and parallel to North Drake Avenue; West Diversey Avenue; and North Drake Avenue.

H & I Investments, Inc. -- to classify as a B4-1 Restricted Service District instead of an R3 General Residence District the area shown on Map Number 18-H bounded by:

the alley next north of and parallel to West 79th Street; South Winchester Avenue; West 79th Street; and a line 132.55 feet west of and parallel to South Winchester Avenue.

Mr. Joseph Hurley, in care of Marino & Associates, P.C. -- to classify as an R3 General Residence District instead of an R2 Single-Family Residence District the area shown on Map Number 7-O bounded by:

a line 300 feet south of and parallel to West Barry Avenue; a line 133.21 feet east of and parallel to North Oleander Avenue; a line 360 feet south of and parallel to West Barry Avenue; and North Oleander Avenue.

Mr. Radovan Jankowski -- to classify as a B4-2 Restricted Service District instead of a B1-2 Local Retail District the area shown on Map Number 8-F bounded by:

South Halsted Street; West 32nd Street; the alley next east of and parallel to South Halsted Street; and a line 25 feet south of and parallel to West 32nd Street.

Mr. Basil Kezios -- to classify as a C5-4 Commercial/Office District instead of a C3-4 Commercial-Manufacturing District the area shown on Map Number 3-G bounded by:

a line 30.6 feet north of and parallel to West Evergreen Avenue; North Halsted Street; West Evergreen Avenue; and the public alley next west of and parallel to North Halsted Street.

Ms. Anna Klocek, in care of Gordon & Pikarski -- to classify as an R3 General Residence District instead of an R2 Single-Family Residence District the area shown on Map Number 13-L bounded by:

the alley next north of West Balmoral Avenue; a line 80 feet east of and parallel to North Forest Glen Avenue; West Balmoral Avenue; and North Forest Glen Avenue.

Mr. Daniel Lauer, in care of Mr. James J. Banks -- to classify as an R4 General Residence District instead of an M1-2 Restricted Manufacturing District the area shown on Map Number 16-N bounded by:

a line 133.3 feet north of and parallel to West 65th Street; South Oak Park Avenue; West 65th Street; and South New England Avenue.

Mr. Teodor Luca -- to classify as an R5 General Residence District instead of an R4 General Residence District the area shown on Map Number 13-I bounded by:

West Bryn Mawr Avenue; North Campbell Avenue; the alley next south of and parallel to West Bryn Mawr Avenue; and North Maplewood Avenue.

Ms. Mary K. Mack and Mr. Lester Roush -- to classify as an R4 General Residence District instead of an R3 General Residence District the area shown on Map Number 9-H bounded by:

West School Street; a line 210.94 feet west of and parallel to North Wolcott Avenue; the public alley next south of and parallel to West School Street; and a line 235.94 feet west of and parallel to North Wolcott Avenue.

Mr. Ralph Mastrangelo -- to classify as an R4 General Residence District instead of an R3 General Residence District the area shown on Map Number 1-G bounded by:

the public alley next north of and parallel to West Superior Street; a line 102 feet west of and parallel to North Armour Street; West Superior Street; and a line 127 feet west of and parallel to North Armour Street.

Mr. Steven J. McCoy -- to classify as an R4 General Residence District instead of an R3 General Residence District the area shown on Map Number 9-H bounded by:

the public alley next north of and parallel to West Melrose Street; a line 48 feet west of and parallel to North Paulina Street; West Melrose Street; and a line 72 feet west of and parallel to North Paulina Street.

MDC Chicago, L.L.C. -- to classify as a Waterway-Manufacturing Planned Development instead of an M3-4 Heavy Manufacturing District the area shown on Map Number _____ bounded by:

950 feet south of West Cermak Road to the north; Morgan Street on the west; the South Branch of the Chicago River on the south; and 570 feet west of South Halsted Street on the east.

Metro Java Joz, L.L.C. -- to classify as a B4 Restricted Service District instead of a B2-1 Restricted Retail District the area shown on Map Number 16-K bounded by:

Lots 20 and 21 (except that part of said Lots 20 and 21 lying westerly of a line commencing at a point in the north line of said Lot 21 which is 31 feet east of the original northwest corner of said Lot 21; thence southerly along a line that is parallel with the original west line of said Lots 20 and 21, a distance of 51.22 feet to a point; thence southeasterly to a point in the south line of said Lot 20, which is 41 feet east of the original southwest corner of said Lot 20) in Block 5, in Marquette Ridge, being a subdivision of the south half of the west half of the northwest quarter and the north half of the west half of the northwest quarter of Section 22, Township 38 North, Range 13, East of the Third Principal Meridian (except the east 133 feet thereof) in Cook County, Illinois.

Mr. Jeffrey Michael -- to classify as an R4 General Residence District instead of an M1-2 Restricted Manufacturing District the area shown on Map Number 5-H bounded by:

North Wilmot Avenue; a line perpendicular to North Wilmot Avenue and 100 feet long commencing at a point 169.68 feet northwest of the southwest intersection of North Hoyne Avenue and North Wilmot Avenue; the alley next southwest of

North Wilmot Avenue; and a line perpendicular to North Wilmot Avenue and 100 feet long commencing at a point 144.28 feet northwest of the southwest intersection of North Hoyne Avenue and North Wilmot Avenue.

Montgomery Place, Inc. -- to classify as Residential-Institutional Planned Development Number 432, as amended, instead of Residential-Industrial Planned Development Number 432 the area shown on Map Number 14-C bounded by:

a line 220 feet north of and parallel with East 56th Street; South South Shore Drive; East 56th Street; and a line 309 feet west of and parallel with South South Shore Drive.

Nelson Lofts, L.L.C., in care of Mr. James J. Banks -- to classify as a B1-3 Local Retail District instead of an M1-2 Restricted Manufacturing District the area shown on Map Number 7-H bounded by:

a line 70.40 feet north of and parallel to West Nelson Street; North Oakley Avenue; West Nelson Street; and the alley next west of and parallel to North Oakley Avenue.

Mr. Rigoberto Olvera -- to classify as a B2-1 Restricted Retail District instead of an R3 General Residence District the area shown on Map Number 10-I bounded by:

a 123.57 foot line located parallel to and 69 feet north of the north line of West 45th Street; the first public alley west of South Western Avenue; a 123.57 foot line located parallel to and 119 feet north of the north line of West 45th Street; and South Western Avenue.

Mr. Barry Paoli -- to classify as a B4-2 Restricted Service District instead of a B4-1 Restricted Service District the area shown on Map Number 15-O bounded by:

North Northwest Highway; North Harlem Avenue; a line 175.7 feet southwest of and parallel to North Northwest Highway; and a line 253.98 feet northwest of the intersection of North Northwest Highway and North Harlem Avenue, as measured at the southwesterly right-of-way of North Northwest Highway and perpendicular thereto.

Public Building Commission of Chicago -- to classify as a C1-3 Restricted Commercial District instead of an R4 General Residence District the area shown on Map Number 10-E bounded by:

the alley next north of and parallel to East 44th Street; the alley next west of and parallel to South Cottage Grove Avenue; East 44th Street; and a line 150 feet west of and parallel to South Cottage Grove Avenue.

RCRDC Group, L.L.C. -- to classify as an R7 General Residence District instead of a B7-5 General Central Business District the area shown on Map Number 1-F bounded by:

the alley next north of West Superior Street; a line 168.42 feet east of North Wells Street; West Superior Street; and the alley next east of North Wells Street.

Residential Ventures, L.L.C., in care of Mr. James J. Banks -- to classify as an R3 General Residence District instead of an R2 Single-Family Residence District the area shown on Map Number 24-F bounded by:

a line 285.08 feet north of and parallel to West 97th Street; South Parnell Avenue; a line 189.08 feet north of and parallel to West 97th Street; and the alley next west of and parallel to South Parnell Avenue.

Riverside Homes, L.L.C. -- to classify as an R3 General Residence District instead of an M2-3 General Manufacturing District and further, to classify as a Residential-Waterway Planned Development instead of an R3 General Residence District the area shown on Map Number 6-G bounded by:

those parts of Blocks 16 and 17 lying northwesterly of the Chicago Alton and St. Louis Railroad Company in Canal Trustees Subdivision of the south fraction of Section 29, Township 39 North, Range 14, East of the Third Principal Meridian, excepting that part of Block 16 conveyed by Barney McKinley and Wife to City of Chicago by deed dated March 19, 1877 and recorded April 6, 1877 in Book 727, page 638, as Document Number 128993, and lying southeasterly of a straight line (and a southwesterly prolongation thereof) drawn from a point in the northeasterly line of said Block 17 which is 124.61 feet southeasterly of the north corner of said Block 17, to a point in the southwesterly line of said Block 17 which is 125.58 feet southeasterly of the west corner of said Block 17, in Cook County, Illinois; also described as: those parts of Blocks 16 and 17 lying northwesterly of the Chicago Alton and St. Louis Railroad Company in Canal Trustees Subdivision of the south fraction of Section 29, Township 39 North, Range 14, East of the Third Principal Meridian; except that part of said Blocks 16 and 17 lying northwesterly of a straight line (and a southwesterly prolongation thereof) drawn from a point on the northeasterly line of said Block 17 which is 124.61 feet southeasterly of the north corner of said Block 17,

to a point in the southwesterly line of said Block 17 which is 125.58 feet southeasterly of the west corner of said Block 17; and except that part of Block 16 conveyed by Barney McKinley and Wife to the City of Chicago by deed dated March 19, 1877 and recorded April 6, 1877 in Book 727, page 638, as Document Number 128993; and except that part falling in the south branch of the Chicago River, all in Cook County, Illinois.

Mr. Jonathan Rothstein and Mr. Andrew Rothstein, in care of Mr. James J. Banks -- to classify as an R4 General Residence District instead of an R3 General Residence District the area shown on Map Number 5-I bounded by:

the alley next north of and parallel to West Cortland Street; a line 312 feet east of and parallel to North Campbell Avenue; West Cortland Street; and a line 288 feet east of and parallel to North Campbell Avenue.

Sedgwick Properties Development Corporation -- to classify as a B5-4 General Service District instead of a B4-2 Restricted Service District the area shown on Map Number 9-G bounded by:

a line 200 feet north of and parallel to West Grace Street; a line 308.69 feet east of and parallel to North Fremont Street; West Grace Street; and a line 168.69 feet east of and parallel to North Fremont Street.

Mr. Kevin Sheridan/K. Sheridan Land Ventures, L.L.C. -- to classify as an R5 General Residence District instead of an M1-1 Restricted Manufacturing District the area shown on Map Number 5-I bounded by:

a line 72 feet east of and parallel to North Campbell Avenue; the public alley next north of and parallel to West Bloomingdale Avenue; a line 120 feet east of and parallel to North Campbell Avenue; and West Bloomingdale Avenue.

Sunrise Baptist Church -- to classify as an R4 General Residence District instead of an M1-2 Restricted Manufacturing District the area shown on Map Number 2-J bounded by:

a line 145.98 feet north of and parallel to West Grenshaw Street; the alley next east of and parallel to South Central Park Avenue; a line 91.65 feet north of and parallel to West Grenshaw Street; and South Central Park Avenue.

Mr. Pete Vitogiannis, in care of Mr. James J. Banks -- to classify as an R5 General Residence District instead of an R3 General Residence District the area shown on Map Number 1-G bounded by:

the alley next north of and parallel to West Ohio Street; a line 54 feet west of and parallel to North Noble Street; West Ohio Street; and a line 79 feet west of and parallel to North Noble Street.

Mr. Peter Vitogiannis, in care of Mr. James J. Banks -- to classify as an R3 General Residence District instead of an M1-2 Restricted Manufacturing District the area shown on Map Number 16-N bounded by:

West 64th Place; South Oak Park Avenue; a line 133.3 feet south of and parallel to West 64th Place; and South New England Avenue.

51st Street Townhomes L.L.C. -- to classify as an R5 General Residence District instead of a B5-3 General Service District the area shown on Map Number 12-J bounded by:

West 51st Street; a line 932 feet west of South Ridgeway Avenue; and the south boundary line of the Chicago Union Transfer Railroad.

222 S. Morgan, L.L.C., in care of Mr. Richard A. Ginsburg -- to classify as a B4-4 Restricted Service District instead of an M1-3 Restricted Manufacturing District the area shown on Map Number 2-G bounded by:

West Quincy Street; South Morgan Street; a line 79.0 feet south of and parallel to West Quincy Street; and a line 118.68 feet west of and parallel to South Morgan Street.

716 West 50th L.L.C. -- to classify as an R4 General Residence District instead of an R3 General Residence District the area shown on Map Number 12-F bounded by:

the public alley next north of and parallel to West 50th Street; a line 174 feet west of and parallel to South Union Avenue; West 50th Street; and a line 349 feet west of and parallel to South Union Avenue.

4950 Western L.L.C., in care of Mr. James J. Banks -- to classify as a B2-3 Restricted Retail District instead of a B2-2 Restricted Retail District the area shown on Map Number 13-I bounded by:

a line 539.14 feet north of and parallel to West Ainslie Street; North Western Avenue; a line 381 feet north of and parallel to West Ainslie Street; the alley next east of North Lincoln Avenue; a line 512.29 feet north of and parallel to West Ainslie Street; and a line 148 feet west of and parallel to North Western Avenue.

Referred -- AUTHORIZATION FOR ISSUANCE OF PERMIT TO INSTALL SIGN/SIGNBOARD AT 2501 WEST CERMAK ROAD.

A communication from Mr. Chuck Zenn, Olympic Signs, Inc., transmitting a proposed order which would authorize the installation of a sign/signboard at 2501 West Cermak Road, which was *Referred to the Committee on Buildings.*

Referred -- AUTHORIZATION FOR ISSUANCE OF PERMIT TO INSTALL SIGN/SIGNBOARD AT 2701 NORTH WESTERN AVENUE.

A communication from Mr. Chuck Zenn, Olympic Signs, Inc., transmitting a proposed order which would authorize the installation of a sign/signboard at 2701 North Western Avenue, which was *Referred to the Committee on Buildings.*

Referred -- CLAIMS AGAINST CITY OF CHICAGO.

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

Air-Rite Heating & Cooling, Inc., Allstate Insurance Company and Earl Jefferson, American Access Casualty Company and Ben Smith, Asselmeier Christina C.;

Baines Gail, Bates Delores E., Bunch Lamont, Butler James F.;

Carfo Deeadra A., Cavallino Robert P., Ciullo Rachel L., Coburn Beatrice, Curry Carl;

Dacic Bejto, Davis Larry L., Davis Stanley, Davis Tonya B., Deutelbaum James A.;

Esha Frank D.;

GEICO Insurance and Gabriel J. Cahill, Geva Ilan, Glover Sarita, Gould Thelma J., Grace JoAnn W., Griffin Rosemary;

Honey Kimberly D.;

Jones Isaiah and Sandra A., Julien Harriet P.;

Kanter David J., Karela Sarah M., Kerr Freemont;

Langenderfer Mark D., Lockhart Ray, Lomax Edward J., Lopez Delia;

Malone Darrick C.;

Owens Donna L.;

Palmeri Vincent F., Perilli Joseph, Pompa Patricia M.;

Quinlan Elizabeth B.;

Rodriguez Alejandro, Romero Angel R.;

Sampson Leonard, Sawyer Latasha M., Simkins Robin G., Suenkens Susan T., Sussman Glen, Sykes Christeen G.;

Threlkeld Deborah A.;

Venegas Ruth L.;

Wagner Richard M., Warren John R., Webster Yvonne, Weixler Adolph S., Williams Ophelia, Wilson Marie, Wypasek Elzbieta M.;

Yahnes Gene.

REPORTS OF COMMITTEES.

COMMITTEE ON FINANCE.

APPOINTMENT OF VARIOUS INDIVIDUALS AS MEMBERS OF SPECIAL SERVICE AREA NUMBER 25 (LITTLE VILLAGE COMMISSION).

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication recommending the appointments of Allyson E. Aguilera, Salvador Hernandez, Mike Moreno and Nancy Nunez as members of Special Service Area Number 25 (Little Village Commission), having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Approve* the proposed appointments transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the committee's recommendation was *Concurred In* and the said proposed appointments of Ms. Allyson E. Aguilera, Mr. Salvador Hernandez, Mr. Mike Moreno and Ms. Nancy Nunez as members of Special Service

Area Number 25 (Little Village Commission) were *Approved* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

APPOINTMENT OF VARIOUS INDIVIDUALS AS MEMBERS OF SPECIAL SERVICE AREA NUMBER 25 (LITTLE VILLAGE COMMISSION).

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication recommending the appointments of Daniel E. Arce, Mark T. Doyle, Elena Duran, Salvador Pedroza and Daniel A. Villarreal as members of Special Service Area Number 25 (Little Village Commission), having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Approve* the proposed appointments transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the committee's recommendation was *Concurred In* and the said proposed appointments of Mr. Daniel E. Arce, Mr. Mark T. Doyle, Ms. Elena Duran, Mr. Salvador Pedroza and Mr. Daniel A. Villarreal as members of Special Service Area Number 25 (Little Village Commission) were *Approved* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

APPOINTMENT OF MR. SISAY ABEBE AND MS. OLIVIA MARIE AGUILAR AS MEMBERS OF SPECIAL SERVICE AREA NUMBER 26 (BROADWAY COMMERCIAL DISTRICT COMMISSION).

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication recommending the appointments of Sisay Abebe and Olivia Marie Aguilar as members of Special Service Area Number 26 (Broadway Commercial District Commission), having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Approve* the proposed appointments transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the committee's recommendation was *Concurred In* and the said proposed appointments of Mr. Sisay Abebe and Ms. Olivia Marie Aguilar as members of Special Service Area Number 26 (Broadway Commercial District Commission) were *Approved* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

AUTHORIZATION FOR EXECUTION OF REDEVELOPMENT AGREEMENT WITH FC CENTRAL STATION RESIDENTIAL, L.L.C., FC CENTRAL STATION SENIOR, L.L.C. AND FOREST CITY CENTRAL STATION, INC. AND APPROVAL FOR ISSUANCE OF REVENUE BONDS AND FINANCING NOTES FOR ACQUISITION, CONSTRUCTION AND EQUIPPING OF MULTI-FAMILY HOUSING AT 1255 -- 1259 SOUTH MICHIGAN AVENUE.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a substitute ordinance authorizing the issuance of City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project) Series 2004 and City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Senior Housing Project) Series 2004 and the authority to enter into and execute a redevelopment agreement with FC Central Station Residential, L.L.C. and FC Central Station Senior, L.L.C. and the authority to issue Tax Increment Financing Notes, the amount of both bond issues not to exceed $95,000,000, the amount of notes 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 substitute ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Alderman Edward M. Burke abstained from voting pursuant to Rule 14 of the City Council's Rules of Order and Procedure.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

Alderman Burke invoked Rule 14 of the City Council's Rules of Order and Procedure, disclosing that he had represented parties to this ordinance in previous and unrelated matters.

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 City of Chicago (the "City") is a home rule unit of local government and, as such, may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, By this ordinance, the City Council of the City (the "City Council") has determined that it is necessary and in the best interests of the City to provide financing to (i) FC Central Station Residential, L.L.C., an Illinois limited liability company (the "Multi-Family Housing Borrower"), the sole member of which is FC Central Station Properties, L.L.C., an Illinois limited liability company ("FC Central Station"), the members of which are Forest City Equity Services, Inc., an Ohio corporation ("Forest Equity") and Forest City Central Station, Inc., an Ohio corporation ("F.C.C.S."); Forest Equity's sole shareholder is Forest City Residential Group, Inc., an Ohio corporation ("F.C.R.G."), the sole shareholder of F.C.C.S. and F.C.R.G. is Forest City Rental Properties Corporation, an Ohio corporation, the sole shareholder of which is Forest City Enterprises, Inc., an Ohio corporation, and (ii) FC Central Station Senior, L.L.C., an Illinois limited liability company (the "Senior Housing Borrower"), the member of which is FC Central Station, the members of which are Forest Equity and F.C.C.S. (the Multi-Family Housing Borrower and the Senior Housing Borrower are collectively referred to as the "Borrowers"), to pay a portion of the costs of acquiring, constructing and equipping (i) an approximately four hundred eleven (411) unit multi-family housing development located generally at 1255 through 1259 South Michigan Avenue, Chicago, Illinois (the "Multi-Family Housing Development"), and (ii) an approximately ninety-one (91) unit senior housing development, located generally at 1255 through 1259 South Michigan Avenue, Chicago, Illinois (the "Senior Housing Development" and, together with the Multi-Family Housing Development, the "Developments"); and

WHEREAS, The Senior Housing Borrower will enter into a long-term lease with the Multi-Family Housing Borrower for use of the land on which the Senior Housing Development will be located in order to own, construct and operate the Senior Housing Development;

WHEREAS, It is anticipated that the membership of the Senior Housing Borrower may also in the future include Apollo Housing Capital, L.L.C., an Illinois limited liability company, and Apollo Housing Manager II, Inc., a Delaware corporation (together, the "Apollo entities"), or others to be hereafter selected; 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 special, limited obligation to repay that borrowing, to issue the City's (i) Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004A, in an amount of not to exceed Ninety Million Dollars ($90,000,000) (the "Multi-Family Housing Bonds"), (ii) Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004B, in an amount of not to exceed Fifteen Million Dollars ($15,000,000) (the "Multi-Family Borrower Bonds") and (iii) Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Senior Housing Project), Series 2004, in an amount of not to exceed Ten Million Dollars ($10,000,000) (the "Senior Bonds" and, together with the Multi-Family Housing Bonds and the Multi-Family Borrower Bonds, the "Bonds"); provided, however, that the aggregate amount of Bonds authorized to be issued shall not exceed Ninety-five Million Dollars ($95,000,000), and to make one or more loans to the Multi-Family Housing Borrower evidenced by one or more promissory notes from the Multi-Family Housing Borrower to the City (the "Multi-Family Housing Borrower Note") and to make a loan to the Senior Housing Borrower evidenced by a promissory note from the Senior Housing Borrower to the City (the "Senior Housing Borrower Note" and, together with the Multi-Family Housing Borrower Note, the "Notes"), as provided in this ordinance; and

WHEREAS, The Borrowers desire that the City issue, sell and deliver the Multi-Family Housing Bonds, the Multi-Family Borrower Bonds and the Senior Housing Bonds, respectively, to be issued under the terms and conditions of this ordinance and two (2) separate Trust Indentures with respect to (i) the Multi-Family Housing Bonds and the Multi-Family Borrower Bonds and (ii) the Senior Housing Bonds (together, the "Bond Indentures") to be entered into between the City and a trustee (the "Trustee") to be selected by the City Comptroller of the City (the "City Comptroller") or, if so designated and determined by the City Comptroller, the Chief Financial Officer of the City appointed by the Mayor (the City Comptroller, or if so designated and determined by the City Comptroller, the Chief Financial Officer, each being referred to herein as an "Authorized Officer"); and

WHEREAS, As further security for the Bonds (other than the Multi-Family Borrower Bonds), Fannie Mae, a corporation organized and existing under the Federal National Mortgage Association Charter Act ("Fannie Mae"), has agreed to provide credit enhancement by issuing two (2) direct pay irrevocable, transferable credit enhancement instruments in favor of the Trustee under each Bond Indenture (each a "Credit Facility" and together, the "Credit Facilities") in an amount respectively equal to the (i) principal amount of each series of Bonds (other than the Multi-Family Borrower Bonds) or that portion of the purchase price of each series of Bonds (other than the Multi-Family Borrower Bonds) equal to the principal amount of each series of Bonds (other than the Multi-Family Borrower Bonds), each

delivered for purchase pursuant to the terms of the respective Bond Indentures, and (ii) interest which would accrue on each series of Bonds (other than the Multi-Family Borrower Bonds) within the largest number of days required by any rating agency then rating each series of Bonds (other than the Multi-Family Borrower Bonds), at a rate not to exceed twelve percent (12%) per annum, respectively, under which the Trustee will be authorized to draw amounts necessary to pay the principal of and interest on each series of Bonds (other than the Multi-Family Borrower Bonds) when due; and

WHEREAS, To secure the reimbursement obligation of the Borrowers to Fannie Mae for draws on the Credit Facilities to pay, if necessary, principal of, premium, if any, and interest on each series of Bonds, the Borrowers will grant a first (1st) mortgage on each Development in favor of Fannie Mae; and

WHEREAS, The Multi-Family Housing Bonds and the Senior Housing Bonds, together with interest thereon, shall be a special, limited obligation of the City, payable respectively from the loan payments received by the City pursuant to (i) a Financing Agreement by and among the City, the Trustee and the Multi-Family Housing Borrower (the "Multi-Family Housing Borrower Financing Agreement"), (ii) a financing agreement by and among the City, the Trustee and the Senior Housing Borrower (the "Senior Housing Borrower Financing Agreement" and, together with the Multi-Family Housing Borrower Financing Agreement, the "Financing Agreements"), (iii) the related Notes, pursuant to which the Borrowers will each make loan payments sufficient to pay when due, the principal of, premium, if any, and interest on the respective series of Bonds, and (iv) the amounts paid by Fannie Mae under the respective Credit Facilities; and

WHEREAS, The Multi-Family Borrower Bonds, together with interest thereon, shall be a special, limited obligation of the City, payable from the loan proceeds received by the City pursuant to the related Note pursuant to which the Multi-Family Housing Borrower will make loan payments sufficient to pay when due the principle of, premium, if any, and interest on the Multi-Family Borrower Bonds; and

WHEREAS, As a condition to issuing the Credit Facilities, and in order to provide for the long-term financing of the Developments, the respective Borrowers and Fannie Mae have entered into one or more reimbursement agreements, pursuant to which Fannie Mae reserves the right to require the Borrowers to prepay a portion of the Borrowers' payments under the related Notes at the end of the construction period for their respective Development, based upon projections of debt service coverage achievable by the applicable Development at that time; and

WHEREAS, If a Borrower is required to prepay a portion of a Note in accordance with the terms of a reimbursement agreement, the amount of the Credit Facility securing the respective series of Bonds will be reduced, and a corresponding

amount of such Bonds will be converted in accordance with the terms of the related Bond Indenture into fixed rate multi-family housing bonds to be remarketed at the time of conversion to Newman & Associates, Inc. or another purchaser acceptable to the City; and

WHEREAS, The Bonds so converted and remarketed shall continue to be special, limited obligations of the City, payable from loan payments received by the City from the Borrowers, although not secured by the Notes or amounts paid under the related Credit Facility; and

WHEREAS, The Bonds and the obligation to pay interest thereon do not now and shall never constitute an indebtedness 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; and

WHEREAS, After the City held the necessary public hearings required by the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as supplemented and amended (the "Act"), to induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on November 28, 1990: (1) "Approval Of Tax Increment Redevelopment Plan And Redevelopment Project For Central Station Area Redevelopment Tax Increment Financing Project", (2) "Designation Of Central Station Area as Redevelopment Project Area Pursuant To Tax Increment Allocation Redevelopment Act", and (3) "Adoption Of Tax Increment Financing For Central Station Area Redevelopment Project" (collectively, the "Central Station Adoption Ordinance") (the redevelopment project area referred to above shall be referred to herein as the "Original Project Area"); and

WHEREAS, On August 3, 1994, the City Council determined that the Original Project Area should be expanded to include additional contiguous areas (the "Added Property" and, together with the Original Project Area, the "Expanded Project Area") pursuant to and in accordance with the Act; and

WHEREAS, In connection with the addition of the Added Property to the Original Project Area, the City held the necessary public hearings required by the Act and on August 3, 1994, by an ordinance duly adopted by the City Council on that date and entitled: "Approval And Adoption Of Tax Increment Redevelopment Project and Plan For Near South Redevelopment Project Area" (the "Near South Approval Ordinance"), the City approved the Expanded Area Redevelopment Project and Plan (as defined in the Near South Approval Ordinance) for the Expanded Project Area; and

WHEREAS, The City has, by an ordinance duly adopted by the City Council on August 3, 1994, and entitled: "Designation Of Near South Redevelopment Project

Area As Tax Increment Financing District" re-confirmed the designation of the Original Project Area and has designated the Expanded Project Area as a redevelopment project area as provided in the Act; and

WHEREAS, On August 3, 1994, by an ordinance duly adopted by the City Council on that date and entitled: "Adoption Of Tax Increment Financing For Near South Redevelopment Project Area" (the "Near South Adoption Ordinance", and, together with the Central Station Adoption Ordinance, as amended by the Near South Adoption Ordinance, the "Adoption Ordinance"), the City adopted tax increment allocation financing to pay redevelopment project costs (as defined in the Act) as set forth in the Expanded Area Redevelopment Project and Plan for the Expanded Project Area and directed that the allocation of ad valorem taxes arising from levies by taxing districts upon the taxable real property in the Expanded Project Area and tax rates be divided in accordance with the Act and as described in the Adoption Ordinance; and

WHEREAS, Each Development is located in the Expanded Project Area; and

WHEREAS, Each Development is necessary for the redevelopment of the Expanded Project Area; and

WHEREAS, The Borrowers and F.C.C.S. have proposed to undertake the redevelopment of the Developments in accordance with the Plan and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by the Borrowers, F.C.C.S. and the City to be financed in part by certain pledged incremental taxes deposited from time to time in the 1990 Central Station Tax Increment Redevelopment Area Special Tax Allocation Fund (as defined in the Adoption Ordinance) pursuant to Section 5/11-74.4-8(b) of the Act ("Incremental Taxes"); and

WHEREAS, The City Council has determined by this ordinance that it is necessary and in the best interests of the City to enter into the following documents:

(a) the Bond Indentures, providing for the security for and terms and conditions of the respective series of Bonds to be issued; and

(b) the Financing Agreements, each providing for the corresponding making of a mortgage loan by the City to the Borrowers, respectively, all for the purposes described above; and

(c) a bond purchase agreement (the "Bond Purchase Agreement") among the City, the Borrowers and the Underwriters (as defined below), providing for the sale of the Bonds and the preparation and circulation of a preliminary

official statement for the Bonds (the "Preliminary Official Statement") and an official statement for the Bonds (the "Official Statement"); and

(d) Tax Exemption Certificate and Agreement among the City and the Multi-Family Housing Borrower (the "Multi-Family Housing Borrower Bond Arbitrage Agreement"); and

(e) Tax Exemption Certificate and Agreement among the City and the Senior Housing Borrower (the "Senior Housing Borrower Bond Arbitrage Agreement" and, together with the Multi-Family Housing Borrower Arbitrage Agreement, the "Bond Arbitrage Agreements"); and

(f) a Regulatory Agreement and Declaration of Restrictive Covenants among the City, the Trustee and the Multi-Family Housing Borrower (the "Multi-Family Housing Borrower Regulatory Agreement"); and

(g) a Regulatory Agreement and Declaration of Restrictive Covenants among the City, the Trustee and the Senior Housing Borrower (the "Senior Housing Borrower Regulatory Agreement" and, together with the Multi-Family Housing Borrower Regulatory Agreement, the "Regulatory Agreements"); and

(h) an Assignment and Intercreditor Agreement among the City, the Trustee, and the Multi-Family Housing Borrower (the "Multi-Family Housing Borrower Assignment Agreement"); and

(i) an Assignment and Intercreditor Agreement among the City, the Trustee, and the Senior Housing Borrower (the "Senior Housing Borrower Assignment Agreement" and, together with the Multi-Family Housing Borrower Assignment Agreement, the "Assignment Agreements"); and

(j) a Redevelopment Agreement among the City, the Borrowers and F.C.C.S. with respect to the Developments (the "Redevelopment Agreement"); and

WHEREAS, There has been presented to this meeting of the members of the City Council forms of the following documents:

(a) the Bond Indentures, attached as Exhibits A-1 and A-2, respectively, and included in the related Bond Indenture is a form of the Bonds to be issued by the City; and

(b) the Bond Financing Agreements, attached as Exhibits B-1 and B-2, respectively, and included therein is a form of the Multi-Family Housing Borrower Note and the Senior Housing Borrower Note, respectively; and

(c) the Regulatory Agreements, attached as Exhibits C-1 and C-2, respectively; and

(d) the Assignment Agreements, attached as Exhibits D-1 and D-2, respectively; and

(e) the Redevelopment Agreement, attached as Exhibit E; 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. Findings And Determinations. The City Council hereby finds and determines that the delegations of authority that are contained in this ordinance, including the authority to make the specific determinations described herein, are necessary and desirable because the City Council cannot itself as advantageously, expeditiously or conveniently exercise such authority and make such specific determinations. Thus, authority is granted to the Mayor or an Authorized Officer to determine to sell the Bonds and on such terms as and to the extent such officers determine that such sale or sales is desirable and in the best financial interest of the City.

SECTION 3. Authorization Of Bonds. The issuance of the Multi-Family Housing Bonds in an aggregate principal amount of not to exceed Ninety Million Dollars ($90,000,000), the Multi-Family Borrower Bonds in an aggregate principle amount of not to exceed Fifteen Million Dollars ($15,000,000), and the issuance of the Senior Housing Bonds in an aggregate principal amount of not to exceed Ten Million Dollars ($10,000,000) is hereby authorized; provided, however, that the total aggregate original amount of the Bonds to be issued under this ordinance shall not exceed Ninety-five Million Dollars ($95,000,000). The aggregate principal amount of the Bonds to be issued shall be as set forth in the Notification of Sale referred to below.

The Bonds shall contain a provision that they are issued under authority of this ordinance. The Bonds shall not mature later than December 31, 2047. The Bonds shall bear interest at a rate that is in effect from time to time in accordance with the provisions set forth in the applicable Bond Indenture and payable on the interest payment date(s) as set forth in the applicable Bond Indenture, including, with respect to Bonds that are specially converted to a fixed interest rate following completion of construction in accordance with the terms set forth in the exhibit to

the Bond Indenture applicable to such Bonds. The Bonds shall be dated, shall be subject to redemption 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 respective Bond Indenture and the form of the Bonds therein. The interest rate on the Bonds is subject to adjustment in accordance with the terms of the respective Bond Indenture. The maximum interest rate on the Bonds shall be twelve (12) percent per year.

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

The Mayor and an Authorized Officer are each hereby authorized to execute and deliver the Bond Indentures on behalf of the City, such Bond Indentures to be in substantially the form attached hereto as Exhibits A-1 and A-2, respectively, and made a part hereof and hereby approved with such changes therein as shall be approved by the Mayor or an Authorized Officer executing the same, with such execution to constitute conclusive evidence of their approval and the City Council's approval of any changes or revisions from the form of the Bond Indentures attached to this ordinance.

The Mayor and an Authorized Officer are each hereby authorized to act as an authorized officer of the City for the purposes provided in the Bond Indenture.

The Mayor and an Authorized Officer are each hereby authorized to execute and deliver the Bond Financing Agreements on behalf of the City, such Bond Financing Agreements to be in substantially the forms attached hereto as Exhibits B-1 and B-2, respectively, and made a part hereof and hereby approved with such changes therein as shall be approved by the Mayor or an Authorized Officer executing the same, with such execution to constitute conclusive evidence of their approval and the City Council's approval of any changes or revisions from the forms of the Financing Agreements attached to this ordinance.

The Mayor and an Authorized Officer are each hereby authorized to execute and deliver the Regulatory Agreements on behalf of the City, such Regulatory Agreements to be in substantially the forms attached hereto as Exhibits C-1 and C-2, respectively, and made a part hereof and hereby approved with such changes therein as shall be approved by the Mayor or an Authorized Officer executing the same, with such execution to constitute conclusive evidence of their approval and the City Council's approval of any changes or revisions from the forms of the Regulatory Agreements attached to this ordinance.

The Mayor and an Authorized Officer are each hereby authorized to execute and deliver the Assignment Agreements on behalf of the City, such Agreements to be in

substantially the forms attached hereto as Exhibits D-1 and D-2, respectively, and made a part hereof and hereby approved with such changes therein as shall be approved by the Mayor or an Authorized Officer executing the same, with such execution to constitute conclusive evidence of their approval and the City Council's approval of any changes or revisions from the forms of the Assignment Agreements attached to this ordinance.

The Mayor or an Authorized Officer are each hereby authorized to execute and deliver one (1) or more Bond Arbitrage Agreements on behalf of the City, in substantially the form of tax 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, and the regulations promulgated thereunder (the "Code"), and with such other revisions in text as the Mayor or an 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 Bond Arbitrage Agreements by the Mayor or an Authorized Officer shall be deemed conclusive evidence of the approval of the City Council to the terms provided in the Bond Arbitrage Agreements.

SECTION 4. Security For The Bonds. 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 applicable Bond Indenture and are hereby appropriated for the purposes set forth in the applicable Bond Indenture. The right, title and interest of the City (except for certain rights to notice, indemnification, and reimbursement) in, to and under the Financing Agreements and the Notes, and the revenues to be derived by the City thereunder, will be assigned to the Trustee under the respective Bond Indentures. In addition, the payment of the principal of, premium, if any, and interest on the Multi-Family Housing Bonds and the Senior Housing Bonds, and the purchase price therefor will be secured by the applicable Credit Facility, provided, however, that the Multi-Family Housing Bonds converted to a fixed interest rate following construction and the Multi-Family Borrower Bonds shall not be secured by the applicable Note or a Credit Facility, but instead shall be secured solely as provided in the applicable exhibit to the Bond Indentures.

The Bonds, when issued and outstanding, will be a limited obligation of the City, payable solely as provided in the Bond Indentures. The Bonds and the interest thereon shall never constitute a debt or general obligation or a pledge of the faith, the credit or the taxing power of the City within the meaning of any constitutional or statutory provision of the State of Illinois.

The City shall not be liable on the Bonds, nor shall the Bonds be payable out of any funds of the City other than those pledged therefor pursuant to the terms of the Bond Indentures.

Nothing contained in this ordinance shall limit or restrict the subordination of the pledge of rights, proceeds and investment income as set forth in the Bond Indentures to the payment of any other obligations of the City enjoying a lien or claim on such rights, proceeds and investment income as of the date of issuance of the Bonds, including, without limitation, the Bonds converted to a fixed rate following completion of construction to the extent provided in the Bond Indenture, and all security documents entered into by the Borrowers with respect thereto, including, without limitation, the Reimbursement Agreements.

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 an Authorized Officer, subject to the terms and conditions of a bond purchase agreement related to the Bonds; provided, however, that the Multi-Family Borrower Bonds may be sold directly to the Multi-Family Housing Borrower at a price not less than par. An 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 with such other revisions in text as an Authorized Officer shall determine are necessary or desirable in connection with the sale of the Bonds. The execution of the Bond Purchase Agreement by an Authorized Officer shall be deemed conclusive evidence of the approval of the City Council to the terms provided in the Bond Purchase Agreement. The distribution of the Bond Preliminary Official Statement and the Bond 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 Bond Preliminary Official Statement or the Bond Official Statement except as specifically provided in the Bond Purchase Agreement executed by an Authorized Officer. The compensation paid to the Underwriters in connection with the sale of the Bonds shall not exceed three percent (3%) of their aggregate principal amount. In connection with the offer and delivery of the Bonds, an 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 effect 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.

The Multi-Family Housing Bonds specially converted to a fixed rate following completion of construction as set forth in the applicable Bond Indenture, if any, shall be remarketed directly to G.M.A.C. Commercial Holding Capital Corp. or another institutional investor acceptable to an Authorized Officer, and the Multi-Family Borrower Bonds shall be sold directly to an entity affiliated with the Borrower. No official statement will be prepared or delivered in connection with that remarketing or original sale.

SECTION 6. Notification Of Sale Of The Bonds. Subsequent to the sale of the Bonds, an 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 each series of Bonds sold, (ii) the identity of the Trustee, (iii) the initial interest rate on each series of Bonds, (iv) the identity of the Underwriters, and (v) the compensation paid to the Underwriters in connection with such sale. There shall be attached to such notification the final form of the Bond Indentures.

SECTION 7. Designation Of Borrowers And F.C.C.S. As Developers And Approval Of Redevelopment Agreement. The Borrowers and F.C.C.S. are each hereby designated as the developers for the Developments pursuant to Section 5/11-74.4-4 of the Act. The Commissioner (the "D.P.D. Commissioner") of the Department of Planning and Development of the City ("D.P.D.") or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver the Redevelopment Agreement in substantially 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, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement. The agreement on the part of the City to pay specified tax increment revenues derived from the Expanded Project Area to the Borrowers and F.C.C.S., provided in Section 4.03(b) of the Redevelopment Agreement, pursuant to the Act, is hereby approved in all respects.

(a) The City Council hereby finds that the City is authorized to issue its tax increment allocation revenue obligation in an aggregate maximum principal amount not to exceed Fourteen Million Dollars ($14,000,000) for the purpose of paying a portion of the eligible redevelopment project costs included within the Developments.

(b) There shall be borrowed for and on behalf of the City an amount not to exceed Fourteen Million Dollars ($14,000,000) for the payment of a portion of the eligible redevelopment project costs included within the Developments. The borrowing shall be evidenced by a note of the City in

an amount not to exceed Fourteen Million Dollars ($14,000,000) (the "T.I.F. Note"). The T.I.F. Note shall be issued and shall be designated City of Chicago, Cook County, Illinois Fourteen Million Dollars ($14,000,000) Tax Increment Allocation Revenue Note (Near South Redevelopment Project, Taxable Series A). The T.I.F. Note shall be dated as of the date of delivery thereof, shall bear the date of authentication, shall be in fully registered form, shall be in the denomination of the maximum outstanding principal amount thereof and shall become due and payable as provided therein.

(c) The T.I.F. Note shall mature not later than December 31, 2014 and shall bear interest at a variable interest rate not to exceed nine percent (9%) per annum from the date of the T.I.F. Note until the principal amount of the T.I.F. Note is paid or until maturity, with the exact rate to be determined by the City Comptroller as set forth in the Redevelopment Agreement, computed on the basis of a three hundred sixty (360) year and the actual number of days elapsed in any portion of a month in which interest is due. Interest on the T.I.F. Note shall be subject to federal income taxes. Accrued and unpaid interest on the T.I.F. Note shall compound as provided in the T.I.F. Note.

(d) The principal of and interest on the T.I.F. Note shall be paid by check or draft of the City Comptroller, as registrar and paying agent (the "Registrar") (or, at the City's sole election, by wire transfer of funds), payable in lawful money of the United States of America to the persons in whose name the T.I.F. Note is registered at the close of business on the fifteenth (15^{th}) day of the month immediately prior to the applicable payment date; provided, however, that the final installment of the principal and accrued but unpaid interest of the T.I.F. Note shall be payable in lawful money of the United States of America at the principal office of the Registrar or as otherwise directed by the City.

(e) The seal of the City shall be affixed to or a facsimile thereof printed on the T.I.F. Note, and the T.I.F. Note shall be signed by the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the City Clerk of the City, and in case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the T.I.F. Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

(f) The T.I.F. Note shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Registrar, as authenticating agent of the City for the T.I.F. Note, and

showing the date of authentication. The T.I.F. Note shall not 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 Registrar by manual signature, and such certificate of authentication upon the T.I.F. Note shall be conclusive evidence that the T.I.F. Note has been authenticated and delivered under this ordinance.

(g) The City shall cause books (the "Register") for the registration and for the transfer of the T.I.F. Note (to the extent such transfer is permitted under the Redevelopment Agreement) as provided in this ordinance to be kept at the principal office of the Registrar, which is hereby constituted and appointed the registrar of the City for the T.I.F. Note. The City is authorized to prepare, and the Registrar shall keep custody of, multiple T.I.F. Note blanks executed by the City for use in the transfer of the T.I.F. Note.

(h) Upon surrender for a transfer of the T.I.F. Note authorized under the Redevelopment Agreement at the principal office of the Registrar, duly endorsed by, or accompanied by (i) a written instrument or instruments of transfer in form satisfactory to the Registrar, (ii) an investment representation in form satisfactory to the City and duly executed by the registered owner or his attorney duly authorized in writing, (iii) the written consent of the City evidenced by the signature of the Commissioner (or his or her designee) on the instrument of transfer, and (iv) any deliveries required under the Redevelopment Agreement, the City shall execute and the Registrar shall authenticate, date and deliver in the name of any such authorized transferee or transferees a new fully registered T.I.F. Note of the same maturity, of authorized denomination, and for a like aggregate principal amount. The execution by the City of a fully registered T.I.F. Note shall constitute full and due authorization of such T.I.F. Note and the Registrar shall thereby be authorized to authenticate, date and deliver the Note, provided, however, that the principal amount of the T.I.F. Note authenticated by the Registrar shall not exceed the authorized principal amount of the Note less previous retirements. The Registrar shall not be required to transfer or exchange the T.I.F. Note during the period beginning at the close of business on the fifteenth (15^{th}) day of the month immediately prior to the maturity date of the T.I.F. Note nor to transfer or exchange the Note after notice calling the T.I.F. Note for redemption has been made, nor during a period of five (5) days next preceding mailing of a notice of redemption of principal of the T.I.F. Note. No beneficial interests in the T.I.F. Note shall be assigned, except in accordance with the procedures for transferring the T.I.F. Note described above.

(i) The person in whose name the T.I.F. Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of the T.I.F. Note shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the T.I.F. Note to the extent of the sum or sums so paid.

(j) No service charge shall be made for any transfer of the T.I.F. Note, but the City or the 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 of the T.I.F. Note.

(k) The principal of the T.I.F. Note shall be subject to determination, reduction and prepayment as provided in the form of the Note attached to the Redevelopment Agreement as (Sub)Exhibit M and as provided in the Redevelopment Agreement. As directed by the Commissioner, the Registrar shall proceed with redemptions without further notice or direction from the City.

(l) The Registrar shall note on the Payment Schedule attached to the T.I.F. Note the amount of any payment of principal or interest on the T.I.F. Note, including the amount of any redemption or prepayment, and the amount of any reduction in principal pursuant to the Redevelopment Agreement.

(m) The T.I.F. Note shall be prepared in substantially the form attached hereto as (Sub)Exhibit M to the Redevelopment Agreement.

(n) The T.I.F. Note hereby authorized shall be executed as provided in this ordinance and the Redevelopment Agreement and thereupon be deposited with the D.P.D. Commissioner, and be by said D.P.D. Commissioner delivered to F.C.C.S.

(o) Special Tax Allocation Fund. Pursuant to the Adoption Ordinance, the City has created a special fund, designated as the 1990 Central Station Tax Increment Redevelopment Area Special Tax Allocation Fund (the "Tax Allocation Fund"). The City Comptroller of the City is hereby directed to maintain the Tax Allocation Fund as a segregated interest-bearing account, separate and apart from the General Fund or any other fund of the City, with a bank which is insured by the Federal Deposit Insurance Corporation or its successor. Pursuant to the Adoption Ordinance, all incremental ad valorem taxes received by the City for the Expanded Project Area are to be deposited into the Tax Allocation Fund.

(p) Tax Allocation Fund Subaccounts. There is hereby created within the Tax Allocation Fund a special subaccount to be known as the "Central Station Area-Wide Account" (the "Central Station Area-Wide Account"). The City shall designate and deposit into the Central Station Area-Wide Account an amount equal to the incremental ad valorem taxes deposited into the Tax Allocation Fund attributable to increases in the equalized assessed value of the tax parcels comprising the Original Project Area (such amount, the "Central Station Area Available Incremental Taxes"). Subject to the terms and conditions of the Redevelopment Agreement, including the payment of the "Priorities" as such term is defined in Section 4.03(b) of the Redevelopment Agreement, the City shall use the incremental ad valorem taxes deposited in the Central Station Area-Wide Account to make payments with respect to the T.I.F. Note until the T.I.F. Note has been fully repaid. In the event that an event of default under the Redevelopment Agreement entitles the City to permanently terminate further payments of City Funds (as defined in the Redevelopment Agreement) with respect to the T.I.F. Note, the City may in its discretion, but subject to the terms and conditions of the Redevelopment Agreement and the documents executed by the City pursuant thereto, return the amounts in the Central Station Area-Wide Account established above that would otherwise be allocated to the payment of the T.I.F. Note to the Tax Allocation Fund of the City and the Central Station Area-Wide Account shall be closed.

(q) Pledge Of Area-Wide Account. The City hereby assigns, pledges and dedicates the Central Station Area-Wide Account, together with all amounts on deposit therein, to the payment of the principal of and interest, if any, on the T.I.F. Note when due under the terms of the Redevelopment Agreement, including specifically, but without limitation, Section 4.03 thereof. Upon deposit, the monies on deposit in the Central Station Area-Wide Account may be invested as hereinafter provided. Interest and income on any such investment shall be deposited in the Central Station Area-Wide Account. All monies on deposit in the Central Station Area-Wide Account shall be used to pay the principal of and interest on the T.I.F. Note, at maturity or upon payment or redemption prior to maturity, in accordance with its terms, which payments from the Central Station Area-Wide Account are hereby authorized and appropriated by the City. Upon payment of all amounts due under the T.I.F. Note and the Redevelopment Agreement in accordance with their terms (or the termination of the City's obligation to make such payments), the amounts on deposit in the Central Station Area-Wide Account, as applicable, shall be deposited in the Tax Allocation Fund of the City and the Central Station Area-Wide Account shall be closed.

(r) The T.I.F. Note is a special limited obligation of the City, and is payable solely from amounts on deposit in the Central Station Area-Wide

Account and shall be a valid claim of the registered owner thereof only against said source. The T.I.F. Note shall not be deemed to constitute an indebtedness or a loan against the general taxing powers or credit of the City, within the meaning of any constitutional or statutory provision. The registered owner of the T.I.F. Note shall not have the right to compel any exercise of the taxing power of the City, the State of Illinois or any political subdivision thereof to pay the principal of or interest on the T.I.F. Note.

(s) Monies on deposit in the Central Station Area-Wide Account may be invested as allowed under Section 2-32-520 of the Municipal Code of the City of Chicago (the "Municipal Code"). Each such investment shall mature on a date prior to the date on which said amounts are needed to pay the principal of or interest on the T.I.F. Note.

(t) Upon issuance, the T.I.F. Note shall have an initial principal balance equal to the Borrowers' and F.C.C.S.'s prior expenditures for T.I.F.-Funded Improvements (as such term is defined in the Redevelopment Agreement), taking into account any prior consideration for such T.I.F.-Funded Improvements in determining the balance of any previously issued T.I.F. Note(s), up to their respective maximum principal amounts. After issuance, the principal amount outstanding under the T.I.F. Note shall be the initial principal balance of the T.I.F. Note, as the same may be increased from time to time in accordance with the terms of the Redevelopment Agreement, plus interest thereon, minus any principal amount and interest paid on the T.I.F. Note and other reductions or adjustments in principal as are provided for in the Redevelopment Agreement.

(u) The Registrar shall maintain a list of the names and addresses of the registered owners from time to time of the T.I.F. Note and upon any transfer shall add the name and address of the new registered owner and eliminate the name and address of the transferor.

(v) The provisions of this ordinance shall constitute a contract between the City and the registered owners of the T.I.F. Note. All covenants relating to the T.I.F. Note are enforceable by the registered owners of the T.I.F. Note.

SECTION 8. Additional Authorization. The Mayor, an Authorized Officer, the City Treasurer, the D.P.D. Commissioner, the City Clerk and the Deputy City Clerk are each hereby authorized to execute and deliver such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the issuance and later remarketing of 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 an Authorized Officer may each designate another to act as their respective proxy and to affix their respective signatures to each Bond, whether in temporary or definitive form, and to any other instrument, certificate or document required to be signed by the Mayor or an Authorized Officer pursuant to this ordinance or the Bond Indentures. 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 an Authorized Officer, respectively. A written signature of the Mayor or an 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* 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 an Authorized Officer is so affixed to an instrument, certificate or document at the direction of that Authorized Officer in the specified manner, the same, in all respects, shall be as binding on the City as if signed by that 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. Waiver Of Certain Fees. In connection with the issuance of the Bonds by the City, the City shall waive those certain fees, if applicable, imposed by the City with respect to the Developments as more fully described in Exhibit F attached hereto. The Developments shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago. Given the applicable restrictions with respect to maximum rent and maximum income for the residents of the Developments which are imposed by the sources of financing for the Developments, including the Bonds, Section 2-44-090 of the Municipal Code of Chicago shall not apply to the Developments or to the property on which the Developments are or will be developed.

SECTION 12. Administrative Fees. The Department of Housing of the City ("D.O.H.") is hereby authorized to charge an administrative fee or fees in connection with the Developments and the issuance of the Bonds, which shall be collected under such terms and conditions as determined by the Commissioner of D.O.H.(the "D.O.H. Commissioner") and which shall be in an amount as determined by the D.O.H. Commissioner but not to exceed the maximum amount permitted under the Section 148 of the Code to avoid characterization of the Bonds as "arbitrage bonds" as defined in such Section 148. Such administrative

fee or fees shall be used by D.O.H. for administrative expenses and other housing activities.

SECTION 13. Replacement Of Borrowers. The replacement of either or both of the Borrowers pursuant to any document executed in connection with the financing of the Developments as contemplated herein or in the Redevelopment Agreement (the "Financing Documents") with any party to any of the Financing Documents (each a "Creditor") is hereby approved; provided, however, that any such replacement with a designee of any Creditor shall be subject to the prior approval of the D.O.H. Commissioner. This Section 13 shall not apply to any transfer of title to the Developments to a Creditor or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the applicable Financing or to any subsequent transfer by a Creditor following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the applicable Financing.

SECTION 14. 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 15. Inconsistent Provisions. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 16. 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 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 17. Publication. This ordinance shall be published by the City Clerk, by causing to be printed in special pamphlet form at least twenty-five (25) copies hereof, which copies are to be made available in his office for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this ordinance.

SECTION 18. Effective Date. This ordinance shall be in full force and effect from and after its adoption, approval by the Mayor and publication as provided herein.

Exhibits "A-1", "A-2", "B-1", "B-2", "C-1", "C-2", "D-1", "D-2", "E" and "F" referred to in this ordinance read as follows:

Exhibit "A-1".
(To Ordinance)

Form Of Multi-Family Housing Indenture.

TRUST INDENTURE

Between

CITY OF CHICAGO, COOK COUNTY, ILLINOIS

and

[TRUSTEE],
as Trustee

with respect to

CITY OF CHICAGO
$[Bond Principal Amount] VARIABLE RATE DEMAND
MULTI-FAMILY HOUSING REVENUE BONDS
(CENTRAL STATION MULTI-FAMILY PROJECT), SERIES 2004A

CITY OF CHICAGO
$[Borrower Bond Principal Amount]
MULTI-FAMILY HOUSING REVENUE BONDS
(CENTRAL STATION MULTI-FAMILY PROJECT), SERIES 2004B

Dated as of _____ 1, 2004.

This **TRUST INDENTURE**, dated as of _____ 1, 2004 (this "**Indenture**"), is by and 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 **[TRUSTEE]**, a national banking association duly organized, validly existing and ıthorized to accept the duties and obligations set out by virtue of the laws of the United States \merica and having its principal corporate trust office located in the City of Chicago, Illinois, ıstee (such trustee or any of its successors in trust being the "**Trustee**"). The meaning of ed terms used in this Indenture can be determined by reference to Article I of this Indenture.

RECITALS

A. Pursuant to Article VII, Section 6 of the 1970 Constitution of the State, and pursuant to the Bond 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 City of Chicago, which constitutes a valid public purpose for the issuance of revenue bonds by the Issuer; and

B. The Borrower have requested that the Issuer provide financing for the Mortgaged Property to be owned by the Borrower by issuing the Bonds and the Borrower Bonds and by using the Net Bond Proceeds to fund the Loan to the Borrower and the Borrower has agreed to secure its Loan by placing the Security Instrument on the Mortgaged Property.

C. The Issuer has determined that the issuance and sale of the Bonds and the Borrower Bonds and the application of the Net Bond Proceeds to fund the Loan will facilitate the financing of the Mortgaged Property and will accomplish a valid public purpose of the Issuer.

D. The Issuer has, pursuant to the Bond Ordinance, authorized (i) the issuance of the Bonds and the Borrower Bonds, both in the their respective Principal Amount, for the purpose of providing financing for the Mortgaged Property, (ii) the execution and delivery of this Indenture to establish the terms of the Bonds and the Borrower Bonds and the security for the Bonds and the Borrower Bonds, and (iii) the execution and delivery of the Financing Agreement to establish certain terms and conditions of the Loan.

E. By executing this Indenture, the Issuer is directing the deposit of the Net Bond Proceeds with the Trustee, to be used by the Trustee to fund the Loan to the Borrower. The proceeds of the Loan will be applied, together with other funds, to the financing of the Mortgaged Property.

F. The Issuer and the Trustee are concurrently entering into a Financing Agreement with the Borrower.

G. The Loan will be (i) made by the Issuer pursuant to the Financing Agreement, (ii) evidenced by the Note, (iii) secured by the Security Instrument and (iv) otherwise documented, evidenced and secured by the other Loan Documents.

H. The Credit Provider has agreed, subject to the satisfaction of certain conditions, to facilitate the financing of the Mortgaged Property by providing credit enhancement and liquidity support for the Bonds pursuant to the Credit Facility.

I. Pursuant to the Assignment, the Issuer will assign and deliver all of its right, title and interest in and to the Loan, including the Note, the Security Instrument and the other Loan Documents, to the Trustee and the Credit Provider, as their interests may appear.

J. The operation of the Mortgaged Property will be subject to the Regulatory Agreement.

K. The Issuer has determined that all things necessary to make the Bonds and the Borrower Bonds, when executed by the Issuer and authenticated by the Trustee and issued in accordance with this Indenture, the valid, binding and legal limited obligations of the Issuer and to constitute this Indenture a valid assignment and pledge of the Trust Estate as security for the payment of the principal of and interest and any premium on, the Bonds (except for the Borrower Bonds), have been done, and the creation, execution and delivery of this Indenture and the creation, execution and delivery of the Bonds and the Borrower Bonds, subject to the terms of this Indenture, have been duly authorized by the Issuer.

L. The Trustee has trust powers and the power and authority to enter into this Indenture, to accept trusts generally and to accept and execute the trust created by this Indenture; the Trustee has accepted the trust so created, and to evidence such acceptance, has joined in the execution of this Indenture.

GRANTING CLAUSES

To secure the payment of the principal of and interest and any premium on, and the purchase price of, the Bonds (other than Specially-Converted Bonds and Borrower Bonds) according to their tenor and effect, to secure, on a parity basis, all obligations owed to the Credit Provider under the Credit Facility Documents and the Loan Documents, and to secure the performance and observance by the Issuer of the covenants expressed or implied in this Indenture and in the Bonds, the Issuer absolutely and irrevocably pledges and assigns the property described in the following paragraphs (1) through (5) to the Trustee for the benefit of the Bondholders and to the Credit Provider, as their interests may appear, subject to the Assignment and the provisions of this Indenture permitting the application of such property for the purposes set forth in this Indenture:

(1) all right, title and interest of the Issuer in and to the Loan, including the Note, the Security Instrument and the other Loan Documents and in and to the Financing Agreement, reserving, however, the Reserved Rights;

(2) all rights to receive payments on the Note and under the other Loan Documents, including all proceeds of insurance or condemnation awards;

(3) all right, title and interest of the Issuer in and to the Revenues, the Net Bond Proceeds and the accrued interest, if any, derived from the sale of the Bonds, and all Funds and Accounts under this Indenture (including, without limitation, moneys, documents, securities, investments, Investment Income, instruments and general intangibles on deposit or otherwise held by the Trustee) but excluding all moneys in the Fees Account, the Rebate Fund and the Costs of Issuance Fund unless and to the extent funded with Net Bond Proceeds (including within such exclusion Investment Income retained in the Costs of Issuance Fund and the Rebate Fund);

(4) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time conveyed, mortgaged, pledged, assigned or transferred by delivery or by writing of any kind to the Trustee as additional security under this Indenture for the benefit of the Bondholders and the Credit Provider; and

(5) all of the proceeds of the foregoing, including, without limitation, Investments and Investment Income (except as excluded above);

TO HAVE AND TO HOLD unto the Trustee and the Credit Provider, as their interests may appear;

IN TRUST, NEVERTHELESS, upon the terms set forth in this Indenture for the equal and proportionate benefit, security and protection of (i) all Registered Owners of the Bonds, without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds, except as otherwise provided in this Indenture and (ii) the Credit Provider to secure the payment of all amounts owed to the Credit Provider under the Credit Facility Documents;

PROVIDED, FURTHER, HOWEVER, that if the Issuer or its successors or assigns pay or cause to be paid to the Registered Owners of the Bonds the principal of and interest and any premium to become due on the Bonds at the times and in the manner provided in this Indenture, and if no amount is owing by the Borrower to the Issuer or the Trustee under the Financing Agreement or to the Credit Provider under the Credit Facility Documents, and if the Issuer keeps, performs and observes, or causes to be kept, performed and observed, all of its covenants, warranties and agreements contained in this Indenture, this Indenture and the estate and rights granted by this Indenture shall terminate and be discharged in accordance with its terms, upon which termination the Trustee shall execute and deliver to the Issuer such instruments in writing as shall be necessary to satisfy the lien of this Indenture, and, in accordance with Article IX, shall reconvey to the Issuer any property at the time subject to the lien of this Indenture which may then be in the Trustee's possession, except amounts held by the Trustee for the payment of principal of and interest and any premium on the Bonds, or moneys held in the Rebate Fund for payment to the United States Government or moneys held in the Fees Account for the payment of accrued and unpaid Third-Party Fees and Fees and Expenses; otherwise this Indenture shall be and remain in full force and effect, upon the trusts and subject to the covenants and conditions set forth in this Indenture; and

FINALLY, all Bonds issued and secured under this Indenture are to be issued, authenticated and delivered, and all property, rights and interests, including, but not limited to, the amounts payable under the Financing Agreement and any other amounts assigned and pledged by this 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 Indenture, and the Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with the Registered Owners of the Bonds as set forth in this Indenture.

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. All capitalized terms used in this Indenture have the meanings given to those terms in this Section 1.1 or elsewhere in this Indenture unless the context clearly indicates a different meaning.

"**Account**" means an account established within a Fund.

"**Act of Bankruptcy**" means any proceeding instituted under the Bankruptcy Code or other applicable insolvency law by or against the Issuer.

"**Adjustment Date**" means any date on which the interest rate on the Bonds is adjusted to a different Mode or to a different Reset Rate. An Adjustment Date may only occur on an Interest Payment Date or, if such date is not a Business Day, the following Business Day. Any Reset Date, the Fixed Rate Adjustment Date and any date on which any Bonds are converted to Specially-Converted Bonds, are Adjustment Dates.

"**Advance**" means an advance made under the Credit Facility.

"**Affiliate**" as applied to any Person, means any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, partnership interests or by contract or otherwise.

"**Alternate Credit Facility**" means a letter of credit (whether or not so named), surety bond, insurance policy, standby bond purchase agreement, credit enhancement instrument, collateral purchase agreement, mortgage backed security or similar agreement, instrument or facility (other than the initial Credit Facility) provided in accordance with the Financing Agreement.

"**Alternate Credit Provider**" means the provider of an Alternate Credit Facility.

"**as their interests may appear**" means, with reference to any of the Assigned Rights, the respective interests, (exclusive of the Reserved Rights of the Issuer), of Fannie Mae and of the Trustee to such documents and rights as set forth in the Assignment.

"**Assigned Rights**" has the meaning given to that term in the Assignment.

"**Assignment**" means the Assignment and Intercreditor Agreement, dated as of the date of this Indenture, among the Issuer and the Trustee, and acknowledged and agreed to by the Borrower, with Fannie Mae, as the Initial Credit Provider and third-party beneficiary, as it may be amended, supplemented or restated from time to time.

"**Authorized Attesting Officer**" means the City Clerk of the Issuer, or such other officer or official of the Issuer who, in accordance with the laws of the State, or other governing documents of the Issuer (including the Bond Ordinance), or practice or custom, regularly attests or certifies official acts and records of the Issuer.

"**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, the Loan Servicer, the Construction Lender, the Credit Provider 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, the Loan Servicer, the Construction Lender and the Credit Provider) a written certificate revoking such person's authority to act in such capacity.

"**Authorized Construction Lender Representative**" means any Person from time to time designated to act on behalf of the Construction Lender by written certificate furnished to the Trustee and the Issuer containing the specimen signature of such Person and authorized to act by resolution or other appropriate action of the Board of Directors of the Construction Lender or by its bylaws. Such resolution or other appropriate action may designate an alternate or alternates who shall have the same authority, duties and powers as the Authorized Construction Lender Representative. The Trustee may conclusively presume that a Person designated in a written certificate filed with it as an Authorized Construction Lender Representative is an Authorized Construction Lender Representative until such time as such provider files with it and with the Issuer, the Loan Servicer and the Credit Provider a written certificate identifying a different Person or Persons to act in such capacity.

"**Authorized Denomination**" means (i) during any Weekly Variable Rate Period, $100,000 or any integral multiple of $5,000 in excess of $100,000, and (ii) during any Reset Period or the Fixed Rate Period, $5,000 or any integral multiple of $5,000.

"**Authorized Officer**" means the Mayor, the City Comptroller or, if so designated and determined by the City Comptroller, the Chief Financial Officer of the City appointed by the Mayor, or any other officer or employee of the City authorized to perform specific acts or duties under this Indenture by ordinance or resolution duly adopted by the City Council.

"**Available Moneys**" means, as of any date of determination, any of (i) the proceeds of the Bonds, (ii) remarketing proceeds received from the Remarketing Agent or any purchaser of Bonds

(other than funds provided by the Borrower, the Issuer, any Affiliate of either the Borrower or the Issuer or any guarantor of the Loan), (iii) moneys received by the Trustee pursuant to a draw on the Credit Facility, (iv) any other amounts, including the proceeds of refunding bonds, for which, in each case, the Trustee has received an Opinion of Counsel acceptable to each Rating Agency 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 544, 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code; and (v) the monies paid by the Credit Provider for the purchase of Bonds in lieu of redemption pursuant to Section 3.7; and (vi) Investment Income derived from the investment of moneys described in clause (i), (ii), (iii) or (iv).

"**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, for any Bond which is held by a nominee, the beneficial owner of such Bond.

"**BMA Index Rate**" means the rate published in The Bond Market Association Municipal Swap Index, produced by Municipal Market Data, a Thomson Financial Services Company, or its successors.

"**Bond**" or "**Bonds**" means the Issuer's Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004A, in the original aggregate principal amount of **$[BOND PRINCIPAL AMOUNT]**, but shall not include (i) Specially-Converted Bonds after their date of conversion to such Specially-Converted Bonds in accordance with Section 2.8(d) and (ii) Borrower Bonds until they are converted to Bonds in accordance with Section 2.19.

"**Bond Counsel**" means (i) on the Closing Date, the law firm or law firms delivering the approving opinion(s) with respect to the Bonds and the Borrower Bonds or (ii) after the Closing Date, any law firm selected by the Issuer and acceptable to the Credit Provider, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of the interest payable on bonds issued by states and political subdivisions.

"**Bond Documents**" means, collectively, the Assignment, the Bonds, the Bond Purchase Agreement, the Credit Facility, the Disclosure Agreement, the Financing Agreement, this Indenture, the Regulatory Agreement (and any other agreements relating to rental restrictions on the Mortgaged Property), the Remarketing Agreement, the Tax Certificate, any Tender Agent Agreement, and all other documents, instruments and agreements executed and delivered in connection with the issuance, sale, delivery and/or remarketing of the Bonds, as each such agreement or instrument may be amended, supplemented or restated from time to time. Any Forward Commitment Deposit Fee Instrument (as that term is defined in the Reimbursement Agreement) is not a Bond Document.

"**Bond Ordinance**" means the ordinance adopted by the Issuer on _____, 2004, authorizing and approving the issuance and sale of the Bonds and the execution and delivery of the Assignment, the Bond Purchase Agreement, the Financing Agreement, this Indenture, the Regulatory Agreement, the Tax Certificate and certain other documents, making certain appointments and determining certain details with respect to the Bonds.

"**Bond Purchase Agreement**" means the Composite Bond Purchase Agreement, dated as of _____, 2004, among the Underwriters, the Issuer and the Borrower.

"**Bond Purchase Fund**" means the Bond Purchase Fund created by Section 5.1.

"**Bond Register**" means the Bond Register maintained by the Trustee pursuant to Section 2.16.

"**Bondholder,**" "**holder,**" "**Owner,**" "**owner,**" "**Registered Owner**" or "**registered owner**" means, with respect to any Bond or Borrower Bond, the owner of the Bond or Borrower Bond, as the case may be, as shown on the Bond Register.

"**Bondholder Tender Notice**" means a written notice meeting the requirements of Section 4.1(a).

"**Book-Entry Bonds**" means that part of the Bonds for which a Securities Depository or its nominee is the Bondholder.

"**Book-Entry System**" means an electronic system in which the clearance and settlement of securities transactions is made through electronic book-entry changes.

"**Borrower**" means FC Central Station Residential, LLC, an Illinois limited liability company.

"**Borrower Bonds**" means the Issuer's Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004B that are issued to and held by the Borrower pursuant to this Indenture.

"**Borrower Bond Account**" means the Borrower Bond Account within the Revenue Fund created and established by Section 5.1.

"**Borrower Bond Trust Estate**" means the aggregate of the right, title, interests and privileges of the Issuer pledged, assigned and granted under Section 2.19 for the benefit, as provided in this Indenture, of the owners of the Borrower Bonds.

"**Borrower Default**" means a "Borrower Default" as defined under the Construction Phase Financing Agreement.

"**Borrower Documents**" means the Bond Documents to which the Borrower is a party, the Credit Facility Documents to which the Borrower is a party, the Construction Phase Credit Documents to which the Borrower is a party and the Loan Documents and all other documents to which the Borrower is a party and which are being executed and delivered by the Borrower in

connection with the transactions provided for in the Bond Documents, the Loan Documents and the Credit Facility Documents. Any Forward Commitment Deposit Fee Instrument (as that term is defined in the Reimbursement Agreement) is not a Borrower Document.

"**Business Day**" means any day other than (i) a Saturday or a Sunday, (ii) any day on which banking institutions located in the City of New York, New York or Chicago, Illinois are required or authorized by law or executive order to close, (iii) any day on which banking institutions located in the city or cities in which the Designated Office of the Trustee or the Remarketing Agent is located are required or authorized by law or executive order to close, (iv) prior to the Fixed Rate Adjustment Date, a day on which the New York Stock Exchange is closed, (v) on or after the Conversion Date, a day on which banking institutions located in the city in which the Designated Office of the Loan Servicer is located are required or authorized by law or executive order to close, or (vi) so long as a Credit Facility is in effect, any day on which the Credit Provider is closed.

"**Capitalized Moneys Account**" means the Capitalized Moneys Account of the Loan Fund.

"**Certificate of Borrower**" means the Certificate of Borrower dated as of the Closing Date, as it may be amended, supplemented or restated from time to time.

"**Closing Date**" means the date on which the Bonds are issued and delivered to or upon the order of the Underwriters.

"**Code**" means the Internal Revenue Code of 1986, as amended; each reference to the Code is deemed to include (i) any successor internal revenue law, and (ii) the applicable regulations whether final, temporary or proposed under the Code or such successor law. Any reference to a particular provision of the Code is deemed to include any successor provision of any successor internal revenue law and applicable regulations whether final, temporary or proposed under such provision or successor provision.

"**Completion Date**" means the date of the completion of the acquisition, construction, and equipping of the Mortgaged Property, as that date shall be certified as provided in Section 5.9 of the Financing Agreement.

"**Conditional Redemption**" has the meaning given to that term in Section 3.4.

"**Conditions to Conversion**" has the meaning given to that term in the Construction Phase Financing Agreement.

"**Construction Lender**" means GMAC Commercial Mortgage Corporation, a California corporation, subject to Section 8.10(c) which provides for the termination of all references to the Construction Lender from and after the Conversion Date.

"**Construction Lender's Fee**" means the fee paid to the Construction Lender in an amount equal to ____ percent (___%) of the Principal Amount of the Bonds Outstanding (excluding Borrower Bonds) per annum, calculated on a 30/360 basis and payable monthly in arrears from the Closing Date to the Conversion Date.

"**Construction Phase**" has the meaning given to that term in the Construction Phase Financing Agreement.

"**Construction Phase Credit Documents**" means, individually and collectively, the Construction Phase Financing Agreement, the Letter of Credit, the Construction Phase Reimbursement Agreement, the Construction Phase Loan Agreement, the Construction Phase Mortgage, and all other documents evidencing, securing or otherwise relating to the Letter of Credit, including all amendments, modifications, supplements and restatements of such documents.

"**Construction Phase Financing Agreement**" means the Construction Phase Financing Agreement, dated as of the date of this Indenture, among the Credit Provider, the Loan Servicer and the Construction Lender, as such agreement may be amended, modified, supplemented or restated from time to time.

"**Construction Phase Loan Agreement**" means the Construction Agreement, between the Construction Lender and the Borrower, as such agreement may be amended, modified, supplemented or restated from time to time.

"**Construction Phase Mortgage**" means the Construction Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date of this Indenture, executed by the Borrower in favor of the Construction Lender, as such mortgage may be amended, modified, supplemented or restated from time to time.

"**Construction Phase Reimbursement Agreement**" means the Construction Phase Reimbursement Agreement, dated as of the Closing Date, between the Borrower and the Construction Lender, as such agreements may be amended, modified, supplemented or restated from time to time.

"**Conversion**" means the conversion of the Loan from the Construction Phase to the Permanent Phase.

"**Conversion Date**" means the date of the Conversion of the Loan pursuant to the Construction Phase Financing Agreement.

"**Conversion Notice**" means a written notice by the Loan Servicer to the Issuer, the Trustee, the Borrower, the Construction Lender and the Credit Provider given on or before the Termination Date (i) stating that each of the Conditions to Conversion has been satisfied on or before the Termination Date or, if any Condition to Conversion has not been satisfied on or before the Termination Date, has been waived in writing by the Credit Provider on or before the Termination Date, (ii) specifying the Conversion Date, and (iii) providing the Schedule of Deposits to Principal Reserve Fund to be attached as an exhibit to the Reimbursement Agreement.

"**Costs of Issuance**" means:

(a) the fees, costs and expenses of (i) the Issuer, the Issuer's counsel and the Issuer's financial advisor, if any, (ii) the Underwriters (including discounts to the Underwriters or other purchasers of the Bonds, other than original issue discount, incurred in the issuance and sale of the Bonds) and the Underwriters' counsel, (iii) Bond Counsel, (iv) the Trustee and the Trustee's counsel, (v) the Loan Servicer and the Loan Servicer's counsel, if any, (vi) the Credit Provider and the Credit Provider's counsel, (vii) the Borrower's counsel and the Borrower's financial advisor, if any, (viii) the Rating Agency, and (ix) the Construction Lender and the Construction Lender's counsel;

(b) costs of printing the offering documents relating to the sale of the Bonds; and

(c) all other fees, costs and expenses directly associated with the authorization, issuance, sale and delivery of the Bonds, including printing costs, costs of reproducing documents, filing and recording fees, and any fees, costs and expenses required to be paid to the Loan Servicer in connection with the origination of the Loan.

"**Costs of Issuance Deposit**" means the deposit in the amount of $_____ to be made by the Borrower with the Trustee on the Closing Date to pay Costs of Issuance.

"**Costs of Issuance Fund**" means the Costs of Issuance Fund created by Section 5.1.

"**Costs of the Project**" means, to the extent authorized by the Code, the costs chargeable to the Mortgaged Property in accordance with generally accepted accounting principles, including, but not limited to, the costs of acquisition, construction, reconstruction, restoration, repair, alteration, improvement and extension (in any of such events, "**construction**") of any building, structure, facility or other improvement; stored materials for work in progress; the cost of machinery and equipment; the cost of the "Land" (as that term is defined in the Security Instrument), rights-in-lands, easements, privileges, agreements, franchises, utility extensions, disposal facilities, access roads and site development necessary or useful and convenient for the Mortgaged Property; financing costs, including, but not limited to, the Costs of Issuance, engineering and inspection costs; fees paid to the developer of the Mortgaged Property; organization, administrative, insurance, legal, operating, letter of credit and other expenses of the Borrower actually incurred prior to and during construction; and all such other expenses as may be necessary or incidental to the financing, acquisition, construction or completion of the Mortgaged Property or any part of it, including, but not limited to, the amount of interest expense incurred with respect to the Loan prior to the Completion Date; insurance premiums payable by the Borrower and taxes and other governmental charges levied on the Mortgaged Property and "**Costs of the Projects**" means the aggregate of the Costs of the Project for the Mortgaged Property.

"**Credit Facility**" means the Credit Enhancement Instrument, dated the Closing Date, issued by Fannie Mae to the Trustee, or any Alternate Credit Facility in effect at the time, as any such facility may be amended, supplemented or restated from time to time.

"**Credit Facility Account**" means the Credit Facility Account of the Revenue Fund.

"**Credit Facility Documents**" means the Reimbursement Agreement, the Certificate of Borrower, all Collateral Agreements (as that term is defined in the Security Instrument), the Construction Phase Financing Agreement, the Hedge Documents, the Hedge Security Agreement, the Hedge Reserve Escrow Account Security Agreement, the Operating Reserve Agreement, the Pledge Agreement and all other agreements and documents securing the Credit Provider or otherwise relating to the provision of the Credit Facility, as any such agreements may be amended, supplemented or restated from time to time. Any Forward Commitment Deposit Fee Instrument (as that term is defined in the Reimbursement Agreement) is not a Credit Facility Document.

"**Credit Provider**" means, so long as the initial Credit Facility is in effect, Fannie Mae, or so long as any Alternate Credit Facility is in effect, the Alternate Credit Provider then obligated under the Alternate Credit Facility.

"**Custodian**" means the custodian under the Pledge Agreement.

"**Designated Office**" of the Trustee, the Tender Agent, the Remarketing Agent or the Loan Servicer means, respectively, the office of the Trustee, the Tender Agent, the Remarketing Agent or the Loan Servicer at the respective address set forth in Section 13.4 or at such other address as may be specified in writing by the Trustee, the Tender Agent, the Remarketing Agent or the Loan Servicer, as applicable, as provided in Section 13.4.

"**Disclosure Agreement**" means the Continuing Disclosure Agreement, dated as of the date of this Indenture, by the Borrower and the Trustee.

"**DTC**" means The Depository Trust Company and any successor to it or any nominee of it.

"**DTC Participant**" has the meaning given to that term in Section 2.15(b).

"**Electronic Means**" means a facsimile transmission or any other electronic means of communication approved in writing by the Credit Provider and, with respect to any notice to come to the Issuer, any other electronic means (in addition to facsimile transmission) approved in writing by the Issuer.

"**Equity Account**" means the Equity Account created by Section 5.1.

"**Event of Default**" has the meaning given to that term in Section 10.1.

"**Extension Date**" means, with respect to an Alternate Credit Facility, the date which is five Business Days prior to the expiration date of the Alternate Credit Facility.

"**Extraordinary Items**" means, with respect to the Trustee, reasonable compensation for extraordinary services and/or reimbursement for reasonable extraordinary costs and expenses including reasonable fees and expenses of its counsel.

"**Facility Fee**" means the monthly fee owed to the Credit Provider by the Borrower pursuant to the Reimbursement Agreement, which during the Construction Phase is $_____ based on conditions in effect as of the Closing Date.

"**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 and assigns.

"**Fees Account**" means the Fees Account of the Revenue Fund.

"**Fees and Expenses**" means the fees, advances, out-of-pocket expenses, costs and other charges payable by the Borrower from time to time pursuant to Section 2.5(c) of the Financing Agreement.

"**Financing Agreement**" means the Financing Agreement, dated as of the date of this Indenture, among the Issuer, the Trustee and the Borrower, as amended, supplemented or restated from time to time.

"**Fixed Rate**" means the rate of interest borne by the Bonds as determined in accordance with Section 2.7; *provided, however,* that (i) with respect to Specially-Converted Bonds only, the Fixed Rate shall mean the rate of interest borne by the Specially-Converted Bonds as determined in accordance with ***Exhibit D***, and (ii) with respect to the Borrower Bonds only, the Fixed Rate shall mean the rate of interest borne by the Borrower Bonds as determined in accordance with Section 2.2.

"**Fixed Rate Adjustment Date**" means the date on which the interest rate on the Bonds adjusts from the Weekly Variable Rate or a Reset Rate to the Fixed Rate pursuant to Section 2.8.

"**Fixed Rate Period**" means the period beginning on the Fixed Rate Adjustment Date and ending on the Maturity Date.

"**Fund**" means any fund created by Section 5.1.

"**Government Obligations**" means direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, the full faith and credit of the United States of America.

"**Hedge Document**" has the meaning given that term in the Hedge Security Agreement.

"**Hedge Reserve Escrow Account Security Agreement**" means Hedge Reserve Escrow Account Security Agreement, among the Borrower, the Loan Servicer and Fannie Mae, entered into prior to or on the Conversion Date in the form attached as Exhibit A to the Reimbursement Agreement, as amended, supplemented or restated from time to time.

"**Hedge Security Agreement**" means the Hedge Security Agreement among the Borrower, the Loan Servicer and Fannie Mae, entered into prior to or on the Conversion Date in the form attached as Exhibit B to the Reimbursement Agreement.

"**Highest Rating Category**" has the meaning, with respect to an Investment, given in this definition. If the Bonds are rated by a Rating Agency, the term "Highest Rating Category" means, with respect to an Investment, that the Investment is rated by each Rating Agency in the highest rating given by that Rating Agency for that general category of security. If at any time the Bonds

are not rated (and, consequently, there is no Rating Agency), then the term "Highest Rating Category" means, with respect to an Investment, that the Investment is rated by S&P or Moody's in the highest rating given by that rating agency for that general category of security. By way of example, the Highest Rating Category for tax-exempt municipal debt established by S&P is "A-1+" for debt with a term of one year or less and "AAA" for a term greater than one year, with corresponding ratings by Moody's of "MIG-1" (for fixed rate) or "VMIG-1" (for variable rate) for three months or less and "Aaa" for greater than three months. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody's rate an Investment and (iii) one of those ratings is below the Highest Rating Category, then such Investment will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency. For example, an Investment rated "AAA" by S&P and "Aa3" by Moody's is rated in the Highest Rating Category. If, however, the lower rating is more than one full rating category below the Highest Rating Category of that rating agency, then the Investment will be deemed to be rated below the Highest Rating Category. For example, an Investment rated "AAA" by S&P and "A1" by Moody's is not rated in the Highest Rating Category.

"**Interest Account**" means the Interest Account of the Revenue Fund.

"**Interest Payment Date**" means (i) during any Weekly Variable Rate Period, the 15th day of each calendar month commencing **[August 15, 2004]**; (ii) during any Reset Period and during the Fixed Rate Period each January 15 and July 15 following the Adjustment Date; *provided* that the first Interest Payment Date during any such period may only occur on a date which is at least 30 days after the Adjustment Date, (iii) each Adjustment Date, (iv) for Bonds subject to redemption in whole or in part on any date, the date of such redemption, (v) the Maturity Date, and (vi) for all Bonds any date determined pursuant to Section 10.10(c).

"**Interest Requirement**" means (i) during the Weekly Variable Rate Period, 34 days interest on the Bonds at the Maximum Rate on the basis of a 365-or 366-day year, as applicable, for the actual number of days elapsed, and (ii) during a Reset Period or the Fixed Rate Period, 210 days interest at, respectively, the Reset Rate or the Fixed Rate, as the case may be, on the basis of a year of 360 days of twelve 30-day months; or, in the case of either (i) or (ii), such other number of days as may be required by the Rating Agency.

"**Investment**" means any Permitted Investment and any other investment held under this Indenture that does not constitute a Permitted Investment.

"**Investment Agreement**" means a Permitted Investment described in paragraph (g) of the definition of the term "Permitted Investments."

"**Investment Income**" means the earnings, profits and accreted value derived from the investment of moneys pursuant to Article VI.

"**Issuer Documents**" means the Assignment, the Bonds, the Financing Agreement, this Indenture, the Regulatory Agreement and the Tax Certificate.

"**Issuer's Fee**" means the Issuer's annual fee of .15% of the outstanding amount of (i) Bonds, (ii) Borrower Bonds and (iii) Specially-Converted Bonds payable by the Borrower under the Financing Agreement, provided, however, that the only portion of the Issuer's Fee payable from the Credit Facility shall correspond to the portion of the Issuer's Fee attributable to the Bonds (and not that portion attributable to the Borrower Bonds and the Specially-Converted Bonds).

"**Letter of Credit**" means the letter of credit or the guaranty to be issued and delivered by or on behalf of the Construction Lender pursuant to, and which satisfies all requirements of, the Construction Phase Financing Agreement, any amendment to the letter of credit or guaranty and any replacement letter of credit, and any confirmation of the Letter of Credit issued and delivered in accordance with the Construction Phase Financing Agreement.

"**Letter of Representations**" means when all the Bonds are Book-Entry Bonds, the Blanket Letter of Representations executed by the Issuer and delivered to the Securities Depository, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"**Loan**" means the loan made by the Issuer to the Borrower pursuant to the Financing Agreement for the purpose of providing funds to the Borrower to finance the acquisition and construction of its Mortgaged Property.

"**Loan Documents**" means, collectively, the Note, the Security Instrument and all other documents, agreements and instruments evidencing, securing or otherwise relating to the 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 Loan Document and neither document is secured by the Security Instrument.

"**Loan Fund**" means the Loan Fund created by Section 5.1.

"**Loan Servicer**" means the multifamily mortgage loan servicer designated from time to time by the Credit Provider.

"**Mandatory Tender Date**" means any date on which Bonds are required to be tendered pursuant to Section 4.2, including any Adjustment Date, Substitution Date, Extension Date or date specified by the Trustee as provided in Section 4.2(b).

"**Maturity Date**" means, (i) with respect to the Bonds, [_____] or in the event the Bonds are adjusted to the Fixed Rate Mode and a Sinking Fund Schedule is established, the maturity date of all serial Bonds, if any, and (ii), with respect to the Borrower Bonds, [_____].

"**Maximum Rate**" means 12 percent per annum; *provided, however*, that, with respect to the Bonds, the Maximum Rate may be increased not to exceed 20 percent per annum, if the Trustee receives (i) the written consent of the Credit Provider, the Issuer and the Borrower to a specified higher Maximum Rate not to exceed the lesser of the maximum rate permitted by law to be paid on the Bonds and the maximum rate chargeable on the Loan, (ii) an opinion of Bond Counsel to the effect that such higher Maximum Rate is permitted by law and will not adversely affect either the

validity of the Bonds or the exclusion of the interest payable on the Bonds from gross income for federal income tax purposes, and (iii) a new or amended Credit Facility in an amount equal to the sum of (A) the then outstanding principal amount of the Bonds and (B) the new Interest Requirement calculated using the new Maximum Rate.

"**Mode**" means any of the Weekly Variable Rate, the Reset Rate and the Fixed Rate.

"**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 the Credit Provider, that assigns credit ratings.

"**Mortgaged Property**" means the mortgaged property described in the Security Instrument, together with all facilities, improvements, fixtures and personal property (to the extent of the Borrower's interest therein) and located on such real property.

"**Net Bond Proceeds**" means the total proceeds derived from the issuance, sale and delivery of the Bonds and the Borrower Bonds, representing the total purchase price of the Bonds and Borrower Bonds, respectively, including any premium paid as part of the purchase price of the Bonds and Borrower Bonds, respectively, but excluding the accrued interest, if any, on the Bonds paid by the initial purchaser(s) of the Bonds and the Borrower Bonds, respectively.

"**Note**" means the Note (together with all addenda thereto) dated as of the date of this Indenture, executed by the Borrower in favor of the Issuer, as it may be amended, supplemented or restated from time to time or, any mortgage note executed in substitution therefor in accordance with the Bond Documents, as such substitute notes may be amended, supplemented or restated from time to time.

"**Note Interest**" has the meaning given to that term in the Note.

"**Operating Reserve and Security Agreement**" means the Operating Reserve and Security Agreement, dated as of the date of this Indenture, among the Borrower, the Loan Servicer, and the Credit Provider, as such agreement may be amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"**Opinion of Counsel**" means a written opinion of legal counsel, acceptable to the recipient(s) of such opinion. If the opinion is with respect to an interpretation of federal tax laws or regulations or bankruptcy matters, such legal counsel also must be an attorney or firm of attorneys experienced in such matters.

"**Outstanding**" means, when used with reference to the Bonds or the Borrower Bonds, as the case may be, at any date as of which the amount of Outstanding Bonds or Outstanding Borrower Bonds, as the case may be, is to be determined, all Bonds or Borrower Bonds, as the case may be, which have been authenticated and delivered under this Indenture except:

(a) Bonds or Borrower Bonds, as the case may be, cancelled or delivered for cancellation at or prior to such date;

(b) Bonds or Borrower Bonds, as the case may be, deemed to be paid in accordance with Article IX;

(c) Bonds or Borrower Bonds, as the case may be, in lieu of which others have been authenticated under Article II; and

(d) Specially-Converted Bonds.

In determining whether the owners of a requisite aggregate principal amount of Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of this Indenture, Bonds which are owned or held by or for the account of the Borrower and Pledged Bonds will be disregarded and deemed not to be Outstanding under this Indenture for the purpose of any such determination unless all Bonds are Pledged Bonds, Bonds owned or held by or for the account of the Borrower or a combination of Pledged Bonds and Bonds owned by or held for the account of the Borrower. In determining whether the Trustee will be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which are registered in the name of or known by the Trustee to be held for the account of the Borrower, including Pledged Bonds. Borrower Bonds shall for all purposes be regarded as Outstanding under this Indenture except as otherwise expressly provided in this Indenture.

"**Permitted Investments**" means, to the extent authorized by law for investment of moneys of the Issuer, the following:

(a) Government Obligations.

(b) Direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, any agency or instrumentality of the United States of America (other than the Federal Home Loan Mortgage Corporation) or direct obligations of the World Bank, which obligations are rated in the Highest Rating Category.

(c) Obligations, in each case rated in the Highest Rating Category, of (i) any state or territory of the United States of America, (ii) any agency, instrumentality, authority or political subdivision of a state or territory, or (iii) any public benefit or municipal corporation the principal of and interest on which are guaranteed by such state or political subdivision.

(d) Any written repurchase agreement entered into with a Qualified Financial Institution whose unsecured short-term obligations are rated in the Highest Rating Category.

(e) Commercial paper rated in the Highest Rating Category.

(f) Interest-bearing negotiable certificates of deposit, interest-bearing time deposits, interest-bearing savings accounts and bankers' acceptances, issued by a Qualified Financial Institution if either (A) the Qualified Financial Institution's unsecured short-term obligations are rated in the Highest Rating Category or (B) such deposits, accounts or acceptances are fully insured by the Federal Deposit Insurance Corporation.

(g) An agreement held by the Trustee for the investment of moneys at a guaranteed rate with (i) the Credit Provider, or (ii) a Qualified Financial Institution whose unsecured long-term obligations are rated in the Highest Rating Category or the Second Highest Rating Category, or whose obligations are unconditionally guaranteed or insured by a Qualified Financial Institution whose unsecured long-term obligations are rated in the Highest Rating Category or Second Highest Rating Category; *provided* that such agreement is in a form acceptable to the Credit Provider; and *provided further* that such agreement includes the following restrictions:

(2) the invested funds will be available for withdrawal without penalty or premium, at any time that (A) the Trustee is required to pay moneys from the Fund(s) established under this Indenture to which the agreement is applicable, or (B) any Rating Agency indicates that it will lower or actually lowers, suspends or withdraws the rating on the Bonds on account of the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement;

(3) the agreement, and if applicable the guarantee or insurance, is an unconditional and general obligation of the provider and, if applicable, the guarantor or insurer of the agreement, and ranks pari passu with all other unsecured unsubordinated obligations of the provider, and if applicable, the guarantor or insurer of the agreement;

(4) the Trustee receives an Opinion of Counsel, which may be subject to customary qualifications, that such agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and, if applicable, an Opinion of Counsel that any guaranty or insurance policy provided by a guarantor or insurer is legal, valid, binding and enforceable upon the guarantor or insurer in accordance with its terms; and

(5) the agreement provides that if during its term the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement, is withdrawn, suspended by any Rating Agency or falls below the Second Highest Rating Category, the provider must, within 10 days, either: (A) collateralize the agreement (if the agreement is not already collateralized) with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Trustee or a third-party custodian, such collateralization to be effected in a manner and in an amount sufficient to maintain the then current rating of the Bonds, or, if the agreement is already collateralized, increase the collateral with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Trustee or a third-party custodian, so as to maintain the then current rating of the Bonds, (B) at the request of the Trustee or the Credit Provider, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium unless required by law, or (C) transfer the agreement, guarantee or insurance, as applicable, to a replacement provider, guarantor or insurer, as applicable, then meeting the requirements of a Qualified Financial Institution and whose unsecured long-term obligations are then rated in the Highest Rating Category or the Second Highest Rating Category. The agreement may provide that the down-graded provider may elect which of the remedies to the down-grade (other than the remedy set out in (B)) to perform.

Notwithstanding anything else in this Paragraph (g) to the contrary and with respect only to any agreement described in this Paragraph or any guarantee or insurance for any such agreement which is to be in effect for any period after the Conversion Date, any reference in this Paragraph to the "Second Highest Rating Category" will be deemed deleted so that the only acceptable rating category for such an agreement, guarantee or insurance will be the Highest Rating Category.

(h) Subject to the ratings requirements set forth in this definition, shares in any money market mutual fund (including those of the Trustee or any of its Affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated AAAm-G or AAAm by S&P or Aaa by Moody's so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations. If approved in writing by the Credit Provider, a money market mutual fund portfolio may also contain obligations and agreements to repurchase obligations described in paragraphs (b) or (c). If the Bonds are rated by a Rating Agency, the money market mutual fund must be rated AAAm-G or AAAm by S&P, if S&P is a Rating Agency, or Aaa by Moody's, if Moody's is a Rating Agency. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the money market mutual fund must be rated AAAm-G or AAAm by S&P or Aaa by Moody's. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody's rate a money market mutual fund, and (iii) one of those ratings is below the level required by this paragraph, then such money market mutual fund will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency.

(i) Any other investment authorized by the laws of the State, if such investment is approved in writing by the Construction Lender, the Credit Provider and each Rating Agency.

Permitted Investments shall not include any of the following:

(6) Except for any investment described in the next sentence, any investment with a final maturity or any agreement with a term greater than one year from the date of the investment. This exception (1) shall not apply to any obligation that provides for the optional or mandatory tender, at par, by the holder of such obligation at least once within one year of the date of purchase, Government Obligations irrevocably deposited with the Trustee for payment of Bonds pursuant to Section 9.3, and Permitted Investments listed in paragraphs (g) and (i).

(7) Except for any obligation described in paragraph (a) or (b), any obligation with a purchase price greater or less than the par value of such obligation.

(8) Any asset-backed security, including mortgage-backed securities, real estate mortgage investment conduits, collateralized mortgage obligations, credit card receivable asset-backed securities and auto loan asset-backed securities.

(9) Any interest-only or principal-only stripped security.

(10) Any obligation bearing interest at an inverse floating rate.

(11) Any investment which may be prepaid or called at a price less than its purchase price prior to stated maturity.

(12) Any investment the interest rate on which is variable and is established other than by reference to a single index plus a fixed spread, if any, and which interest rate moves proportionately with that index.

(13) Any investment described in paragraph (d) or (g) with, or guaranteed or insured by, a Qualified Financial Institution described in clause (iv) of the definition of Qualified Financial Institution if such institution does not agree to submit to jurisdiction, venue and service of process in the United States of America in the agreement relating to the investment. and

(14) any investment to which S&P has added an "r" or "t" highlighter.

"**Person**" means a natural person, estate, trust, corporation, partnership, limited liability company, association, public body or any other organization or entity (whether governmental or private).

"**Pledge Agreement**" means the Pledged Bonds Custody and Security Agreement, dated as of the date of this Indenture, among the Borrower, the Trustee, as collateral agent for the Credit Provider, and the Credit Provider, as such agreement may be amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"**Pledge Agreement (Borrower Bonds)**" means the Pledged Bonds Custody and Security Agreement (Borrower Bonds) dated as of the date hereof, by and among the Borrower, [Trustee], as collateral agent for the Credit Provider and Fannie Mae, as such agreement may be amended, supplemented or otherwise modified from time to time.

"**Pledged Bonds**" means any Bond during the period from and including the date of its purchase by the Trustee on behalf of and as agent for the Borrower with the proceeds of an Advance under the Credit Facility, to, but excluding, the date on which the Pledged Bonds Advance made by the Credit Provider on account of such Pledged Bond is reinstated under the Credit Facility.

"**Potential Default**" means, as used in any Transaction Document, any event that has occurred which, with the giving of notice or the passage of time or both, would constitute an Event of Default as described in that document. Any "Potential Default" as described in any Transaction Document is not a "Potential Default" in any other Transaction Document unless that other Transaction Document specifically so provides.

"**Pre-Conversion Loan Equalization Payment**" has the meaning given to that term in the Note.

"**Preference Claim**" has the meaning given that term in Section 8.8.

"**Principal Amount**" means, with respect to the Bonds, $[**Bond Principal Amount**], the original principal amount of the Bonds on the Closing Date, and, with respect to the Borrower

Bonds, **$[Borrower Bond Principal Amount]**, the original principal amount of the Borrower Bonds.

"**Principal Reserve Amount**" means 20% of the principal amount of the Bonds Outstanding (other than the Borrower Bonds) immediately after the Conversion Date.

"**Principal Reserve Fund**" means the Principal Reserve Fund created by Section 5.1.

"**Principal Reserve Schedule**" means the Schedule of Deposits to Principal Reserve Fund attached to the Reimbursement Agreement, as such schedule may be amended, supplemented or restated from time to time.

"**Project Account**" means the Project Account created by Section 5.1

"**Project Account Requisition Certificate**" means a written requisition relating to the Project Account pursuant to Section 5.3(b).

"**Qualified Financial Institution**" means any of (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law or a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, (v) government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, (vi) securities dealer approved in writing by the Credit Provider the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (vii) any other entity which is acceptable to the Construction Lender and the Credit Provider. With respect to an entity which provides an agreement held by the Trustee for the investment of moneys at a guaranteed rate as set out in paragraph (g) of the definition of the term "Permitted Investments" or an entity which guarantees or insures, as applicable, the agreement, a "Qualified Financial Institution" may also be a corporation or limited liability company organized under the laws of any state of the United States of America.

"**Qualified Project Costs**" means Costs of the Project (excluding Costs of Issuance) incurred after the date which is 60 days prior to the adoption of the Bond Ordinance, 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 Mortgaged Property 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 the Mortgaged Property shall constitute a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all Costs of the Project; 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 Mortgaged Property is being constructed by an Affiliate

(whether as a general contractor or a subcontractor), "Qualified Project Costs" shall include only (a) the actual out-of-pocket costs incurred by such Affiliate in constructing the Mortgaged Property (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Affiliate, and (c) any overhead expenses incurred by the Affiliate of the Borrower which are directly attributable to the work performed on the Mortgaged Property, 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 Mortgaged Property of payments received by such Affiliate due to early completion of the Mortgaged Property (or any portion of it).

"**Rate Determination Date**" means (i) with respect to the Weekly Variable Rate, the Wednesday of each week, or if such Wednesday is not a Business Day the first Business Day before such Wednesday; *provided, however*, that upon any adjustment to the Weekly Variable Rate Mode from a Reset Rate, the first Rate Determination Date will be the Business Day prior to the Adjustment Date, and (ii) with respect to any Reset Rate and the Fixed Rate, the date selected by the Remarketing Agent which date must be a Business Day not less than five Business Days prior to the Adjustment Date.

"**Rating Agency**" means any nationally recognized statistical rating agency then maintaining a rating on the Bonds.

"**Rebate Analyst**" means a Person that is (i) qualified and experienced in the calculation of rebate payments under Section 148 of the Code and compliance with the arbitrage rebate regulations promulgated under the Code, (ii) chosen by the Borrower, and (iii) engaged for the purpose of determining the amount of required deposits, if any to the Rebate Fund.

"**Rebate Analyst's Fee**" means the annual continuing fee of the Rebate Analyst, if any, in the amount of $_____ for its rebate calculation services.

"**Rebate Fund**" means the Rebate Fund created by Section 5.1.

"**Record Date**" means, with respect to any Interest Payment Date, (i) if the Bonds bear interest at the Weekly Variable Rate, the Business Day before the Interest Payment Date, and (ii) if the Bonds bear interest at a Reset Rate or the Fixed Rate, the first day of the month in which the Interest Payment Date occurs.

"**Redemption Account**" means the Redemption Account of the Revenue Fund.

"**Redemption Date**" means any date upon which Bonds are to be redeemed pursuant to this Indenture.

"**Regulatory Agreement**" means the Regulatory Agreement and Declaration of Restrictive Covenants relating to the Mortgaged Property, dated as of the date of this Indenture, by the Issuer, the Trustee, and the Borrower, as the context may require, as each may be amended, supplemented or restated from time to time.

"**Reimbursement Agreement**" means the Reimbursement Agreement, dated as of the date of this Indenture, by the Credit Provider and the Borrower, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"**Remarketing Agent**" means **[NAME OF REMARKETING AGENT]** or any successor as Remarketing Agent designated in accordance with Section 4.3.

"**Remarketing Agent's Fee**" means the **[annual]** continuing fee of the Remarketing Agent for its remarketing services.

"**Remarketing Agreement**" means the Remarketing Agreement, dated as of the date of this Indenture by the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"**Remarketing Notice Parties**" means the Borrower, Issuer, Trustee, Tender Agent, Remarketing Agent, Construction Lender, Credit Provider and Loan Servicer.

"**Reserved Rights**" means those certain rights of the Issuer under the Financing Agreement 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 Mortgaged Property, 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 (including the rules and regulations of the Issuer, if any), and its right to give or withhold consent to amendments, changes, modifications and alterations to the Financing Agreement relating to the Reserved Rights.

"**Reset Date**" means any date upon which the Bonds begin to bear interest at a Reset Rate for the Reset Period then beginning.

"**Reset Period**" means each period of ten years or more selected by the Borrower, or such shorter period as may be selected by the Borrower with the prior written consent of the Credit Provider, during which the Bonds bear interest at a Reset Rate.

"**Reset Rate**" means the rate of interest borne by the Bonds as determined in accordance with Section 2.6.

"**Revenue Fund**" means the Revenue Fund created by Section 5.1.

"**Revenues**" means all (i) payments made under the Credit Facility, (ii) Investment Income (excluding Investment Income earned from moneys on deposit in the Principal Reserve Fund, the Rebate Fund, the Fees Account and the Costs of Issuance Fund, but including Investment Income earned on Net Bond Proceeds deposited into the Costs of Issuance Fund and Investment Income on such Investment Income), and (iii) payments made under the Note.

"**S&P**" means Standard & Poor's Credit Market Services Ratings Services, a Division of The McGraw-Hill Companies, Inc., 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 the Credit Provider, as assigns credit ratings.

"**Second Highest Rating Category**" means, with respect to an Investment, that the Investment is rated by each Rating Agency in the second highest rating category given by that Rating Agency for that general category of security. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the term "Second Highest Rating Category" means, with respect to an Investment, that the Investment is rated by S&P or Moody's in the second highest rating category given by that rating agency for that general category of security. By way of example, the Second Highest Rating Category for tax-exempt municipal debt established by S&P is "AA" for a term greater than one year, with corresponding ratings by Moody's of "Aa." If at any time (i) the Bonds are not rated, (ii) both S&P and Moody's rate an Investment, and (iii) one of those ratings is below the Second Highest Rating Category, then such Investment will not be deemed to be rated in the Second Highest Rating Category. For example, an Investment rated "AA" by S&P and "A" by Moody's is not rated in the Second Highest Rating Category.

"**Securities Depository**" means, initially, DTC and its successors and assigns, and any replacement securities depository appointed under this Indenture.

"**Security**" means the Trust Estate and the Credit Facility.

"**Security Instrument**" means the First Multifamily Mortgage Assignment of Rents, Security Agreement and Fixture Filing dated as of the date of this Indenture, together with all riders and exhibits, securing the Note and the obligations of the Borrower to the Credit Provider under the Credit Facility Documents, executed by the Borrower with respect to the Mortgaged Property, as the same has been amended or conformed to the Loan and as it may be amended, supplemented or restated from time to time, or any security instrument executed in substitution therefor, as such substitute security instruments may be amended, supplemented or restated from time to time.

"**Sinking Fund Payment**" means, as of any particular date of calculation, the amount required to be paid by the Issuer on a single future date for the retirement of Outstanding Bonds which mature after such future date, but excluding any amount payable by the Issuer by reason of the maturity of a Bond or by optional redemption at the election of the Issuer.

"**Sinking Fund Payment Date**" means any of the dates on which any of the Bonds matures or is subject to redemption through the application of Sinking Fund Payments as set out in a Sinking Fund Schedule.

"**Sinking Fund Schedule**" means a schedule of principal amounts of Bonds to mature or be subject to redemption through the application of Sinking Fund Payments on the specified dates and/or a schedule of principal amounts of Bonds maturing as serial Bonds.

"**Specially-Converted Bond Purchaser**" means GMAC Commercial Holding Capital Corp. or another purchaser of the Specially-Converted Bonds satisfactory to the Issuer.

"**Specially-Converted Bonds**" shall mean those Bonds which are converted to a Fixed Rate pursuant to Section 2.8(d) of this Indenture in lieu of mandatory redemption from amounts received as a result of Pre-Conversion Loan Equalization Payments in accordance with the terms of that Section 2.8(d) (and therefore, after such conversion, no longer fall within the definition of Bonds). Specially-Converted Bonds shall not be deemed to be Outstanding Bonds under the body of this Indenture, nor shall such Specially-Converted Bonds enjoy any of the rights or benefits afforded by the terms of this Indenture, including, without limitation, the Granting Clauses hereof, but instead shall be wholly governed solely by the provisions set forth in ***Exhibit D***, which is intended to establish, and has established, a trust estate for such Specially-Converted Bonds which is separate and distinct from the Trust Estate.

"**State**" means the State of Illinois.

"**Substitution Date**" means the date upon which an Alternate Credit Facility is to be substituted for the Credit Facility then in effect, which date must be an Interest Payment Date during a Weekly Variable Rate Period or an Adjustment Date which immediately follows a Reset Period.

"**Tax Certificate**" means the agreement entered into by the Borrower with respect to preserving the exclusion from federal income taxes of the interest paid on the Bonds or the Specially-Converted Bonds, as the context may require.

"**Tax Event**" has the meaning given to that term in Section 10.1(c).

"**Tender Agent**" means the Tender Agent named in Article XI or its successor as Tender Agent under this Indenture named in accordance with such Article.

"**Tender Agent Agreement**" means any Tender Agent Agreement entered into by the Issuer, the Trustee and the Tender Agent in the event that the Trustee does not serve as Tender Agent under this Indenture, as such agreement may be amended, supplemented or restated from time to time.

"**Tender Agent's Annual Fee**" means the **[annual]** continuing fee of the Tender Agent **[equal to ___% per annum of the principal amount of the Bonds Outstanding]** payable by the Borrower as provided in the Financing Agreement, computed and payable semiannually in **[ADVANCE/ARREARS]** on each Interest Payment Date.

"**Tender Date**" means any Mandatory Tender Date or any other date on which Bondholders are permitted under this Indenture to tender their Bonds for purchase.

"**Tendered Bond**" means any Bond which has been tendered for purchase pursuant to Sections 4.1 or 4.2.

"**Termination Date**" has the meaning given to that term in the Construction Phase Financing Agreement.

"**Third-Party Fees**" means the Issuer's Fee, the Rebate Analyst's Fee, the Remarketing Agent's Fees, the Tender Agent's Fee, the Trustee's Annual Fee, and (until the Conversion Date)

the Construction Lender's Fee. Neither the Fees and Expenses nor the Facility Fee is a Third-Party Fee.

"**Transaction Documents**" means the Bond Documents, the Loan Documents and the Credit Facility Documents.

"**Trust Estate**" means the property, interests, rights, money, securities and other amounts pledged and assigned pursuant to this Indenture and the property, rights, money, securities and other amounts pledged and assigned by the Issuer to the Trustee and the Credit Provider pursuant to the Assignment.

"**Trustee's Annual Fee**" means the annual continuing trust administration fee of the Trustee equal to ___% per annum of the principal amount of the Bonds Outstanding payable by the Borrower as provided in the Financing Agreement, computed and payable semiannually in **[ADVANCE/ARREARS]** on each Interest Payment Date.

"**UCC**" means the Uniform Commercial Code of the State as in effect now or in the future, whether or not such Uniform Commercial Code is applicable to the parties or the transactions.

"**Underwriters**" means _____ and _____.

"**Week**" means any seven-day period during a Weekly Variable Rate Period beginning on Thursday and ending on and including the following Wednesday; except that:

(a) the first Week will begin on the Closing Date and end on and include the following Wednesday;

(b) the first Week of a Weekly Variable Rate Period immediately following an Adjustment Date will begin on such Adjustment Date and end on and include the following Wednesday;

(c) any Week ending immediately before an Adjustment Date will begin on a Thursday and end on the day before such Adjustment Date;

(d) the final Week will begin on a Thursday and end on the earlier of an Adjustment Date or the Maturity Date; and

(e) the first and last Weeks of a Weekly Variable Rate Period may consist of more (but not more than 13) or less than 7 days.

"**Weekly Variable Rate**" means the variable rate of interest per annum for the Bonds determined from time to time during the Weekly Variable Rate Period in accordance with Section 2.5.

"**Weekly Variable Rate Period**" means the period commencing on the Closing Date or an Adjustment Date on which the interest rate on the Bonds is adjusted from the Reset Rate to the

Weekly Variable Rate and ending on the day preceding the following Adjustment Date or the Maturity Date.

"**Wrongful Dishonor**" means an uncured failure by the Credit Provider to make an Advance to the Trustee upon proper presentation of documents which conform to the terms and conditions of the Credit Facility.

Section 1.2 Rules of Construction. The rules of construction set forth in this Section 1.2 apply to this Indenture.

(a) The singular form of any word includes the plural, and vice versa, unless the context otherwise requires. The use of a pronoun of any gender includes correlative words of the other genders.

(b) All references to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or other subdivisions of this Indenture; and the words "in this Indenture," "of this Indenture," "under this Indenture" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision.

(c) Any captions, headings or titles of the several Articles, Sections and other subdivisions, and the table of contents are solely for convenience of reference and do not limit or otherwise affect the meaning, construction or effect of this Indenture or describe the scope or intent of any provision.

(d) All accounting terms not otherwise defined 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," "direction" or similar action under this Indenture by any party must be in writing and signed by a duly authorized representative of such party with a duly authorized signature.

(f) All references in this Indenture to "counsel fees," "attorneys' fees" or the like mean and include fees and disbursements allocable to in-house or outside counsel, whether or not suit is instituted, and including fees and disbursements preparatory to and during trial and appeal and in any bankruptcy or arbitration proceedings.

(g) Whenever the word "includes" or "including" is used, such word means "includes or including by way of example and not limitation."

ARTICLE II
THE BONDS AND THE BORROWER BONDS

Section 2.1 Authorized Amount of Bonds. No Bonds may be issued under this Indenture except as provided in this Article. The total principal amount of Bonds that may be issued and outstanding under this Indenture is expressly limited to the Principal Amount.

Section 2.2 **Issuance of Bonds**. The Bonds and the Borrower Bonds are authorized to be issued pursuant to and in accordance with this Indenture, substantially in the form set forth in ***Exhibit A*** and ***Exhibit B***, respectively, each as attached to this Indenture with such appropriate variations, legends, omissions and insertions as permitted by this Indenture. The Bonds and the Borrower Bonds shall (i) be designated "Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004A", and "Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004B", respectively, (ii) be issued in their respective Principal Amount, (iii) be dated the Closing Date, (iv) bear interest, with respect to the Bonds, from the Closing Date at the rate or rates determined as provided in Sections 2.5, 2.6, and 2.7, and, bear interest, with respect to the Borrower Bonds, at ___% per annum computed on the basis of a year of 360 days of twelve 30 day months, payable on each Interest Payment Date, and (v) mature on their respective Maturity Date, subject to prior redemption as provided in Article III. The Bonds and the Borrower Bonds shall be issued as registered bonds without coupons in Authorized Denominations. The Bonds and the Borrower Bonds, as the cased may be, shall be numbered consecutively from R-1 upwards.

Notwithstanding the above, in the event that the Borrower Bonds become Bonds pursuant to the provisions of Section 2.19, the amount of Bonds authorized to be Outstanding shall be increased at such time in an amount equal to the aggregate principal amount of Borrower Bonds which become Bonds.

Section 2.3 **Payment of Principal and Interest**. Subject to Section 2.19 with respect to Borrower Bonds, the principal of and the interest and any premium on the Bonds and the Borrower Bonds are payable in lawful money of the United States of America to the Registered Owners at the close of business on the applicable Record Date. Payment of interest on the Bonds and the Borrower Bonds, as the case may be, shall be made on each Interest Payment Date by check drawn upon the Trustee and mailed by first class mail, postage prepaid, to the addresses of the Registered Owners as they appear on the Bond Register or to such other address as may be furnished in writing by any Registered Owner to the Trustee prior to the applicable Record Date. Payment of the principal of any Bond or Borrower Bond, as the case may be, and premium, if any, together with interest (other than interest payable on a regularly scheduled Interest Payment Date) shall be made by check only upon presentation and surrender of the Bond or the Borrower Bond, as the case may be, on or after its maturity date or date fixed for purchase, redemption or other payment at the office of the Trustee designated for that purpose. Notwithstanding the foregoing, payment of principal of and interest and any premium on any Bond shall be made by wire transfer to any account within the United States of America designated by a Registered Owner owning $1,000,000 or more in aggregate principal amount of Bond if a written request for wire transfer in form and substance satisfactory to the Trustee is delivered to the Trustee by any such Registered Owner not less than five Business Days prior to the applicable payment date. A request for wire transfer that specifies that it is effective with respect to all succeeding payments of principal, interest and any premium will be so effective unless and until rescinded in writing by the Registered Owner at least five Business Days prior to a Record Date. If interest on the Bonds is in default, the Trustee, prior to the payment of interest, shall establish a special

record date ("**Special Record Date**") for such payment. A Special Record Date may not be more than 15 nor less than ten days prior to the date of the proposed payment. Payment of defaulted interest shall then be made by check or wire transfer, as permitted above, mailed or remitted to the Registered Owners in whose names the Bonds are registered on the Special Record Date.

Section 2.4 Limited Obligations. The Bonds and the Borrower Bonds are limited obligations of the Issuer, payable solely, with respect to the Bonds, from the Security and, with respect to the Borrower Bonds, from the Borrower Bond Trust Estate. The Bonds and the Borrower Bonds, together with premium, if any, and interest thereon, do not constitute an indebtedness, liability, general or moral obligation or a pledge of the 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. Neither the Issuer, the State nor any political subdivision thereof shall be obligated to pay the principal of, premium, if any, or interest on the Bonds or the Borrower 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 the Borrower Bonds or other costs incident thereto. The Bonds and the Borrower 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 2.5 Weekly Variable Rate Mode.

(a) **Weekly Variable Rate.** Except during a Reset Period or a Fixed Rate Period, the Bonds shall bear interest at the Weekly Variable Rate, determined from time to time pursuant to Section 2.5(b). During the Weekly Variable Rate Period, interest shall accrue on the basis of a 365- or 366-day year, as applicable, for the actual number of days elapsed.

(b) **Determination of Weekly Variable Rate.** During each Weekly Variable Rate Period, the Remarketing Agent shall determine the Weekly Variable Rate for each Week not later than 4:00 p.m. Eastern time on each Rate Determination Date. The Weekly Variable Rate shall be the minimum rate of interest necessary, in the professional judgment of the Remarketing Agent, taking into consideration prevailing market conditions, to enable the Remarketing Agent to remarket all of the Bonds on the applicable Rate Determination Date at par plus accrued interest on the Bonds for that Week. The Weekly Variable Rate so determined shall be effective for the Week for which such rate was determined. The Remarketing Agent shall provide notice of the Weekly Variable Rate before 5:00 p.m. Eastern time on the Rate Determination Date by telephone to any Beneficial Owner upon request and to the Trustee, the Loan Servicer and Construction Lender, and not later than the next Business Day to the other Remarketing Notice Parties by Electronic Means. The Weekly Variable Rate so determined by the Remarketing Agent will be conclusive and binding upon the Remarketing Notice Parties and the Registered Owners.

Section 2.6 Reset Rate Mode.

(a) **Reset Rate.** During any Reset Period, the Bonds shall bear interest at the Reset Rate determined pursuant to Section 2.6(b) for such Reset Period. During each Reset Period, interest shall accrue on the basis of a year of 360 days of twelve 30-day months.

(b) **Determination of Reset Rate.** The Remarketing Agent shall determine the Reset Rate not later than 4:00 p.m. Eastern time on the applicable Rate Determination Date. The Reset Rate shall be the minimum rate of interest necessary, in the professional judgment of the Remarketing Agent, taking into consideration prevailing market conditions, to enable the Remarketing Agent to remarket all of the Bonds on the applicable Rate Determination Date at par for the applicable Reset Period. The Remarketing Agent will provide notice of the Reset Rate before 5:00 p.m. Eastern time on the Rate Determination Date by telephone to any Beneficial Owner upon request and to the Trustee and the Loan Servicer and Construction Lender, and not later than the next Business Day to the other Remarketing Notice Parties by Electronic Means. The Reset Rate so determined by the Remarketing Agent will be conclusive and binding upon the Remarketing Notice Parties and the Registered Owners.

Section 2.7 Fixed Rate Mode.

(a) **Fixed Rate.** During the Fixed Rate Period, the Bonds shall bear interest at the Fixed Rate determined pursuant to Section 2.7(b). During the Fixed Rate Period, interest shall accrue on the basis of a year of 360 days of twelve 30-day months.

(b) **Determination of Fixed Rate.** The Remarketing Agent shall determine the Fixed Rate not later than 4:00 p.m. Eastern time on the applicable Rate Determination Date. The Fixed Rate shall be the minimum rate of interest necessary, in the professional judgment of the Remarketing Agent, taking into consideration prevailing market conditions, to enable the Remarketing Agent to remarket all of the Bonds on the Rate Determination Date at par for the Fixed Rate Period. The Remarketing Agent shall provide notice of the Fixed Rate before 5:00 p.m. Eastern time on the Rate Determination Date by telephone to the Loan Servicer and Construction Lender, and not later than the next Business Day to the other Remarketing Notice Parties by Electronic Means. The Fixed Rate so determined by the Remarketing Agent will be conclusive and binding upon the Remarketing Notice Parties and the Registered Owners.

Section 2.8 Mode Adjustments.

(a) **Adjustment to Reset Rate from Weekly Variable Rate or from prior Reset Rate.** At the option of the Borrower, the interest rate on all Outstanding Bonds may be adjusted on any Interest Payment Date from the Weekly Variable Rate to a Reset Rate for a Reset Period of ten years or more selected by the Borrower, or such shorter period as may be selected by the Borrower with the prior written consent of the Credit Provider. Any Reset Period must end immediately before an Interest Payment Date. In addition, the interest rate on all Outstanding Bonds may be adjusted from a prior Reset Rate to a new Reset Rate on the Adjustment Date immediately following the Reset Period then in effect. Each such adjustment is subject to satisfaction of the following conditions precedent:

(1) not less than 45 days before the proposed Reset Date, the Borrower delivers (A) written notice to the other Remarketing Notice Parties of the proposed adjustment and designating the proposed Reset Date and the duration of the Reset Period to commence on such Reset Date, and (B) the written preliminary consent of the Credit Provider to such adjustment which consent may be subject to the satisfaction of conditions prior to such adjustment;

(2) not less than 30 days before the proposed Reset Date, the Trustee gives written notice to the Bondholders by first class mail, postage prepaid, stating: (A) the proposed Reset Date; (B) that from and after the proposed Reset Date, if the conditions specified in this Indenture to such adjustment are satisfied, the Bonds will bear interest at a Reset Rate (which rate need not be stated); and (C) that all Bonds are subject to mandatory tender and purchase on the proposed Reset Date, whether or not such conditions are satisfied, and no holder of any Bond shall have the right to elect to retain such Bond;

(3) on or prior to the proposed Reset Date, the Borrower delivers (A) to the Trustee and the Loan Servicer, written notice from the Credit Provider consenting to the adjustment to the Reset Rate, together with confirmation that the Credit Facility will be sufficient in amount and term to satisfy the requirements of Section 2.9, and (B) to the other Remarketing Notice Parties, an opinion of Bond Counsel to the effect that the adjustment of the interest rate on the Bonds to the Reset Rate is authorized and permitted by this Indenture and the laws of the State, and will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds; and

(4) on or prior to the proposed Reset Date, the Remarketing Agent has given notice pursuant to Section 4.3(d) to the effect that all Outstanding Bonds have been remarketed for the Reset Period at the Reset Rate determined pursuant to Section 2.6(b).

(b) **Adjustment from Reset Rate to Weekly Variable Rate.** At the option of the Borrower, the interest rate on all Outstanding Bonds may be adjusted from a Reset Rate to the Weekly Variable Rate on the day following the last day of a Reset Period. Each such adjustment is subject to the satisfaction of the following conditions precedent:

(1) not less than 45 days before the proposed Adjustment Date, the Borrower delivers (A) written notice to the other Remarketing Notice Parties electing the proposed adjustment, and (B) the written preliminary consent of the Credit Provider to such adjustment which consent may be subject to the satisfaction of conditions prior to such adjustment;

(2) not less than 30 days before the proposed Adjustment Date, the Trustee gives written notice to the Bondholders by first class mail, postage prepaid, stating: (A) the proposed Adjustment Date; (B) that from and after the proposed Adjustment Date, if the conditions specified in this Indenture to such adjustment are satisfied, the Bonds will bear interest at the Weekly Variable Rate (which rate need not be stated); and (C) that all Bonds are subject to mandatory tender and purchase on the proposed

Adjustment Date, and that no holder of any Bond will have the right to elect to retain such Bond;

(3) on or prior to the proposed Adjustment Date, the Borrower delivers (A) to the Trustee and the Loan Servicer written notice from the Credit Provider consenting to the adjustment to the Weekly Variable Rate, together with confirmation that the Credit Facility will be sufficient in amount and term to satisfy the requirements of Section 2.9, and (B) to the other Remarketing Notice Parties, an opinion of Bond Counsel to the effect that the adjustment of the interest rate on the Bonds to the Weekly Variable Rate is authorized and permitted by this Indenture and the laws of the State, and will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds; and

(4) on or prior to the proposed Adjustment Date, the Remarketing Agent has given notice pursuant to Section 4.3(d) to the effect that all Outstanding Bonds have been remarketed for the first Week of the Weekly Variable Rate Period at the Weekly Variable Rate determined pursuant to Section 2.5(b).

(c) **Adjustment to Fixed Rate**. At the option of the Borrower, the interest rate on all Outstanding Bonds may be adjusted to the Fixed Rate (i) from the Weekly Variable Rate on any Interest Payment Date designated by the Borrower, or (ii) from a Reset Rate (A) on the day following the last day of any Reset Period or (B) on any Interest Payment Date during a Reset Period on which the Bonds are subject to redemption pursuant to Section 3.2(a) at par without any premium. Such adjustment is subject to the satisfaction of the following conditions precedent:

(1) not less than 45 days before the proposed Fixed Rate Adjustment Date, the Borrower deliver (A) written notice to the other Remarketing Notice Parties designating the proposed Fixed Rate Adjustment Date, and (B) the written preliminary consent of the Credit Provider to such adjustment which consent may be subject to the satisfaction of conditions prior to such adjustment;

(2) not less than 30 days before the proposed Fixed Rate Adjustment Date, the Trustee gives written notice to the Bondholders by first class mail, postage prepaid, stating the following: (A) the proposed Fixed Rate Adjustment Date; (B) that from and after the proposed Fixed Rate Adjustment Date, if the conditions specified in this Indenture to such adjustment are satisfied, the Bonds will bear interest at the Fixed Rate (which rate need not be stated); and (C) that all Bonds are subject to mandatory tender and purchase on the proposed Fixed Rate Adjustment Date, whether or not such conditions are satisfied and no holder of any Bond(s) will have the right to elect to retain its Bonds;

(3) on or prior to the proposed Fixed Rate Adjustment Date, the Borrower deliver: (A) to the Trustee, either (1) written notice from the Credit Provider consenting to the adjustment to the Fixed Rate, together with confirmation that the Credit Facility will be sufficient in amount and term to satisfy the requirements of Section 2.9, or (2) a written waiver from the Issuer of the requirement for a Credit Facility during the Fixed

Rate Period so long as the Credit Facility then in effect remains in effect for the mandatory tender of the Bonds on the proposed Fixed Rate Adjustment Date (which waiver will acknowledge that the Rating Agency has been notified not less than ten days prior to the Fixed Rate Adjustment Date that the Credit Facility will be terminated on the Fixed Rate Adjustment Date); and (B) to the other Remarketing Notice Parties, an opinion of Bond Counsel to the effect that the adjustment of the interest rate on the Bonds to the Fixed Rate is authorized and permitted by this Indenture and the laws of the State, and will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds;

(4) on or prior to the proposed Fixed Rate Adjustment Date, the Remarketing Agent has given notice pursuant to Section 4.3(d) to the effect that all Outstanding Bonds have been remarketed for the Fixed Rate Period at the Fixed Rate determined pursuant to Section 2.7(b); and

(5) on or prior to the proposed Fixed Rate Adjustment Date (A) the Issuer, at the written direction of the Borrower and with the prior written consent of the Credit Provider, establishes a Sinking Fund Schedule, (B) the Issuer, the Trustee and the Credit Provider receive an opinion of Bond Counsel to the effect that establishing a Sinking Fund Schedule will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds, and (C) the Note is amended, with the prior written consent of the Credit Provider, to provide for principal amortization of the Loan consistent with the Sinking Fund Schedule.

(d) **Adjustment to Specially-Converted Bonds.** In lieu of a mandatory redemption of a portion of the Outstanding Bonds arising from a Pre-Conversion Loan Equalization Payment, at the option of the Borrower, that portion of the Outstanding Bonds that would be subject to such a Pre-Conversion Loan Equalization Payment mandatory redemption, may be converted to Specially-Converted Bonds bearing interest at a Fixed Rate (i) from the Weekly Variable Rate on any Interest Payment Date designated by the Borrower, or (ii) from a Reset Rate (A) on the day following the last day of any Reset Period or (B) on any Interest Payment Date during a Reset Period on which Bonds would otherwise be subject to redemption by exercise of the provisions of Section 3.3(e) (assuming that the Borrower did not elect to exercise its options under this Section 2.8(d)). In any event, the election by the Borrower to convert a portion of the Bonds to Specially-Converted Bonds under this Section 2.8(d) must be made, and such conversion completed, on or prior to the date that the Bonds would otherwise be subject to mandatory redemption pursuant to Section 3.3(e) of this Indenture. Any Bonds converted to Specially-Converted Bonds under this Section 2.8(d) shall not be deemed to be Outstanding Bonds under the body of this Indenture, nor shall such Specially-Converted Bonds enjoy any of the rights or benefits afforded by the terms of this Indenture, including, without limitation, the Granting Clauses hereof, but instead shall be wholly governed solely by the provisions of ***Exhibit D***. The provisions of ***Exhibit D*** which govern the Specially-Converted Bonds is intended to establish a separate trust estate for such Specially Converted Bonds which is separate and distinct from the Trust Estate. Without limiting to the foregoing, Specially-Converted Bonds shall have no claim to payment from the Credit Facility.

Conversion of Bonds to Specially-Converted Bonds is subject to the satisfaction of the following conditions precedent:

(1) not less than 45 days before the proposed conversion date, the Borrower delivers (A) written notice to the other Remarketing Notice Parties designating the conversion date, and (B) written acknowledgement from the Specially-Converted Bond Purchaser of its intent to purchase the remarketed Specially-Converted Bonds on the proposed conversion date;

(2) not less than 30 days before the proposed conversion date, the Trustee shall comply with the provisions of Section 4.2(a) of this Indenture with regard to notice to Bondholders of the mandatory tender of a like amount of the Bonds to become Specially-Converted Bonds on the proposed conversion date;

(3) on or prior to the proposed conversion date, the Borrower delivers to the Trustee and to the other Remarketing Notice Parties, an opinion of Bond Counsel to the effect that the conversion of a portion of the Bonds to Specially-Converted Bonds is authorized and permitted by this Indenture and the laws of the State and will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds, or the Bonds which shall become Specially-Converted Bonds on the proposed conversion date; and

(4) on or prior to the proposed conversion date, the Remarketing Agent has given notice to the Trustee that all Bonds being converted to Specially-Converted Bonds on the proposed conversion date have been remarketed to the Specially-Converted Bond Purchaser, and all conditions precedent to the Specially-Converted Bond Purchaser purchase of the Specially-Converted Bonds, including the granting of all security granted by the Borrower to the Specially-Converted Bond Purchaser, have been completed to the satisfaction of the Specially-Converted Bond Purchaser.

Specially-Converted Bonds shall be governed solely by the provisions of *Exhibit D* to this Indenture, which shall remain in full force and effect after satisfaction and discharge of the Bonds for so long as the Specially-Converted Bonds remain outstanding.

(e) **Adjustment During the Construction Period.** Notwithstanding anything to the contrary in this Section 2.8, no change in Mode to take effect prior to the Conversion Date shall be made unless the Construction Lender consents to such change in writing.

(f) The Trustee shall provide a copy of the Sinking Fund Schedule, opinion of Bond Counsel, and the Note amendment to the Loan Servicer on or before the proposed Adjustment Date.

Section 2.9 Credit Facility Requirement. So long as the Bonds bear interest at the Weekly Variable Rate or at a Reset Rate, one or more Credit Facilities providing credit support for the Loan or the Bonds and liquidity support for the Bonds must be in effect. If the Bonds bear interest at the Fixed Rate, one or more Credit Facilities providing credit support for the

Loan or the Bonds must be in effect unless the Issuer has expressly waived such requirement in writing. When delivered, each Credit Facility shall satisfy the following requirements:

(a) the Credit Facility shall be in an amount equal to the aggregate principal amount of the Bonds Outstanding from time to time plus the Interest Requirement;

(b) the Credit Facility shall provide for payment in immediately available funds to the Trustee, upon receipt of the Trustee's request for such payment with respect to any Interest Payment Date, purchase date (if applicable) or mandatory redemption date pursuant to this Indenture;

(c) if the Credit Facility is provided to secure Bonds during a Reset Period, the Credit Facility shall provide an expiration date no earlier than the earliest of (i) the day following the Adjustment Date immediately succeeding the Reset Period, (ii) ten days after the Trustee receives notice from the Credit Provider of an Event of Default under a Reimbursement Agreement and a direction to redeem all Outstanding Bonds, (iii) the date on which all Bonds are paid in full and this Indenture is discharged in accordance with its terms, and (iv) the date on which the Bonds become secured by an Alternate Credit Facility in accordance with the terms of this Indenture and the Credit Facility; and

(d) unless waived by the Issuer in its sole discretion, the Credit Facility shall result in the Bonds receiving a short-term rating in the highest rating category of each Rating Agency or a long-term rating in one of the three highest rating categories of each Rating Agency, or both, as applicable for the Mode then in effect.

Section 2.10 Certain General Provisions Concerning Modes and Interest Rates.

(a) **Failure to Satisfy Conditions Precedent to Mode Change.** If the conditions precedent to a change in Mode set forth in Sections 2.8 and 2.9 have not been satisfied, then the following will apply:

(1) The new Mode shall not take effect.

(2) The Bonds shall be subject to mandatory tender on the proposed Adjustment Date and the holders of the Bonds will not have the right to elect to retain their Bonds.

(3) If the Mode in effect immediately prior to the proposed Adjustment Date is the Weekly Variable Rate, the interest rate on the Bonds shall continue at the Weekly Variable Rate from and after the proposed Adjustment Date, without any further action by any party.

(4) If the Mode in effect immediately prior to the proposed Adjustment Date is a Reset Rate, the interest rate on the Bonds shall be adjusted on the proposed Adjustment Date to the Weekly Variable Rate if the Trustee and the Credit Provider receive an opinion of Bond Counsel to the effect that the change to a Weekly Variable Rate will not adversely affect the exclusion from gross income for federal income tax

purposes of the interest payable on the Bonds. If such an opinion is not delivered, the interest rate on the Bonds shall be adjusted on the proposed Adjustment Date to a new Reset Rate for the shortest Reset Period ending on an Interest Payment Date which would enable the Remarketing Agent to remarket the Bonds on the proposed Adjustment Date at par with the Bonds bearing interest at the lowest possible rate, but in no event greater than the Reset Rate in effect for the Reset Period immediately prior to the proposed Adjustment Date or such higher rate to which the Credit Provider may consent from time to time without any further action by any party other than the selection of the Reset Period and the remarketing of the Bonds so long as the Trustee and the Credit Provider receive an opinion of Bond Counsel to the effect that the change to such Reset Period will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes. If such opinion is not delivered, the Bonds shall remain at the Reset Rate in effect for the immediately prior Reset Period, with a Reset Period equal to the Reset Period previously in effect without any further action by any party other than the remarketing of the Bonds.

(5) The Remarketing Agent will remarket the Bonds on the Adjustment Date at the applicable interest rate.

(b) **Failure by Remarketing Agent to Determine Weekly Variable Rate**. If the Remarketing Agent fails or refuses to determine the Weekly Variable Rate applicable for any Week, the interest rate to be borne by the Bonds during such Week shall be the latest BMA Index Rate published on or before the Rate Determination Date, or, in the event the BMA Index Rate is no longer published, the last Weekly Variable Rate determined by the Remarketing Agent.

(c) **Maximum Interest Rate**. Notwithstanding any other provision of this Indenture, the interest rate on the Bonds may not exceed the Maximum Rate.

(d) **Alternate Credit Facility**. Notwithstanding anything to the contrary in this Indenture, the consent of the Credit Provider to a change in Mode shall not be required if (i) an Alternate Credit Facility satisfying the requirements of Section 2.9 will be in effect on the Adjustment Date, and (ii) the Credit Facility then in effect will remain available for mandatory tenders of Bonds on the Adjustment Date. Each opinion of Bond Counsel relating to a change in Mode required to be delivered to the Credit Provider must also be delivered to the Alternate Credit Provider.

(e) **Reimbursement Agreement Default**. Notwithstanding anything to the contrary contained in this Indenture, in the event that the Credit Provider gives written notice to the Issuer and the Trustee that the Borrower has defaulted in performing any of its obligations under Section 6.5 (Fannie Mae Right to Convert to Reset Rate, Fixed Rate) of the Reimbursement Agreement, then the Credit Provider shall be entitled to exercise all rights of the Borrower to adjust the Mode and the Borrower shall not be entitled to exercise any such rights unless and until the Borrower gives written notice, acknowledged in writing by the Credit Provider, to the Issuer, the Loan Servicer and the Trustee that either (i) such default has been cured or waived, or (ii) the Credit Provider has consented to the Borrower's resumption of the exercising of such rights. Such acknowledgement or consent by the Credit Provider shall not preclude the Credit

Provider from exercising its rights under this subsection upon the occurrence of any subsequent default by the Borrower under a Reimbursement Agreement. Any notice from the Credit Provider to the Issuer and the Trustee of a default under the Reimbursement Agreement as set forth in this subsection must state whether or not it is also intended to constitute a notice described in Section 10.1(a)(4).

Section 2.11 Temporary Bonds. If definitive Bonds or Borrower Bonds are not ready for delivery on the Closing Date, the Issuer shall execute, and at the request of the Issuer, the Trustee shall authenticate and deliver, one or more temporary typewritten, printed or lithographed Bonds or Borrower Bonds, as the case may be, in any Authorized Denomination, in fully registered form, and in substantially the form provided for definitive Bonds or Borrower Bonds, as the case may be, with appropriate omissions, insertions and variations. The Issuer shall cause definitive Bonds or Borrower Bonds, as the case may be, to be prepared and to be executed and delivered to the Trustee. Upon presentation to it of any temporary Bond or Borrower Bond, as the case may be, the Trustee shall cancel the same and authenticate and deliver in exchange therefor, without charge to the owner of such Bond or Borrower Bond, as the case may be, a definitive Bond or Bonds or Borrower Bond or Borrower Bonds, as the case may be, of an equal aggregate principal amount of Authorized Denominations, of the same maturity and series, and bearing interest at the same rate as the temporary Bond or Borrower Bond, as the case may be, surrendered. Until so exchanged, the temporary Bonds or Borrower Bonds, as the case may be, will in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds or Borrower Bonds, as the case may be.

Section 2.12 Execution. The Bonds and the Borrower Bonds shall be signed by the manual or facsimile signature of an Authorized Officer and attested by the manual or facsimile signature of an Authorized Attesting Officer under the official seal, or a facsimile of the official seal, of the Issuer. In case any officer whose signature or a facsimile of whose signature appears on any Bonds or the Borrower Bonds, as the case may be, ceases to be such officer before the delivery of such Bonds or Borrower Bonds, as the case may be, such signature or such facsimile will nevertheless be valid and sufficient for all purposes as if such officer had remained in office until delivery.

Section 2.13 Authentication. Only such Bonds or Borrower Bonds, as the case may be, as have endorsed on them a certificate of authentication substantially in the form of the Bond set forth in ***Exhibit A***, and substantially in the form of the Borrower Bond set forth in ***Exhibit B***, each, as the case may be, duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond or Borrower Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication has been manually executed by the Trustee. Such executed certificate upon any Bond or Borrower Bond, as the case may be, shall be conclusive evidence that such Bond or Borrower Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond or Borrower Bond shall be deemed to have been executed by it if signed by an authorized representative of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds or the Borrower Bonds, as the case may be.

Section 2.14 Mutilated, Lost, Stolen or Destroyed Bonds and Borrower Bonds. If any Bond or Borrower Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and

the Trustee shall authenticate and deliver a new Bond or Borrower Bond, as the case may be, of the same maturity, interest rate, principal amount, series and tenor in lieu of and in substitution for the mutilated, lost, stolen or destroyed Bond or Borrower Bond, as the case may be; *provided, however*, that in the case of any mutilated Bond or Borrower Bond, the mutilated Bond or Borrower Bond, as the case may be, must first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond or Borrower Bond, there must be first furnished to the Trustee evidence satisfactory to it of the ownership of the Bond or the Borrower Bond, as the case may be, and of the loss, theft or destruction, together with indemnity satisfactory to the Trustee and the Issuer and compliance with such other reasonable requirements as the Trustee and the Issuer may prescribe. If any such Bond or Borrower Bond will mature within the ensuing 60 days, or if such Bond or Borrower Bond has been called for redemption or a redemption date pertaining to such Bond or Borrower Bond has passed, instead of replacing the Bond or Borrower Bond, as the case may be, the Trustee may, upon receipt of such indemnity, pay the Bond or Borrower Bond, as the case may be, on such maturity date or redemption date. The Trustee shall cancel any mutilated Bond or Borrower Bond surrendered to it. In connection with any such substitution or payment, the Issuer and the Trustee may charge the holder of such Bond or Borrower Bond, as the case may be, their reasonable fees and expenses, including attorneys' fees and expenses.

If, after the delivery of such replacement Bond or Borrower Bond, the original Bond or Borrower Bond, as the case may be, in lieu of which such replacement Bond or Borrower Bond, as the case may be, was issued is presented for payment or registration, the Trustee shall seek to recover such replacement Bond or Borrower Bond, as the case may be, from the person to whom it was delivered or any person taking therefrom and shall be entitled to recover from the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Trustee, the Borrower or the Issuer in connection therewith.

Section 2.15 Securities Depository Provisions.

(a) **Registration in the Book-Entry System**. Initially, all Bonds shall be Book-Entry Bonds. All Bonds shall be registered initially in the name of Cede & Co., as nominee of DTC. The Issuer and the Trustee acknowledge that they have executed and delivered a Letter of Representations with DTC. All payments of principal of, redemption premium, if any, and interest on the Book-Entry Bonds and all notices with respect thereto, including notices of full or partial redemption, shall be made and given at the times and in the manner set out in the Letter of Representations. This Indenture shall govern in the event of any inconsistency between this Indenture and the Letter of Representations. The Letter of Representations may be amended without Bondholder consent.

(b) **Exculpation.** With respect to Book-Entry Bonds, neither the Issuer, the Trustee, the Credit Provider, the Loan Servicer, the Construction Lender nor the Borrower will have any responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository ("**DTC Participant**") or to any person on behalf of whom such a DTC Participant directly or indirectly holds an interest in the Bonds ("**Indirect Participant**"). Without limiting the immediately preceding sentence, the Issuer, the Trustee, the Credit Provider, the Loan Servicer, the Construction Lender and the Borrower will have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds,

(ii) the delivery to any DTC Participant or any Indirect Participant or any other person, other than DTC, as Bondholder, of any notice with respect to the Bonds, including any notice of redemption, (iii) the payment to any DTC Participant or Indirect Participant or any other Person, other than DTC, as Bondholder, of any amount with respect to principal of, premium, if any, or interest on, the Bonds, (iv) any consent given by DTC, or (v) selection of Bonds for redemption. The Issuer, the Borrower, the Credit Provider, the Loan Servicer and the Trustee shall treat DTC or any successor securities depository as, and deem DTC or any successor securities depository to be, the absolute owner of the Bonds for all purposes whatsoever and neither the Issuer, the Borrower nor the Trustee shall have any responsibility or obligation to any Beneficial Owner of any Book-Entry Bond. While in the DTC system, no person other than DTC will receive a Bond certificate with respect to any Bond.

(c) **Successor Securities Depository; Transfers Outside Book-Entry System.** DTC may discontinue providing its services with respect to the Bonds at any time by giving written notice to the Issuer, the Trustee, the Remarketing Agent, the Tender Agent and the Borrower and by discharging its responsibilities with respect to the Bonds under applicable law. The Issuer or the Borrower, with the consent of the other, may terminate the services of DTC. If the Borrower is in default under any Bond Document or any Loan Document, the Issuer will not be required to obtain the consent of the Borrower to terminate the services of DTC. Without the consent of the Issuer, the Borrower may terminate the services of DTC if the Tender Agent is not a DTC Participant. Upon the discontinuance or termination of the services of DTC, unless a substitute securities depository is appointed to undertake the functions of DTC under this Indenture, the Issuer, at the expense of the Borrower, shall provide Bond certificates to the Trustee for delivery to the Beneficial Owners of the Bonds, and the Bonds may be registered in whatever name or names the Registered Owners transferring or exchanging Bonds designate to the Trustee in writing. The Trustee may appoint a successor depository operating a securities depository system, qualified to act as such under Section 17A of the Securities Exchange Act of 1934, as amended, as may be acceptable to the Issuer.

Section 2.16 Bond Registrar; Exchange and Transfer of Bonds; Persons Treated as the Bondholders.

(a) **Bond Registrar; Bond Register.** The Trustee shall act as the initial Bond Registrar and in such capacity shall keep the Bond Register for the registration of the Bonds and for the registration of transfer of the Bonds.

(b) **Transfers and Exchanges.** Any Bondholder or its attorney duly authorized in writing may transfer title to or exchange a Bond upon surrender of the Bond at the Designated Office of the Trustee together with a written instrument of transfer (in substantially the form of assignment, including signature guarantee, attached to the Bond) satisfactory to the Trustee executed by the Bondholder or its attorney duly authorized in writing. Upon surrender for registration of transfer of any Bond, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the Bondholder or its transferee or transferees a new Bond or Bonds of the same aggregate principal amount, rate of interest, maturity, series and tenor as the Bond surrendered and of any Authorized Denomination. If Fannie Mae is the Credit Provider, any purported transfer to Fannie Mae (other than a transfer of Pledged Bonds if Fannie Mae has become the owner of the Mortgaged Property and would be required to advance funds under the

Credit Facility in connection with a mandatory purchase of Bonds) must be accompanied by the written consent of the General Counsel and the Controller of Fannie Mae.

(c) **Exceptions to Transfers and Exchanges.** Except as provided in Section 4.1, the Trustee will not be required to register any transfer or exchange of any Bond (or portion of any Bond) during the 15-day period immediately before the selection of Bonds for redemption, and from and after notice calling such Bonds (or portion of such Bonds) for redemption or partial redemption has been given and prior to such redemption.

(d) **Charges.** Registrations of transfers or exchanges of Bonds shall be without charge to the Bondholders, but any taxes or other governmental charges required to be paid with respect to a transfer or exchange shall be paid by the Bondholder requesting the registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge made by the Trustee for any such registration, transfer or exchange shall be paid by the Borrower.

(e) **Recognized Owners.** The Person in whose name any Bond is registered on the Bond Register will be deemed the absolute owner of such Bond for all purposes, and payment of any principal, interest and premium will be made only to or upon the order of such Person or its attorney duly authorized in writing, but such registration may be changed as provided above. 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.

(f) **Bonds Protected.** All Bonds issued upon any registration of transfer or exchange of Bonds will be legal, valid and binding limited obligations of the Issuer, evidencing the same debt, and entitled to the same security and benefits under this Indenture, as the Bonds surrendered upon such transfer or exchange.

(g) **Issuer's Reliance.** In executing any Bond upon any exchange or registration of transfer provided for in this Section, the Issuer may rely conclusively on a representation of the Trustee that such execution is required.

Section 2.17 Cancellation. All Bonds which have been surrendered pursuant to Section 2.3 or Article III for payment upon maturity or redemption prior to maturity or Bonds which are deemed canceled or are canceled pursuant to Section 4.4(b) will be canceled by the Trustee and will not be reissued. Unless otherwise directed by the Issuer, the Trustee shall treat such Bonds in accordance with its document retention policies or as may be directed by the law of the State.

Section 2.18 Conditions for Delivery of Bonds. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Bonds and deliver them to or for the account of the Underwriters or to such Persons as the Underwriters specify, in each case in the records of DTC; *provided, however*, that prior to delivery of the Bonds to the Underwriters each of the following must be delivered to the Trustee:

(a) a certified copy of the Bond Ordinance authorizing the execution and delivery on behalf of the Issuer of the Bond Documents to which it is a party and related matters;

(b) executed original counterparts of the Bond Documents, the Loan Documents, the Construction Phase Credit Documents and all other agreements, documents and instruments to be executed and delivered on the Closing Date by the parties to those agreements, documents and instruments, and the original executed Credit Facility;

(c) opinions of Bond Counsel, addressed to the Trustee and the Issuer, to the effect that the Bonds have been duly and validly authorized, issued and delivered and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, that the interest payable on the Bonds is excludable from gross income for federal income tax purposes and that the Issuer has the power to enter into the Bond Documents to which it is a party and each of the Bond Documents to which the Issuer is a party has been duly and validly authorized, executed and delivered by the Issuer and each constitutes the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to customary qualifications on enforceability;

(d) a written request and authorization by the Issuer (acting through an Authorized Officer) to the Trustee to authenticate and deliver the Bonds to or for the account of the Underwriters upon receipt from the Underwriters of $_____;

(e) receipt from the Underwriters of $_____;

(f) receipt from the Borrower of the Costs of Issuance Deposit;

(g) evidence, acceptable to the Credit Provider and the Loan Servicer, of proper recordation of the Security Instrument, the Regulatory Agreement and the Assignment or a title insurance binder acceptable to the Credit Provider and the Loan Servicer insuring the "gap" in a manner acceptable to the Credit Provider and the Loan Servicer; and

(h) written evidence that the Bonds have been assigned a rating in the Highest Rating Category by the Rating Agency rating the Bonds.

Section 2.19 Borrower Bonds.

(a) Borrower Bonds shall be registered in the name, and delivered upon the order, of the Borrower. Borrower Bonds shall be pledged to the Credit Provider pursuant to the provisions of the Pledge Agreement. To, but excluding, the date on which any such Borrower Bonds are sold or assigned to any other Person as permitted by paragraph (c) of this Section 2.19 or sold or assigned to any successor of the Borrower, with the consent of the Credit Provider, the Borrower shall be the owner of such Borrower Bonds for all purposes of this Indenture and interest accruing on such Borrower Bonds from and after the Closing Date to, but excluding, the date of sale or assignment, shall be payable solely to the Borrower as registered owner of the Borrower Bonds. Borrower Bonds to be registered as provided above shall not be issued as book entry bonds, shall be issued only as a single certificate representing the entire face amount of the Borrower Bonds in the form attached to this Indenture as ***Exhibit B*** and shall be subject to the

special terms, covenants and restrictions applicable to Borrower Bonds as set forth in this Indenture and in the form of Borrower Bond. Principal and redemption price of, and interest on, Borrower Bonds shall be deemed paid as long as Borrower Bonds are owned by the Borrower.

(b) It is the intention of the Issuer that Borrower Bonds shall for all purposes be regarded as Outstanding under this Indenture except as expressly provided herein.

(c) Borrower Bonds may be sold or assigned to any other Person and shall no longer constitute Borrower Bonds hereunder on and after the date that the Credit Facility for the Bonds shall also provide credit support and liquidity support for such Borrower Bonds ratably with the Bonds but only upon (i) the consent of the Credit Provider, which consent may be withheld in the Credit Provider's sole discretion, (ii) receipt by the Issuer, the Trustee and the Credit Provider of an opinion of Bond Counsel to the effect that such sale or assignment is permitted by law and will not adversely affect either the validity of the Bonds (including the Borrower Bonds after they are sold to such Person) or the exclusion of the interest payable on the Bonds (including the Borrower Bonds after they are sold to such Person) from gross income for federal income tax purposes, assuming for purposes of such opinion that such owners are not "substantial users" of the Project or "related persons" as such terms are defined in section 147(a) of the Code and (iii) execution and delivery of such amendments and documents as required by the Credit Provider in its discretion. At the time of such sale or assignment the Trustee shall exchange the single certificate representing the face amount of the Borrower Bonds with a new single certificate representing the reduced principal amount of Borrower Bonds then Outstanding and such certificate or certificates necessary to register the increased principal amount of Bonds in accordance with Sections 2.15 and 2.16 hereof.

(d) Borrower Bonds shall be subject to redemption, at the option of the Borrower, in whole or in part on any Business Day, upon ten (10) days' prior notice to the holders of such Borrower Bonds, at a redemption price equal to one hundred percent (100%) of the principal amount redeemed plus accrued interest to the Redemption Date; *provided, however*, that any such redemption of Borrower Bonds shall not be subject to and shall be effective regardless of, the availability of sufficient moneys therefor and on such Redemption Date the Borrower Bonds shall no longer be outstanding regardless of whether or not payment has been made with respect to the Borrower Bonds.

(e) Borrower Bonds shall be subject to mandatory redemption at the direction and in the amount specified by the Credit Provider upon an Event of Default under the Reimbursement Agreement upon the same notice requirements as are set forth herein relating to mandatory redemption of Bonds; *provided, however*, that any such redemption of Borrower Bonds shall not be subject to, and shall be effective and Borrower Bonds shall no longer be Outstanding as of the Redemption Date, regardless of, the availability of sufficient moneys therefor and the payment thereof.

(f) Notwithstanding anything in this Indenture to the contrary, in no event shall the Credit Facility (or any funds delivered by the Credit Facility or the Loan) directly or indirectly secure, or provide a source of payment of amounts (whether principal, purchase price, interest or other amounts) due from time to time with respect to, Borrower Bonds. Until the Termination Date (as defined in the Credit Facility) has occurred, Fannie Mae shall continue to be entitled to

all rights, privileges, benefits and security granted to the Credit Provider under this Indenture and the other Bond Documents and the Loan Documents. In no event shall Fannie Mae be deemed to be the owner of any Bond or any Borrower Bond whether pursuant to this Section 2.19 or otherwise unless such Bonds or Borrower Bonds are transferred to, and registered in the name of, Fannie Mae in accordance with the provisions of Section 2.16 of this Indenture (*provided*, that no such transfer shall be effective unless accompanied by the written consent of the General Counsel and the Controller of Fannie Mae).

(g) All Borrower Bonds delivered hereunder, to the extent provided in this Indenture, shall be equally and ratably secured only by the Borrower Bond Trust Estate under this Indenture without preference, priority or distinction on account of the actual time or times of the authentication or delivery or maturity of Borrower Bonds so that, except as aforesaid, all Borrower Bonds at any time Outstanding hereunder shall have the same right, lien and preference under and by virtue of this Indenture and shall all be equally and ratably secured by the Borrower Bond Trust Estate with like effect as if they had all been executed, authenticated and delivered simultaneously on the date hereof, whether the same, or any of them, shall actually be disposed of at such date, or whether they, or any of them, shall be disposed of at some future date. The Borrower Bond Trust Estate shall consist of all right, title and interest of the Issuer in and to the payments due under Section 2.1 of the Financing Agreement in respect of Borrower Bonds, and all amendments, modifications, supplements, renewals and restatements of the foregoing, reserving, however, the Reserved Rights; all right, title and interest of the Issuer in and to the Borrower Bond Account of the Revenue Fund; and all funds, moneys 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 Borrower Bonds 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 hereof.

(h) Borrower Bonds shall bear interest as provided in Section 2.2 of this Indenture.

(i) Notwithstanding anything in this Section 2.19 or any other provision of this Indenture, (i) any provision of this Indenture relating to Borrower Bonds may be amended with the written consents of 100% of the registered owners of the Borrower Bonds, the Credit Provider and the Issuer; *provided, however*, that as a condition to any such amendment, the Trustee and the Issuer shall have received an opinion of Bond Counsel to the effect that such amendment shall not have a material adverse effect on the Bondholders or the Bonds, and (ii) at the time that there are no longer any Bonds Outstanding hereunder, Borrower Bonds, if any, shall be immediately due and payable and shall be paid from all moneys available therefor in the Borrower Bond Trust Estate; *provided, however*, that to the extent sufficient moneys are not available to pay the Borrower Bonds in full, the Borrower Bonds shall nevertheless no longer be Outstanding hereunder. The Trustee shall cause notice to be given to the registered owners of Borrower Bonds in the manner and with the effect set forth with respect to notices to Bondholders under Section 12.5.

(j) Borrower Bonds are not subject to acceleration or default under this Indenture; *provided, however*, to the extent moneys are available in the Borrower Bond Trust Estate for the

payment of Borrower Bonds, holders of Borrower Bonds shall be entitled to payment of Borrower Bonds from the Borrower Bond Trust Estate and shall be entitled to enforce their rights to such payment from the Borrower Bond Trust Estate only.

ARTICLE III
REDEMPTION OF BONDS

Section 3.1 **Redemption**. The Bonds are subject to redemption prior to maturity only as set forth in this Article III. All redemptions must be in Authorized Denominations.

Section 3.2 **Optional Redemption**.

(a) **General Provisions**. The Bonds are subject to optional redemption in whole or in part upon optional prepayment of the Loan by the Borrower. Redemptions pursuant to this Section 3.2 will be made at the following times and at the following prices:

(1) On any Interest Payment Date within a Weekly Variable Rate Period and on any Adjustment Date at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the Redemption Date.

(2) On any date within a Reset Period at the respective redemption prices set forth in the table below expressed as percentages of the principal amounts of the Bonds called for redemption, such redemption prices declining [____] percent each year until such redemption price equals 100 percent of the principal amount of the Bonds, plus accrued interest, if any, to the Redemption Date:

Term of Reset Period	No-Call Period	Redemption Price	No Premium

The Borrower and the Remarketing Agent, not less than 15 days before any Reset Date, may give notice to the Issuer, the Credit Provider, the Loan Servicer, the Construction Lender and the Trustee setting forth a redemption schedule different from that set forth above, accompanied by (A) the written consent of the Credit Provider of the Credit Facility to be in effect for the ensuing Reset Period, and (B) an opinion of Bond Counsel to the effect that such change will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. Such different redemption schedule will apply to any redemption pursuant to this Section 3.2(a)(2) for the new Reset Period, without further action by any party.

(3) On any date within the Fixed Rate Period, at the respective redemption prices set forth below expressed as percentages of the principal amounts of the Bonds called for redemption, such redemption prices declining [_____] percent each year

until such redemption price equals 100 percent of the principal amount of the Bonds, plus accrued interest, if any, to the Redemption Date:

Term of Fixed Rate Period	No-Call Period	Redemption Price	No Premium

The Borrower and the Remarketing Agent may, not less than 15 days before the Fixed Rate Adjustment Date, give notice to the Issuer, the Credit Provider, the Loan Servicer, the Construction Lender and the Trustee setting forth a redemption schedule different from that set forth in this paragraph, accompanied by (A) the written consent of the Credit Provider of the Credit Facility, if any, to be in effect for the ensuing Fixed Rate Period, and (B) opinion(s) of Bond Counsel to the effect that such change will not adversely affect the exclusion from gross income for federal income tax purposes of interest payable on the Bonds. Such different redemption schedule shall apply to any redemption pursuant to this Section 3.2(a)(3) for the Fixed Rate Period, without further action by any party.

(b) **Premium from Available Moneys other than the Credit Facility.** The principal of and accrued interest on any Bond being redeemed under Section 3.2(a) shall be paid from an Advance under the Credit Facility and the premium, if any, must be paid with other Available Moneys. Neither the Issuer, the Credit Provider nor the Loan Servicer shall have any obligation to provide funds to be included in any premium.

Section 3.3 Mandatory Redemption. The Bonds are subject to mandatory redemption as provided in this Section 3.3 on the earliest practicable Redemption Date for which timely notice of redemption can be given pursuant to Section 3.4 following the occurrence of the event requiring such redemption. The principal of and accrued interest on any Bond being redeemed under this Section shall be paid from an Advance under the Credit Facility. Bonds will be redeemed at a redemption price equal to 100 percent of the principal amount of such Bonds plus accrued interest to the Redemption Date. Bonds subject to mandatory redemption in part shall be redeemed in Authorized Denominations or shall be redeemed in such amounts so that the Bonds Outstanding following the redemption are in Authorized Denominations. If the Trustee receives an amount for the mandatory redemption of Bonds which is not equal to a whole integral multiple of the Authorized Denomination, the Trustee shall redeem Bonds in an amount equal to the next lowest whole integral multiple of the Authorized Denomination to the amount received by the Trustee and hold any excess amount in the Redemption Account.

(a) **Casualty or Condemnation.** The Bonds shall be redeemed in whole or in part in the event and to the extent that proceeds of insurance from any casualty to, or proceeds of any award from any condemnation of, or any award as part of a settlement in lieu of condemnation of, the Mortgaged Property ("**Proceeds**") are applied in accordance with the Security Instrument to the prepayment of the Loan.

(b) **After an Event of Default under a Reimbursement Agreement.** The Bonds shall be redeemed in whole or in part in an amount specified by and at the direction of the Credit Provider requiring that the Bonds be redeemed pursuant to this subsection following any Event of Default under the Reimbursement Agreement. The Redemption Date shall be the earliest practicable date, but in no event shall such redemption occur later than two Business Days prior to the date, if any, that the Credit Facility terminates on account of the Credit Provider's giving of direction to the Trustee pursuant to this subsection to redeem all of the Bonds.

(c) **Principal Reserve Fund.** The Bonds shall be redeemed in whole or in part as follows:

(1) on each Adjustment Date in an amount equal to the amount which has been transferred from the Principal Reserve Fund on such Adjustment Date to the Redemption Account pursuant to Section 5.12(b)(5); and

(2) on any Interest Payment Date in an amount equal to the amount which has been transferred from the Principal Reserve Fund on such Interest Payment Date to the Redemption Account pursuant to Section 5.12(b)(6).

(d) **Sinking Fund Redemption.** The Bonds shall be redeemed during the Fixed Rate Period if the Issuer has established a Sinking Fund Schedule, at the times and in the amounts set forth in the Sinking Fund Schedule (subject to the provisions of Section 5.5(c) permitting amounts to be credited toward part or all of any one or more Sinking Fund Payments).

(e) **Pre-Conversion Loan Equalization.** Subject to the provisions of Section 2.8(d), the Bonds shall be redeemed in part in the event that the Borrower makes a Pre-Conversion Loan Equalization Payment. The principal amount of Bonds to be redeemed shall be the amount prepaid by the Borrower or, if such amount is not an integral multiple of an Authorized Denomination, the next lowest integral multiple of an Authorized Denomination to the amount prepaid.

(f) **Failure of Conversion or Borrower Default.** The Bonds shall be redeemed in whole if the Credit Provider notifies the Trustee that (i) the Conditions to Conversion have not been satisfied on or prior to the Termination Date, or (ii) the Borrower Default has occurred, or (iii) the Construction Lender has directed Fannie Mae to draw on the Letter of Credit due to an event of default by the Borrower under the Construction Phase Loan Agreement or the Construction Phase Reimbursement Agreement. The Bonds shall also be redeemed in whole at the time and as otherwise required by Section 5.3(c)(2) if the Trustee purchases the Bonds for the account of the Construction Lender pursuant to Section 3.8.

(g) **Excess Loan Funds**. The Bonds shall be redeemed in whole or in part in the event and to the extent that amounts on deposit in the Loan Fund are transferred to the Redemption Account pursuant to Section 5.3(c)(1).

Section 3.4 Notice of Redemption to Registered Owners.

(a) **Notice Requirement**. For any redemption of Bonds pursuant to Section 3.2 or 3.3 (other than subsections (b) and (d)), the Trustee shall give notice of redemption by first class mail, postage prepaid, not less than ten days prior to the specified Redemption Date, to the Registered Owner of each Bond to be redeemed at the address of such Registered Owner as shown on the Bond Register. With respect to Book-Entry Bonds, if the Trustee sends notice of redemption to the Securities Depository pursuant to the Letter of Representations, the Trustee shall not be required to give the notice set forth in the immediately preceding sentence. In the case of any redemption of Bonds pursuant Section 3.3(b) immediate notice of redemption will be given. In the case of any redemption pursuant to Section 3.3(d), the Trustee will give notice of redemption as provided in Section 5.5(c)(3). In the case of an optional redemption under Section 3.2, the notice of redemption shall state that it is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds including Availahle Moneys to pay any redemption premium in full ("**Conditional Redemption**"), and such notice and optional redemption shall be of no effect if either (i) by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds and sufficient Available Moneys to pay any redemption premium have not been deposited with the Trustee, or if such moneys are deposited, are not available or (ii) the Trustee at the direction of the Credit Provider rescinds such notice on or prior to the scheduled redemption date. The Trustee shall cause a second notice of redemption to be sent by first class mail, postage prepaid, on or within ten days after the 30th day after the Redemption Date to any Bondholder who has not submitted its Bond to the Trustee for payment. The Trustee shall provide copies of all notices given under this Section and of all revocations of notices to the Credit Provider, the Loan Servicer and the Construction Lender at the same time it gives notices to Bondholders.

(h) **Content of Notice**. Each notice of redemption must state (i) the date of the redemption notice, (ii) the Closing Date and the complete official name of the Bonds, including the series designation, (iii) for each Bond to be redeemed, the interest rate or that the interest rate is variable, maturity date and in the case of a partial redemption of Bonds, the principal amount of each Bond to be redeemed, (iv) the CUSIP numbers of all Bonds being redeemed, (v) the place or places where the Bonds to be redeemed must be surrendered for payment and where amounts due upon such redemption will be payable upon surrender of the Bonds to be redeemed, (vi) the Redemption Date and redemption price of each Bond to be redeemed, (vii) the name, address, telephone number and contact person at the office of the Trustee with respect to such redemption, (viii) that interest on all Bonds to be redeemed will not accrue from and after the Redemption Date, (ix) if a redemption is a Conditional Redemption, that redemption is conditional upon receipt by the Trustee of sufficient moneys to redeem the Bonds including Available Moneys to pay any redemption premium, and (x) that the Credit Provider may direct the Trustee to cancel such redemption upon the occurrence of any Event of Default under the Reimbursement Agreement.

(c) **Additional Notice**. At the same time notice of redemption is sent to the Registered Owners the Trustee shall send notice of redemption by first class mail, overnight delivery service or other overnight means, postage or service prepaid (or as specified below) (i) to the Rating Agency, (ii) if the Bonds are not subject to the Book-Entry System, to certain municipal registered Securities Depositories (described below) which are known to the Trustee, on the second Business Day prior to the date the notice of redemption is mailed to the Bondholders, to be holding Bonds, and (iii) at least two of the national Information Services (described below) that disseminate securities redemption notices. For this purpose:

(1) Securities Depositories include: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax: (516) 227-4039 or 4190; or, in accordance with the then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories or any such other depositories as the Issuer may designate in writing to the Trustee; and

(2) Information Services include: Financial Information, Inc. "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services, "Called Bond Service," 65 Broadway, 16th Floor, New York, New York 10004; Moody's Investors Service "Municipal and Government," 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; and Standard and Poor's Ratings Group "Called Bond Record," 25 Broadway, New York, New York 10004; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds, or any other such services as the Issuer may designate in writing to the Trustee.

(d) **Validity of Proceedings for the Redemption of Bonds**. If notice is given as stated in subsection (a), failure of any Bondholder to receive such notice, or any defect in the notice, shall not affect the redemption or the validity of the proceedings for the redemption of the Bonds.

(e) **Rescission of Conditional Redemption; Cancellation of Optional Redemption**. The Trustee shall rescind any Conditional Redemption if the requirements of Section 3.2(b) have not been met on or before the Redemption Date or the Trustee has received a direction to cancel the Conditional Redemption from the Credit Provider. The Trustee shall give notice of rescission by the same means as is provided in this Section for the giving of notice of redemption or by Electronic Means confirmed in writing. The optional redemption shall be canceled once the Trustee has given notice of rescission. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure of funds being made available in part or in whole on or before the Redemption Date shall constitute an Event of Default. Notwithstanding notice having been given in the manner provided above, any optional redemption of Bonds shall be canceled with the consent of or at the direction of the Credit Provider if the Credit Provider has notified the Trustee in writing that an Event of Default under a Reimbursement Agreement has occurred.

Section 3.5 Redemption Payments. If notice of redemption has been given and the conditions for such redemption, if applicable, have been met, the Bonds called for redemption

shall become due and payable on the Redemption Date, interest on those Bonds will cease to accrue from and after the Redemption Date and the called Bonds will no longer be Outstanding. The holders of the Bonds so called for redemption shall thereafter no longer have any security or benefit under this Indenture except to receive payment of the redemption price for such Bonds upon surrender of such Bonds to the Trustee. All moneys held by or on behalf of the Trustee for the redemption of particular Bonds will be held in trust for the account of the holders of the Bonds to be redeemed. If less than the entire principal amount of a Bond is called for redemption, the Issuer shall execute, and the Trustee shall authenticate and deliver, upon the surrender of such Bond to the Trustee, without charge by the Issuer or the Trustee to the Bondholder, in exchange for the unredeemed principal amount of such Bond, a new Bond or Bonds of the same interest rate, maturity and term, in any Authorized Denomination, in aggregate principal amount equal to the unredeemed balance of the principal amount of the Bond so surrendered.

Section 3.6 Selection of Bonds to be Redeemed Upon Partial Redemption. If less than all the Outstanding Bonds are called for redemption, the Trustee shall select by lot, in such manner as it determines in its discretion, the Bonds, or portions of the Bonds in Authorized Denominations, to be redeemed. In the selection process (i) any Pledged Bonds Outstanding will be called for redemption before any other Bonds are selected for redemption, and (ii) if applicable, the Bonds with the highest interest rate will be called for redemption before any other Bonds are selected for redemption. For the purposes of this Section, Bonds which have previously been selected for redemption will not be deemed Outstanding. Notwithstanding the foregoing, the Securities Depository for Book-Entry Bonds shall select the Bonds for redemption within particular maturities according to its stated procedures.

Section 3.7 Purchase of Bonds in Lieu of Redemption. If the Bonds are called for redemption in whole or in part, the Bonds called for redemption may be purchased in lieu of redemption in accordance with this Section.

(a) **Purchase in Lieu of Redemption.** Purchase in lieu of redemption shall be available for all of the Bonds called for redemption or for such lesser portion of such Bonds as constitute Authorized Denominations. The Credit Provider or the Borrower with the written consent of the Credit Provider may direct the Trustee to purchase all or such lesser portion of the Bonds so called for redemption. In no event will Fannie Mae in its capacity as Credit Provider purchase Bonds for its own account in lieu of redemption without the prior written consent of the General Counsel to Fannie Mae. Any such direction to the Trustee must:

(1) be in writing;

(2) state either that all of the Bonds called for redemption are to be purchased or, if less than all of the Bonds called for redemption are to be purchased, identify those Bonds to be purchased by maturity date and outstanding principal amount in Authorized Denominations; and

(3) be received by the Trustee no later than 12:00 noon one Business Day prior to the Redemption Date.

If so directed, the Trustee shall purchase such Bonds on the date which otherwise would be the Redemption Date. Any of the Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by this Indenture on the Redemption Date.

(b) **Withdrawal of Direction to Purchase**. On or prior to the scheduled redemption date, any direction given to the Trustee pursuant to this Section or any consent given by the Credit Provider to such a direction may be withdrawn by written notice to the Trustee. Subject generally to this Indenture, should a direction to purchase or the consent of the Credit Provider be withdrawn, the scheduled redemption of such Bonds shall occur.

(c) **Purchaser**. If the purchase is directed by the Credit Provider, the purchase shall be made for the account of the Credit Provider or its designee. If the purchase is directed by the Borrower with the consent of the Credit Provider, the purchase shall be made for the account of the Borrower or their designee.

(d) **Purchase Price**. The purchase price of the Bonds shall be equal to the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, which would have been payable on such Bonds on the Redemption Date for such redemption. To pay the purchase price of such Bonds, the Trustee shall use such funds, if any, in:

(1) the Credit Facility Account to pay the principal and interest components of the purchase price; and

(2) the Redemption Account to pay the redemption premium component of the purchase price;

that the Trustee would have used to pay the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, that would have been payable on the redemption of such Bonds on the Redemption Date. Otherwise, the Trustee shall pay the purchase price only from Available Moneys. The Trustee shall not purchase the Bonds pursuant to this Section if by no later than the Redemption Date, sufficient moneys have not been deposited with the Trustee, or such moneys are deposited, but are not available.

(e) **No Notice to Bondholders**. No notice of the purchase in lieu of redemption shall be required to be given to the Bondholders (other than the notice of redemption otherwise required under this Indenture).

Section 3.8 **Special Purchase in Lieu of Redemption**.

(a) **Purchase Option**. If all Bonds Outstanding are called for redemption in whole under Section 3.3(f) at any time that the Letter of Credit is in effect, the Bonds may, in lieu of such redemption, be purchased ("**Special Purchase Bonds**") by the Trustee, at the written direction of the Construction Lender to the Trustee, for the account of the Construction Lender. Any purchase of Bonds pursuant to this Section 3.8(a) shall be in whole and not in part. Such purchase shall be made on the date the Bonds are otherwise scheduled to be redeemed ("**Special Purchase Date**"). The purchase price of the Special Purchase Bonds ("**Special Purchase Price**") shall be equal to the principal amount of the Special Purchase Bonds, plus accrued

interest, if any, on the Special Purchase Bonds to the Special Purchase Date. The payment source shall consist solely of funds to be advanced by the Credit Provider under the Credit Facility in connection with such redemption together with Available Moneys otherwise available under this Indenture to pay the redemption price of the Special Purchase Bonds as directed by the Credit Provider.

(b) **Special Purchase Bonds.** Bonds to be purchased under Section 3.8(a) which are not delivered to the Trustee on the Special Purchase Date shall be deemed to have been so purchased and not redeemed on the Special Purchase Date and shall cease to accrue interest as to the former owner on the Special Purchase Date. Special Purchase Bonds shall be registered in the name of the Construction Lender or any third party designated by the Construction Lender and shall be delivered to the party designated by the Construction Lender. If delivery of the Bonds is not possible, the Trustee shall deliver a written entitlement order to the applicable financial intermediaries on whose records ownership of the Special Purchase Bonds is reflected directing the intermediaries to credit the security entitlement to the Special Purchase Bonds to the account of the Construction Lender. Following such purchase, the registered owner of the Special Purchase Bonds shall be the owner of such Bonds for all purposes under this Indenture and interest accruing on such Bonds from and after the Special Purchase Date shall be payable solely to the registered owner of the Special Purchase Bonds.

(c) **Notice.** Notice of the election by the Construction Lender to purchase Bonds otherwise called for redemption shall be delivered in writing to the Trustee, the Credit Provider, the Loan Servicer and the Rating Agency not less than eight days prior to the date otherwise scheduled for redemption of the Bonds.

(d) **Bonds Remain Outstanding.** It is the intention of the Issuer that the purchase of Bonds pursuant to this Section 3.8 shall not constitute a merger or extinguishment of the indebtedness of the Issuer evidenced by the Bonds so purchased or of the indebtedness of the Borrower under the Loan. Special Purchase Bonds shall for all purposes be regarded as Outstanding under this Indenture, except as otherwise expressly provided in this Indenture. Upon the purchase of any Bond pursuant to this Section 3.8, the notice of redemption previously given with respect to such Bond shall be deemed to be a notice of mandatory tender of such Bond.

(e) **Rights of the Credit Provider.** Notwithstanding anything contained in this Indenture to the contrary, in no event shall the Credit Facility (or any funds advanced under the Credit Facility) directly or indirectly secure, or provide a source of payment of amounts due from time to time with respect to, the Special Purchase Bonds. In no event shall Fannie Mae be deemed to be the owner of any Special Purchase Bond whether pursuant to this Section 3.8 or otherwise.

(f) **Limitations on Transfer of Bonds.** Notwithstanding Section 2.16, Special Purchase Bonds registered in the name of the Construction Lender pursuant to subsection (a) may not be transferred to another registered owner without the written approval of the Issuer and only in compliance with all applicable securities laws; *provided, however,* that such approval shall not be required if at the time of such transfer, the Special Purchase Bonds have a current

investment grade rating from the Rating Agency. Any such approved transfer must be of all of the Outstanding Bonds to a single registered owner.

ARTICLE IV
PURCHASE AND REMARKETING OF BONDS

Section 4.1 Purchase of Bonds on any Business Day.

(a) **Optional Tender.** During any Weekly Variable Rate Period, the Trustee shall purchase any Bond on behalf of and as agent for the Borrower, but solely from the sources provided in Section 4.1(g), on the demand of the Beneficial Owner of such Bond. The purchase price of any Bond tendered for purchase shall be 100 percent of the principal amount of such Bond plus accrued interest, if any, to the date of purchase. The Beneficial Owner may demand purchase of its Bond by delivery of a Bondholder Tender Notice complying with the requirements of this subsection to the Tender Agent at its Designated Office on any Business Day. Any Bondholder Tender Notice received by the Tender Agent after 3:30 p.m. Eastern time on a Business Day will be treated as received at 9:00 a.m. Eastern time on the following Business Day. The date of purchase shall be the date selected by the Beneficial Owner in the Bondholder Tender Notice; *provided, however,* that such date is a Business Day which is at least seven days after the date of the delivery of the Bondholder Tender Notice to the Tender Agent. A Bondholder Tender Notice complies with the requirements of this subsection if it:

(1) is accompanied by a guaranty of signature acceptable to the Tender Agent; and

(2) contains the CUSIP number of the Bond, the principal amount to be purchased (or portion of a Bond, *provided* that the retained portion is an Authorized Denomination), the name, address and tax identification number or social security number of the Beneficial Owner of the Bond demanding such payment and the purchase date.

(b) **Irrevocability of Tender.** Subject to Section 4.1(h), by delivering a Bondholder Tender Notice the Beneficial Owner irrevocably agrees to deliver the Tendered Bond (with an appropriate transfer of registration form executed in blank and accompanied by a guaranty of signature satisfactory to the Tender Agent) to the Designated Office of the Tender Agent or any other address designated by the Tender Agent at or prior to 10:00 a.m. Eastern time on the date of purchase specified in the Bondholder Tender Notice. Any election by a Beneficial Owner to tender a Bond or Bonds (or portion of a Bond or Bonds) for purchase on a Business Day in accordance with Section 4.1(a) shall also be binding on any transferee of the Beneficial Owner making such election.

(c) **Compliance with Tender Requirements.** Bonds shall be required to be purchased pursuant to Section 4.1(a) only if the Bonds so delivered to the Tender Agent conform in all respects to the description of such Bonds in the Bondholder Tender Notice. The Tender Agent shall determine in its sole discretion whether a Bondholder Tender Notice complies with the requirements of Section 4.1(a) and whether Bonds delivered conform in all respects to the

description of the Bonds in the Bondholder Tender Notice. Such determination shall be binding on the other Remarketing Notice Parties and the Beneficial Owner of the Bonds.

(d) **Notice of Bondholder Tender Notice.** Immediately upon receipt of a copy of a Bondholder Tender Notice, the Tender Agent shall notify the other Remarketing Notice Parties by telephone, promptly confirmed in writing, of such receipt, specifying the contents of such Bondholder Tender Notice.

(e) **Untendered Bonds.** If after delivery of a Bondholder Tender Notice to the Tender Agent the holder making such election fails to deliver any of the Bonds described in the Bondholder Tender Notice as required by Section 4.1(b), each untendered Bond or portion of such untendered Bond ("**Untendered Bond**") described in such Bondholder Tender Notice shall be deemed to have been tendered to the Tender Agent for purchase, to the extent that there is on deposit in the Bond Purchase Fund on the applicable purchase date an amount sufficient to pay the purchase price of such Untendered Bond, and such Untendered Bond from and after such purchase date will cease to bear interest and no longer be considered to be Outstanding. The Trustee shall promptly give notice by registered or certified first class mail, postage prepaid, to each Beneficial Owner of any Bond which has been deemed to have been purchased pursuant to this Section, stating that interest on such Untendered Bond ceased to accrue from and after the date of purchase and that moneys representing the purchase price of such Untendered Bond are available against delivery of such Untendered Bond at the Designated Office of the Tender Agent. The Issuer shall sign and the Tender Agent shall authenticate and deliver for redelivery a new Bond or Bonds in replacement of the Untendered Bond not so delivered. The replacement of any Bond will not be deemed to create new indebtedness, but will be deemed to evidence the indebtedness previously evidenced by the Untendered Bond.

(f) **Purchase of Bond in Part.** Upon surrender of any Bond for purchase in part only, the Issuer shall execute and the Tender Agent shall authenticate and deliver to the holder of such Bond a new Bond or Bonds of the same maturity and interest rate, of Authorized Denominations, in an aggregate principal amount equal to the unpurchased portion of the Bond surrendered.

(g) **Payment and Sources of Purchase Price.** The Tender Agent shall make payment for any Tendered Bond to the Registered Owner at or before 4:00 p.m. Eastern time on the date for purchase specified in the Bondholder Tender Notice, **first** from remarketing proceeds on deposit in the Bond Purchase Fund, **second**, from proceeds of a payment under the Credit Facility, and **third**, from the Borrower.

(h) **Book-Entry-Only.** Notwithstanding the above, during any period that the Bonds are Book-Entry Bonds, (i) any Bondholder Tender Notice also must (A) provide evidence satisfactory to the Tender Agent that the party delivering the notice is the Beneficial Owner of the Bond(s) or a custodian for the Beneficial Owner referred to in the notice, and (B) if the Beneficial Owner is other than a DTC Participant, identify the DTC Participant through whom the Beneficial Owner will direct transfer, (ii) on or before the purchase date, the Beneficial Owner must direct (or if the Beneficial Owner is not a DTC Participant, cause its DTC Participant to direct) the transfer of said Bond(s) on the records of DTC to the account of, or as directed by, the Trustee, (iii) Tendered Bond(s) will be purchased without physical delivery as if

such Bond(s) had been so delivered, and (iv) the purchase price of such Bond(s) will be paid to DTC.

Section 4.2 Mandatory Tender and Purchase.

(a) **Mandatory Tender Dates (Other Than Upon Default); Notice.** The holders of the Bonds shall be required to tender their Bonds to the Tender Agent for purchase on each Mandatory Tender Date by the Trustee acting on behalf of and as agent for the Borrower, but solely from the sources provided in Section 4.2(d), at a purchase price equal to 100 percent of the principal amount of the Bonds plus accrued interest to the applicable Mandatory Tender Date. The Owner of any Bond may not elect to retain its Bond. Mandatory Tender Dates include each Adjustment Date (even if a proposed change in Mode fails to occur), each Substitution Date and each Extension Date. The Trustee shall give notice of Mandatory Tender Dates as follows:

(1) Not less than 30 days before any proposed Adjustment Date, the Trustee shall give notice by first class mail, postage prepaid, to the Bondholders stating the information required to be set forth in notices pursuant to the applicable provisions of Sections 2.8(a)(2), 2.8(b)(2), 2.8(c)(2) or 2.8(d).

(2) Not less than ten days before any Substitution Date, the Trustee shall give notice by first class mail, postage prepaid, to the Bondholders stating (A) an Alternate Credit Facility will be substituted for the Credit Facility then in effect, (B) the Substitution Date, (C) that the Bonds are required to be tendered on the Substitution Date, and (D) that Bondholders will not have the right to elect to retain their Bonds.

(3) Not less than ten days before any Extension Date, if the Trustee has not received a binding commitment to extend the Credit Facility, the Trustee shall give notice by first class mail, postage prepaid, to the Bondholders stating (i) the Extension Date and that no commitment to extend the Credit Facility then in effect has been received by the Trustee, (ii) that such Bonds are required to be tendered on the Extension Date (unless an extension of the Alternate Credit Facility is received prior to the Extension Date), and (iii) that the Bondholders will not have the right to elect to retain such Bonds if an extension of the Credit Facility is not received.

(b) **Mandatory Tender upon Default; Notice.** The Bonds shall be subject to mandatory tender upon receipt by the Trustee of written notice from the Credit Provider stating that an Event of Default under a Reimbursement Agreement has occurred and directing that the Bonds be subject to mandatory tender. Such mandatory tender shall be made on the earliest practicable date, after notice of tender has been given to Bondholders and shall be payable solely from the sources provided in Section 4.2(d)(2) at a purchase price equal to 100 percent of the principal amount of the Bonds plus accrued interest to the Mandatory Tender Date. The Owner of any Bond may not elect to retain its Bond. Immediately upon receipt by the Trustee of such written notice from the Credit Provider, the Trustee shall give notice by first class mail, postage prepaid, to the owners of the Bonds stating that (i) such event has occurred, (ii) the Bonds are required to be tendered on the Mandatory Tender Date specified in such notice, and (iii) the Bondholders will not have the right to elect to retain their Bonds.

(c) **Untendered Bond**. Any Untendered Bond which is not tendered on a Mandatory Tender Date will be deemed to have been tendered to the Tender Agent as of such Mandatory Tender Date, and, from and after such Mandatory Tender Date, shall cease to bear interest and no longer will be considered to be Outstanding. In the event of a failure by owners to deliver Bonds on the Mandatory Tender Date, such Owners will not be entitled to any payment (including any interest to accrue from and after the Mandatory Tender Date) other than the purchase price for such Untendered Bond, and any Untendered Bond will no longer be entitled to the benefits of this Indenture, except for the purpose of payment of the purchase price for such Untendered Bond. The Issuer shall sign, and the Tender Agent shall authenticate and deliver to the Remarketing Agent for redelivery to the purchaser, a new Bond in replacement of the Untendered Bond. The replacement of any such Untendered Bond shall not be deemed to create new indebtedness, but shall be deemed to evidence the indebtedness previously evidenced by the Untendered Bond.

(d) **Payment and Sources of Purchase Price**. The Tender Agent shall make payment for Bonds purchased pursuant to this Section at or before 4:00 p.m. Eastern time on the Mandatory Tender Date. The Trustee shall pay the purchase price:

(1) for Bonds purchased pursuant to Section 4.2(a), **first** from remarketing proceeds on deposit in the Bond Purchase Fund, **second**, from proceeds of a payment under the Credit Facility, and **third**, from the Borrower

(2) for Bonds purchased pursuant to Section 4.2(b) **first**, from proceeds of a payment under the Credit Facility, and **second**, from the Borrower.

(e) **Purchase Price Moneys Held in Trust**. Following any Mandatory Tender Date, moneys deposited with the Tender Agent for the purchase of Bonds shall be held in trust in the Bond Purchase Fund and shall be paid to the former owners of such Bonds upon presentation of such Bonds at the Designated Office of the Tender Agent. The Tender Agent shall promptly give notice by registered or "certified first class" mail, postage prepaid, to each Registered Owner of Bonds whose Bonds are deemed to have been purchased stating that interest on such Bonds ceased to accrue on the date of purchase and that moneys representing the purchase price of such Bonds are available against delivery of such Bonds at the Designated Office of the Tender Agent. During any period that the Bonds are Book-Entry Bonds, (i) any notice delivered pursuant to this Section 4.2(e) shall be given only to the entity designated in the Letter of Representations, as required by Section 3.4(a), and (ii) it shall not be necessary for Bond(s) to be physically delivered on the date specified for purchase of such Bond(s), but such purchase shall be made as if such Bond(s) had been so delivered, and the purchase price of such Bond(s) shall be paid to DTC.

Section 4.3 Remarketing of Bonds.

(a) **Resignation and Removal of Remarketing Agent.**

(1) **Resignation of Remarketing Agent; Termination of Existence**. The Remarketing Agent may resign by giving no less than 30 days prior written notice to the other Remarketing Notice Parties, but in no event shall such resignation take effect prior

to the date a successor Remarketing Agent is appointed and is serving under this Indenture and the Remarketing Agreement. Upon receipt of such notice or upon termination of the Remarketing Agent's corporate existence, the Borrower, with the prior written consent of the Credit Provider, shall appoint a successor Remarketing Agent, which must be a trust company or bank or investment bank in good standing, within or without the State. If the Borrower fails or refuses to make such appointment prior to the effective date of the resignation set forth in such notice, or upon such termination of existence, the Credit Provider may appoint a successor Remarketing Agent by written notice to the other Remarketing Notice Parties.

(2) **Removal of Remarketing Agent**. The Borrower may remove the Remarketing Agent, with the prior written consent of the Credit Provider, at any time by a written notice to the other Remarketing Notice Parties, but unless specifically approved by the Credit Provider, such removal will not become effective until a successor Remarketing Agent satisfactory to the Credit Provider is appointed. If (A) an Event of Default has occurred and is continuing under a Reimbursement Agreement, or (B) the Remarketing Agent has failed to fulfill any of its duties and obligations under this Indenture or the Remarketing Agreement, the Credit Provider may remove the Remarketing Agent by written notice to the other Remarketing Notice Parties and appoint a successor Remarketing Agent.

(b) **Commercially Reasonable Efforts to Remarket Tendered Bonds**. In accordance with Sections 2.5, 2.6 and 2.7, the Remarketing Agent shall offer for sale and use its commercially reasonable efforts to remarket, on or prior to each applicable Tender Date:

(1) all Bonds identified in a Bondholder Tender Notice delivered to the Tender Agent;

(2) all Bonds required to be tendered upon delivery of notice under Section 4.2(a)(1) and 4.2(a)(2);

(3) all Bonds required to be tendered pursuant to Section 4.2(a)(3) but only if an Alternate Credit Facility has been delivered to the Trustee; and

(4) all Bonds required to be tendered upon delivery of notice pursuant to Section 4.2(b) but only if the Credit Provider directs that such Bonds be remarketed.

The Remarketing Agent shall offer such Bonds for sale at par plus accrued interest, if any.

(c) **Preliminary Notice of Remarketing**. The Remarketing Agent will give notice by telephone (immediately confirmed by Electronic Means) not later than 4:00 p.m. Eastern time (unless a mandatory tender pursuant to Section 4.2(b) is scheduled, in which case the Remarketing Agent will give such notice not later than 11:00 a.m. Eastern time) on the Business Day preceding each Tender Date, as follows:

(1) to the other Remarketing Notice Parties specifying the total principal amount of Tendered Bonds, if any, (A) that have been remarketed for settlement on such

Tender Date, (B) that remain unremarketed at such time, and (C) that in its best good faith estimate will remain unremarketed as of 10:00 a.m. Eastern time on the Tender Date; and

(2) to the Trustee, specifying the name, address and taxpayer identification number or social security number of each purchaser as well as the denominations of the Bonds to be issued to such purchaser.

(d) **Final Notice of Remarketing**. Not later than 10:00 a.m. Eastern time on the Tender Date, the Remarketing Agent shall give notice by Electronic Means to the other Remarketing Notice Parties (immediately confirmed in writing, together with instructions to the Tender Agent as to the manner in which any Bonds that have been remarketed are to be registered) specifying as follows:

(1) the principal amount of Bonds remarketed (together with the information required to be specified in Section 4.3(c) if not already provided);

(2) the amount of remarketing proceeds on deposit with the Tender Agent;

(3) the amount of Bonds to be purchased that have not been remarketed at the time of such notice; and

(4) the amount required to be paid under the Credit Facility, except that;

the information specified in paragraphs (3) and (4) is not relevant to a remarketing described in Section 4.3(b)(4) and the Remarketing Agent need not give such information in that circumstance. Upon receipt of such notice, the Trustee shall draw on the Credit Facility pursuant to Section 8.2 in the amount necessary to pay the purchase price of the Bonds for which remarketing proceeds are not available.

(e) **Payment of Purchase Price**. Upon delivery (except as otherwise provided in, but subject to the tendering Beneficial Owner's compliance with, Section 4.1(h)) of Tendered Bonds to or upon the order of the Remarketing Agent, the Remarketing Agent shall deliver to the Tender Agent at its Designated Office, in immediately available funds, an amount equal to the purchase price of the total principal amount of Bonds specified in the notice given by the Remarketing Agent pursuant to Section 4.3(d), plus accrued interest, if any, on such Bonds.

(f) **Prohibited Remarketing**. Except as otherwise provided in this Indenture, the Remarketing Agent shall not remarket any Bonds directly to the Issuer, the Borrower, any Affiliate of the Borrower, or any guarantor of the Loan.

(g) **Remarketing Agent's Own Account**. The Remarketing Agent may, but is not obligated to, acquire for its own account any Bonds delivered to it, but not otherwise remarketed. The Remarketing Agent may purchase and sell Bonds for its own account at any time.

(h) **Periodic Notice to Credit Provider**. The Remarketing Agent shall provide the Credit Provider with a notice, in form satisfactory to the Credit Provider, by the next Business Day after the first Rate Determination Date in each calendar month, setting forth the name and

telephone number of the person providing the notice, the name of the Remarketing Agent and the principal amount of Bonds tendered for remarketing that remain unremarketed as of the close of business on such Rate Determination Date, or, if no Bonds were so tendered, indicating that no Bonds were tendered. The Credit Provider may waive its right to receive such notice(s) from time to time in writing.

(i) **Notices of Rate Determination Date and Nonpayment of Fees**. On or before a Rate Determination Date other than during a Weekly Variable Rate Period, the Remarketing Agent shall notify the other Remarketing Notice Parties of the date selected as the Rate Determination Date. The Remarketing Agent will promptly notify the Loan Servicer if the fees and expenses of the Remarketing Agent have not been paid under the Remarketing Agreement.

(j) **Duties of Trustee Concerning Remarketed Bonds**. Unless the Bonds are then Book-Entry Bonds, the Trustee shall deliver, or cause to be delivered, at the Designated Office of the Tender Agent, Bonds remarketed by the Remarketing Agent, before 1:00 p.m. Eastern time on the applicable purchase date or Mandatory Tender Date; *provided, however*, that prior to delivery of the Bonds to such purchasers the amount available under the Credit Facility to secure the Bonds must equal the principal amount of the Bonds Outstanding (other than Pledged Bonds) plus the Interest Requirement.

Section 4.4 Pledged Bonds.

(a) **No Credit Facility Support**. The Credit Facility shall not constitute security or provide liquidity for Pledged Bonds.

(b) **Ownership and Pledge of Pledged Bonds**. Pledged Bonds shall be owned by the Borrower and pledged to the Custodian under the Pledge Agreement for the benefit of the Credit Provider. As set forth in the Pledge Agreement, the Tender Agent shall either (i) ensure that Pledged Bonds are delivered to the Custodian, or (ii) if, and only if, delivery of the Bonds is not possible, deliver a written entitlement order to the applicable financial intermediaries on whose records ownership of the Pledged Bonds is reflected directing the intermediaries to credit the security entitlement to the Pledged Bonds to the account of the Custodian for the benefit of the Credit Provider and deliver to the Custodian a written confirmation of such credit, whether or not the Borrower notifies the Remarketing Agent to do so. The Trustee shall cancel Pledged Bonds upon the written direction of the Credit Provider.

(c) **Remarketing of Pledged Bonds**. At such time as a Pledged Bond is remarketed by the Remarketing Agent, the Trustee or the Tender Agent, as appropriate, shall (i) remit the proceeds from the remarketing to the Credit Provider, (ii) pursuant to Section 8(e) of the Credit Facility, submit a Certificate in the form of ***Exhibit F*** attached to the Credit Facility, and (iii) give written notice to the Remarketing Agent, the Borrower, the Loan Servicer and the Credit Provider that such Bond is no longer a Pledged Bond. During the occurrence and continuation of an Event of Default under this Indenture or the Reimbursement Agreement, no Pledged Bond shall be remarketed without the consent of the Credit Provider. No Pledged Bond shall be remarketed unless the Trustee takes such action, if any, required by the Credit Facility to reinstate the Credit Facility for a like amount.

Section 4.5 No Sales After Wrongful Dishonor; No Purchase After Acceleration. Notwithstanding anything in this Indenture to the contrary, no Bonds shall be remarketed if the Trustee has given notice to the Remarketing Agent that a Wrongful Dishonor has occurred and is continuing. No Bonds, other than Pledged Bonds, shall be purchased if the Trustee has given notice to the Remarketing Agent that there has occurred and is continuing an acceleration of the Bonds pursuant to Section 10.2.

ARTICLE V
FUNDS AND ACCOUNTS

Section 5.1 Creation of Funds and Accounts. The following Funds and Accounts are created with the Trustee:

(a) the Loan Fund and within the Loan Fund, the Project Account, the Capitalized Moneys Account and the Equity Account;

(b) the Revenue Fund and within the Revenue Fund, the Interest Account, the Credit Facility Account, the Redemption Account, the Borrower Bond Account, and the Fees Account;

(c) the Costs of Issuance Fund and within the Costs of Issuance Fund, the Costs of Issuance Deposit Account and the Net Bond Proceeds Account;

(d) the Rebate Fund;

(e) so long as any Bonds are Outstanding and have not been adjusted to the Fixed Rate, the Bond Purchase Fund; and

(f) the Principal Reserve Fund.

The Trustee shall hold and administer the above Funds and Accounts in accordance with this Indenture.

Section 5.2 Initial Deposits.

(a) On the Closing Date, the Trustee shall make the following deposits:

(1) $_____ of the Net Bond Proceeds into the Project Account of the Loan Fund;

(2) $_____ of Net Bond Proceeds into the Capitalized Moneys Account of the Loan Fund;

(3) $_____ of amounts contributed by or on behalf of the Borrower to the Equity Account of the Loan Fund;

(4) $_____ into the Costs of Issuance Deposit Account of the Costs of Issuance Fund received from the Borrower and representing the Costs of Issuance Deposit and

$_____ of Net Bond Proceeds to the Net Bond Proceeds Account of the Costs of Issuance Fund to be applied to pay Costs of Issuance; and

(b) In addition, from time to time, the Trustee shall deposit into the Equity Account of the Loan Fund amounts received by the Trustee from or at the direction of the Borrower which the Borrower or Construction Lender directs in writing to be deposited into the Equity Account of the Loan Fund.

Section 5.3 Loan Fund.

(a) **Disbursements from the Capitalized Moneys Account.** Until the earlier of (i) the depletion of the Capitalized Moneys Account and (ii) the Conversion Date (the Conversion Date being included as a date on which or for which, as the case may be, the Trustee is directed to perform this function), the Trustee shall automatically transfer amounts on deposit in the Capitalized Moneys Account as follows:

(1) Interest on the Note. Not later than three Business Days prior to each Interest Payment Date, the Trustee shall transfer to the Interest Account an amount equal to the interest which shall be payable on such Interest Payment Date by the Borrower under the Note;

(2) Facility Fee to the Credit Provider. Not later than three Business Days prior to each Interest Payment Date, the Trustee shall transfer to the Interest Account an amount equal to the amount of the Facility Fee payable to the Credit Provider under the Reimbursement Agreement; and

(3) Certain Other Fees. Not later than three Business Days prior to the date on which any Third-Party Fee is due, the Trustee shall transfer to the Fees Account, the amount of such Third-Party Fee.

Transfers from the Capitalized Moneys Account shall, so long as the Letter of Credit is outstanding, be made no later than three Business Days prior to the respective dates on which such payments are due. The Trustee shall immediately notify the Construction Lender and Fannie Mae if sufficient funds are not available to make the transfers as and when required by this paragraph.

(b) **Disbursements from the Project Account and Equity Account.** The Trustee shall disburse amounts on deposit in the Project Account and Equity Account as provided in the following subsections for the sole purpose of paying the Costs of the Project.

(1) Project Account and Equity Account Requisitions. The Trustee shall make disbursements from the Project Account and Equity Account only upon the receipt of a Project/Equity Account Requisition Certificate, in the form of ***Exhibit C*** attached to this Indenture, signed by an Authorized Borrower Representative and countersigned by an Authorized Construction Lender Representative. The Trustee shall have no duty to determine whether any requested disbursement from the Project Account or the Equity Account complies with the applicable Construction Phase Credit Documents. The

countersignature of the Authorized Construction Lender Representative on a Project/Equity Account Requisition Certificate shall be deemed a certification and, insofar as the Trustee and the Issuer are concerned, constitute conclusive evidence, that all of the terms, conditions and requirements of the applicable Construction Phase Credit Documents applicable to the disbursement have been fully satisfied or waived. The Trustee shall, immediately upon each receipt of a completed Project/Equity Account Requisition Certificate signed by the Authorized Borrower Representative and countersigned by an Authorized Construction Lender Representative, initiate procedures with the provider of the Investment Agreement applicable to the Loan Fund, if any, to make withdrawals under that Investment Agreement as necessary to fund the Project/Equity Account Requisition.

(2) Timing. If a Project/Equity Account Requisition signed by the Authorized Borrower Representative and countersigned by an Authorized Construction Lender Representative, is received by the Trustee by 12:00 noon, prevailing Chicago time, on any given Business Day, the Trustee shall pay the requested disbursement within two Business Days (for this purpose, including in the definition of "Business Day" only clauses (i) and (iii) of such definition), or, if an Investment Agreement is in effect with respect to such funds, within two Business Days after funds are received by the Trustee from the provider of the relevant Investment Agreement. If a Project/Equity Account Requisition signed by the Authorized Borrower Representative and countersigned by an Authorized Construction Lender Representative, is received by the Trustee after 12:00 noon, prevailing Chicago time, on any given Business Day, the Trustee shall pay the requested disbursement within three of the above-counted Business Days. Upon final disbursement of all amounts on deposit in the Loan Fund, the Trustee shall close the Loan Fund.

(c) **Transfers to Effect Certain Mandatory Redemptions of Bonds.**

(1) Conversion; Excess Loan Funds. On the Conversion Date (and, if applicable, from time to time after the Conversion Date) the Trustee shall transfer to the Redemption Account such amounts remaining on deposit in the Loan Fund, excluding from such transfer, however, any amount the Loan Servicer determines are required to pay Costs of the Project which are then not yet due and payable or which are then being contested in good faith. The Trustee shall apply any amounts so transferred to the redemption of Bonds pursuant to Section 3.3(g).

(2) Failure of Conversion or Borrower Default. If the Credit Provider notifies the Trustee pursuant to Section 3.3(f) that either (i) the Conditions to Conversion have not been satisfied prior to the Termination Date, or (ii) the Borrower Default has occurred or (iii) the Construction Lender has directed Fannie Mae to draw on the Letter of Credit due to an event of default by the Borrower under the Construction Phase Loan Agreement or the Construction Phase Reimbursement Agreement, then:

(A) the Trustee shall not make any further disbursement from the Project Account in accordance with subsection (b)(1); and

(B) the Trustee shall transfer any amounts remaining on deposit in the Loan Fund to the Redemption Account three Business Days prior to the Redemption Date determined for the redemption of the Bonds pursuant to Section 3.3(f).

If, however, the Trustee purchases the Bonds for the account of the Construction Lender pursuant to Section 3.8, the Trustee shall make the transfer described in clause (B) on such later date as the Construction Lender shall specify, but in any event not later than three years after the Closing Date. The Trustee shall apply any amounts so transferred to the Redemption Account to the redemption of Bonds pursuant to Section 3.3(f).

(3) Certain Other Mandatory Redemptions. Immediately prior to any mandatory redemption of the Bonds in whole pursuant to Section 3.3(a) or 3.3(f), any amounts then remaining in the Loan Fund shall, at the written direction of the Credit Provider, be transferred to the Redemption Account to be applied to the redemption of Bonds pursuant to the applicable provision.

Section 5.4 Revenue Fund - Interest Account.

(a) **Deposits into the Interest Account**. The Trustee shall deposit each of the following amounts into the Interest Account:

(1) moneys provided by or on behalf of the Borrower relating to an interest payment under the Note whether paid pursuant to Section 3.2(b)(1) of the Assignment or otherwise;

(2) moneys provided by or on behalf of the Borrower for the payment of the Facility Fee to the Credit Provider under a Reimbursement Agreement whether paid pursuant to Section 3.2(b)(4) of the Assignment or otherwise;

(3) moneys transferred from the Capitalized Moneys Account pursuant to Section 5.3(a) whether to pay accrued interest on the Bonds, the Facility Fee to the Credit Provider under a Reimbursement Agreement or otherwise;

(4) all Investment Income on the Funds and Accounts (except that Investment Income earned on amounts on deposit in the Loan Fund, Rebate Fund, Costs of Issuance Fund, and the Principal Reserve Fund shall be credited to and retained in those respective Funds or Accounts); and

(5) any other moneys made available for deposit into the Interest Account from any other source, including, but not limited to, any excess amounts in the Bond Purchase Fund pursuant to Section 5.11.

(b) **Disbursements from the Interest Account**. The Trustee shall disburse or transfer, as applicable, moneys on deposit in the Interest Account at the following times and apply such moneys in the following manner and in the following order of priority:

(1) On each (i) Interest Payment Date on or prior to the Conversion Date, (ii) Interest Payment Date after the Conversion Date during any Reset Period or Fixed Rate Period, (iii) Redemption Date, and (iv) date of acceleration of the Bonds, the Trustee shall disburse to the Credit Provider the amount of any Advance under the Credit Facility relating to the payment of interest on the Bonds;

(2) In the event of a Wrongful Dishonor until such Wrongful Dishonor is cured, the Trustee shall disburse to the Bondholders on each Interest Payment Date, an amount equal to the interest due on the Bonds on such date;

(3) On each Interest Payment Date on or prior to Conversion, to the Credit Provider the amount of its Facility Fee.

(4) If the Credit Provider or the Loan Servicer gives written notice to the Trustee at any time to the effect that there is any unreimbursed Advance under the Credit Facility or any other amount required to be paid by the Borrower to the Credit Provider under the Loan Documents, the Bond Documents or the Credit Facility Documents remains unpaid, then the Trustee shall transfer any Investment Income earned on the Interest Account from and after the preceding Interest Payment Date or the Closing Date, as applicable, to the Credit Provider but not in an amount which exceeds the amount stated as unpaid by the Credit Provider in its notice to the Trustee; and

(5) Unless there is (A) a deficiency in the Principal Reserve Fund, the Fees Account or the Rebate Fund, or (B) other than as described in paragraph (3) above, an Event of Default under the Reimbursement Agreement or any Bond Document or a default under any Loan Document has occurred and is continuing, on each Interest Payment Date the Trustee shall disburse to the Borrower the Investment Income earned on or transferred to the Interest Account from and after the preceding Interest Payment Date or the Closing Date, as applicable. If a deficiency exists in the Principal Reserve Fund, the Fees Account or the Rebate Fund, such Investment Income shall be transferred to the Principal Reserve Fund, the Fees Account and/or the Rebate Fund, in that order of priority, prior to any payment to the Borrower.

Section 5.5 Revenue Fund - Redemption Account.

(a) **Deposits into the Redemption Account.** The Trustee shall deposit each of the following amounts into the Redemption Account:

(1) Available Moneys provided by or on behalf of the Borrower to fund the premium payable on Bonds in connection with a redemption of such Bonds, which amounts shall be held in a segregated subaccount in the Redemption Account;

(2) moneys transferred from the Loan Fund pursuant to Section 5.3(c);

(3) moneys provided by or on behalf of the Borrower relating to a principal payment, including any prepayment under the Note;

(4) moneys transferred from the Principal Reserve Fund pursuant to Section 5.12; and

(5) any other amount received by the Trustee and required by the terms of this Indenture or the Financing Agreement to be deposited into the Redemption Account.

(b) **Disbursements from the Redemption Account**. On each Redemption Date, date of acceleration of the Bonds and Maturity Date, the Trustee shall disburse from the Redemption Account (x) to the Credit Provider, the amount of any Advance under the Credit Facility relating to the payment of principal on the Bonds, or (y) in the event of a Wrongful Dishonor, to the Bondholders, an amount equal to the principal due on the Bonds on such date. In addition, on any date on which premium payable on Bonds in connection with a redemption of such Bonds is due, the Trustee shall disburse to the Bondholders, from the segregated subaccount in the Redemption Account, Available Moneys in an amount sufficient to pay such premium.

(c) **Disbursements from the Redemption Account for Sinking Fund Payments.**

(1) Application of Moneys. Provided that no notice of optional redemption has been sent to Bondholders on or prior to the 30th day preceding a Sinking Fund Payment Date, at the written instruction of the Issuer (acting through an Authorized Officer), at the direction of the Borrower and with the prior written consent of the Credit Provider, the Trustee shall apply any moneys accumulated in the Redemption Account on or prior to the 30th day preceding such Sinking Fund Payment Date to the purchase of Bonds of the maturity for which such Sinking Fund Payment was established at prices (including any brokerage and other charges) not exceeding the redemption price for such Bonds plus accrued and unpaid interest to the date of purchase, such purchase to be made in such manner as the Trustee (after consultation with the Issuer, the Borrower and the Credit Provider) determines. The Borrower shall provide a copy of such direction to the Loan Servicer concurrently with delivery to the Trustee.

(2) Credit Toward Sinking Fund Payment. Upon the purchase of any Bond pursuant to Section 5.5(c)(1), all such Bonds will be cancelled by the Trustee and an amount equal to the principal amount of the Bonds so purchased will be credited toward the Sinking Fund Payment next due with respect to the Bonds of such maturity. In the event the Trustee is able to purchase Bonds at a price less than the redemption price at which such Bonds were to be redeemed, then, presuming no notice of redemption has been sent to Bondholders, after payment by the Trustee of the purchase price of such Bonds and after payment of any other amounts due on the due date of such Sinking Fund Payment, the Trustee shall pay an amount not greater than the difference between the amount of such purchase price and the amount of such redemption price to, or at the direction of, the Borrower.

(3) Redemption. As soon as practicable after the 30th day preceding the due date of any such Sinking Fund Payment, and otherwise as provided in Section 3.4, the Trustee shall give notice of redemption of Bonds in such amount as is necessary to complete the retirement of a principal amount of Bonds equal to the unsatisfied balance of such Sinking Fund Payment. The Trustee shall call such Bonds for redemption

whether or not it then has moneys in the Redemption Account sufficient to pay the applicable redemption price of the Bonds to be redeemed on the Redemption Date. The Trustee shall pay the amount required for the redemption of the Bonds so called for redemption from the Funds specified in Article V of this Indenture, in the order of priority indicated, and such amount will be applied by the Trustee to such redemption.

Section 5.6 Revenue Fund - Credit Facility Account.

(a) **Deposits into the Credit Facility Account.** The Trustee shall deposit into the Credit Facility Account all Advances under the Credit Facility, except for (i) Advances on account of Issuer's Fee, and (ii) Pledged Bond Advances. That portion of any Advance on account of Issuer's Fee shall be deposited into the Fees Account; provided, however, that no amount shall be requested as an Advance under the Credit Facility with respect to that portion of the Issuer's Fee relating to the Specially-Converted Bonds and the Borrower Bonds. Any Advance for a Pledged Bond shall be deposited into the Bond Purchase Fund pursuant to Section 5.11(a)(2). No other moneys will be deposited into the Credit Facility Account and the Credit Facility Account shall be maintained as a segregated account and moneys therein shall not be co-mingled with any other moneys held under this Indenture. The Credit Facility Account shall be closed at such time as the Credit Provider has no continuing liability under the Credit Facility.

(b) **Transfers from the Credit Facility Account.** The Trustee shall cause amounts deposited into the Credit Facility Account to be applied on the date payment is due to the payments for which the Advance was made pursuant to the Credit Facility. In no event shall amounts in the Credit Facility Account be applied to the payment of principal of and interest and any premium on any Pledged Bonds or on any Bonds known by the Trustee to be held by the Borrower or any Affiliate of the Borrower. Any amounts remaining in the Credit Facility Account after making the payment for which the Advance was made pursuant to the Credit Facility shall be immediately refunded to the Credit Provider.

Section 5.7 Revenue Fund – Borrower Bond Account. The Trustee shall deposit into the Borrower Bond Account the payments made by the Borrower under Section 2.1 of the Financing Agreement. No other moneys shall be deposited in the Borrower Bond Account. On any Interest Payment Date, redemption date or Maturity Date for the Borrower Bonds, the Trustee shall withdraw from the Borrower Bond Account amounts due and payable and pay such amounts to the holders of the Borrower Bonds pursuant to this Indenture.

Section 5.8 Revenue Fund - Fees Account.

(a) **Deposits into the Fees Account.** The Trustee shall deposit into the Fees Account all:

(1) Capitalized Moneys Account. Moneys transferred from the Capitalized Moneys Account pursuant to Section 5.3(c);

(2) Third-Party Fees. Payments made by the Borrower under the Financing Agreement attributable to the Third-Party Fees;

(3) Fees and Expenses. Payments made by the Borrower under the Financing Agreement attributable to the Fees and Expenses, including, without limitation, that portion of the Issuer's Fees attributable to the Borrower Bonds and the Specially-Converted Bonds; and

(4) **Amounts from the Credit Facility**. Amounts derived from the Credit Facility for the payment of the Issuer's Fee attributable solely to the Bonds, but shall not include (i) Specially-Converted Bonds after the date of conversion of such Specially-Converted Bonds in accordance with Section 2.8(d) and (ii) Borrower Bonds until they are converted to Bonds in accordance with Section 2.19.

(b) **Disbursements from the Fees Account**. On any date on which any amounts are required to pay any Third-Party Fees or any Fees and Expenses, such amounts shall be withdrawn by the Trustee from the Fees Account for payment to the appropriate party; *provided, however*, that amounts derived from the Credit Facility and deposited into the Fees Account will be used only to pay the Issuer's Fee when due. In the event the amount in the Fees Account is insufficient to pay such Third-Party Fees or any Fees and Expenses, the Trustee shall make written demand on the Borrower for the amount of such insufficiency and, pursuant to the terms of the Financing Agreement, the Borrower shall be liable to promptly pay the amount of such insufficiency to the Trustee within five Business Days after the date of the Trustee's written demand. The Trustee will provide notice of the insufficiency to the Loan Servicer and, prior to the Conversion Date, to the Credit Provider and the Construction Lender.

(c) **No Other Claims to Trust Estate or Borrower Bond Trust Estate**. Neither the Tender Agent, the Remarketing Agent nor the Rebate Analyst shall have any right to any moneys in any Fund or Account or otherwise in the Trust Estate or the Borrower Bond Trust Estate other than those moneys deposited pursuant to subsection (a) into the Fees Account specifically for such Person. Except as otherwise stated in Sections 5.18 and 9.2, the Issuer shall not have any right to any moneys in any Fund or Account or otherwise in the Trust Estate or the Borrower Bond Trust Estate other than those moneys deposited pursuant to subsection (a) into the Fees Account specifically for the Issuer. Except as otherwise stated in Sections 5.16, 5.18, 9.2 and 10.10, the Trustee shall not have any right to any moneys in any Fund or Account or otherwise in the Trust Estate or the Borrower Bond Trust Estate other than those moneys deposited pursuant to subsection (a) into the Fees Account specifically for the Trustee.

Section 5.9 Costs of Issuance Fund.

(a) **Deposits into the Costs of Issuance Fund**. On or before the Closing Date the Borrower shall deliver the Costs of Issuance Deposit to the Trustee. On the Closing Date, the Trustee shall deposit or transfer, as applicable, the Costs of Issuance Deposit into the Costs of Issuance Deposit Account of the Costs of Issuance Fund. On the Closing Date, the Trustees shall deposit any Net Bond Proceeds received to pay Costs of Issuance into the Net Bond Proceeds Account of the Costs of Issuance Fund

(b) **Disbursements from the Costs of Issuance Fund**. The Trustee shall disburse moneys on deposit in the Costs of Issuance Fund, pursuant to requisitions set for in a Requisition Certificate, a form of which is attached to this Indenture as ***Exhibit C***, signed by an Authorized

Borrower Representative, to pay Costs of Issuance. The Trustee may conclusively rely on such requisitions for purposes of making such disbursements. Moneys on deposit in the Costs of Issuance Deposit Account of the Costs of Issuance Fund shall not be part of the Trust Estate and will be used solely to pay Costs of Issuance. Moneys on deposit in the Net Bond Proceeds Account of the Costs of Issuance Fund shall be part of the Trust Estate and shall be used to pay Costs of Issuance.

(c) **Disposition of Remaining Amounts**. Any moneys remaining in the (i) Costs of Issuance Deposit Account of the Costs of Issuance Fund six months after the Closing Date and not needed to pay Costs of Issuance will be transferred to the Equity Account of the Loan Fund, and/or (ii) the Net Bond Proceeds Account six months after the Closing Date and not needed to pay Costs of Issuance shall be transferred on a pro-rata basis on the original principal amount of the Loan to the Project Account. Upon final disbursement, the Trustee shall close the Costs of Issuance Fund.

Section 5.10 Rebate Fund. The Trustee shall hold and apply the Rebate Fund as provided in the Tax Certificate. Within 30 days after the end of every fifth Bond Year (as defined in the Tax Certificate), and within 55 days after the date on which no Bonds are Outstanding, the Borrower or the Trustee shall cause the Rebate Analyst to deliver to the Trustee and the Issuer a certificate stating whether any rebate payment is required to be made, as set forth in the Tax Certificate, and the Borrower shall deliver to the Trustee any amount so required to be paid.

Section 5.11 Bond Purchase Fund.

(a) **Deposits into Bond Purchase Fund**. The Trustee shall deposit each of the following into the Bond Purchase Fund:

(1) remarketing proceeds received upon the remarketing of Tendered Bonds to any person; and

(2) Pledged Bond Advances under the Credit Facility to enable the Trustee to pay the purchase price of Tendered Bonds to the extent that moneys obtained pursuant to paragraph (1) are insufficient on any date to pay the purchase price of Tendered Bonds, which amounts the Trustee shall transfer to the Tender Agent on or before 3:00 p.m. Eastern time on each Tender Date.

Subject to Section 8.3 permitting reimbursement of amounts owed to the Credit Provider, moneys in the Bond Purchase Fund shall be held uninvested and exclusively for the payment of the purchase price of Tendered Bonds. Amounts held to pay the purchase price for more than two years will be applied in the same manner as provided under Section 5.17 with respect to unclaimed payments of principal and interest.

(b) **Disbursements from the Bond Purchase Fund**. The Trustee shall transfer to the Tender Agent on or before 3:00 p.m. Eastern time on each Tender Date amounts on deposit in the Bond Purchase Fund to pay the purchase price of Tendered Bonds. The Tender Agent shall apply such amounts to pay the purchase price of Bonds purchased under this Indenture to

the former owners of such Bonds upon presentation of the Bonds to the Tender Agent pursuant to Sections 4.1 or 4.2.

Section 5.12 Principal Reserve Fund.

(a) **Deposits into the Principal Reserve Fund**. The Trustee shall deposit each of the following amounts into the Principal Reserve Fund:

(1) All of the monthly payments made by the Borrower in accordance with the Schedule of Deposits to Principal Reserve Fund attached to the Reimbursement Agreement, as such schedule may be amended in accordance with the Reimbursement Agreement; and

(2) Investment Income earned on amounts on deposit in the Principal Reserve Fund.

The Trustee may rely upon the Schedule of Deposits to Principal Reserve Fund attached to each Reimbursement Agreement provided to it as of the Closing Date until it is furnished an amended schedule by the Credit Provider or the Loan Servicer.

(b) **Disbursements from the Principal Reserve Fund**. The Trustee shall pay or transfer amounts on deposit in the Principal Reserve Fund as follows:

(1) at the written direction of the Credit Provider, to the Credit Provider to reimburse the Credit Provider for any unreimbursed Advance under the Credit Facility and to pay any other amounts required to be paid by the Borrower under the Loan Documents, the Bond Documents or the Credit Facility Documents (including any amounts required to be paid to the Credit Provider);

(2) at the written direction of the Credit Provider, with the written consent of the Borrower (so long as an Event of Default has not occurred and is not continuing under any of the Credit Facility Documents), to the Credit Provider or the Borrower, as the Credit Provider elects, to make improvements or repairs to the Mortgaged Property;

(3) at the written direction of the Credit Provider, if a default has occurred under the Credit Facility Documents, any Loan Document or any Bond Document, to the Credit Provider for any use approved in writing by the General Counsel of the Credit Provider;

(4) at the written direction of the Credit Provider, if a new mortgage and mortgage note have been substituted for the Security Instrument and the Note in accordance with the Loan Documents, or if the Borrower otherwise consents, for any purpose approved in writing by the General Counsel of the Credit Provider;

(5) on each Adjustment Date, to the Redemption Account;

(6) during a Weekly Variable Rate Period, on the tenth Business Day prior to each Interest Payment Date, all amounts on deposit in the Principal Reserve Fund

(rounded downward to the nearest multiple of $100,000) in excess of the Principal Reserve Amount, to the Redemption Account.

(7) Pay to the Borrower, Investment Income on moneys in the Principal Reserve Fund on the Interest Payment Date following receipt by the Trustee of such interest or profits; *provided* that there is no deficiency in the Interest Account, the Redemption Account, the Principal Reserve Fund, the Fees Account or the Rebate Fund, and that no default exists under the Credit Facility Documents, any Loan Document or any Bond Document. If a deficiency exists in the Interest Account, the Redemption Account, the Principal Reserve Fund, the Fees Account or the Rebate Fund, the Trustee shall transfer such Investment Income to the Interest Account, the Redemption Account, the Principal Reserve Fund, the Fees Account and/or the Rebate Fund, in that order of priority, prior to any payment to the Borrower.

Section 5.13 Moneys to be Held in Trust. Except for (i) moneys deposited with or paid to the Trustee for the redemption of Bonds notice of the redemption of which has been duly given, and (ii) moneys on deposit in the Costs of Issuance Fund, the Rebate Fund and the Fees Account, all moneys required to be deposited with or paid to the Trustee for the account of any Fund or Account will be held by the Trustee in trust and, while held by the Trustee, shall constitute part of the Trust Estate and be subject to the security interest created by this Indenture.

Section 5.14 Records. The Trustee shall keep and maintain accurate records with respect to the Funds and Accounts. The Trustee shall file at least an annual accounting of the Funds and Accounts and the payment history on the Bonds and the Loan with the Issuer, the Loan Servicer and the Borrower and, upon request, with the Construction Lender and the Credit Provider. Any notices, reports or other information delivered by the Trustee to the Loan Servicer with respect to any Fund or Account also will be delivered, upon request, to the Construction Lender and the Credit Provider.

Section 5.15 Reports by the Trustee. The Trustee shall, on or before the 20th day of each month, file with the Issuer, the Construction Lender, the Loan Servicer and the Borrower a statement setting forth in respect of the preceding calendar month:

(a) the amount withdrawn or transferred and the amount deposited within or on account of each Fund and Account under this Indenture, including the amount of Investment Income on each Fund and Account transferred to the Interest Account;

(b) the amount on deposit at the end of such month to the credit of each Fund and Account;

(c) a brief description of all obligations held as an investment of moneys in each Fund and Account;

(d) the amount applied to the purchase or redemption of Bonds and a description of the Bonds or portions of Bonds so purchased or redeemed; and

(e) any other information which the Borrower, the Credit Provider, the Loan Servicer or the Issuer may reasonably request.

No monthly statement for a Fund or Account need be rendered if no activity occurred in that Fund or Account during such month. Upon the written request of any Bondholder owning 25 percent or more in aggregate principal amount of Bonds then Outstanding, the Trustee, at the Borrower's expense, shall provide a copy of such statement to the Bondholder. All records and files pertaining to the Trust Estate will be open at all reasonable times during regular business hours of the Trustee to the inspection and audit of the Issuer, the Loan Servicer, the Construction Lender, the Borrower and the Credit Provider and their agents and representatives upon reasonable prior notice.

Section 5.16 Moneys Held for Particular Bonds. The amounts held by the Trustee for payment of the interest, premium, if any, principal or redemption price due on any date with respect to particular Bonds, pending such payment, will be set aside and held in trust by the Trustee for the Bondholders entitled to such payment. For the purposes of this Indenture such interest, premium, principal or redemption price, after the due date of payment, will no longer be considered to be unpaid.

Section 5.17 Nonpresentment of Bonds. In the event any Bond is not presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such Bond have been deposited with the Trustee for the benefit of the owner of the Bond and have remained unclaimed for two years after such principal has become due and payable, such amounts, to the extent amounts are owed to the Credit Provider as set forth in a written statement of the Credit Provider addressed to the Trustee, will be paid to the Credit Provider, with any excess to be paid to the Borrower. Upon such payment, all liability of the Issuer and the Trustee to the holder of any Bond for the payment of such Bond will cease and be completely discharged. The obligation of the Trustee under this Section to pay any such amounts to the Credit Provider [or the Borrower] will be subject to any provisions of law applicable to the Trustee or to such amounts providing other requirements for disposition of unclaimed property.

Section 5.18 Disposition of Remaining Moneys. Provided that the rebate requirements referenced in the Tax Certificate are first satisfied, any amounts remaining in the Revenue Fund or the Principal Reserve Fund after payment in full of the principal of and interest and any premium on the Bonds will be applied to pay (i) **first**, to the Credit Provider any unpaid amounts certified by the Credit Provider to be due and owing to the Credit Provider, (ii) **second**, to the Person or Persons entitled to be paid, all other unpaid amounts required to be paid under this Indenture or the Financing Agreement, (iii) **third**, to the Construction Lender any unpaid amounts certified by the Construction Lender to be due and owing to the Construction Lender under the Construction Phase Credit Documents, and (iv) **fourth**, to the Issuer the balance upon the expiration or sooner cancellation or termination of the term of the Financing Agreement as provided in the Financing Agreement.

ARTICLE VI
INVESTMENTS

Section 6.1 Investment Limitations. Moneys held as part of any Fund or Account shall be invested and reinvested in Permitted Investments. Permitted Investments shall have maturities corresponding to, or shall be available for withdrawal without penalty no later than, the dates upon which such moneys shall be needed for the purpose for which such moneys are held. Moneys on deposit in the (i) Interest Account shall be invested only in investments described in paragraphs (a), (b), (c), and (h) of the definition of Permitted Investments, (ii) Redemption Account shall be invested only in investments described in paragraph (a) of the definition of Permitted Investments, with a term not exceeding the earlier of 30 days from the date of investment of such moneys or the date or dates that such moneys are anticipated to be required for redemption, (iii) Credit Facility Account and Bond Purchase Fund shall be held uninvested, and (iv) Costs of Issuance Fund, until disbursed or returned to the Borrower pursuant to Section 5.9, shall be invested only in investments described in paragraph (h) of the definition of Permitted Investments. Permitted Investments shall be held by or under the control of the Trustee. All Investment Income from moneys held in all Funds and Accounts other than the Loan Fund, the Rebate Fund, the Costs of Issuance Fund (other than as provided below) and the Principal Reserve Fund, upon receipt, shall be deposited into the Interest Account. Investment Income from moneys held in the Loan Fund, the Rebate Fund, the Costs of Issuance Fund and the Principal Reserve Fund shall remain in the respective Fund where earned.

Section 6.2 Trustee's Authority and Responsibilities. The Trustee is authorized to sell and reduce to cash a sufficient amount of Permitted Investments whenever the cash balance is or will be insufficient to make a requested or required disbursement. The Trustee shall not be accountable for any depreciation in the value of any Permitted Investment or for any loss resulting from such sale. The Trustee may trade with itself and its Affiliates in the purchase and sale of securities for investments, and may transact purchases and sales through its investment department or through its Affiliates. The Trustee and its Affiliates may act as principal, agent, sponsor, advisor or depository with respect to any investments. All Permitted Investments shall be made by the Trustee in its name, as Trustee, at the written direction of the Borrower, subject to the limitations contained in this Indenture. If no direction is provided to the Trustee, the Trustee shall invest such moneys in investments described in paragraph (h) of the definition of Permitted Investments. In computing the amount in any Fund or Account, Permitted Investments if purchased at par shall be valued at principal cost plus accrued interest, or, if purchased at other than par, at principal cost plus amortized discount or less amortized premium (amortization to be on a straight-line basis to the date of stated maturity without regard to redemptions or repayments of principal which may occur prior to maturity) plus accrued interest. The Trustee shall take such actions as shall be necessary to assure that Permitted Investments purchased by it under this Indenture are held pursuant to the terms of this Indenture and are subject to the trusts and security interests created in this Indenture. The Issuer (and the Borrower by its execution of the Financing Agreement) acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer or the Borrower the right to receive brokerage confirmations of security transactions as they occur, the Issuer and the Borrower specifically waive receipt of such confirmations to the extent permitted by law.

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE ISSUER

Section 7.1 **Issuer's Representations and Warranties**. The Issuer represents and warrants that:

(a) The Issuer is duly authorized under the Constitution and laws of the State to (i) issue the Bonds and the Borrower Bonds, (ii) execute and deliver this Indenture, the Financing Agreement, the Assignment, and the Regulatory Agreement and to endorse the Note, (iii) assign its interest in the Financing Agreement (except the Reserved Rights), and (iv) pledge and assign the Trust Estate as set forth in this Indenture for the benefit of (A) the Bondholders, to secure the payment of the principal of and interest and any premium on the Bonds in accordance with the terms and provisions of this Indenture and the Bonds and the Borrower Bonds, and (B) the Credit Provider to secure the payment of all amounts owing to the Credit Provider under the Credit Facility Documents.

(b) All actions on the part of the Issuer for the issuance, sale and delivery of the Bonds and the Borrower Bonds and for the execution and delivery of this Indenture, the Financing Agreement, the Assignment and the Regulatory Agreement and the endorsement of the Note have been taken duly and effectively.

(c) The Bonds and the Borrower Bonds are not subject to debt limits.

Section 7.2 **Issuer's Covenants**. In addition to all other covenants and agreements of the Issuer contained in this Indenture or the Financing Agreement, the Issuer further covenants and agrees with the Bondholders and the Trustee as follows:

(a) Except as provided in Article XII, the Issuer shall not alter, modify or cancel, or agree to alter, modify or cancel, any agreement which relates to or affects the Security or the Borrower Bond Trust Estate.

(b) Except as otherwise provided in this Indenture, the Financing Agreement or the Assignment, the Issuer shall not sell, convey, mortgage, encumber or otherwise dispose of any portion of the Security or the Borrower Bond Trust Estate or create or authorize to be created any debt, lien or charge thereon.

(c) At the expense of the Borrower, the Issuer shall cooperate with the Borrower in the Borrower's performing the Borrower's obligation to cause this Indenture, or any related instruments or documents relating to the assignment made by the Issuer under this Indenture to secure the Bonds and the Borrower Bonds, to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the holders of the Bonds and the Borrower Bonds and the rights of the Trustee hereunder.

Section 7.3 Limitations on Liability. Notwithstanding any other provision of this Indenture to the contrary:

(a) The Bonds and the interest thereon are limited obligations of the Issuer, payable solely from the Security.

(b) The Borrower Bonds and the interest thereon are limited obligations of the Issuer, payable solely from the Borrower Bond Trust Estate.

(c) Nothing contained in the Bonds or in this Indenture shall be considered as assigning or pledging any funds or assets of the Issuer other than the Trust Estate.

(d) Nothing contained in the Borrower Bonds or in this Indenture shall be considered as assigning or pledging any funds or assets of the Issuer other than the Borrower Bond Trust Estate.

(e) The Bonds and the Borrower Bonds, together with premium, if any, and interest thereon, do not constitute an indebtedness, liability, general or moral obligation or a pledge of the 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.

(f) Neither the faith and credit of the Issuer, the State nor of any other political subdivision of the State are pledged to the payment of the principal of and interest and any premium on the Bonds or the Borrower Bonds.

(g) Neither the Issuer, the State nor any political subdivision thereof shall be obligated to pay the principal of, premium, if any, or interest on the Bonds or the Borrower Bonds, as the case may be, or other costs incident thereto except from the payments pledged with respect thereto and certain reserve funds established in connection therewith.

(h) No failure of the Issuer to comply with any term, condition, covenant or agreement in this Indenture or in any document executed by the Issuer in connection with the Mortgaged Property, or the issuance, sale and delivery of the Bonds or the Borrower Bonds shall subject the Issuer to liability for any claim for damages, costs or other charges except to the extent that the same can be paid or recovered from the Trust Estate with respect to the Bonds, or the Borrower Bond Trust Estate, with respect to the Borrower Bonds.

(i) 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 the Borrower Bonds or other costs incident thereto.

(j) The Bonds and the Borrower 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.

(k) The Issuer shall not be required to advance any moneys derived from any source other than the Trust Estate, with respect to the Bonds, or the Borrower Bond Trust Estate, with

respect to the Borrower Bonds, for any of the purposes of this Indenture, any of the other Bond Documents or any of the Loan Documents, whether for the payment of the principal or redemption price of, or interest on, the Bonds, the payment of Third-Party Fees, Fees and Expenses or administrative expenses or otherwise.

Section 7.4 Further Assurances; Security. The Issuer, to the extent permitted by law, shall execute, acknowledge and deliver such supplemental indentures and other instruments and documents, and perform such further acts, as the Trustee or the Credit Provider may reasonably require to perfect, and maintain perfected, the security interest in the Trust Estate or to better assure, transfer, convey, pledge, assign and confirm to the Trustee or the Credit Provider all of its respective interest in the property described in this Indenture and the revenues, receipts and other amounts pledged by this Indenture. The Issuer shall cooperate to the extent necessary with the Borrower, the Trustee and the Credit Provider in their defenses of the Trust Estate and the Security against the claims and demands of all Persons. In addition to the assignment by the Issuer of its rights (except the Reserved Rights) in the Trust Estate to the Trustee, the Issuer hereby acknowledges that in order to more fully protect, perfect and preserve the rights of the Trustee, the Borrower and the Credit Provider in the Trust Estate, the Issuer grants to the Trustee a security interest in the Trust Estate and the proceeds thereof.

Section 7.5 Enforcement. The Issuer agrees that the Trustee and, so long as a Credit Facility provided by the Credit Provider continues in effect, the Credit Provider, in its name or in the name of the Issuer, may enforce against the Borrower or any other Person any rights of the Issuer under the Bond Documents (other than the Reserved Rights) whether or not the Issuer is in default under this Indenture or under the Financing Agreement, but neither the Trustee nor the Credit Provider will be deemed to have assumed any of the obligations of the Issuer under the Bond Documents. The Issuer shall fully cooperate with the Trustee or the Credit Provider in the enforcement by the Trustee or the Credit Provider of any such rights. At the request of the Trustee or the Credit Provider, the Issuer, upon being indemnified to its satisfaction against all liability, costs and expenses which may be incurred in connection with such enforcement, shall in its name commence legal action or take such other actions as the Trustee or the Credit Provider reasonably requests to enforce the rights of the Issuer (except the Reserved Rights), the Trustee or the Credit Provider under or arising from the Bonds or the Bond Documents.

Section 7.6 Tax Covenants. The Issuer agrees:

(a) It shall neither make nor direct the Trustee to make any investment or other use of the proceeds of the Bonds that would cause the Bonds to be "arbitrage bonds" as that term is defined in Section 148(a) of the Code and that it shall comply with the requirements of the Code throughout the term of the Bonds.

(b) It (i) shall take, or use its reasonable best efforts to require to be taken, all actions that may be required of the Issuer for the interest on the Bonds and the Borrower Bonds to be and remain not included in gross income for federal income tax purposes and (ii) shall not take or authorize to be taken any actions within its control that would adversely affect that status under the provisions of the Code.

In furtherance of the covenants in this Section, the Issuer and the Borrower shall execute, deliver and comply with the provisions of the Tax Certificate, which is by this reference incorporated into this Indenture and made a part of this Indenture, and by its acceptance of this Indenture the Trustee acknowledges receipt of the Tax Certificate and acknowledges its incorporation into this Indenture by this reference. The Trustee agrees that in those instances where it exercises discretion over the investment of funds, it shall not knowingly make any investment inconsistent with subsection (a).

ARTICLE VIII
CREDIT FACILITY; ALTERNATE CREDIT FACILITY; LETTER OF CREDIT

Section 8.1 **Acceptance of the Credit Facility**. The Trustee shall hold the Credit Facility and shall enforce in its name all rights of the Trustee and all obligations of the Credit Provider under the Credit Facility for the benefit of the Bondholders. The Trustee shall not assign or transfer the Credit Facility except to a successor Trustee under this Indenture. The Issuer and the Trustee acknowledge that the obligations of Fannie Mae as the Credit Provider under the initial Credit Facility are not backed by the full faith and credit of the United States of America, but by the credit of Fannie Mae, a federally-chartered, stockholder owned corporation.

Section 8.2 **Requests for Advances Under Credit Facility**. The Trustee shall request Advances under the Credit Facility in accordance with its terms and cause the proceeds of each Advance to be applied so that full and timely payments are made on each date on which payment of principal, interest or purchase price is due on any Bond or any payment of the Issuer's Fee is due and not paid by the Borrower pursuant to the Financing Agreement. The Trustee shall not request, and shall not apply the proceeds of, any Advance to pay (i) principal of, interest on or the purchase price of, any Pledged Bond or any Bond known by the Trustee to be held by the Borrower or any Affiliate of the Borrower, (ii) premium that may be payable upon the redemption of any of the Bonds, or (iii) interest that may accrue on any of the Bonds on or after the maturity of such Bond. Prior to requesting an Advance to pay principal of or interest on the Bonds on an Interest Payment Date, the Trustee shall determine the amount necessary to make such payment of principal or interest.

Section 8.3 **Return of Payments Under the Credit Facility**. In the event the Trustee receives an Advance from the Credit Provider on account of any Tendered Bond and thereafter the Trustee receives remarketing proceeds upon the remarketing of such Tendered Bond, then the Trustee shall promptly reimburse the Credit Provider with such funds to the extent of the amount so paid by the Credit Provider as a reimbursement on behalf of the Borrower.

Section 8.4 **Alternate Credit Facility**. Subject to the terms of the Credit Facility Documents, the Trustee shall accept any Alternate Credit Facility delivered to the Trustee in substitution for the Credit Facility then in effect if:

(a) the Alternate Credit Facility meets the requirements of Section 2.9;

(b) the Substitution Date for the Alternate Credit Facility is an Interest Payment Date during a Weekly Variable Rate Period or an Adjustment Date which immediately follows a Reset Period;

(c) the Alternate Credit Facility is effective on and from the Substitution Date for such Alternate Credit Facility; and

(d) the Trustee and the Issuer receive on or prior to the effective date of the Alternate Credit Facility (i) an Opinion of Counsel to the Credit Provider issuing the Alternate Credit Facility, in form and substance satisfactory to the Issuer and the Trustee, relating to the due authorization and issuance of the Alternate Credit Facility and its enforceability, and (ii) an opinion of Bond Counsel to the effect that the substitution of such Alternate Credit Facility will not adversely affect the exclusion from gross income, for federal income tax purposes, of the interest payable on the Bonds.

The Trustee shall give notice to the Bondholders by first class mail, postage prepaid, of the substitution by such Alternate Credit Facility for the Credit Facility then in effect as provided in Section 4.2. On the Substitution Date, the Trustee shall draw, if necessary, on the Credit Facility being replaced and shall not surrender such Credit Facility until all requests thereon have been honored.

Section 8.5 Extension of Credit Facility. In the event the term of any Credit Facility is extended, the Trustee must receive, not later than the Extension Date, (i) the commitment relating to such extension of the Credit Facility, and (ii) an Opinion of Counsel for the Credit Provider, in substantially the form of the Opinion of Counsel delivered to the Trustee and the Issuer upon the issuance of such Credit Facility. The Trustee shall provide a copy of the commitment to extend and the extension of the credit facility upon receipt thereof to the Rating Agency and, upon request, to any Bondholder. Upon the failure of the Borrower to furnish the Trustee with either a satisfactory commitment to extend the Credit Facility or an Alternate Credit Facility pursuant to Section 8.4 and the accompanying Opinion of Counsel on or prior to each Extension Date, the Bonds shall be subject to mandatory tender pursuant to Section 4.2.

Section 8.6 Limitations on Rights of Credit Provider. Notwithstanding anything contained in this Indenture to the contrary, all provisions in this Indenture regarding consents, approvals, directions, waivers, appointments, requests or other actions by the Credit Provider shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider were not mentioned in such provisions (i) if a Wrongful Dishonor has occurred and is continuing, or (ii) after the Credit Facility ceases to be valid and binding on the Credit Provider for any reason, or is declared to be null and void by final judgment of a court of competent jurisdiction; *provided, however*, that the Credit Provider's right to notices and the payment of amounts due to the Credit Provider shall continue in full force and effect. The foregoing shall not affect any other rights of the Credit Provider.

Section 8.7 References to Credit Provider When No Credit Facility Is In Effect. Subject to the provisions of Section 8.10(a), all provisions of this Indenture relating to the rights of the Credit Provider shall be of no force and effect if there is no Credit Facility in effect and

there are no Pledged Bonds and all amounts owing to the Credit Provider under the Credit Facility Documents have been paid. In such event, all references to the Credit Provider shall have no force or effect.

Section 8.8 **Certain Notices to the Credit Provider and the Loan Servicer**. The Trustee shall promptly notify, and the Issuer shall use reasonable efforts to notify, the Construction Lender, the Credit Provider and the Loan Servicer of any of the following as to which it has actual knowledge (i) the occurrence of any Event of Default under this Indenture or under any of the other Transaction Documents, or any event which, with the passage of time or service of notice, or both, would constitute such an Event of Default, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect to such event, (ii) an Act of Bankruptcy or a bankruptcy filing by or against the Borrower, and (iii) the making of any claim in connection with seeking the avoidance as a preferential transfer ("**Preference Claim**") of any payment of principal of, or interest on, the Loan.

Section 8.9 **Credit Provider to Control Insolvency Proceedings**. Each Bondholder, by its purchase of Bonds, the Trustee and the Issuer agree that the Credit Provider may at any time during the continuation of an insolvency proceeding of the Issuer or the Borrower ("**Insolvency Proceeding**") direct all matters relating to the Bonds in any such Insolvency Proceeding, including, without limitation, (i) all matters relating to any Preference Claim, (ii) the direction of any appeal of any order relating to any Preference Claim, and (iii) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, and without limitation of the foregoing, the Credit Provider shall be subrogated to the rights of the Issuer, the Trustee and the Bondholders in any Insolvency Proceeding to the extent it has performed its payment obligations under the Credit Facility, including any rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Insolvency Proceeding and rights pertaining to the filing of a proof of claim, voting on a reorganization plan and rights to payment thereunder.

Section 8.10 **Construction Phase Financing Agreement; Assignment of Rights to Construction Lender**.

(a) **Assignment of Rights**. The Issuer and the Trustee acknowledge that, prior to the Conversion Date, and subject to the applicable terms and conditions of the Construction Phase Financing Agreement, the Construction Lender may, by assignment from the Credit Provider, succeed to the interests of the Credit Provider under the Bond Documents and the Loan Documents with the authority to exercise the rights otherwise granted to the Credit Provider under the Bond Documents and the Loan Documents. The Construction Lender shall notify the Issuer in writing of its exercise of this right in advance of so exercising.

(b) **Amounts Owed to Construction Lender**. Any references in this Indenture to amounts owed to the Credit Provider under any Credit Facility Document shall, on and after the effective date of the assignment referred in Section 8.10(a), be deemed to refer to amounts owed to the Construction Lender under the Construction Phase Credit Documents.

(c) **Termination of References to the Construction Lender**. From and after the Conversion Date, all references in this Indenture to the Construction Lender shall be of no further force or effect and shall be disregarded for all purposes of this Indenture.

(d) **Credit Provider Succeeds to Rights of Construction Lender.** In the event that the Credit Provider notifies the Trustee that either (i) the Construction Lender has failed to perform its obligations under the Construction Phase Financing Agreement, or (ii) the provider of the Letter of Credit has failed to honor a draw under the Letter of Credit upon proper presentation of documents which conform to the terms and conditions of the Letter of Credit, the Construction Lender shall have no rights under this Indenture, all of its former rights shall immediately become rights of the Credit Provider and all references in this Indenture to the Construction Lender shall be read as references to the Credit Provider. If the Credit Provider succeeds to the rights of the Construction Lender, the Credit Provider shall have the right in its discretion to appoint a third party to exercise part or all of such rights. The Credit Provider shall provide the Trustee, the Issuer and the Borrower with written notice of the selection of any such third party. In addition, the "Authorized Construction Lender Representative" shall become the person designated in writing by the Credit Provider. Such person need not be an employee of the Credit Provider and may be an employee of the third party appointed by the Credit Provider to exercise its rights.

ARTICLE IX
DISCHARGE OF LIEN

Section 9.1 Discharge of Lien and Security Interest.

(a) **Discharge**. Upon satisfaction of the conditions set out in subsection (b), the Trustee shall (i) cancel and discharge this Indenture and the pledge and assignment of the Security, (ii) execute and deliver to the Issuer such instruments in writing prepared by the Issuer or its counsel and provided to the Trustee and the Credit Provider as may be required to cancel and discharge this Indenture and the pledge and assignment of the Trust Estate, (iii) reconvey, assign and deliver to the Issuer so much of the Trust Estate as may be in its possession or subject to its control (except for (A) moneys and Government Obligations held for the purpose of paying Bonds, and (B) moneys and Investments held in the Rebate Fund for payment to the United States Government) and (iv) return the Credit Facility to the Credit Provider.

(b) **Conditions to Discharge**. The conditions precedent to the cancellation and discharge of this Indenture and the other acts described in subsection (a) are (i) payment in full of the Bonds, the Specially-Converted Bonds and the Borrower Bonds, (ii) payment of the Trustee's Annual Fee and the Trustee's ordinary costs and expenses under this Indenture, (iii) receipt by the Trustee of a written statement from the Credit Provider stating that all obligations owed to the Credit Provider under the Credit Facility Documents have been fully paid, (iv) payment of all Extraordinary Items, (v) receipt by the Trustee of a written statement from the Issuer stating that all amounts owed to the Issuer hereunder have been fully paid, (vi) return of the Credit Facility to the Credit Provider, and (vii) receipt by the Trustee of an Opinion of Counsel, at the expense of the Borrower, stating that all conditions precedent to the satisfaction and discharge of this Indenture have been satisfied.

(c) **Survival of Rights and Powers.** The Reserved Rights of the Issuer and the rights and powers granted to the Trustee with respect to the payment, transfer and exchange of Bonds and Borrower Bonds shall survive the cancellation and discharge of this Indenture.

Section 9.2 Payment of Outstanding Amounts. If the Bonds and the Borrower Bonds are paid in full, but any one or more of the other conditions precedent set out in Section 9.1(b) are not satisfied because an amount has not been paid, the Trustee, prior to cancellation and discharge of this Indenture, shall notify the Issuer of the status and thereafter shall pay to the persons listed below, in the strict order set out below, the amounts required to satisfy those conditions precedent:

(a) **Trustee's Annual Fee and Ordinary Costs and Expenses.** If any portion of the Trustee's Annual Fee or ordinary costs and expenses of the Trustee remain unpaid, the Trustee shall pay to itself so much of the Trust Estate and the Borrower Bond Trust Estate, as the case may be, as will fully pay such unpaid amounts. No Extraordinary Items may be included under this subsection (a).

(b) **Credit Provider.** If the Trustee receives a written statement from the Credit Provider stating that moneys are owed to the Credit Provider under the Credit Facility Documents or the Loan Documents, including obligations in respect of reimbursement of funds advanced by the Credit Provider to the Trustee for application to the payment of Remarketing Expenses, the Trustee shall pay to the Credit Provider so much of the remaining Trust Estate as will fully pay all amounts due and owing to the Credit Provider, as determined by the Credit Provider. The reimbursement from the Trust Estate of amounts advanced by the Credit Provider for application to the payment of remarketing expenses will be made with interest at a rate equal to the Prime Rate (as that term is defined in Section 4.2 of the Reimbursement Agreement) plus two percentage points, from the date or dates of such advances through the date of such reimbursement. The Trustee is authorized to rely on the written statement of the Credit Provider as to the amount of such advances and interest accrued on such advances.

(c) **Trustee.** If any Extraordinary Items have not been paid to the Trustee, the Trustee shall pay to itself so much of the remaining Trust Estate as will fully pay all amounts owing to the Trustee for Extraordinary Items.

(d) **Issuer.** If the Trustee receives a written statement from the Issuer stating that moneys are owed to the Issuer in respect of the Reserved Rights, the Trustee shall pay to the Issuer so much of the remaining Trust Estate and Borrower Bond Trust Estate as will fully pay all amounts owing to the Issuer in respect of the Reserved Rights.

(e) **Construction Lender.** If the Trustee receives a written statement from the Construction Lender stating that moneys are owed to the Construction Lender under the Construction Phase Credit Documents, the Trustee shall pay to the Construction Lender so much of the remaining Trust Estate as will fully pay all amounts due and owing to the Construction Lender.

Section 9.3 Defeasance.

(a) **Provision for Payment of Bonds.** So long as the Bonds are in a Reset Rate Mode or the Fixed Rate Mode, any Bond will be deemed paid within the meaning of Section 9.1 if each of the conditions set out in this Section is satisfied. The Bonds may not be defeased within the meaning of this Section if the Bonds are in the Weekly Variable Rate Mode. The conditions are:

(1) The Issuer or the Borrower deposit with the Trustee (A) Available Moneys or (B) Government Obligations which are not subject to early redemption and which are purchased with Available Moneys, of such maturities and interest payment dates and bearing such interest as will be sufficient, without further investment or reinvestment of either the principal amount of such Government Obligations or the interest earnings on Government Obligations (the earnings to be held in trust also), together with any Available Moneys, for the payment on their respective maturity dates, or redemption dates prior to maturity, of the principal of such Bonds and redemption premium, if any, and interest to accrue on such Bonds to such maturity or redemption dates.

(2) The Trustee receives, at the expense of the Borrower, and may rely upon (A) a verification report of an independent certified public accountant or other firm nationally recognized in the certification of cash flow analyses, and (B) an opinion of Bond Counsel, addressed to the Issuer and the Trustee, to the effect that such deposit with the Trustee and consequent defeasance of the Bonds does not adversely affect the excludability from gross income for federal income tax purposes of the interest payable on the Bonds.

(3) All Third-Party Fees and Fees and Expenses due or to become due have been paid or sufficient additional moneys to make the required payments have been irrevocably deposited with the Trustee.

(4) For any such Bonds to be redeemed on any date prior to their maturity, the Trustee has received in form satisfactory to it irrevocable instructions to redeem such Bonds on a date on which the Bonds are subject to redemption, and either evidence satisfactory to the Trustee that all redemption notices required by this Indenture have been given or irrevocable power authorizing the Trustee to give such redemption notices.

(5) If the Bonds are in a Reset Rate Mode, the Bonds will be redeemed on or before the last day of the current Reset Period.

The Trustee shall redeem the Bonds specified by such irrevocable instructions on the date specified by such irrevocable instructions.

(b) **Defeased Bonds No Longer Outstanding.** At such times as a Bond is deemed to be paid under this Indenture, it will no longer he secured by or entitled to the benefits of this Indenture, except for the purposes of payment in accordance with this Indenture.

(c) **Release of Certain Income**. All income from all Government Obligations in the hands of the Trustee pursuant to this Section which is identified by an independent certified public accountant or other firm nationally recognized in the certification of cash flow analyses as not required for the payment of the Bonds and interest on such income with respect to which such moneys have been so deposited will be deposited with the Trustee as and when realized and collected for use and application as are other moneys deposited with the Trustee.

(d) **Particular Bonds.** Notwithstanding any other provision of this Indenture to the contrary, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article IX for the payment of Bonds (including accrued interest on such Bonds) shall be applied to and used solely for the payment of the particular Bonds (including interest on such Bonds) with respect to which such moneys or Government Obligations have been so set aside in trust.

ARTICLE X
DEFAULT PROVISIONS AND REMEDIES

Section 10.1 Events of Default; Preliminary Notice.

(a) **Events of Default**. Each of the following constitutes an Event of Default under this Indenture:

(1) default in the payment when due and payable of any interest due on any Bond (other than a Pledged Bond) or, unless the Construction Lender specifies otherwise by written notice to the Trustee, on any Special Purchase Bond;

(2) default in the payment when due and payable of (A) the principal of or any redemption premium on any Bond (other than a Pledged Bond) or, unless the Construction Lender specifies otherwise by written notice to the Trustee, Special Purchase Bond at maturity or upon any redemption, or (B) the purchase price of any Tendered Bond (other than a Pledged Bond);

(3) written notice to the Trustee from the Credit Provider of a default by the Issuer in the observance or performance of any covenant, agreement, warranty or representation on the part of the Issuer included in this Indenture or in the Bonds (other than an Event of Default set forth in subsection (1) or (2) above) and the continuance of such default for a period of 30 days after the Trustee receives such notice;

(4) written notice to the Trustee from the Credit Provider of an Event of Default under the Reimbursement Agreement;

(5) written notice to the Trustee from the Credit Provider of an Act of Bankruptcy;

(6) a Wrongful Dishonor; or

(7) any event described in any Transaction Document as an Event of Default.

(b) **Preliminary Notice**. The Trustee shall immediately notify the Issuer, the Loan Servicer, the Borrower, the Construction Lender and the Credit Provider after the Trustee obtains knowledge or receives notice of the occurrence of an Event of Default under this Indenture or an event which would become such an Event of Default with the passage of time, the giving of notice or both, identifying the paragraph in Section 10.1(a) under which the Event of Default has occurred or may occur.

(c) **Non-Default and Prohibition of Mandatory Redemption Upon Tax Event**. The occurrence of any event ("**Tax Event**") which results in the interest payable on the Bonds being includable, for federal income tax purposes, in the gross income of the Bondholders, including any violation of any provision of the Regulatory Agreement or any of the other Bond Documents, shall not (i) directly or indirectly constitute an Event of Default under this Indenture or permit any party (other than the Credit Provider) to accelerate, or require acceleration of, the Loan or the Bonds, unless the Credit Provider provides written notice to the Trustee that such Tax Event constitutes a default under the Reimbursement Agreement, or (ii) give rise to a mandatory redemption of the Bonds, or (iii) give rise to the payment to the Bondholders of any amount, denoted as "supplemental interest," "additional interest," "penalty interest," "liquidated damages," "damages" or otherwise, in addition to the amounts payable to the owners of the Bonds prior to the occurrence of the Tax Event. Nothing contained in this subsection will be deemed to amend or supplement the terms of the Loan Documents. Promptly upon determining that a Tax Event has occurred, the Trustee, by notice in writing to the Construction Lender, the Credit Provider, the Loan Servicer, all Registered Owners of the Bonds and the Remarketing Agent, shall state that a Tax Event has occurred and whether the Tax Event is cured, curable within a reasonable period or incurable. If the Issuer learns of such an event, it will use reasonable efforts to provide notice to the same parties listed in the review conference (to the extent that such notice has not been provided by the Trustee). Notwithstanding the availability of the remedy of specific performance to cure a Tax Event that is curable within a reasonable period, neither the Issuer nor the Trustee shall have, upon the occurrence of a Tax Event, any right or obligation to cause or direct acceleration of the Bonds or the Loan, to enforce the Note or to foreclose the Security Instrument, to accept a deed to the Mortgaged Property in lieu of foreclosure, or to effect any other comparable conversion of the Mortgaged Property.

Section 10.2 Acceleration, Redemption and Mandatory Tender. The Bonds shall be subject to acceleration, redemption and mandatory tender as set out in this Section.

(a) **Acceleration**. Upon:

(1) the occurrence and during the continuance of a Wrongful Dishonor, the Trustee may, and, upon the written request of Bondholders owning not less than 51 percent in aggregate principal amount of Bonds then Outstanding, must, by written notice to the Issuer, the Borrower, the Construction Lender, the Credit Provider and the Loan Servicer, declare the principal of all Bonds and the interest accrued, and to accrue, on the Bonds to the date of payment immediately due and payable; or

(2) the occurrence of any other Event of Default under this Indenture, the Trustee may, upon receiving the prior written consent of the Credit Provider, and must, upon the written direction of the Credit Provider requiring that the Bonds be accelerated pursuant to this subsection, by written notice to the Issuer, the Borrower, the Credit Provider, the Construction Lender and the Loan Servicer, declare the principal of all Bonds and the interest accrued, and to accrue, on the Bonds to the date of declaration immediately due and payable.

(b) **Redemption and Mandatory Tender.** Upon the occurrence of an Event of Default under Section 10.1(a)(4) of this Indenture:

(1) If the Credit Provider so directs pursuant to Section 3.3(b), the Bonds shall be redeemed in whole or in part in the amount specified by and at the direction of the Credit Provider.

(2) If the Credit Provider so directs pursuant to Section 4.2(b), the Bonds shall be subject to mandatory tender.

Notwithstanding anything to the contrary in this Indenture, if the Credit Provider directs that the Bonds be redeemed in part pursuant to Section 3.3(b), the Credit Provider may further direct on one or more other occasions under this subsection that the Bonds be redeemed in whole or in part or that the Bonds be subject to mandatory tender.

(c) **Notice.**

(1) Acceleration. Upon any decision to accelerate payment of the Bonds, the Trustee shall notify the Construction Lender and the Bondholders of the declaration of acceleration, that, in the event of acceleration pursuant to Section 10.2(a)(2), interest on the Bonds will cease to accrue upon such declaration, and payment of the Bonds will be made upon presentment of the Bonds at the Designated Office of the Trustee. Such notice shall be sent by registered mail or overnight delivery service, postage prepaid, or, at the Trustee's option, may be given by Electronic Means to each Registered Owner of Bonds at such Registered Owner's last address appearing in the Bond Register. Any defect in or failure to give notice of such declaration will not affect the validity of such declaration.

(2) Redemption. Upon the direction of the Credit Provider to redeem the Bonds in whole or in part pursuant Section 3.3(b) and as provided in Section 3.4(a), immediate notice of redemption will be given.

(3) Mandatory Tender. Upon any direction of the Credit Provider that the Bonds be subject to mandatory tender, the Trustee shall give notice to the Bondholders as provided in Section 4.2(b).

(d) **Draw on Credit Facility.** Immediately upon acceleration, mandatory redemption or mandatory tender of the Bonds, the Trustee shall request an Advance under the Credit Facility in accordance with its terms.

Section 10.3 Other Remedies. Upon the occurrence and continuance of an Event of Default under this Indenture, the Trustee may, with or without taking action under Section 10.2, but only with the prior written consent of the Credit Provider, and must at the direction of the Credit Provider if the Event of Default occurs under Section 10.1(a)(3), (4), or (5), pursue any of the following remedies:

(a) an action in mandamus or other suit, action or proceeding at law or in equity (A) to enforce the payment of the principal of and interest and any premium on the Bonds, (B) for the specific performance of any covenant or agreement contained in this Indenture, the Financing Agreement or the Regulatory Agreement, or (C) to require the Issuer to carry out any other covenant or agreement with Bondholders hereunder;

(b) the liquidation of the Trust Estate; or

(c) an 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.

Subject to the provisions of Section 10.7 and the requirement, if any, that the Credit Provider consent in writing to the exercise by the Trustee of any remedy, upon the occurrence and continuance of an Event of Default under this Indenture, the Trustee shall exercise such of the rights and powers conferred by this Section as the Trustee, being advised by counsel, deems most effective to enforce and protect the interests of the Bondholders and, unless a Wrongful Dishonor has occurred and is continuing, the Credit Provider.

Section 10.4 Preservation of Security and Remedies if Payment Under Credit Facility is Not Made or is Insufficient; Rights of Bondholders. Upon the occurrence and during the continuance of a Wrongful Dishonor, the Trustee may proceed, and upon the written request of the holders of not less than 25 percent of the aggregate principal amount of the Bonds Outstanding and the receipt of indemnity reasonably satisfactory to the Trustee shall proceed, to protect and enforce its rights and the rights of the Bondholders under this Indenture by such suits, actions or special proceedings in equity or at law, whether for the specific performance of any covenant or agreement, or in aid of the execution of any power granted in this Indenture or for the enforcement of any legal or equitable right or remedy, as the Trustee, being advised by counsel, deems most effective to protect and enforce such rights or to perform any of its duties under this Indenture.

Section 10.5 Remedies Not Exclusive; Delay or Omission. No right or remedy 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 will be cumulative and in addition to any other right or remedy given to the Trustee or to the Bondholders under this Indenture or under the Financing Agreement, the Regulatory Agreement or the Credit Facility or now or later existing at law or in equity. No delay or omission to exercise any right or remedy provided in this Indenture will impair any such right or remedy or be construed to be a waiver of

any Event of Default or acquiescence in it. Every such right and remedy may be exercised from time to time as often as may be deemed expedient.

Section 10.6 Waiver. Subject to the conditions precedent set out below, (i) the Trustee may waive, (ii) the Trustee shall waive if directed to do so by the Credit Provider and the Construction Lender in writing, and (iii) Bondholders owning not less than 51 percent in aggregate principal amount of Bonds then Outstanding may waive, by written notice to the Trustee, any Event of Default under this Indenture and its consequences and rescind any declaration of acceleration of maturity of principal. The conditions precedent to any waiver are:

(a) unless waiver is directed by the Credit Provider and the Construction Lender, the Credit Provider and the Construction Lender consent to such waiver in writing;

(b) the principal and interest on the Bonds in arrears, together with interest thereon (to the extent permitted by law) at the applicable rate or rates of interest borne by the Bonds has been paid or provided for by the Borrower in Available Moneys or by the Credit Provider and all fees and expenses of the Trustee have been paid or provided for by the Borrower or the Credit Provider; and

(c) after the waiver, the Credit Facility remains in effect in an amount equal to the aggregate principal amount of the Bonds Outstanding (other than Pledged Bonds) plus the Interest Requirement; *provided, however*, that such waiver will be permitted without the Credit Facility remaining in effect if (i) the Issuer consents to the waiver, (ii) the Rating Agency then rating the Bonds is notified and the Trustee gives written notice to the Bondholders that the ratings on the Bonds may be reduced or withdrawn upon the occurrence of such waiver, and (iii) 100 percent of the Bondholders consent to the waiver.

Upon any such waiver, the default or Event of Default shall be deemed cured and shall cease to exist for all purposes and the Issuer, the Borrower, the Trustee and the Bondholders will be restored to their former positions and rights under this Indenture. No waiver of any default or Event of Default shall extend to or affect any subsequent default or Event of Default or shall impair any right or remedy consequent thereto.

Section 10.7 Rights of the Credit Provider and the Bondholders to Direct Proceedings; Rights and Limitations Applicable to Bondholders, Issuer and Trustee.

(a) **Rights to Direct Proceedings**. Notwithstanding anything contained in this Indenture to the contrary, the Credit Provider itself or Bondholders owning not less than 51 percent in aggregate principal amount of Bonds then Outstanding, but only with the prior written consent of the Credit Provider, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or any other proceedings under this Indenture; *provided, however*, that such direction will not be otherwise than in accordance with the provisions of law and of this Indenture, and *provided, further*, that the Trustee will be indemnified to its reasonable satisfaction (except for actions required under Section 10.2(b)).

(b) **Limitations on Bondholders' Rights**. No Bondholder has or shall have the right to enforce the provisions of this Indenture or the Financing Agreement, or to institute any proceeding in equity or at law for the enforcement of this Indenture or the Financing Agreement, or to take any action with respect to an Event of Default under this Indenture or an Event of Default under the Financing Agreement, or to institute, appear in or defend any suit or other proceeding with respect to this Indenture or the Financing Agreement upon an Event of Default unless (i) such Event of Default is a Wrongful Dishonor, (ii) such Bondholder has given the Trustee, the Issuer, the Credit Provider, the Construction Lender, the Loan Servicer and the Borrower written notice of the Event of Default, (iii) the holders of not less than 51 percent in aggregate principal amount of Bonds then Outstanding have requested the Trustee in writing to institute such proceeding, (iv) the Trustee has been afforded a reasonable opportunity to exercise its powers or to institute such proceeding, (v) the Trustee has been offered reasonable indemnity, where required, and (vi) the Trustee has thereafter failed or refused to exercise such powers or to institute such proceeding within a reasonable period of time. No Bondholder has or shall have any right in any manner whatever to affect, disturb or prejudice the pledge of revenues or of any other moneys, Funds, Accounts or securities under this Indenture. Except as provided in this subsection, no Bondholder has or shall have the right, directly or indirectly, individually or as a group, to seek to enforce, collect amounts available under, or otherwise realize on, the Credit Facility.

Section 10.8 Discontinuance of Proceedings. If the Trustee or any Bondholder has instituted any proceeding or remedy under this Indenture, and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely, then and in every such case the Issuer, the Credit Provider and the Trustee will be restored to their former positions and rights under this Indenture, and all rights, remedies, powers, duties and obligations of the Issuer, the Trustee and the Credit Provider shall continue as if no such proceedings had been taken, subject to the limits of any adverse determination.

Section 10.9 Possession of Bonds and Borrower Bonds. All rights under this Indenture or upon any of the Bonds and Borrower Bonds enforceable by the Trustee may be enforced by the Trustee without the possession of any of the Bonds or the Borrower Bonds, or the production of the Bonds or Borrower Bonds at trial or other proceedings. Any suit, action or proceeding instituted by the Trustee may be brought in its name for itself or as representative of the Bondholders without the necessity of joining Bondholders as parties, and any recovery resulting from such proceedings shall, subject to Section 10.10, be for the ratable benefit of the Bondholders.

Section 10.10 Application of Moneys. Amounts derived from payments under the Credit Facility (other than amounts derived from an Advance to pay the Issuer's Fee) shall be deposited into the Credit Facility Account and applied solely to pay the principal of and interest on the Bonds. Amounts on deposit in the Bond Purchase Fund shall be applied solely to pay the purchase price of the Bonds. All other moneys received by the Trustee pursuant to any action taken under this Article X shall be deposited into the Interest Account and the Redemption Account, as applicable, after payment of the ordinary costs and expenses of the Trustee. The balance of such moneys, less such amounts as the Trustee determines may be needed for possible use in paying future fees and expenses and for the preservation and management of the

Mortgaged Property (as identified by the Credit Provider), shall be applied as set out in the following subsections.

(a) **Principal on Bonds Not Declared Due and Payable.** Unless the principal on all Bonds has become or been declared due and payable, all such moneys will be applied:

First - to the payment of all interest then due on the Bonds, in the order of the maturity of such interest and, if the amount available shall not be sufficient to pay in full said amount, then to the payment ratably, of the amounts due, without any discrimination or privilege;

Second - to the payment of the unpaid principal of any of the Bonds which have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to this Indenture), in the order of due dates, with interest upon the principal amount of the Bonds from the respective dates upon which they become due at the rate or rates borne by the Bonds, to the extent permitted by law, and, if the amount available shall not be sufficient to pay in full the principal of such Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled to such payment without any discrimination or privilege;

Third - to the payment of amounts owed to the Credit Provider under the Credit Facility Documents and the Loan Documents, and then to any amounts due to the Trustee for Extraordinary Items, for this purpose including the costs and expenses of any proceedings resulting in the collection of such moneys and of advances incurred or made by the Trustee.

(b) **Principal of Bonds Declared Due and Payable.** If the principal of all the Bonds has become or been declared due and payable, all such moneys shall be applied **first,** to the payment of the principal and interest then due and unpaid upon the Bonds, 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 to payment, until all such principal and interest has been paid; **second**, to pay the Credit Provider amounts owed to it under the Credit Facility Documents and the Loan Documents; and **third**, to pay the Construction Lender amounts owed to it under the Construction Phase Credit Documents as specified by the Construction Lender to the Trustee in writing, and **fourth**, to any other amounts due and payable under this Indenture.

(c) The Issuer shall pay or cause to be paid, but only from the Borrower Bond Trust Estate, the principal of and interest on the Borrower Bonds at the place, on the dates and in the manner provided in the Borrower Bonds to the extent monies are available therefor in the Borrower Bond Trust Estate.

(d) Notwithstanding any provision in this Indenture, the Bonds, Borrower Bonds, the Loan Documents, the Financing Agreement or any related document, the Issuer shall not be required to advance any moneys derived from any source other than the Security, with respect to

the Bonds, and the Borrower Bond Trust Estate, with respect to the Borrower Bonds, for any of the purposes of this Indenture, the Bonds, the Borrower Bonds, the Loan, the Financing Agreement or any such related document, whether for payment of the principal or redemption or purchase price of, or interest on, the Bonds or the Borrower Bonds, the payment of administrative expenses (including Trustee's fees and expenses) or for any other purpose of this Indenture, the Bonds, the Borrower Bonds, the Loan, the Financing Agreement or any such related documents.

(e) **General**. Whenever moneys are to be applied pursuant to this Section, such moneys shall be applied at such times, and from time to time, as the Trustee determines, having due regard for the amount of such moneys available for application, the likelihood of additional moneys becoming available for such application in the future, and potential expenses relating to the exercise of any remedy or right conferred on the Trustee by this Indenture. Whenever the Trustee applies such moneys, it shall fix the date (which will be an Interest Payment Date unless it deems an earlier date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue, unless interest has already ceased to accrue in accordance with Section 10.2(b). The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond is presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

ARTICLE XI
THE TRUSTEE AND TENDER AGENT

Section 11.1 Appointment of Trustee; Duties. The Trustee is appointed and agrees to act in such capacity and to perform the duties of the Trustee under this Indenture, the Financing Agreement, the Assignment and the Regulatory Agreement upon the express terms and conditions of this Indenture.

(a) **Attorneys, Agents or Receivers**. The Trustee may execute any of its trusts or powers under this Indenture and perform any of its duties by or through attorneys, agents or receivers. The Trustee shall be entitled to advice of counsel concerning all matters of trust under this Indenture and its duties under this Indenture. The Trustee may in all cases pay such reasonable compensation to such attorneys, agents and receivers and shall be entitled to reimbursement from the Borrower for all such compensation paid. The Trustee may act upon the opinion or advice of counsel, accountants, or such other professionals as the Trustee deems necessary and selected by it in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice which is not contrary to the express terms of this Indenture, any of the other Bond Documents or the Loan Documents.

(b) **Limitation of Responsibility**. The Trustee shall not be responsible for any recital in this Indenture (other than Recital K) or in the Bonds (other than in the certificate of authentication on the Bonds), or for insuring the Mortgaged Property, or for the sufficiency of any insurance, or for collecting any insurance moneys, or for the validity of this Indenture or of

any supplements to this Indenture or instruments of further assurance, or for the sufficiency of the security for the Bonds issued under this Indenture or intended to be secured by this Indenture, or for the value or condition of or title to the Mortgaged Property or the Security. The Trustee may require (but shall be under no duty to require) of the Borrower full information and advice as to the performance of the covenants, conditions and agreements aforesaid as to the condition of the Mortgaged Property. The Trustee shall not be liable for any loss suffered in connection with any investment of amounts made by it in accordance with this Indenture. The Trustee is not accountable for the use (i) of any Bonds delivered in accordance with instructions of the Issuer, (ii) by the Borrower of the proceeds of the Loan, or (iii) for the use or application of any moneys paid out by the Trustee in accordance with this Indenture.

(c) **Reliance**. The Trustee shall be protected in acting upon any Opinion of Counsel, notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons and which is not contrary to the express terms of this Indenture, the other Bond Documents or the Loan Documents. Any action taken by the Trustee pursuant to this Indenture upon the request or 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 as shown on the Bond Register will be conclusive and binding upon all future owners or holders of the same Bonds and upon Bonds issued in exchange therefor or in place of such Bonds.

(d) **Right Not Duty Until Undertaken**. The permissive right of the Trustee to do things enumerated in this Indenture or in the other Bond Documents to which the Trustee is a party shall not be construed as duties until specifically undertaken by the Trustee. Prior to an Event of Default under this Indenture, the Trustee shall only be responsible for the performance of the duties expressly set forth in this Indenture and in the other Bond Documents to which it is a party and shall not be answerable for other than its negligence or willful misconduct in the performance of those express duties.

(e) **No Personal Liability**. The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts, relating to the Mortgaged Property.

(f) **No Bond or Surety Required**. The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers or otherwise in respect of the premises.

(g) **Security or Indemnity Bond**. Before taking any action requested by Bondholders under Article X (except for acceleration of the Bonds) or seeking payment under the Credit Facility, the Trustee may require reasonably satisfactory security or an indemnity bond reasonably satisfactory to it from such Bondholders for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct by reason of any such action so taken.

(h) **Not Bound to Inquire**. The Trustee is not required to take notice or deemed to have notice of any default or Event of Default under this Indenture, except Events of Default

under Section 10.1(a) (1), (2) or (6), unless the Trustee has actual knowledge thereof or has received notice in writing of such default or Event of Default from the Issuer, the Borrower, the Construction Lender, the Credit Provider, the Loan Servicer, or the holders of at least 25 percent in aggregate principal amount of the Outstanding Bonds, and in the absence of any such notice, the Trustee may conclusively assume that no such default or Event of Default exists. The Trustee may nevertheless require the Issuer and the Borrower to furnish information regarding performance of their respective obligations under the Financing Agreement, the Regulatory Agreement and this Indenture, but is not obligated to do so.

(i) **Standard of Care**. The Trustee, during the existence and continuation of any Event of Default under this Indenture, shall exercise such of the rights vested in it by this Indenture, the Financing Agreement and the Regulatory Agreement, and use the same degree of care and skill in their exercise, as a reasonable person would exercise or use under the circumstances in the conduct of such person's own affairs. The foregoing will not limit the Trustee's obligations under Article VIII or Section 10.2(a).

(j) **Notice to Rating Agency.** At any time that the Bonds are rated by a Rating Agency, the Trustee shall give notice by mail to that Rating Agency at its address (as specified in Section 13.4) promptly upon the occurrence of any of (i) the appointment of any successor trustee or separate trustee or co-trustee, (ii) any amendment of or supplement to this Indenture, the Financing Agreement, the Credit Facility or any Loan Document, (iii) the termination of the Credit Facility, the extension or expiration of the Credit Facility or the substitution of any Alternate Credit Facility for the Credit Facility, (iv) an Event of Default under this Indenture, (v) a redemption, acceleration or defeasance of the Bonds in whole or in part (other than any mandatory sinking fund redemption or redemption caused by the deposit and accumulation of moneys in the Principal Reserve Fund), (vi) any mandatory tender of the Bonds, (vii) execution by the Trustee of an agreement for the investment of moneys at a guaranteed rate as an Investment, (viii) any change in the provider of an agreement in the Trust Estate for the investment of moneys at a guaranteed rate; (ix) any resignation, removal or replacement of the Remarketing Agent, (x) any change in Mode, and (xi) any other event of which notice reasonably is requested by the Rating Agency. Notwithstanding the foregoing, it is expressly understood and agreed that failure to provide any such notice to any Rating Agency or any defect in any such notice will not affect the validity of any action with respect to which notice is to be given or the effectiveness of any such action.

(k) **Notice of the non-payment of any Third-Party Fee or Fees and Expenses**. The Trustee shall give prompt written notice of the non-payment of any Third-Party Fee or Fees and Expenses to the Loan Servicer and, prior to the Conversion Date, to the Credit Provider and the Construction Lender.

(l) **Authority to Execute**. The Trustee is authorized and directed by the Issuer to execute or accept and acknowledge and to perform its obligations under, as applicable, in its capacity as Trustee, the Financing Agreement, the Assignment, the Regulatory Agreement and any financing statements.

(m) **No Disclosure Responsibility**. The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum

or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee.

(n) **No Financial Obligation**. No provision of this Indenture or any other Bond Document or any Loan Document shall require the Trustee to risk or advance its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of its rights under this Indenture.

(o) **No Liability for Directions**. The Trustee will not be liable for any action taken or not taken by it in accordance with the direction of the Credit Provider or Bondholders pursuant to this Indenture except for the Trustee's own negligent action, its own negligent failure to act, or its own willful misconduct.

(p) **No Liability for Loan Servicer**. The Trustee shall not be responsible for the actions or omissions of the Loan Servicer and shall have no duty or responsibility to monitor the performance of the Loan Servicer.

(q) **Books, Records and Accounts**. The Trustee, on behalf of the Issuer, shall keep and maintain, or cause to be kept and maintained, proper books, records and accounts in which complete and accurate entries shall be made of all of its transactions relating to the Bonds, this Indenture, the Financing Agreement, the Regulatory Agreement, the Loan, the Credit Facility, the Funds and Accounts, Permitted Investments and Investment Income, all of which, at all reasonable times, and upon reasonable prior notice, will be subject to the inspection and audit by the Issuer, the Credit Provider, the Borrower, the Loan Servicer, the Construction Lender and Bondholders owning not less than 25 percent in aggregate principal amount of Bonds then Outstanding or any of their accountants or agents duly authorized in writing, each of whom will have the right, at its expense, to make copies of any such books of record and accounts.

(r) **List of Bondholders**. The Trustee shall keep the Bond Register available for inspection by any Bondholder or its attorney duly authorized in writing during normal business hours upon reasonable prior notice.

(s) **Payment Servicing From the Closing Date to the Conversion Date**. The Trustee shall service the obligations of the Borrower to make payments as provided in Section 3.2 of the Assignment.

Section 11.2 Qualification. The Trustee and any successor Trustee shall at all times be a bank or trust company organized under the laws of the United States of America or any state, authorized under such laws to exercise corporate trust powers, having a combined capital stock, surplus and undivided profits of at least $50,000,000 (or an Affiliate of a corporation or banking association meeting that requirement which guarantees the obligations and liabilities of the Trustee) and subject to supervision or examination by federal or state banking authority.

Section 11.3 Fees; Expenses. Each of the Trustee and the Tender Agent is entitled to payment and reimbursement from the Borrower, or from the Trust Estate to the extent otherwise permitted in this Indenture, for reasonable fees for its ordinary services rendered under this Indenture and the other Bond Documents and its ordinary costs and expenses reasonably

incurred in connection with its services under this Indenture and the other Bond Documents. In the event that it should become necessary that the Trustee perform extraordinary services, it shall be entitled to Extraordinary Items; *provided however*, that if such Extraordinary Items are incurred as a result of the negligence or willful misconduct of the Trustee or the Tender Agent, as applicable, it will not be entitled to compensation or reimbursement for such services or expenses. The Borrower's failure to pay amounts owed to the Trustee or the Tender Agent shall not excuse the performance of its obligations. The Trustee recognizes that all fees, charges and other compensation to which it may be entitled under this Indenture are required to be paid in accordance with the terms of the Indenture, including by the Borrower under the Financing Agreement, and, accordingly, the Trustee and the Tender Agent agree that the Issuer shall not be liable independently for any such fees, charges and other compensation.

Section 11.4 Merger; Consolidation. 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 corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger or consolidation, *provided* such corporation or association otherwise qualifies under Section 11.2, shall be and become the successor Trustee under this Indenture with all the estates, properties, rights, powers and duties of the predecessor Trustee without the execution or filing of any instrument or any further act, deed or conveyance (other than the provision of notice to the Issuer, the Construction Lender, the Credit Provider and the Loan Servicer).

Section 11.5 Resignation or Removal of Trustee. The Trustee may resign only upon giving 60 days prior written notice to the Issuer, the Credit Provider, the Construction Lender, the Loan Servicer, the Borrower and to each Registered Owner of Bonds then Outstanding as shown on the Bond Register. The Trustee may be removed at any time upon 30 days prior written notice to the Trustee, (i) by the Issuer, with the prior written consent of the Construction Lender and the Credit Provider, (ii) by the owners of not less than 51 percent in aggregate principal amount of Bonds then Outstanding, which written instrument shall designate a successor Trustee approved by the Construction Lender and the Credit Provider, or (iii) by the Credit Provider. Such resignation or removal shall not be effective until a successor Trustee satisfying the requirements of Section 11.2 is appointed and has accepted its appointment.

Section 11.6 Appointment of Successor Trustee. Upon the resignation or removal of the Trustee, a successor Trustee, satisfying the requirements of Section 11.2, shall be appointed by the Issuer with the prior written consent of the Construction Lender and the Credit Provider (unless appointed by the Bondholders as provided in Section 11.5). If, in the case of resignation or removal of the Trustee, no successor is appointed within 30 days after the notice of resignation or within 30 days after removal, as the case may be, then, in the case of a resignation, the resigning Trustee shall appoint a successor with the prior written consent of the Issuer, the Construction Lender and the Credit Provider or apply to a court of competent jurisdiction for the appointment of a successor Trustee and, in the case of a removal, the Credit Provider shall have the right to appoint a successor Trustee or to apply to a court of competent jurisdiction for the appointment of a successor Trustee. The successor Trustee must accept in writing its duties and responsibilities under this Indenture, the Financing Agreement, the Assignment, and the Regulatory Agreement. The successor Trustee shall give notice of such succession by first-class

mail, postage prepaid, to each Bondholder, the Issuer, the Construction Lender, the Credit Provider, the Loan Servicer and the Borrower.

Section 11.7 Transfer of Rights and Mortgaged Property to Successor Trustee. The successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of the predecessor Trustee, but the former Trustee shall nevertheless, on the written request of the Issuer, the Credit Provider or the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may be reasonably required for more fully and certainly vesting and confirming in the 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 set forth in this Indenture. The former Trustee shall execute and deliver a certificate of transfer or such other certificate or document as may be required by the Credit Facility for its transfer to a successor Trustee and do such other things as may be reasonably required to transfer all of its right, title and interest in and to the Credit Facility to the successor Trustee. Should any deed, conveyance or instrument in writing from the Issuer be required by the successor Trustee for more fully and certainly vesting in and confirming to the successor Trustee any such moneys, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, shall, on request, and as may be authorized by law, be executed, acknowledged and delivered by the Issuer.

Section 11.8 Power To Appoint Co-Trustees and Separate Trustees.

(a) **Appointment of Co-Trustees.** At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Mortgaged Property is located, the Issuer (at the request of the Borrower, unless the Borrower is then in default under any Bond Document or any Loan Document or if an event has occurred and is continuing which, with notice or the passage of time or both, would constitute such a default) shall have the power, subject to the approval of the Construction Lender and the Credit Provider, to appoint one or more persons approved by the Trustee either to act as co-trustee jointly with the Trustee or as separate trustee of all or any part of the Mortgaged Property, and to vest in such person, in such capacity, such title to the Mortgaged Property or any part of it, and/or such rights, powers, duties, trusts or obligations as the Issuer and the Trustee may consider necessary or desirable. If the Issuer is in default under this Indenture, the Trustee alone will have the power to make such appointment with the prior written consent of the Construction Lender and the Credit Provider. The Issuer shall execute, acknowledge and deliver all such instruments as may be required by any such co-trustee or separate trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such co-trustee or separate trustee. Any co-trustee shall give prompt written notice of such appointment to the Loan Servicer.

(b) **Effect of Death, Incapacity, Resignation or Removal of Co-Trustee or Separate Trustee.** In case any co-trustee or separate trustee dies, becomes incapable of acting, resigns or is removed, the pledge and assignment of the Security and all rights, powers, trusts, duties and obligations of the co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee is appointed in the same manner as provided in subsection (a).

(c) **Approval of the Issuer**. No co-trustee or separate trustee may assume its duties as Trustee under this Indenture without the prior written approval of the Issuer, unless the Issuer is in default under this Indenture or has failed to respond within 30 days of its receipt of a request to so approve.

Section 11.9 Filing of Financing Statements. The Trustee shall, at the expense of the Borrower, file or record or cause to be filed or recorded all financing statements which are required to be filed or recorded in order fully to protect and preserve the security interests relating to and the priority of (a) the Trust Estate and the Security, and (b) at the direction of the Credit Provider or the Loan Servicer, the Loan and (c) the rights and powers of the Issuer, the Trustee and the Credit Provider in connection with such security interests, including, but not limited to, all continuation statements for the purpose of continuing without lapse the effectiveness of (i) those financing statements which have been filed at or prior to the Closing Date in connection with the security for the Bonds pursuant to the authority of the UCC, and (ii) any previously filed continuation statements which have been filed as required by this Indenture; *provided, however*, that if the Credit Provider or the Loan Servicer gives written notice to the Trustee that it has filed or recorded all applicable financing statements, the Trustee shall be entitled to rely on such written notice. The Issuer shall sign, and the Trustee shall obtain from the Borrower, the Loan Servicer or the Credit Provider, all such financing statements as may be required for such purposes. Upon the filing of any such financing statement the Trustee shall immediately notify the Issuer, the Borrower, the Credit Provider and the Loan Servicer that the same has been done. If direction is given by the Loan Servicer or the Credit Provider, the Trustee shall file all financing statements in accordance with such directions.

Section 11.10 Tender Agent. The initial Tender Agent is **[NAME OF TENDER AGENT].** The Tender Agent shall designate to the Trustee, the Issuer, the Remarketing Agent and the Credit Provider its Designated Office and signify its acceptance of the duties and obligations imposed upon it under this Indenture by a written instrument of acceptance delivered to the Trustee under which such Tender Agent will agree particularly to:

(a) act as agent for the Trustee for the purpose of authenticating, accepting delivery of and delivering Bonds in accordance with Sections 2.11, 2.12, 2.13, 2.14, 2.16, 2.18 4.1 or 4.2 or other provisions of this Indenture relating to authentication and delivery of Bonds;

(b) forward to the Trustee immediately after completion of such authentication the names, addresses, taxpayer identification numbers or social security numbers of all persons in whose names the Bonds are to be registered;

(c) deliver authenticated and registered Bonds to or to the order of the persons in whose names such Bonds are registered;

(d) as agent for the Trustee, hold all moneys delivered to it for the purchase of Bonds in trust in the Bond Purchase Fund for the account of the person who delivered such moneys until the Bonds purchased with such moneys have been registered, authenticated and delivered to or to the order of such person; and

(e) hold all Bonds delivered to it for purchase in trust for the owner of such Bonds until such owner has received the purchase price for such Bonds.

The Tender Agent shall be entitled to the same protections, immunities and limitations from liability afforded the Trustee under this Indenture. The Issuer shall cooperate with the Trustee, the Borrower and the Credit Provider to cause the necessary arrangements to be made and to be continued by which amounts from the sources specified in this Indenture and in the Financing Agreement shall be made available for the purchase of Bonds presented at the Designated Office of the Tender Agent, and by which Bonds, executed by the Issuer and to be authenticated by the Tender Agent, shall be made available to the Tender Agent to the extent necessary for delivery pursuant to Sections 4.1 or 4.2.

Section 11.11 Resignation or Removal of Tender Agent. The Tender Agent may resign by giving no less than 30 days prior written notice to the Borrower, the Trustee, the Credit Provider, the Loan Servicer and the Issuer. The Tender Agent may be removed by the Issuer with the written approval of the Credit Provider, by an instrument signed by the Issuer stating the reason for such removal filed with the Tender Agent, the Trustee and the Credit Provider. The Trustee or the Credit Provider is authorized, with the prior written approval of the Issuer and the Credit Provider or the Trustee, as applicable, to remove the Tender Agent and appoint a successor. No removal of the Tender Agent shall be effective until a successor Tender Agent has been appointed and has accepted such appointment. Failing such appointment by the Issuer prior to the effective date of the Tender Agent's resignation, the Credit Provider shall have the right to appoint a successor Tender Agent acceptable to the Issuer. Any successor Tender Agent shall be a trust company or bank having trust powers and in good standing, within or without the State, having trust powers. The provisions of this Section shall apply if the resignation of the Tender Agent is due to the fact that the Tender Agent no longer exists. In no event shall the resignation or removal of the Tender Agent take effect prior to the date a successor Tender Agent has been appointed and is serving under this Indenture and the Tender Agent Agreement. The Trustee, when acting as Tender Agent, may transfer the Tender Agent duties to any Affiliate without further act or approval (other than the provision of notice to the Issuer, the Credit Provider, the Borrower and the Remarketing Agent).

ARTICLE XII
SUPPLEMENTAL INDENTURES; AMENDMENTS

Section 12.1 Supplemental Indentures Not Requiring Bondholder Consent. The Issuer and the Trustee, without the consent of or notice to any Bondholder, may enter into an indenture or indentures supplemental to this Indenture for one or more of the following purposes:

(a) to cure any ambiguity or to correct or supplement any provision contained in this Indenture or in any supplemental indenture which may be defective or inconsistent with any other provision contained in this Indenture or in any supplemental indenture;

(b) to amend, modify or supplement this Indenture in any respect if such amendment, modification or supplement is not materially adverse to the interests of the Bondholders;

(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 to grant or pledge to the Trustee for the benefit of the Bondholders any additional security other than that granted or pledged under this Indenture;

(d) to modify, amend or supplement this Indenture in such manner as to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute then in effect, or to permit the qualification of the Bonds for sale under the securities laws of any of the States of the United States;

(e) to appoint a successor trustee, separate trustee or co-trustee, or a separate Tender Agent or Bond Registrar;

(f) to make any change requested by the Credit Provider which is not materially adverse to the interests of the Bondholders, including, but not limited to, provision of a Credit Facility other than or in substitution for the initial Credit Facility; *provided* that the provision of such other Credit Facility does not adversely affect the rating then in effect for the Bonds;

(g) to make any changes in this Indenture or in the terms of the Bonds necessary or desirable in order to maintain the then existing rating awarded to the Bonds by the Rating Agency or otherwise to comply with requirements of any Rating Agency then rating the Bonds;

(h) to comply with the Code and the regulations and rulings issued with respect to the Code, to the extent determined as necessary in the opinion of Bond Counsel;

(i) to modify, alter, amend or supplement this Indenture in any other respect, including amendments which would otherwise be described in Section 12.2, (A) if such amendments will take effect on a Mandatory Tender Date following the purchase of Tendered Bonds, or (B) if notice of the proposed supplemental indenture is given to Bondholders (in the same manner as notices of redemption are given) at least 30 days before the effective date of such amendment, modification, alteration or supplement and, on or before such effective date, the Bondholders have the right to demand purchase of their Bonds pursuant to Section 4.1; or

(j) to change any of the time periods for provision of notice relating to the remarketing of Bonds or the determination of the interest rate on the Bonds.

If the Trustee has received written confirmation from the Rating Agency to the effect that such supplemental indenture will not result in the suspension, withdrawal or reduction of the then current rating on the Bonds and all conditions precedent in this Section 12.1 and in Sections 12.5 and 12.6 have been satisfied, the Trustee shall join the Issuer in the execution of any such supplemental indenture. The Trustee promptly shall furnish a copy of any such supplemental indenture to the Credit Provider, the Construction Lender, the Remarketing Agent, the Tender Agent, the Loan Servicer and the Borrower.

Section 12.2 Supplemental Indentures Requiring Bondholder Consent. The Issuer and the Trustee may, with the consent of Bondholders owning not less than 51 percent in aggregate principal amount of Bonds then Outstanding, from time to time, execute indentures

supplemental to this Indenture for the purpose of modifying or amending any of the provisions of this Indenture; *provided, however*, that nothing in this Section 12.2 permits, or shall be construed as permitting:

(a) an extension of the maturity of the principal of or interest on, or the mandatory redemption date of, any Bond, without the consent of the owner of such Bond;

(b) a reduction in the principal amount of, or the rate of interest on, any Bond, without the consent of the owner of such Bond;

(c) a preference or priority of any Bond or Bonds over any other Bond or Bonds, without the consent of the owners of all such Bonds;

(d) the creation of a lien prior to or on parity with the lien of this Indenture, without the consent of the owners of all of the Bonds then Outstanding;

(e) a change in the percentage of Bondholders necessary to waive an Event of Default under this Indenture or otherwise approve matters requiring Bondholder approval under this Indenture, including consent to any supplemental indenture, without the consent of the owners of all the Bonds then Outstanding;

(f) a transfer, assignment or release of the Credit Facility (or modification of the provisions of this Indenture governing such transfer, assignment or release), other than as permitted by this Indenture or the Credit Facility, without the consent of the owners of all of the Bonds then Outstanding;

(g) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, without the consent of the holders of all of the Bonds then Outstanding;

(h) the creation of any lien other than a lien ratably securing all of the Bonds at any time Outstanding under this Indenture, without the consent of the holders of all of the Bonds then Outstanding; or

(i) the amendment of this Section 12.2, without the consent of the holders of all of the Bonds then Outstanding.

The Trustee shall promptly furnish a copy of any such supplemental indenture to the Credit Provider, the Construction Lender, the Remarketing Agent, the Tender Agent, the Loan Servicer and the Borrower. Notice of any amendment pursuant to this Section shall be given to the Bondholders promptly following the execution thereof.

Section 12.3 No Bondholder Consent Required for Amendment to Loan Documents. Unless a Wrongful Dishonor has occurred and is continuing, the Credit Provider alone (with the concurrence of the Construction Lender, unless the change is required by law or will only take effect from or after the Conversion Date, in which case no concurrence of the Construction Lender shall be required) may consent to any amendment to the Loan Documents and no consent of the Bondholders is required; *provided, however*, that any amendment or

substitution of the Note shall occur only following written confirmation of the Rating Agency that such amendment or substitution will not result in a reduction or withdrawal of the rating on the Bonds.

Section 12.4 Amendments to the Credit Facility. The Credit Facility may only be amended, supplemented or otherwise changed in accordance with the following:

(a) **Replacement Credit Facility.** At the request of the Credit Provider, the Trustee shall exchange the Credit Facility with the Credit Provider for a new Credit Facility (a "**Replacement Credit Facility**") issued by the Credit Provider; *provided* that there is delivered to the Trustee (i) a written confirmation from the Rating Agency to the effect that such exchange shall not adversely affect the rating then in effect for the Bonds, and (ii) a written opinion of Bond Counsel to the effect that such exchange will not adversely affect the excludability of interest on the bonds from gross income for federal income tax purposes. No such exchange shall require the approval of the Issuer, the Trustee or any of the Bondholders or constitute or require a modification or supplement to this Indenture.

(b) **Amendment of the Credit Facility**. The Trustee may consent, without the consent of the owners of the Bonds, to any amendment of the Credit Facility not addressed in subsection (a) which does not prejudice in any material respect the interests of the Bondholders.

(c) **Other Amendments of the Credit Facility**. Except as provided in subsections (a) and (b), the Credit Facility may be amended only with the consent of the Trustee and the owners of a majority of the owners of all Outstanding Bonds. No amendment may be made to the Credit Facility which would reduce the amounts required to be paid under the Credit Facility or change the time for payment of such amounts; *provided, however*, that any such amounts may be reduced without such consent solely to the extent that such reduction represents a reduction in any fees payable from such amounts.

Section 12.5 Notice to and Consent of Bondholders. If consent of the Bondholders is required for any supplement, amendment or modification to this Indenture or for any other similar purpose, the Trustee shall give notice of the proposed supplement, amendment or modification by first class mail, postage prepaid, to the Bondholders. Such notice will be conclusively presumed to have been duly given and received when given in such manner, whether or not any holder actually receives the notice. Such notice shall briefly set forth the nature of the proposed supplement, amendment or modification, and shall state that copies of any such supplement, amendment or modification are on file at the Designated Office of the Trustee for inspection by the Bondholders. The consent of the holder of any Bond or Borrower Bond will be binding on any transferee and successor transferees of such Bond or Borrower Bond, as the case may be.

Section 12.6 Required Approvals. Subject to the provisions of Section 8.7, no amendment, supplement or modification may be made (i) to any Bond Document without the prior written consent of the Construction Lender and the Credit Provider, (ii) to any Loan Document without the prior written consent of the Credit Provider and, so long as the change will take effect prior to the Conversion Date or is not required by law, the Construction Lender, or (iii) to any Credit Facility Document without the prior written consent of the Credit Provider

and, if the change will materially adversely affect the Borrower or the Construction Lender, the Construction Lender. Anything in this Indenture to the contrary notwithstanding, a supplement or amendment or other document described under this Article XII which materially and adversely affects any rights or obligations of the Borrower will not become effective unless and until the Borrower (if the Borrower is not then in default under any Bond Document or any Loan Document and if no event which, with notice or the passage of time or both, would constitute such a default has occurred and is continuing) has consented in writing to the execution of such supplemental indenture, amendment or other document. The Trustee shall not be required to enter into any supplement or amendment which adversely affects the Trustee's rights and duties under this Indenture.

Section 12.7 Opinions of Counsel. Subject to the provisions of Section 11.1, the Trustee may obtain and will be fully protected in relying upon an Opinion of Counsel as conclusive evidence that any supplement or amendment to this Indenture is authorized and permitted by this Indenture and, if applicable, is not materially adverse to the interests of the Bondholders. No supplement or amendment with respect to this Indenture will be effective until the Issuer and the Trustee have received an opinion of Bond Counsel to the effect that such supplement or amendment will not adversely affect the exclusion from gross income, for federal income tax purposes, of the interest payable on the Bonds or, solely in the event that the proposed supplement or amendment would be applicable to the Borrower Bonds.

Section 12.8 Notation of Modification on Bonds; Preparation of New Bonds. Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article may bear a notation, in form approved by the Trustee and the Issuer as to any matter provided for in such supplemental indenture, and if such supplemental indenture so provides, new Bonds, so modified as to conform, in the opinion of the Trustee and the Issuer, to any modification of this Indenture contained in any such supplemental indenture, may be prepared by the Issuer, authenticated by the Trustee and delivered without cost to the Bondholders, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

ARTICLE XIII
MISCELLANEOUS

Section 13.1 Consents, Etc., of Bondholders. Any consent, request, direction, or other instrument required to be signed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed by any Bondholder in person or by an authorized agent appointed in writing. The fact and date of the execution by any person of any such request, consent, direction, approval, objection or other instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before such officer its execution, or by an affidavit of any witness to such execution. Such proof of execution or of the writing appointing any agent will be sufficient for any of the purposes of this Indenture and will be conclusive in favor of the Trustee with regard to any action taken by it under such consent, request, direction or other instrument. In the event that the Trustee receives conflicting directions

from two groups of Bondholders, each with combined holdings of not less than 25 percent in aggregate principal amount of all Bonds then Outstanding, the directions given by the group of Bondholders which hold the largest percentage of Bonds Outstanding will be controlling and the Trustee shall follow such directions as elsewhere required in this Indenture.

Section 13.2 Limitation of Rights. With the exception of rights expressly conferred in this Indenture, nothing expressed 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 Issuer, the Trustee, the Bondholders, the Credit Provider, the Loan Servicer, the Construction Lender and the Borrower any legal or equitable right, remedy or claim under or in respect of this Indenture. This Indenture and all of the covenants, conditions and provisions in this Indenture are intended to be for the sole and exclusive benefit of the parties to this Indenture, the Bondholders, the Credit Provider, the Loan Servicer, the Construction Lender and the Borrower as provided in this Indenture. The Credit Provider is a third-party beneficiary of this Indenture with the right to enforce its provisions. The Construction Lender, as to provisions directly running to the benefit of the Construction Lender, is a third-party beneficiary of such provisions with the right to enforce those provisions.

Section 13.3 Severability. If any provision of this Indenture is held to be in conflict with any applicable constitution or statue or rule of law, or is otherwise held to be unenforceable for any reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other part or circumstance, or of rendering any other provision or provisions contained in this Indenture invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of any one or more phrases, sentences, clauses or Sections of this Indenture will not affect the remaining portions of this Indenture.

Section 13.4 Notices. Unless otherwise specified in this Indenture, it shall be sufficient service or giving of any notice, request, certificate, demand 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, confirmed by first-class mail, postage prepaid, 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:

If to the Issuer:

City of Chicago
Department of Housing
318 South Michigan Avenue
Chicago, Illinois 60604
Attention: Commissioner
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

with copies to:

City of Chicago
Department of Law
City Hall
Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

and to:

City of Chicago
Department of Finance - Financial Policy
33 North LaSalle Street
Chicago, Illinois 60602
Attention: Deputy Comptroller
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

If to the Trustee:

_____
_____
_____
Attention: _____
Telephone: ___-___-_____
Facsimile: ___-___-_____

If to the Remarketing Agent:

_____
_____
_____
Attention: _____
Telephone: ___-___-_____
Facsimile: ___-___-_____

If to the Borrower:

_____
_____
_____
Attention: _____
Telephone: ___-___-_____
Facsimile: ___-___-_____

with a copy to:

[Apollo Housing Capital, LLC
600 Superior Avenue
Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

If to the Tender Agent:

_____
_____
_____
Attention: _____
Telephone: ____-___-____
Facsimile: ____-___-____

If to the Rating Agencies:

Standard & Poor's Credit Rating Services
55 Water Street
38th Floor
New York, NY 10041
Attention: Public Finance Surveillance Group
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

Moody's Investor Services
99 Church Street
New York, New York 10007
Attention: Fully Supported Group
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

If to the Credit Provider:

Fannie Mae
3900 Wisconsin Avenue, NW
Drawer AM
Washington, DC 20016-2899
Attention: Director, Multifamily Asset Management
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)
RE: $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Housing Project), Series 2004A/GMAC Commercial Mortgage Corporation

with a copy to:	Fannie Mae 3900 Wisconsin Avenue, NW Drawer AM Washington, DC 20016-2899 Attention: Vice President, Multifamily Operations Telephone: (Omitted for printing purposes) Facsimile: (Omitted for printing purposes) RE: $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Housing Project), Series 2004A/GMAC Commercial Mortgage Corporation
provided, however, that any notice required to be delivered to the Credit Provider pursuant to Section 4.1, 4.2 or 4.3 will be addressed as follows:	Fannie Mae 3900 Wisconsin Avenue, N.W. Washington, DC 20016-2899 Attention: Director, Fiscal Agency Relations and Treasury Backoffice Telephone: (Omitted for printing purposes) Facsimile: (Omitted for printing purposes) RE: $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Housing Project), Series 2004A/GMAC Commercial Mortgage Corporation
with a copy to:	Fannie Mae 3900 Wisconsin Avenue, N.W. Washington, DC 20016-2899 Attention: Director, Multifamily Asset Management Telephone: (Omitted for printing purposes) Facsimile: (Omitted for printing purposes) RE: $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Housing Project), Series 2004A/GMAC Commercial Mortgage Corporation
If to the Loan Servicer:	GMAC Commercial Mortgage Corporation 200 Witmer Road P.O. Box 809 Horsham, PA 19044 Attention: Servicing-Account Manager Telephone: (Omitted for printing purposes) Facsimile: (Omitted for printing purposes) RE: $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Housing Project), Series 2004A/GMAC Commercial Mortgage Corporation

with a copy to:	GMAC Commercial Mortgage Corporation Affordable Housing Division 4195 East Thousand Oaks Boulevard, Suite 201 Westlake Village, CA 91362 Attention: Mortgage Servicing Telephone: (Omitted for printing purposes) Facsimile: (Omitted for printing purposes)
If to the Construction Lender:	GMAC Commercial Mortgage Corporation 100 South Wacker Drive, Suite 400 Chicago, Illinois 60606 Attention: Frank J. Guzanskas Telephone: (Omitted for printing purposes) Facsimile: (Omitted for printing purposes)

Copies of all notices given to the Credit Provider must be given concurrently to the Construction Lender and the Loan Servicer. By notice given under this Indenture, any entity whose address is listed in this Section may designate any different addresses to which subsequent notices, certificates, requests, demands or other communications shall be sent, but no notice directed to any one such entity (except for Credit Provider) will be required to be sent to more than two addresses. All approvals required under this Indenture will be given in writing.

Section 13.5 Action Required to be taken on a Non-Business Day. If the date for making any payment or any date on which action is required to be taken is not a Business Day, then any action required to be taken or any payment required to be made may be taken or made on the following Business Day with the same force and effect as if made or taken on the date otherwise provided for in this Indenture and, in the case of any payment date, no interest will accrue for the period from and after such date.

Section 13.6 Binding Effect. From and after the Closing Date, this Indenture shall be binding upon the Issuer and the Trustee and their respective successors and assigns, subject, however, to the limitations contained in this Indenture.

Section 13.7 Governing Law. This Indenture shall be governed by and interpreted in accordance with internal laws of the State without regard to conflicts of laws principles.

Section 13.8 No Personal Liability; No Recourse. No member, officer, agent, employee or attorney of the Issuer, including any person executing this Indenture or the Bonds, will be liable personally on the Bonds or for any reason relating to the issuance of the Bonds. No recourse will be had for the payment of the principal of or the interest on the Bonds, or for any

claim based on such Bonds, or otherwise in respect of such Bonds, or based on or in respect of this Indenture or any indenture supplemental to this Indenture, against any member, officer, employee or agent, as such, 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 of this Indenture and as part of the consideration for the issue of the Bonds, expressly waived and released.

Section 13.9 Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

The Issuer has caused this Indenture to be executed, sealed and attested in its name and on its behalf by its duly authorized officers, and the Trustee has caused this Indenture to be executed in its name by its duly authorized officer, all as of the date set forth above.

CITY OF CHICAGO

(SEAL)

By:_____
City Comptroller

Attest:

_____
City Clerk

[TRUSTEE],
as Trustee

(SEAL)

By:_____
Authorized Signatory

Attest:

_____
Authorized Signatory

[(Sub)Exhibit "B" referred to in this Form of Multi-Family Housing Indenture unavailable at time of printing.]

(Sub)Exhibits "A", "C" and "D" referred to in this Form of Multi-Family Indenture read as follows:

(Sub)Exhibit "A".
(To Form Of Multi-Family Housing Indenture)

Form Of Borrower Bond.

No. R-1 $10,000,000

CITY OF CHICAGO
MULTI-FAMILY HOUSING REVENUE BOND
(CENTRAL STATION MULTI-FAMILY PROJECT), SERIES 2004B

TRANSFER OF THIS BORROWER BOND IS RESTRICTED. THIS BORROWER BOND MAY NOT BE SOLD, ASSIGNED OR OTHERWISE DISPOSED OF, BENEFICIALLY OR ON THE RECORDS OF THE ISSUER OR THE TRUSTEE, EXCEPT AS EXPRESSLY PROVIDED IN SECTION 2.19 OF THE BELOW-DEFINED INDENTURE. THIS BORROWER BOND IS SUBJECT TO A LIEN AND SECURITY INTEREST GRANTED TO FANNIE MAE PURSUANT TO THE PLEDGE, SECURITY AND CUSTODY AGREEMENT DEFINED BELOW.

Interest Rate	Maturity Date	Dated Date

REGISTERED OWNER:

PRINCIPAL AMOUNT: TEN MILLION DOLLARS

FOR VALUE RECEIVED, the CITY OF CHICAGO (the "Issuer"), a municipality and body politic hereby promises to pay, but only from the sources provided herein, to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, by check, upon surrender hereof at the office of **[Trustee]**, as trustee (the "Trustee"), designated pursuant to the Indenture hereinafter identified (the "Principal Office" of the Trustee), and to pay by check mailed by first class mail to the Registered Owner at its address as shown on the registration books of the Issuer as maintained by the Trustee, on the Record Date, interest on such Principal Amount from the Dated Date specified above to the Maturity Date specified above or earlier redemption of this Borrower Bond at the interest rate per annum provided for in the Indenture, payable on the fifteenth (15th) day of each calendar month (the "Interest Payment Date"), until the Borrower Bonds have been either fully paid or retired. As used herein, "Business Day" means a day other than (a) a Saturday or a Sunday, (b) any day on which banking institutions located in the City of New York, New York, the City of Chicago, or the city or cities in which the Principal Office of the Trustee is located (if different from the above), are required or authorized by law to close, or (c) any day on which the New York Stock Exchange is closed.

The Borrower Bonds are issued pursuant to and in compliance with Article VII, Section 6 of the 1970 Constitution of the State of Illinois and an ordinance duly adopted by the Issuer. The Borrower Bonds are limited obligations of the Issuer payable solely from revenues and funds pledged therefor under the Indenture. No holder of this Bond shall ever have the right to compel the exercise of the taxing power of the Issuer, the State or any political subdivision thereof to pay

the principal of this Borrower Bond or the interest hereon or any other cost incident hereto, or to enforce payment hereof against any property of the Issuer, the State or any political subdivision thereof. THE BORROWER BONDS SHALL NOT CONSTITUTE A DEBT OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF; AND NEITHER THE ISSUER, THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREFOR. NEITHER THE FAITH, REVENUES, CREDIT NOR TAXING POWER OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF ARE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BORROWER BONDS. THE BORROWER BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA OR OF ANY AGENCY THEREOF AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BORROWER BONDS ARE A SPECIAL LIMITED OBLIGATION OF THE ISSUER, PAYABLE, AS TO PRINCIPAL AND INTEREST, SOLELY OUT OF THE BORROWER BOND TRUST ESTATE, WHICH IS THE SOLE ASSET OF THE ISSUER PLEDGED THEREFOR.

This Borrower Bond is one of a duly authorized issue of bonds of the Issuer designated as "City of Chicago Multi-Family Housing Bonds (Central Station Multi-Family Project), Series 2004B" limited in aggregate principal amount to $10,000,000 (the "Bonds"), which has been purchased by or on behalf of the Borrower as permitted under the Indenture described below and, by virtue of such purchase this Borrower Bond is secured separately from and subordinate in all respects to the Bonds, as hereinafter described. The Bonds are issued under and are equally and ratably secured as to principal and interest by a Trust Indenture, dated as of _____ 1, 2004, between the Issuer and the Trustee (the "Indenture"), to which Indenture and all indentures supplemental thereto (copies of which are on file at the Principal Office of the Trustee) reference is hereby made for a description of the trust estate and the Borrower Bond Trust Estate under the Indenture, the nature and extent of the security and the terms and conditions upon which the Bonds and the Borrower Bonds are issued and secured, and the rights of the registered owners thereof. At the time of issuance and delivery of this Borrower Bond, the Issuer is issuing its City of Chicago Variable Rate Demand Multi-Family Housing Bonds (Central Station Multi-Family Project), Series 2004A, in the original aggregate principal amount of $_____, the payment of the principal of and interest on which is superior to the payment of this Borrower Bond.

Defined terms used herein and not defined herein shall have the meanings assigned to them in the Indenture.

This Borrower Bond is an unsecured obligation of the Borrower payable pursuant to the Financing Agreement and is subordinate in all respects to the other obligations of the Borrower thereunder. This bond is a Borrower Bond, as defined in the Indenture, and, therefore, as provided in the Indenture, is not secured by the Credit Facility, pursuant to which the Credit Provider has agreed, subject to the terms and conditions of such Credit Facility, to provide credit enhancement for the Loan and liquidity support for the Bonds (which term does not include Borrower Bonds).

This Borrower Bond is subject to a lien and security interest granted to the Fannie Mae, pursuant to a Pledge, Custody and Security Agreement (Borrower Bonds), dated as of

_____ 1, 2004, by and among the Borrower, Fannie Mae and the Trustee as collateral agent for Fannie Mae. Such lien and security interest may be released only as provided by the Pledge Agreement.

This Borrower Bond is secured solely by the Borrower Bond Trust Estate.

The Issuer, the Trustee and the Tender Agent, and any agent of the Issuer, the Trustee or the Tender Agent, shall treat the person in whose name this Borrower Bond is registered as the absolute owner hereof for any purpose, whether or not this Bond would be overdue, and neither the Issuer, the Trustee, the Tender Agent nor any such agent shall be affected by notice to the contrary.

Subject to the separate pledge of security, the subordinate nature of the obligations in support thereof, the restricted transferability thereof, and except as otherwise described herein, the Borrower Bonds have the same terms as the Bonds.

This Borrower Bond shall bear interest at ___% per annum computed on the basis of a year of 360 days of twelve 30 day months, payable on each Interest Payment Date.

Anything herein to the contrary, no Borrower Bond shall bear interest at a rate in excess of the Maximum Rate.

Optional Redemption. The Borrower Bonds shall be subject to redemption, at the option of the Borrower, in whole or in part on any Business Day, upon ten (10) days' prior notice to the holders of such Borrower Bonds, at a redemption price equal to one hundred percent (100%) of the principal amount redeemed plus accrued interest to the redemption date.

Mandatory Redemption. The Borrower Bonds are subject to mandatory redemption at any time on the earliest practicable date at a redemption price equal to one hundred percent (100%) of the principal amount of the Borrower Bonds to be redeemed plus accrued interest thereon to the redemption date, from the amounts specified in the Indenture, in whole or in part at the request or with the consent of the Credit Provider following an event of default under the Reimbursement Agreement or the Financing Agreement.

If less than all the outstanding Borrower Bonds shall be called for redemption, the Trustee shall select by lot, in such manner as it shall in its discretion determine, the Borrower Bonds, or portions thereof, to be redeemed. If there shall be called for redemption less than the entire principal amount of a Borrower Bond, the Issuer shall execute and the Trustee shall authenticate and deliver, upon surrender of such Borrower Bond, without charge to the registered owner thereof, in exchange for the unredeemed principal amount of such Borrower Bond, at the option of such registered owner, a Borrower Bond equal to that portion of the Borrower Bond not so redeemed.

Notice of Redemption. In the event of a redemption of the Borrower Bonds for any reason, notice thereof shall be given by the Trustee to the holders of the Borrower Bonds to be so redeemed in the manner specified in this paragraph. Except as provided below, notice of redemption shall be given not less than ten (10) nor more than fifteen (15) days prior to the date

fixed for redemption by first class mail postage prepaid to the registered owner of each Borrower Bond to be redeemed, at the address of such registered owner shown on the Register, setting forth the information prescribed by the Indenture. A second notice of redemption is required to be sent by registered or certified mail, at such address, to any registered owner who has not submitted its Borrower Bond to the Trustee for payment on the sixtieth (60th) day following the date fixed for redemption of such Borrower Bond. Neither failure to receive any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Borrower Bonds. Such Borrower Bonds called for redemption must be surrendered at the Principal Office of the Trustee for redemption at the redemption price, and interest on such Borrower Bonds will not accrue from and after the redemption date.

If provision is made for the payment of principal of and interest on this Borrower Bond in accordance with the Indenture, this Borrower Bond shall no longer be deemed Outstanding under the Indenture, shall cease to be entitled to the benefits of the Indenture, and shall thereafter be payable solely from the amounts provided for such payment.

Under certain circumstances as described in the Indenture, the principal of all of the Borrower Bonds may be declared due and payable in the manner and with the effect provided in the Indenture. Immediately following any such declaration of acceleration, the Trustee shall mail notice of such declaration by first class mail to each registered owner of Borrower Bonds at such registered owner's last address appearing on the bond register kept by the Trustee. Any defect in or failure to give such notice of such declaration shall not affect the validity of such declaration.

At the time that there are no longer any Borrower Bonds Outstanding under the Indenture, Borrower Bonds, if any, shall be immediately due and payable and shall be paid from all moneys available therefor in the Borrower Bond Trust Estate; *provided, however*, that to the extent sufficient moneys are not available to pay the Borrower Bonds in full, the Borrower Bonds shall nevertheless no longer be outstanding under the Indenture.

The Indenture permits, with certain exceptions therein provided, the amendment thereof and of the Financing Agreement and the modification of the rights and obligations of the Issuer, the Borrower, the provider of the Credit Facility and the registered owners of the Borrower Bonds at any time with the consent of the registered owners of a majority in aggregate principal amount of the Borrower Bonds at the time outstanding which are affected by such amendment or modification. The Indenture also permits amendments and supplements to the Indenture, the Financing Agreement and other documents without requiring the consent of any Bondholders in certain specifically described instances. The Indenture also contains provisions permitting the Trustee to waive compliance by the Issuer and the Borrower with certain provisions of the Indenture and their consequences, subject to the provisions of the Indenture. Supplements and amendments to the Indenture or the Financing Agreement may be made only to the extent and in the circumstances permitted by the Indenture.

Further, the Indenture permits amendment of any provisions thereof relating to Borrower Bonds only with the written consents of 100% of the registered owners of the Borrower Bonds and the Credit Provider.

The registered owner of this Borrower Bond shall have no right to enforce the provisions of the Indenture or the Financing Agreement, or to institute action to enforce the covenants therein, or to take any action with respect to a default under the Indenture or the Financing Agreement, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided under certain limited circumstances described in the Indenture; provided however that nothing contained in the Indenture shall affect or impair any right of enforcement conferred on the registered owner hereof to enforce (a) the payment of the principal of and interest on this Borrower Bond at and after the maturity hereof, or (b) the obligation of the Issuer to pay the principal of and interest on this Borrower Bond to the registered owner hereof at the time and place, from the sources and in the manner provided in the Indenture.

No recourse shall be had for the payment of the principal of or the interest on this Borrower 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 the general credit of the Issuer or against any member, officer, employee or agent, 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.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Indenture and the issuance of this Borrower Bond and the issue of which it is a part, do exist, have happened and have been timely performed in regular form and manner as required by law, and the issuance of this Borrower Bond, together with all other obligations of the Issuer, does not exceed or violate any State constitutional or statutory limitation or any other limitation of the Issuer.

This Borrower Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until authenticated by the certificate of the Trustee or the Tender Agent endorsed hereon.

IN WITNESS WHEREOF the Issuer has caused this Borrower Bond to be duly executed in its name by the manual or facsimile signature of its City Comptroller and attested by the manual or facsimile signature of its City Clerk

CITY OF CHICAGO

By:_____
City Comptroller

Attest:_____
City Clerk

[Form of Certificate of Authentication]

Certificate of Authentication

This Borrower Bond is one of the Borrower Bonds described in the within mentioned Indenture.

[TRUSTEE],
as trustee

By:_____
Authorized Signatory

Date of Authentication:_____ ___, 2004.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

_____

_____
(Name and Address of Assignee)

the within Borrower Bond and does hereby irrevocably constitute and appoint _____, Attorney, to transfer the said Borrower Bond on the Bond Register 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 Borrower Bond in every particular, without alteration or enlargement or any change whatever.

Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other "signature guaranty program" as may be determined by the Trustee in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

(Sub)Exhibit "C".
(To Form Of Multi-Family Housing Indenture)

Form Of Requisition Certificate.

Requisition No.: 1

Date: **[ISSUE DATE]**

To: [TRUSTEE], AS TRUSTEE UNDER THE TRUST INDENTURE DATED AS OF _____ 1, 2004, BETWEEN THE CITY OF CHICAGO AND THE TRUSTEE, AND FINANCING AGREEMENT DATED AS OF _____ 1, 2004, AMONG THE ISSUER, THE TRUSTEE AND THE BORROWER.

The undersigned hereby requests that the following amounts be paid to the following payees for the following Costs of the Project from the Project Account of the Loan Fund:

Amount:	**Payee and Address:**	**Description:**
	(See attached)	

The undersigned hereby requests that the following amounts be paid to the following payees for the following Costs of the Project from the Equity Account of the Loan Fund:

Amount:	**Payee and Address:**	**Description:**
	(See attached)	

I hereby state and certify that (i) the amounts requested are or were necessary and appropriate in connection with the acquisition, construction, and equipping of the Mortgaged Property have been properly incurred and are a proper charge against the Project Account of the Loan Fund, and have been paid, or are justly due to the persons whose names and addresses are stated above, and have not been the basis of any previous requisition from the Project Account of the Loan Fund, and that such amounts are costs which can be capitalized for Federal income tax purposes; (ii) as of this date, except for the amounts specified above, there are no outstanding statements which are due and payable for labor, wages, materials, supplies or services in connection with the acquisition, purchase, construction and installation of said buildings and improvements which, if unpaid, might become the basis of a vendors, mechanics, laborers,

materialmens, statutory or similar lien upon the Mortgaged Property or any part thereof; (iii) no part of the several amounts paid or due as stated above has been or is being made the basis for the withdrawal of any moneys from the Project Account of the Loan Fund or the Equity Account of the Loan Fund, as indicated above, in any previous or pending application for payment made pursuant to the Indenture; (iv) payment of this Requisition Certificate will not breach any limitation on disbursements contained in the Tax Certificate (as defined in the Financing Agreement); (v) the amount remaining in the Project Account of the Loan Fund and Equity Account of the Loan Fund after payment of the amount(s) requested in this Requisition Certificate, the reasonable estimate of investment income thereon, plus funds of the Borrower available for such purpose will, after payment of the amount(s) requested hereby, be sufficient to pay the cost of completing the Mortgaged Property; and (vi) the amount(s) requested hereby to be funded from the Project Account of the Loan Fund are costs permitted by the Bond Ordinance.

By:_____
Name: _____
Title: Authorized Borrower Representative

The undersigned Construction Lender's signature below indicates only that the Construction Lender has approved this Requisition in accordance with The Construction Phase Credit Documents; the Construction Lender is not making any certification with respect to the matters being certified to by the Borrower in this Requisition

Approved:

GMAC COMMERCIAL MORTGAGE
CORPORATION, as Construction Lender

By:_____
Name: _____
Title: _____

(Sub)Exhibit "D".
(To Form Of Multi-Family Housing Indenture)

Provisions Governing Specially-Converted Bonds.

RECITALS:

WHEREAS, pursuant to Article VII, Section 6 of the 1970 Constitution of the State, and pursuant to the Bond 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 City of Chicago, which constitutes a valid public purpose for the issuance of revenue bonds by the Issuer; and

WHEREAS, the Issuer has issued $_____ aggregate principal amount of its Variable Rate Demand Multi-Family Housing Bonds (Central Station Multi-Family Project), Series 2004A (the "**Senior Bonds**"), and has loaned the proceeds thereof to the Borrower (the "**Senior Loan**") under a Financing Agreement, dated as of _____ 1, 2004, by and between the Issuer and the Borrower (the "**Senior Financing Agreement**"); and

WHEREAS, a portion of the Senior Bonds may be converted to Specially-Converted Bonds under the terms of Section 2.8(d) of the Indenture to which this *Exhibit D* is a part; and

WHEREAS, under the terms of the *Exhibit B* to the Senior Financing Agreement, the Borrower has agreed to certain conditions relating to the repayment of the portion of the loan made under the Senior Financing Agreement which relates to the Specially-Converted Bonds and related expenses (the "**Subordinate Loan**"), as well as making certain covenants with respect to the Borrower's obligations related thereto; and

WHEREAS, it is intended that any obligation of the Borrower with respect to the repayment of the Senior Loan be senior to any obligation of the Borrower with respect to the repayment of the Subordinate Loan and, accordingly, the Borrower, and the Trustee have entered into the Subordination Agreement (as hereinafter defined) with respect to the Specially-Converted Bonds and the Subordinate Loan; and

WHEREAS, to establish and declare the terms and conditions upon which the Specially-Converted Bonds are to be secured and to secure the payment of the principal thereof and of the interest and premium, if any, thereon, the Issuer has authorized this *Exhibit D*; and

NOW, THEREFORE, THIS *EXHIBIT D* WITNESSETH, that in order to secure the payment of the principal of, and the interest and premium, if any, on, all Specially-Converted Bonds at any time outstanding under this *Exhibit D*, 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 Specially-Converted Bonds are to be received, and for and in consideration of the premises and of the mutual covenants herein

contained and of the purchase and acceptance of the Specially-Converted Bonds by the owners thereof, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Issuer covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective registered owners from time to time of the Specially-Converted Bonds, and the Issuer has given, granted, pledged, assigned, conveyed and transferred, and does by these presents give, grant, pledge, assign, convey and transfer to the Trustee, and to its successors in the trusts hereby created, and to them and their assigns forever:

GRANTING CLAUSE I

All right, title and interest of the Issuer, except for the Reserved Rights (as hereinafter defined) of the Issuer, in the Loan Agreement (*Exhibit B* to the Senior Financing Agreement), the Subordinate Note, the Subordinate Mortgage, and all amendments, modifications and renewals thereof, including, without limitation, all payments to be made thereunder;

GRANTING CLAUSE II

All Available NOI (as hereinafter defined) received from the Borrower;

GRANTING CLAUSE III

All moneys and securities held from time to time in any of the funds and accounts established under this *Exhibit D*, including investment earnings thereon, which shall be held as security solely for the Specially-Converted Bonds, but excluding any amounts on deposit in the Fees and Expense Fund (the property referred to in Granting Clauses I, II and III set forth in this *Exhibit D* shall be collectively referred to herein as the "**Subordinate Trust Estate**");

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby given, granted, pledged, assigned, conveyed and transferred, or agreed or intended so to be to the Trustee and its successors in said trusts and to them and their 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 owner of any Specially-Converted Bond without preference, priority or distinction as to lien or otherwise of any of the Specially-Converted Bonds over any of the others except as expressly provided herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay or cause to be paid, or provide for the payment, pursuant to the provisions of this *Exhibit D*, of the principal of all Specially-Converted Bonds and the interest due or to become due thereon, at the times and in the manner mentioned in the Specially-Converted Bonds and this *Exhibit D*, according to the true intent and meaning thereof, and shall cause the payments to be made as required under this *Exhibit D*, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such performance and payments this *Exhibit D* and the rights hereby granted shall cease, determine

and be discharged, as provided in Article XII hereof; otherwise this *Exhibit D* to be and remain in full force and effect; and

PROVIDED, FURTHER, that neither the Issuer (or any official, employee or member of the Issuer or of its applicable program participant) nor any person executing the Specially-Converted Bonds is liable personally on the Specially-Converted Bonds or subject to any personal liability or accountability by reason of their issuance. The Specially-Converted Bonds are limited obligations of the Issuer payable solely from the Subordinate Trust Estate. The Specially-Converted Bonds are not a debt, nor a loan of the credit, of the Issuer, the State, or any other political subdivisions and the Specially-Converted Bonds shall not be construed to create any moral obligation on the part of the Issuer, the State or any other political subdivision thereof with respect to the payment thereof. The Specially-Converted Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation. The issuance of the Specially-Converted Bonds shall not directly or indirectly or contingently obligate the Issuer, the State or any other political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, and no Specially-Converted Bondholder has the right to compel any exercise of the taxing power of the State or any other political subdivision thereof.

THIS *EXHIBIT D* FURTHER WITNESSETH and it is expressly declared that all Specially-Converted Bonds issued and secured hereunder are to be dealt with upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee, the Specially-Converted Bondholder Representative and with the registered owners, from time to time, of the Specially-Converted Bonds appertaining thereto, or any part thereof, as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Defined Terms. In addition to words and terms elsewhere defined in this *Exhibit D*, the following words and terms as used in this *Exhibit D* shall have the meanings set forth in this Article, except as otherwise expressly provided or unless the context otherwise requires. Terms that are not defined in this *Exhibit D* shall have the meanings specified in the Indenture except as expressly provided herein or the context requires otherwise.

"**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, the Specially-Converted Bondholder Representative 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, 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 and the Specially-Converted Bondholder Representative) a written certificate revoking such person's authority to act in such capacity.

"**Authorized Denominations**" means $100,000 or any integral of $5,000 in excess thereof; *provided* that the initial purchase of the Specially-Converted Bonds to the initial Specially-Converted Bondholder will be in one (1) certificate representing the total principal amount of Specially-Converted Bonds issued.

"**Available NOI**" means, for any month, 75% of the difference of (A) the Gross Revenues for such month and (B) the sum of (i) Expenses of the Mortgaged Property and the Cross-Collateralized Mortgaged Property for such month, and (ii) without duplication, all amounts due on the Senior Loan Obligations and the Cross-Collateralized Loan Obligations for such month.

"**Conversion Date**" shall have the meaning given to such term in the Indenture.

"Cross-Collateralized Bonds" means the City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Senior Housing Project), Series 2004 in the original aggregate principal amount of $[_____].

"Cross-Collateralized Indenture" means, with respect to the Cross-Collateralized Bonds, the Trust Indenture, dated as of July 1, 2004, between the Issuer and the Trustee, as it may be amended, supplemented or restated from time to time.

"Cross-Collateralized Loan" means the mortgage loan made by the Issuer with the proceeds of the Cross-Collateralized Bonds.

"Cross-Collateralized Loan Documents" means the Cross-Collateralized Indenture, the Financing Agreement, the Regulatory Agreement, the Tax Certificate, the Credit Facility Documents and the Loan Documents (as each such term is defined in the Cross-Collateralized Indenture).

"Cross-Collateralized Loan Obligations" means and includes, collectively, and without limitation, each of the following: (A) all debt service payment due on the Cross-Collateralized Loan and the Cross-Collateralized Bonds, (B) all obligations of the Borrower under the Cross-Collateralized Loan Documents, (C) all capital expenditures required for the proper maintenance of the Cross-Collateralized Mortgaged Property in accordance with the Cross-Collateralized Loan Documents, as calculated by the Borrower in accordance with customarily accepted cash basis account principles, consistently applied, and in accordance with the terms of the Cross-Collateralized Loan Documents, (D) all amounts required to be deposited into any replacement reserve, completion/repair reserve, operating deficit reserve, principal repayment reserve, replacement hedge reserve or other reserve or escrow established or required by Fannie Mae or the Loan Servicer (as defined in the Cross-Collateralized Indenture) in connection with the Cross-Collateralized Loan and the Cross-Collateralized Loan Documents, including the Security Instrument (as such term is defined in the Cross-Collateralized Indenture), and (E) all fees, costs and expenses of the Issuer, Fannie Mae, the Loan Servicer and the Trustee in connection with the Cross-Collateralized Bonds.

"**Cross-Collateralized Mortgage Property**" means the Central Station Senior Apartments project which is identified in the Security Instrument.

"**Dated Date**" means the Initial Purchase Date.

"**Event of Default**" means, when used with respect to this *Exhibit D*, any of the events set forth in Section 7.01 of this *Exhibit D*, and when used with respect to the Loan Agreement, means any of the events set forth in Section 7.01 of that Exhibit.

"**Expenses of the Mortgaged Property**" means, for any period, the current expenses, paid or accrued, of operation, maintenance and current repair of the Mortgaged Property and the Cross-Collateralized Mortgaged Property, as calculated in accordance with generally accepted accounting principals, and shall include, without limiting the generality of the foregoing, salaries, wages, employee benefits, cost of materials and supplies, costs of routine repairs, renewals, replacements and alterations occurring in the usual course of business, costs and expenses properly designated as capital expenditures (e.g. repairs which would not be payable from amounts on deposit in a repair and replacement fund held pursuant to the Senior Credit Facility Documents), a management fee (however characterized) not to exceed 3% of Gross Revenues, costs of billings and collections, costs of insurance, and costs of audits. Expenses of the Mortgaged Property and the Cross-Collateralized Mortgaged Property shall not include any payments, however characterized, on account of any subordinate financing in respect of the Mortgaged Property and the Cross-Collateralized Mortgaged Property or other indebtedness, allowance for depreciation, amortization or other non-cash items, gains and losses or prepaid expenses not customarily prepaid.

"**Fair Market Value**" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a *bona fide* arm's length transaction (as referenced above) if (I) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the Borrower and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

"**Fees and Expense Fund**" means the fund created by Section 4.04 of this *Exhibit D*.

"**Fiscal Year**" means the fiscal year of the Borrower, which shall be the calendar year, unless the Issuer and the Trustee are notified by the Borrower of a change in such fiscal year.

"**Fund**" means any fund created under this *Exhibit D*, and shall not include any Fund created under any other provisions of the Indenture.

"**Gross Revenues**" means all receipts, revenues, income and other moneys received by or on behalf of the Borrower and the owner of the Cross-Collateralized Mortgaged Property and derived from the ownership or operation of the Mortgaged Property and the Cross-Collateralized Mortgaged Property, including any and all payments received under any interest rate hedges, if any, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence and proceeds received upon the foreclosure sale of the Mortgaged Property and the Cross-Collateralized Mortgaged Property. Gross Revenues shall not include loan proceeds, equity or capital contributions, or tenant security deposits being held by Borrower and the owner of the Cross-Collateralized Mortgaged Property in accordance with the applicable law.

"**Independent Counsel**" means any attorney or attorneys duly admitted to practice law before the highest court of any state and not an officer or full time employee of the Issuer, the Trustee or the Borrower.

"**Initial Purchase Date**" means the date that the Specially-Converted Bonds are initially acquired pursuant to Section 2.8(d) of the Indenture.

"**Initial Specially-Converted Bondholder**" shall mean Newman Financial Services, Inc.

"**Interest Payment Date**" means the fifteenth (15^{th}) day of each month, commencing the first month after the Initial Purchase Date.

"**Investment Securities**" means and include any of the following securities:

(i) Government Obligations;

(ii) Any of the following Specially-Converted Bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following federal agencies; *provided* that such obligations are backed by the full faith and credit of the United States of America:

(a) direct obligations of, or certificates of beneficial ownership of obligations fully guaranteed by, the United States Export-Import Bank;

(b) certificates of beneficial ownership in obligations issued by the Farmers Home Administration;

(c) obligations of the Federal Financing Bank;

(d) Federal Housing Administration debentures;

(e) participation certificates in obligations of the General Services Administration;

(f) guaranteed mortgage-backed Specially-Converted Bonds and guaranteed pass-through obligations of the Government National Mortgage Association;

(g) financing guaranteed by the United States Maritime Administration under Title XI of the United States Code;

(h) New Community Debentures guaranteed by the United States of America;

(i) United States Public Housing notes and Specially-Converted Bonds guaranteed by the United States of America; and

(j) Project Notes and Local Authority Specially-Converted Bonds of the United States Department of Housing and Urban Development;

(iii) direct obligations of any state of the United States of America or any subdivision or agency that are rated in one of the two highest rating categories by Moody's or S&P;

(iv) money market funds registered under the Federal Investment Company Act of 1940, as amended, and whose shares are registered under the Securities Act of 1933, as amended, and are rated "AAAm-G", "AAAm" or "AAm" by S&P;

(v) Bonds, debentures, notes or other evidences of indebtedness issued or guaranteed by any of the following agencies of the United States of America (which need not be backed by the full faith and credit of the United States of America) or debt obligations otherwise issued or unconditionally guaranteed as to principal and interest by any other agency or person controlled or supervised by and acting as an instrumentality of the government of the United States of America pursuant to authority granted by Congress:

(a) senior debt obligations of the Federal Home Loan Bank System;

(b) participation Certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation;

(c) mortgages-backed securities and senior debt obligations of Fannie Mae;

(d) senior debt obligations of the Student Loan Marketing Association;

(e) senior debt obligations of the Federal Farm Credit Provider System;

(f) obligations issued by the Resolution Funding Corp.; and

(g) securities evidencing ownership interests in such obligations listed above or in specified portions of the principal of or interest on such obligations;

(vi) certificates of deposit secured at all times by obligations described in subparts (i) and (ii) of this definition; *provided* that: (a) such collateral must be held by a third party and the

Trustee must have a perfected security interest in such collateral; and (b) such certificates of deposit must be issued by a commercial bank, savings and loan association or mutual savings bank;

(vii) certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by the Federal Deposit Insurance Corporation; and

(viii) any investment agreements or guaranteed investment contracts provided by entities whose long-term unsecured obligations are rated "A" or better by Moody's or S&P, which provide that if such rating below "A," the provider must post collateral on terms acceptable to the Borrower or repay the amount then invested to the Trustee and, otherwise such agreement shall be in a form acceptable to the Borrower and the Specially-Converted Bondholder.

["**Investor Letter**" means a letter substantially in the form set forth in Appendix C to this *Exhibit D*.]

"**Loan Agreement**" means *Exhibit B* to the Senior Financing Agreement.

"**Loan Payments**" means the Loan Payments required under the Loan Agreement.

"**Officer's Certificate**" means a certificate signed by the Authorized Issuer Representative or the Authorized Borrower Representative, as the case may be.

"**Outstanding,**" when used with reference to the Specially-Converted Bonds at any date as of which the amount of outstanding Specially-Converted Bonds is to be determined, means all Specially-Converted Bonds which have been authenticated and delivered by the Trustee hereunder, except:

(ix) Specially-Converted Bonds canceled at or prior to such date;

(x) Specially-Converted Bonds for the payment or redemption of which sufficient moneys and/or Government Obligations meeting the terms and conditions specified in Section 10.01 shall have been theretofore transferred or deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Specially-Converted Bonds); *provided* that if such Specially-Converted Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(xi) Specially-Converted Bonds in lieu of which others have been authenticated under Section 2.07 or 2.08; and

(xii) For purposes of any consent or other action to be taken by the holders of a specified percentage of outstanding Specially-Converted Bonds hereunder, all Specially-Converted Bonds held by or for the Issuer or the Borrower, except that for purposes of any such

consent or action the Trustee shall be obligated to consider as not being outstanding only Specially-Converted Bonds as to which the Trustee has received notice are so held.

"**Paying Agent**" means the Trustee and any other paying agent at the time serving as such hereunder, whether the original or a successor paying agent.

"**Principal Corporate Trust Office**" means the designated trust office of the Trustee as set forth in Section 11.03.

"**Principal Payment Date**" means the fifteenth (15^{th}) day of each month, commencing on the first _____ 15 occurring after the Initial Purchase Date.

"**Rebate Analyst**" means an entity that is (i) qualified and experienced in the calculation of rebate payments under Section 148 of the Code and compliance with the arbitrage rebate regulations promulgated under the Code, (ii) chosen by the Borrower and (iii) engaged for the purpose of determining the amount of required deposits, if any to the Rebate Fund.

"**Rebate Analyst's Fee**" means the annual continuing fee of the Rebate Analyst, if any, in the amount $500.

"**Rebate Fund**" means the fund created by the *Exhibit D* as provided in Section 5.1 of the Indenture.

"**Record Date**" means the fifteenth day of the calendar month next preceding each Interest Payment Date, whether or not a Business Day.

"**Redemption Price**" means, with respect to any Specially-Converted Bond or a portion thereof, the principal amount of such Specially-Converted Bond or portion thereof, and accrued interest payable upon redemption thereof in the manner contemplated in accordance with its terms and this *Exhibit D*.

"**Reserved Rights**" means those certain rights of the Issuer under the Loan Agreement to indemnification and to payment or reimbursement of fees and expenses of the Issuer, its right to give and receive notices and to enforce notice and reporting requirements and restrictions on the transfer of ownership, its right to inspect and audit the books, records and premises of the Borrower and of the Mortgaged Property, 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 (including the rules and regulations of the Issuer, if any), and its right to give or withhold consent to amendments, changes, modifications and alterations to the Loan Agreement and the Regulatory Agreement.

"**Senior Bonds**" means the $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004A.

"**Senior Credit Provider**" has the meaning given to the term "Credit Provider" in this *Exhibit D*.

"**Senior Lender**" has the meaning given to the term "Construction Lender" in this *Exhibit D.*

"**Senior Loan Documents**" means the Indenture, the Senior Financing Agreement, the Regulatory Agreement, the Tax Certificate, the Credit Facility Documents and the Loan Documents (as such terms are defined in this *Exhibit D*).

"**Senior Loan Obligations**" means and includes, collectively, and without limitation, each of the following: (A) all debt service payments due on the Loan and the Senior Bonds, (B) all obligations of the Borrower under the Senior Loan Documents, (C) all capital expenditures required for the proper maintenance of the Mortgaged Property in accordance with the Senior Loan Documents, as calculated by the Borrower in accordance with customarily accepted cash basis account principles, consistently applied, and in accordance with the terms of the Senior Loan Documents, (D) all amounts required to be deposited into any replacement reserve, completion/repair reserve, operating deficit reserve, principal repayment reserve, replacement hedge reserve or other reserve or escrow established or required by Fannie Mae or the Loan Servicer (as defined in the Indenture) in connection with the Loan and the Senior Loan Documents, including the Security Instrument (as defined in the Indenture), and (E) all fees, costs and expenses of the Issuer (to the extent the same have not been otherwise subordinated to the Subordinate Loan), Fannie Mae, the Loan Servicer and the Trustee in connection with the Senior Bonds.

"**Senior Trustee**" means the Trustee, but acting in its capacity as trustee with respect to the Bonds which are not Specially-Converted Bonds. "**Trustee**", as used in this *Exhibit D* means the Trustee acting in the capacity under this *Exhibit D.*

"**Specially-Converted Bond Fund**" means the fund created pursuant to Section 4.03 of this *Exhibit D.*

"**Specially-Converted Bond Registrar**" means the Specially-Converted Bond Registrar as defined in Section 2.08 of this *Exhibit D.*

"**Specially-Converted Bondholder**" or "**holder of the Specially-Converted Bonds**" means the registered owner of the Specially-Converted Bonds.

"**Specially-Converted Bondholder Representative**" means GMAC Commercial Holding Capital Corp., its successors and assigns, for as long as the initial Specially-Converted Bondholder is GMAC Commercial Holding Capital Corp. or such other Specially-Converted Bondholder representative elected by the holders of a majority of the principal amount of Specially-Converted Bonds Outstanding, as designated in writing by such holders to the Trustee.

"**Subordinate Loan**" has the meaning set forth in the Granting Clauses to this *Exhibit D.*

"**Subordinate Mortgage**" means the Subordinate Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, executed by the Borrower with respect to the Specially-Converted Bonds, as amended, modified, supplemented or restated from time to time to the extent permitted by this *Exhibit D.*

"**Subordinate Note**" means the Subordinate Promissory Note, executed by the Borrower and deliver to the Issuer pursuant to the Loan Agreement, as amended, modified, supplemented or restated from time to time to the extent permitted by this *Exhibit D* or the Loan Agreement.

"**Subordination Agreement**" means the Subordination Agreement (Fannie Mae Form 4507), dated as of _____ 1, 200_, executed by the Trustee, the Senior Trustee, the Senior Credit Provider and the Borrower.

"**Subordinate Trust Estate**" has the meaning set forth in the Granting Clauses to this *Exhibit D*.

"**Trustee**" means the Trustee at the time serving as such under this *Exhibit D*, whether the original or a successor trustee, which at all times shall be the same as the Senior Trustee.

"**Trustee's Annual Fee**" means (i) the annual continuing administration fees of the Trustee, as Trustee, Specially-Converted Bond Registrar, Paying Agent and Rebate Analyst, for the ordinary services of the Trustee rendered under this *Exhibit D* during each twelve month period, in the amount of [$750] per million dollars of Specially-Converted Bonds Outstanding or part thereof, payable semiannually by the Borrower in advance on each _____ and _____, with the first fee payable on the Closing Date, plus (ii) the annual charge of $_____ for payment of the annual audit of the funds and accounts under the *Exhibit D*, all as more particularly described in the Trustee Fee Agreement between the Issuer and the Trustee dated as of the date of this *Exhibit D*.

"**Written consent,**" "**written demand,**" "**written direction,**" "**written election,**" "**written notice,**" "**written order,**" "**written request**" and "**written requisition**" of the Issuer or the Borrower means, respectively, a written consent, demand, direction, election, notice, order, request or requisition signed by an Authorized Issuer Representative or an Authorized Borrower Representative.

Section 1.02. Rules of Construction. 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.

(a) All references herein to "Articles," "Sections" and other subdivisions hereof are to the corresponding Articles, Sections or subdivisions of this *Exhibit D* as originally executed; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this *Exhibit D* as a whole and not to any particular Article, Section or subdivision hereof.

(b) 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 affect the meaning, construction or effect of this *Exhibit D*.

(c) The parties to the Indenture acknowledge that each such party and its respective counsel have participated in the drafting and revision of this *Exhibit D*. Accordingly, the parties

agree that any rule of construction which disfavors the drafting party shall not apply in the interpretation of this *Exhibit D* or any amendment or supplement or exhibit hereto or thereto.

ARTICLE II
TERMS OF SPECIALLY-CONVERTED BONDS

Section 2.01. Terms of the Specially-Converted Bonds.

(a) The Specially-Converted Bonds shall be issuable as fully registered Specially-Converted Bonds in Authorized Denominations. The Specially-Converted Bonds shall be numbered consecutively from R-1 upwards. The Specially-Converted Bonds shall be dated their Dated Date and shall mature, subject to prior redemption as provided in Article III hereof, on July 15, 2039. The Specially-Converted Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) at a fixed interest of 8.5% per annum until _____ 15, 201__, and 12% per annum thereafter, payable on each Interest Payment Date to the Maturity Date. If the Borrower shall fail to make any Loan Payment to the extent and as required in the Loan Agreement, interest payable on the Specially-Converted Bonds 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, at the Default Rate (as defined and set forth in the Subordinate Note).

(b) The interest to be paid on an Interest Payment Date shall be computed from the date to which interest was last paid on the Specially-Converted Bonds or, if interest has not previously been paid on the Specially-Converted Bonds, from their date of authentication.

The person in whose name a Specially-Converted Bond is registered at the close of business on any Record Date with respect to an Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding the cancellation of such Specially-Converted Bond upon any transfer or exchange subsequent to such Record Date and prior to such Interest Payment Date; *provided, however*, that if and to the extent that the Issuer shall default in the payment of interest due on such Interest Payment Date, such past due interest shall be paid to the holder in whose name outstanding Specially-Converted Bonds are registered on a subsequent Record Date established by notice given by first class mail by the Trustee to the holders of the Specially-Converted Bonds not less than thirty (30) days preceding such subsequent Record Date.

The principal of and the interest on the Specially-Converted Bonds shall be payable in lawful money of the United States of America. Interest on the Specially-Converted Bonds shall be payable by check of the Trustee, mailed by first class mail, to the Specially-Converted Bondholder Representative and/or any holders in whose names the Specially-Converted Bonds are registered on the registration books maintained by the Trustee, as Specially-Converted Bond Registrar, at the close of business on the Record Date next preceding such Interest Payment

Date; *provided, however*, interest due to any one holder holding 100% of the Specially-Converted Bonds will be paid, upon the written request of such holder received by the Trustee on or before the Record Date, by wire transfer of immediately available funds to an account in the continental United States designated by such holder. The Trustee shall maintain a record of the amount and date of any payment of principal and/or interest on the Specially-Converted Bonds (whether at the maturity date or on any redemption date prior to maturity or upon the maturity thereof by declaration or otherwise). In the case of a redemption of any Specially-Converted Bond or a portion thereof, the Trustee, as Paying Agent, shall pay on the applicable redemption date from funds provided hereunder the redemption price upon surrender of such Specially-Converted Bond to the Trustee in lawful money of the United States of America.

If any Specially-Converted Bond shall not be presented for payment when the principal of or any portion thereof becomes due, either at the stated maturity, at the date fixed for redemption or purchase prior to stated maturity, or upon maturity by declaration, provided moneys sufficient to pay the Redemption Price of such Specially-Converted Bond or portion thereof shall have been made available to the Trustee and are held for the benefit of the holder of such Specially-Converted Bond, all liability of the Issuer to the holder thereof for the payment of such Specially-Converted Bond or portion thereof, as the case may be, 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 holder of such Specially-Converted Bond, who shall thereafter be restricted exclusively to such moneys held for any claim of whatever nature on its part hereunder or on, or with respect to, such Specially-Converted Bond or portion thereof.

Section 2.02. Execution; Limited Obligation. The Specially-Converted Bonds shall be executed on behalf of the Issuer in accordance with the provisions for execution of the Bonds set forth in the Indenture. If any officer of the Issuer who shall have executed any Specially-Converted Bond shall cease to be such officer before the Specially-Converted Bond so executed (by manual or facsimile signature) shall be authenticated and delivered by the Trustee, such Specially-Converted Bond nevertheless may be authenticated and delivered as though the person who executed such Specially-Converted Bond had not ceased to be such officer of the Issuer, and also any Specially-Converted Bond may be executed on behalf of the Issuer by such persons as at the actual time of such execution of such Specially-Converted Bond shall be the proper officers of the Issuer, although at the date of such Specially-Converted Bond such persons may not have been officers of the Issuer.

Neither the Issuer, nor any member, official or employee of the Issuer, nor any person executing the Specially-Converted Bonds, are liable personally on the Specially-Converted Bonds or subject to any personal liability or accountability by reason of their issuance. The Specially-Converted Bonds are limited obligations of the Issuer, payable solely from and wholly secured by the Subordinate Trust Estate. The Specially-Converted Bonds do not constitute an indebtedness of the Issuer, the State or any other political subdivision thereof, or a loan of credit

thereof within the meaning of any constitutional or statutory provision, nor do the Specially-Converted Bonds create any moral obligation on the part of the Issuer, the State or any other political subdivision thereof with respect to their payment. The Issuer has no taxing power.

No recourse shall be had for the payment of the principal of, interest and premium, if any, on any of the Specially-Converted Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained herein, against any past, present or future member of the Issuer or any officer, employee or agent of the Issuer, under any rule of law or equity, or statutory or constitutional provision or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such member of the Issuer, or any officer, employee or agent of the Issuer, as such, is hereby expressly waived and released as a condition of and in consideration for the execution of this *Exhibit D* and the issuance of the Specially-Converted Bonds.

Section 2.03. Authentication. Only such Specially-Converted Bonds as shall have endorsed thereon a certificate of authentication substantially in the form herein, manually executed by the Trustee, shall be entitled to any right or benefit hereunder. No Specially-Converted Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been executed by the Trustee, and such executed certificate of authentication of the Trustee upon any such Specially-Converted Bond shall be conclusive evidence that such Specially-Converted Bond has been authenticated and delivered hereunder. Said certificate of authentication on any Specially-Converted Bond shall be deemed to have been executed by the Trustee if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Specially-Converted Bonds issued hereunder.

Section 2.04. Form of Bonds. The Specially-Converted Bonds, the Trustee's certificate of authentication and the form of assignment shall be in substantially the form set forth in ***Appendix A*** attached hereto with such appropriate variations, omissions, substitutions and insertions as are permitted or required hereby and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon, as may be required to comply with any applicable laws or rules or regulations, or as may, consistently herewith, be determined by the officers executing such Specially-Converted Bonds, as evidenced by their execution of the Specially-Converted Bonds. Any portion of the text of any Specially-Converted Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of such Specially-Converted Bond. Specially-Converted Bonds may be typewritten, printed, engraved, lithographed or otherwise produced. The Specially-Converted Bonds shall be in certificated and not "book-entry" form, unless they are rated "A" or higher by either S&P or Moody's.

Section 2.05. Delivery of the Bonds. The Specially-Converted Bonds shall be executed substantially in the form and manner herein set forth and shall be deposited with the Trustee for authentication. The Trustee shall authenticate and deliver the Specially-Converted Bonds to, or at the direction of, the purchaser of the Specially-Converted Bonds, but only after there has been filed or deposited with the Trustee the items required by Section 2.8(d) of the Indenture and an Investor Letter.

Section 2.06. Mutilated, Lost, Stolen or Destroyed Bonds. If any Specially-Converted Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate and deliver a new Specially-Converted Bond of the same maturity, interest rate, aggregate principal amount in Authorized Denominations and tenor in lieu of and in substitution for the Specially-Converted Bond mutilated, lost, stolen or destroyed; *provided* that, in the case of any mutilated Specially-Converted Bond, such mutilated Specially-Converted Bond shall first be surrendered to the Trustee, as Specially-Converted Bond Registrar, and in the case of any lost, stolen or destroyed Specially-Converted Bond, there shall be first furnished to the Trustee evidence satisfactory to it of the ownership of such Specially-Converted Bond and of such loss, theft or destruction, together with indemnity satisfactory to it. If any such Specially-Converted Bond shall have matured or a redemption date pertaining thereto shall have passed, instead of issuing a new Specially-Converted Bond the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee. The Issuer and the Trustee may charge the holder of such Specially-Converted Bond with their reasonable fees and expenses in this connection.

In executing a new Specially-Converted Bond and in furnishing the Trustee with the written authorization to authenticate and deliver a new Specially-Converted Bond as provided for in this Section, the Issuer may rely conclusively on a written representation of the Trustee that the Trustee is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft or destruction of any Specially-Converted Bond.

Section 2.07. Exchangeability and Transfer of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and for the transfer of the Specially-Converted Bonds as provided herein to be kept by the Trustee which is hereby constituted and appointed the Specially-Converted Bond Registrar of the Issuer.

Subject to the requirements of the following paragraph of this Section, Specially-Converted Bonds may be transferred on the books of registration of the Issuer kept by the Trustee by the holder in person or by his duly authorized attorney, upon surrender thereof, together with a written instrument of transfer executed by the holder or his duly authorized attorney. Upon surrender for transfer of any Specially-Converted Bond with all partial redemptions endorsed thereon at the Principal Corporate Trust Office, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Specially-Converted Bond or Specially-Converted Bonds of the same maturity, interest rate, aggregate principal amount and tenor and of any Authorized Denomination or denominations and numbered consecutively in order of issuance according to the records of the Specially-Converted Bond Registrar.

The Trustee shall not register any transfer of any Specially-Converted Bonds hereunder unless at the time of such transfer the Specially-Converted Bonds are rated "A" or higher by either S&P or Moody's, unless such transfer is made in compliance with Section 2.09 of this *Exhibit D.*

Specially-Converted Bonds may be exchanged at the Principal Corporate Trust Office for an equal aggregate principal amount of Specially-Converted Bonds of the same maturity, interest rate, aggregate principal amount and tenor and of any Authorized Denomination or Denominations. The Issuer shall execute and the Trustee shall authenticate and deliver Specially-Converted Bonds which the Specially-Converted Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding. Such transfers of registration or exchanges of Specially-Converted Bonds shall be without charge to the holders of such Specially-Converted Bonds, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the holder of the Specially-Converted Bond requesting such transfer or exchange as a condition precedent to the exercise of such privilege.

The Trustee shall not be required to transfer or exchange any Specially-Converted Bond (i) during the period following the Record Date next preceding any Interest Payment Date of such Specially-Converted Bond and such Interest Payment Date, or during the 15 days preceding the mailing of notice of redemption of any Specially-Converted Bonds or (ii) after the giving of notice calling such Specially-Converted Bond for redemption or partial redemption has been made.

The person in whose name any Specially-Converted Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal, or interest shall be made only to or upon the order of the registered owner thereof or his duly authorized attorney, but such registration may be changed as hereinabove such Specially-Converted Bond to the extent of the sum or sums so paid.

All Specially-Converted Bonds issued upon any transfer or exchange of Specially-Converted Bonds shall be legal, valid and binding limited obligations of the Issuer, evidencing the same debt, and entitled to the same security and benefits under this *Exhibit D* as the Specially-Converted Bonds surrendered upon such transfer or exchange.

Section 2.08. Restrictions on Transfer. The following shall apply to all sales and transfers of the Specially-Converted Bonds after the initial sale and delivery of the Specially-Converted Bonds:

(a) The Specially-Converted Bonds shall be sold and/or transferred only in Authorized Denominations;

(b) The Specially-Converted Bonds shall be issued in and remain in certificated form; and

(c) The Specially-Converted Bonds shall only be sold and/or transferred, unless the transferee is the Borrower or to investors who execute and deliver an Investor Letter to the Trustee.

The Trustee and the Registrar shall not authenticate or register a Specially-Converted Bond unless the conditions of this Section have been satisfied.

Section 2.09. Subordination of Bonds. The indebtedness evidenced by the Specially-Converted Bonds is and shall be subordinate in right of payment to the prior payment in full of all the indebtedness under the Senior Bonds and the Senior Loan Documents, to the extent and in the manner provided in the Subordination Agreement. An Event of Default hereunder shall only constitute an event of default under the Senior Loan Documents to the extent provided in the Subordination Agreement. This *Exhibit D* is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Loan Documents. The rights and remedies of the holders and subsequent holders of Specially-Converted Bonds under this *Exhibit D* are subject to the restrictions and limitations set forth in the Subordination Agreement. Nothing herein shall be construed to prohibit current payment of amounts due with respect to the Specially-Converted Bonds if all payments then due with respect to the Senior Bonds have been made and there is Available NOI available for payment of such amounts.

ARTICLE III
REDEMPTION OF BONDS

Section 3.01. Optional Redemption. The Specially-Converted Bonds are subject to optional redemption, in whole or in part, on any date at the option of the Borrower in accordance with Section 3.05(b) of the Loan Agreement, at a Redemption Price equal to the principal amount of such Specially-Converted Bond or portion thereof and accrued interest payable upon redemption thereof without premium.

Section 3.02. Extraordinary and Mandatory Redemption.

(a) The Specially-Converted Bonds are subject to redemption on any Interest Payment Date, in whole or in part, if, pursuant to the terms of Section 3.05(a) of the Loan Agreement, the Borrower exercises its option to direct the Trustee to redeem Specially-Converted Bonds in the event of (i) certain damage or destruction of the Mortgaged Property or (ii) condemnation of the Mortgaged Property or any part thereof or a sale in lieu of condemnation, at the Redemption Price, without premium.

(b) In addition, the Specially Converted Bonds are subject to redemption on any Interest Payment Date, in whole or in part, from Available NOI in excess of a Loan Payment paid to the Trustee pursuant to Section 3.02(b) of the Loan Agreement, without premium, in the amount of such excess Available NOI paid to the Trustee.

Section 3.03. Scheduled Redemptions. The Specially-Converted Bonds shall be subject to scheduled redemption on each Principal Payment Date solely from amounts deposited in the Specially-Converted Bond Fund at the applicable Redemption Price, without premium, in such amounts as set forth in Appendix C, but only to the extent that there is sufficient Available NOI to pay such Redemption Price on such Principal Payment Date.

Section 3.04. Partial Redemption of Bonds. With respect to any partial redemption of the Specially-Converted Bonds, the Trustee shall prorate the aggregate principal amount of Specially-Converted Bonds to be redeemed among all holders of the Specially-Converted Bonds subject to such redemption in proportion to the principal amount of such Specially-Converted Bonds registered in the name of each such holder; *provided, however*, that in selecting such Specially-Converted Bonds for redemption, the Trustee shall treat each Specially-Converted Bond as representing that number of Specially-Converted Bonds that is obtained by dividing the principal amount of such Specially-Converted Bond by $5,000; and *provided, further*, that in any prorating pursuant to this Section the Trustee shall, according to such method as it shall deem proper in its discretion, make such adjustments by increasing or decreasing by not more than $5,000 the amount that would be allocable on the basis of exact proportion to any one or more holders of Specially-Converted Bonds as may be necessary to the end that the principal amount so prorated shall be an Authorized Denomination in each instance. On each subsequent partial redemption of Specially-Converted Bonds, the Trustee shall make such adjustments, to the extent practicable, as will equalize on a cumulative basis, the prorations among Specially-Converted Bondholders. Any partial redemption, including scheduled redemptions pursuant to Section 3.03, shall be in multiples of $5,000; *provided* that all Specially-Converted Bonds that remain outstanding after any such redemption shall be in Authorized Denominations. However, no redemption shall be made and no notice shall be given if such redemption will not allow all remaining holders of the Specially-Converted Bonds to retain Authorized Denominations.

Upon redemption of any Specially-Converted Bond in part, the Trustee shall authenticate and deliver to or upon the written order of the registered owner thereof, at the expense of the Borrower, a new Specially-Converted Bond or Specially-Converted Bonds of the same maturity and of Authorized Denominations in an aggregate face amount equal to the unredeemed portion of the Specially-Converted Bond redeemed in part.

Section 3.05. Notice of Redemption; Effect of Redemption.

(a) Notice of redemption shall be given by first class mail, postage prepaid, mailed not less than fifteen (15) days or more than thirty (30) days prior to the redemption date to each holder of the Specially-Converted Bonds or portions thereof to be redeemed at the last address shown on the registration books kept by the Trustee. Failure so to mail any such notice to the holder of any Specially-Converted Bond or any defect therein shall not affect the validity of the proceedings for such redemption as to the holders of any Specially-Converted Bonds to whom notice has been mailed.

Any Specially-Converted Bonds that are subject to redemption may, at the written direction of the Borrower be purchased in lieu or such redemption at a purchase price, including commissions, if any, not greater than the Redemption Price of such Specially-Converted Bonds. Specially-Converted Bonds that are purchased in lieu of redemption shall not be cancelled and

the debt represented by such Specially-Converted Bonds shall not be considered merged or extinguished unless the Borrower surrenders such Specially-Converted Bonds to the Trustee with written direction to cancel the same. Unless agreed to by the Registered Holders of the Specially-Converted Bonds in writing prior to the giving of notice of redemption, on or prior to the giving of notice of the redemption date, sufficient moneys shall be deposited in the Specially-Converted Bond Fund to pay the principal amount of the Specially-Converted Bonds called for redemption and accrued interest or interest due thereon on such redemption date.

(b) On a noticed redemption date, the Specially-Converted Bonds called for redemption shall be due and payable at the Redemption Price. If on such redemption date moneys for payment of the Redemption Price and accrued interest are held by the Trustee as provided herein, interest on such Specially-Converted Bonds called for redemption shall cease to accrue and such Specially-Converted Bond shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the moneys held by the Trustee and the amount of such Specially-Converted Bonds so called for redemption shall be deemed paid and no longer outstanding.

In the case of a redemption of any Specially-Converted Bond or a portion thereof, on the date set for redemption in the written notice to the Specially-Converted Bondholder Representative and Specially-Converted Bondholders required to be given in this Section, the Trustee, as Paying Agent, shall pay from funds provided hereunder the Redemption Price upon surrender of such Specially-Converted Bond to the Trustee in lawful money of the United States of America.

All Specially-Converted Bonds paid or redeemed in whole or in part, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made and such Specially-Converted Bonds (or the portion thereof paid or redeemed) shall thereupon be canceled. All Specially-Converted Bonds canceled under any of the provisions of this *Exhibit D* shall be destroyed by the Trustee, and, upon request, the Trustee shall execute a certificate in duplicate, describing the Specially-Converted Bonds so destroyed and one executed certificate shall be filed with the Borrower and the other executed certificate shall be retained by the Trustee. Upon written request therefor, a photocopy of such certificate shall be supplied to the Issuer.

ARTICLE IV
CREATION AND APPLICATION OF FUNDS

Section 4.01. Creation of the Bond Fund; Use of Moneys in the Bond Fund.

(a) There is hereby established with the Trustee a trust fund to be designated the "Specially-Converted Bond Fund." The principal of and interest on the Specially-Converted Bonds shall be paid from the Specially-Converted Bond Fund. All moneys transferred by the Borrower to the Trustee as required by the Loan Agreement (except amounts to be deposited in the Fees and Expense Account, as provided in Section 3.06 of the Loan Agreement) shall be deposited in the Specially-Converted Bond Fund for the purpose of paying any of the Specially-Converted Bonds hereby secured, either at the maturity thereof or by call for redemption or otherwise. Amounts remaining in the Specially-Converted Bond Fund on each Interest Payment

Date (after payment of principal and interest, including the redemption price on the Specially-Converted Bonds) shall be applied in an amount not to exceed the cumulative amount of fees, costs and expenses due and payable pursuant to the Loan Agreement from such Interest Payment Date to (but excluding) the following Interest Payment Date, and shall be transferred by the Trustee to the Fees and Expenses Fund and applied as set forth in Section 4.04.

(b) There shall be paid into the Specially-Converted Bond Fund, as and when received, moneys deposited by the Borrower with the Trustee pursuant to the Loan Agreement, all moneys held in trust by the Trustee pending payment of the Redemption Price of all or any portion of the Specially-Converted Bonds, and all other moneys received by the Trustee under and pursuant to any of the provisions of the Loan Agreement or this *Exhibit D* when accompanied by directions from the Borrower that such moneys are to be paid into the Specially-Converted Bond Fund.

(c) Except as provided in this Section, moneys in the Specially-Converted Bond Fund shall be used solely for the payment of the principal and interest on the Specially-Converted Bonds, whether at stated maturity, at the date fixed for redemption prior to stated maturity, or upon declaration. At the direction of the Borrower, any moneys in the Specially-Converted Bond Fund may be used to redeem a portion of the Specially-Converted Bonds so long as the Borrower is not in default with respect to any payments due under the Loan Agreement and to the extent that such moneys are in excess of the amount required for the payment of Specially-Converted Bonds theretofore matured or called for redemption and the payment of interest then due in all cases where such Specially-Converted Bonds have not been presented for payment.

On the Maturity Date or any redemption date prior to maturity of each Specially-Converted Bond, and on the date of each installment of interest is due and payable on each Specially-Converted Bond, the Trustee shall transfer from the Specially-Converted Bond Fund sufficient moneys to pay all principal of and interest then due and payable with respect to the Specially-Converted Bonds. Moneys so transferred shall be held by the Trustee, without liability on the part of the Trustee or the Issuer for interest thereon, until actually paid out for the purposes intended.

(d) Whenever the moneys held for the credit of the Specially-Converted Bond Fund shall be sufficient to pay the principal of and the interest accrued and to accrue to the date of the payment or redemption of all Outstanding Specially-Converted Bonds, as described below, such moneys, upon the request of the Borrower, shall be applied by the Trustee to the payment or redemption of such Specially-Converted Bonds.

(e) Any moneys remaining in the Specially-Converted Bond Fund after payment in full of all Specially-Converted Bonds (taking into consideration that sufficient moneys or Government Obligations such as are described in Section 10.01 have been transferred to and/or deposited in the Specially-Converted Bond Fund to pay all principal of and the interest then due and payable with respect to each Specially-Converted Bond not yet presented for payment and any interest then due and payable with respect to each Specially-Converted Bond not yet presented for payment and to pay all principal and interest relating to each Specially-Converted Bond that is not yet due and payable, but with respect to which the lien of this *Exhibit D* has been defeased upon compliance with Article X), the fees, charges, and expenses of the Issuer, the

Trustee, the Paying Agent and the Specially-Converted Bond Registrar and the Specially-Converted Bondholder Representative, which have accrued and which will accrue, and all other items required to be paid hereunder (other than items payable from the Specially-Converted Bond Fund), shall be paid to the Borrower upon the expiration or sooner termination of the term of the Loan Agreement as provided in the Loan Agreement; *provided* that such amounts are not required for the payment of obligations under the Senior Loan Documents.

Section 4.02. Creation of Fees and Expense Fund. There is hereby established with the Trustee a trust fund to be designated the "Fees and Expense Fund." All moneys transferred by the Borrower to the Trustee as required by Section 3.06 of the Loan Agreement shall be deposited in the Fees and Expense Fund. Moneys in the Fees and Expense Fund shall be used solely for the payment of fees, costs and expenses relating to the Specially-Converted Bonds, as set forth in Section 3.06 of the Loan Agreement. Amounts on deposit in the Fees and Expense Fund shall be disbursed from time to time by the Trustee, as set forth in the Loan Agreement or upon receipt of invoice, to pay such fees, costs and expenses. The Fees and Expense Fund and the moneys and investments therein shall not be part of the Subordinate Trust Estate.

Section 4.03. Rebate Fund. The Issuer shall require the Borrower to deposit in the Rebate Fund created under the Indenture the Rebate Requirement as defined in the Tax Certificate (which is incorporated herein by reference). Subject to the provisions of this Section, moneys held in the Rebate Fund are hereby pledged to secure payments to the United States government, and the Issuer, the Borrower, the Trustee and the Specially-Converted Bondholders shall have no rights in or claim to such moneys. The Rebate Fund and the application of all moneys therein shall be maintained, invested and disbursed as set forth in the Indenture. The Rebate Fund and the moneys and investments therein shall not be a part of the Subordinate Trust Estate.

ARTICLE V
SECURITY FOR FUNDS; INVESTMENT OF MONEYS

Section 5.01. Security for Deposits. Any and all moneys received by the Issuer under the provisions of this *Exhibit D* shall be deposited as received by the Issuer with the Trustee and shall be trust funds held under the terms hereof and shall not be subject to any lien or attachment by any creditor of the Issuer or the Borrower, subject to the terms of the Subordination Agreement; *provided, however*, that the foregoing shall not be deemed to prohibit the Issuer from receiving and retaining any amounts paid to it pursuant to the provisions of Sections 3.06, 5.11 or 7.04 of the Loan Agreement. Such moneys shall be held in trust and applied in accordance with the provisions of this *Exhibit D*.

Section 5.02. Investment of Moneys. Moneys held for the credit of the Specially-Converted Bond Fund shall, as nearly as may be practicable, be continuously invested and reinvested by the Trustee at the Written Direction of the Borrower in Investment Securities. In the absence of any direction from the Borrower with respect to the investment of moneys in any fund held hereunder, the Trustee shall invest such moneys in Investment Securities described in clause (iv) of the definition thereof. Any such Investment Securities shall mature not later than the respective dates when the money held for the credit of such Funds will be required for the purposes intended. The Trustee or any of its affiliates may act as sponsor, advisor or manager in

connection with any investments made by the Trustee hereunder. The Trustee shall not be liable for any loss from any investments made or sold or liquidated by it in accordance with the provisions of this *Exhibit D*.

The Issuer (and the Borrower by its execution of the Loan Agreement) acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer or the Borrower the right to receive brokerage confirmations of security transactions as they occur, the Issuer and the Borrower specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer and the Borrower periodic cash transaction statements that include details for all investment transactions made by the Trustee hereunder.

Securities so purchased as an investment of, and any interest-bearing negotiable or nonnegotiable certificates of deposit made with respect to, any moneys credited to the Specially-Converted Bond Fund and any Account therein shall be deemed at all times to be part of such Fund or Account and the interest accruing thereon and any profit realized or any loss resulting from such investment shall be credited to, or charged against such Fund. All investment of amounts deposited in any fund or account created by or pursuant to this *Exhibit D*, or otherwise containing gross proceeds of the Specially-Converted Bonds (within the meaning of the Code) shall be acquired, disposed of, and valued (as of the date valuation is required by this *Exhibit D* or the Code) at Fair Market Value and investment of amounts deposited in any fund or account established hereunder that are subject to yield restriction under applicable provisions of the Code shall be valued at their present value within the meaning of the Code. The Trustee shall sell or present for redemption any obligations so purchased or present for payment any such certificates of deposit whenever it shall be necessary so to do in order to provide moneys to make any payment or transfer of moneys from either such Fund. The Trustee shall not be responsible for any depreciation of the value of any investment made pursuant to this Section or for losses incurred in the redemption, sale or other disposal of any investments made in accordance with this Section.

ARTICLE VI
PARTICULAR COVENANTS

Section 6.01. Payment of Principal and Interest. The Issuer covenants that it will promptly pay, or cause to be paid, the principal of and the interest on the Specially-Converted Bonds at the places, on the dates and in the manner provided herein and in said Specially-Converted Bonds, and any premium required for the retirement of said Specially-Converted Bonds by redemption, but only from the money received by the Issuer from the Borrower and not from any other fund or source. The Issuer further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this *Exhibit D*, in the Specially-Converted Bonds or in any proceedings of the Issuer pertaining thereto.

Section 6.02. Covenant as to Loan Agreement. The Issuer covenants and agrees that it will not voluntarily take any action or fail to take any action that may result in the termination or cancellation of the Loan Agreement, except in accordance with the terms of the Loan Agreement; that it will fulfill its obligations under the Loan Agreement; that it will not execute or agree to any change, amendment or modification of or supplement to the Loan Agreement,

except as provided in the Loan Agreement or in this *Exhibit D*; and that it will not agree to any abatement, reduction, abrogation, waiver, diminution or other modification in any manner or to any extent whatsoever of the obligation of the Borrower to pay the Loan Payments as provided in the Loan Agreement.

The Issuer covenants that, in the event the Loan Agreement shall be terminated or canceled, the Issuer will take, at the request of the Trustee and provided sufficient funds are available to pay all costs and expenses reasonably incurred by the Issuer in connection therewith, prompt and reasonable action to assure that the rights and interests of the Specially-Converted Bondholders are adequately protected.

Section 6.03. Covenant Against Encumbrances. The Issuer covenants that it will not voluntarily create any lien, encumbrance or charge upon the Loan Agreement and the Issuer's right to receive the Loan Payments thereunder except the pledge, lien and charge for the security of the Specially-Converted Bonds hereby created.

Section 6.04. Recording and Filing. The Borrower has covenanted in the Loan Agreement that it will cause any financing statements filed in connection with this *Exhibit D* to be kept recorded and filed in such manner and in such places as may be required by law in order fully to preserve and protect the security of the Specially-Converted Bondholders and the rights of the Trustee hereunder.

Section 6.05. Further Instruments and Actions. The Issuer covenants that, at the request of the Borrower, the Specially-Converted Bondholder Representative or the Trustee and provided sufficient funds are available to pay all costs and expenses, if any, reasonably incurred by the Issuer in connection therewith, it will, from time to time, execute and deliver such further instruments or take such further actions as may be required to carry out the purposes of this *Exhibit D* and the Loan Agreement.

Section 6.06. Records and Accounts. The Trustee shall keep proper books of record and account in which complete and correct entries shall be made of all transactions made by it hereunder relating to the receipt, disbursement, allocation and application of the Subordinate Trust Estate and the proceeds of the Specially-Converted Bonds. Such records and other information shall be open to inspection by the Issuer, by the Borrower, the Specially-Converted Bondholder Representative and by any Specially-Converted Bondholder at any reasonable time on reasonable notice. The Trustee shall furnish to the Issuer, the Specially-Converted Bondholder Representative and the Borrower regular reports on such dates and containing information detailing all receipts, disbursements and investments made by the Trustee hereunder.

Section 6.07. Assignment; Additional Security. The Issuer hereby grants, assigns and pledges to the Trustee and the Specially-Converted Bondholders, as additional security for the Specially-Converted Bonds, the rights and privileges, in addition to all other rights vested in and remedies available to the Trustee and the Specially-Converted Bondholders in the Loan Agreement, the Subordinate Mortgage, to enforce, either jointly with the Issuer or separately and in conformity with the provisions of this *Exhibit D*, the performance of the obligations of the Borrower under the Loan Agreement and the Subordinate Mortgage, other than any obligations of the Borrower related to the Reserved Rights. The assignment hereunder to the Trustee is to

the Trustee solely in its capacity as Trustee under this *Exhibit D*, and in exercising any rights or remedies under the Loan Agreement, the Trustee shall be entitled to the protections, limitations from liability and provisions of this *Exhibit D*.

Section 6.08. Tax Covenants. The Issuer agrees:

(a) it shall neither make nor direct the Trustee to make any investment or other use of the proceeds of the Specially-Converted Bonds that would cause the Specially-Converted Bonds to be "arbitrage bonds" as that term is defined in Section 148(a) of the Code and that it shall comply with the requirements of the Code throughout the term of the Specially-Converted Bonds.

(b) it (i) shall (but at the sole expense of the Borrower) take, or use its best efforts to require to be taken, all actions that may be required of the Issuer for the interest on the Specially-Converted Bonds to be and remain not included in gross income for federal income tax purposes and (ii) shall not take or authorize to be taken any actions within its control that would cause the interest on the Specially-Converted Bonds to be includable in gross income for federal income tax purposes.

In furtherance of the covenants in this Section, the Issuer and the Borrower shall execute, deliver and comply with the provisions of the Tax Certificate, which is by this reference incorporated into this *Exhibit D* and made a part of this *Exhibit D*, and by its acceptance of this *Exhibit D* the Trustee acknowledges receipt of the Tax Certificate and acknowledges its incorporation into this *Exhibit D* by this reference. The Trustee agrees that in those instances where it exercises discretion over the investment of funds, it shall not knowingly make any investment inconsistent with subsection (a).

Section 6.09. Information to Bondholders. The Trustee agrees that it will, upon written request, forward to the Specially-Converted Bondholder Representative and to any person who holds 50% or more of the aggregate principal amount of Specially-Converted Bonds Outstanding copies of all information delivered to the Trustee by the Borrower pursuant to Section 5.08 of the Loan Agreement.

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

Section 7.01. Events of Default. Subject to the Subordination Agreement, each of the following events is hereby declared an Event of Default hereunder:

(a) payment of any interest on the Specially-Converted Bonds shall not be made when the same becomes due and payable, *provided* sufficient Available NOI has been deposited in the Specially-Converted Bond Fund;

(b) payment of the principal of or the Redemption Price of the Specially-Converted Bonds shall not be made when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise, except as provided in Section 3.03 of this *Exhibit D*, and provided sufficient Available NOI has been deposited in the Bond Fund;

(c) failure in the performance or observance of any of the other agreements or conditions on the part of the Issuer (other than as referred to in (A) and (B) above) herein or in the Specially-Converted Bonds contained and the continuance of such failure for a period of 60 days after receipt of notice given by the Trustee or the Specially-Converted Bondholder Representative to the Issuer or the Borrower; *provided, however,* that if such failure is such that it can be corrected but not within such 30 day period, it shall not constitute an Event of Default if corrective action capable of remedying such default is instituted by the Issuer or the Borrower within such 60 day period and diligently pursued until such failure is corrected but in any event not more than 90 days without the written consent of the Specially-Converted Bondholder Representative or, if there is no Specially-Converted Bondholder Representative, all Specially-Converted Bondholders.

Notice of an Event of Default hereunder shall be promptly provided by the Trustee to the Senior Trustee, the Specially-Converted Bondholder Representative and the Credit Provider (as defined in the Indenture).

Section 7.02. Acceleration of Maturities. Subject to the Subordination Agreement and the provisions of Section 7.07 hereof, upon the happening and continuance of any Event of Default under Section 7.01, the Trustee may, and upon the written request of the Specially-Converted Bondholder Representative or holders of not less than 51% in aggregate principal amount of the Specially-Converted Bonds then Outstanding hereunder, and receipt by the Trustee of indemnity satisfactory to it for its fees and expenses subject to the provisions of the Subordination Agreement, shall, by a notice in writing to the Issuer and the Borrower, declare the principal of all the Outstanding Specially-Converted Bonds (if not then due and payable), to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything contained in the Specially-Converted Bonds or in this *Exhibit D* to the contrary notwithstanding; *provided, however*, that if at any time after the principal of such Specially-Converted Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this *Exhibit D*, (i) moneys shall have accumulated in the Specially-Converted Bond Fund sufficient to pay the principal of all matured Specially-Converted Bonds that would have been due and payable absent such acceleration and all arrears of interest, if any, upon all Specially-Converted Bonds then Outstanding (except the principal of any Specially-Converted Bonds not then due and payable by their terms and the interest accrued on such since the last Interest Payment Date), (ii) the charges, compensation, expense, disbursements, advances and liabilities of the Trustee and the Specially-Converted Bondholder Representative, if applicable, including, without limitation, the fees and expenses of its attorneys, advisors and agents, and all other amounts then payable by the Issuer hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee, and (iii) every other default in the observance or performance of any covenant, condition or agreement contained in such Specially-Converted Bonds, or in this *Exhibit D* (other than a default in the payment of the principal of such Specially-Converted Bonds then due only because of a declaration under this Section) of which the Trustee has knowledge shall have been remedied to the satisfaction of the Trustee, then and in every such case the Trustee may, and upon the written request of the Specially-Converted Bondholder Representative or, if there is no Specially-Converted Bondholder Representative, the holders of not less then twenty-five percent (25%) in aggregate principal amount of such

Specially-Converted Bonds, not then due and payable by their terms and then Outstanding shall, by written notice to the Issuer and the Borrower, rescind and annul such declaration and its consequences, but no such rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 7.03. Enforcement of Remedies. Upon the happening and continuance of any Event of Default hereunder, but subject to the terms of the Subordination Agreement, then and in every such case the Trustee may proceed, and upon the written request of the holders of not less than 51% in aggregate principal amount of the Specially-Converted Bonds then Outstanding hereunder and receipt by the Trustee of indemnity satisfactory to it for its fees and expenses, including, without limitation, the fees and expenses of its attorneys, advisors and agents, shall, subject to the provisions of the Subordination Agreement, proceed, subject to the provisions of Section 8.06 of this *Exhibit D*, to protect and enforce its rights and the rights of the Specially-Converted Bondholders under the laws of the State and under this *Exhibit D* by such suits, actions or special proceedings in equity or at law (including the power of sale), or by proceedings in the office of any board or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid or execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, chosen by the Trustee and acceptable to the Specially-Converted Bondholder Representative, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy under this *Exhibit D*, the Trustee shall be entitled to sue for, enforce payment of 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, interest or otherwise under any of the provisions of this *Exhibit D* or of the Specially-Converted Bonds and unpaid, with interest on overdue payments of principal at an interest rate per annum equal to the highest lawful rate permitted by applicable law, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Specially-Converted Bonds, without prejudice to any other right or remedy of the Trustee or of the Specially-Converted Bondholders, and to recover and enforce any judgment or decree against the Issuer, but solely as provided herein and in such Specially-Converted Bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from moneys in the Specially-Converted Bond Fund and any other moneys available for such purposes as provided herein), in any manner provided by law, the moneys adjudged or decreed to be payable.

Section 7.04. Application of Funds. Anything in this *Exhibit D* to the contrary notwithstanding, and subject to the provisions of the Subordination Agreement, if at any time the moneys in the Specially-Converted Bond Fund shall not be sufficient to pay the interest on or the principal of the Specially-Converted Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities under the provisions of Section 7.02), such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall, after payment of fees and expenses of the Trustee, including, without limitation, the fees and expenses of its attorneys, advisors and agents, be applied as follows:

(a) if the principal of all the Specially-Converted Bonds shall not have become or shall not have been declared due and payable, all such moneys shall, subject to the provisions of the Subordination Agreement, be applied:

first: to the payment to the persons entitled thereto of all installments of interest then due and payable on the Specially-Converted Bonds in the order in which such installments become due and payable and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment, 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 any Specially-Converted Bond that shall have become due and payable, in the order of their due dates, with interest on the principal amount of such Specially-Converted Bonds at the rate specified herein from the date upon which Specially-Converted Bonds become due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Specially-Converted Bonds due and payable on any particular date, together with such interest, then to the payment first of such interest, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference and second to the payment of such principal, ratably, accordingly to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference.

(b) if the principal of all the Specially-Converted Bonds shall have become or shall have been declared due and payable, all such moneys shall, subject to the provisions of the Subordination Agreement, be applied:

first: to the payment to the persons entitled thereto of all installments of interest due and payable the Specially-Converted Bonds on or prior to maturity, if any, in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay in full any particular installment then to the payment, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference, and then to the payment of any interest due and payable after maturity on the Specially-Converted Bonds, ratably, to the persons entitled thereto, without any discrimination or preference; and

second: to the payment of the principal of the Specially-Converted Bonds, ratably, to the persons entitled thereto, without preference or priority.

(c) if the principal of all the Specially-Converted Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of Section 7.02 of this *Exhibit D,* then, subject to the provisions of paragraph (h) of this Section in the event that the principal of all the Specially-Converted Bonds shall later become due and payable or be declared due and payable, the moneys then remaining in and thereafter accruing to the Specially-Converted Bond Fund shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times and from time to time, as the Trustee in its sole discretion shall determine, having due regard for the amount of such moneys

available for such application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Paying Agent, or otherwise setting aside such moneys, in trust for the proper purpose shall constitute proper application by the Trustee, and the Trustee shall incur no liability whatsoever to the Issuer, to any Specially-Converted Bondholder or to any other person for any delay in applying such moneys, as long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this *Exhibit D* as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid Specially-Converted Bond until such Specially-Converted Bond shall be surrendered to the Trustee for appropriate endorsement, or for cancellation if fully paid.

Section 7.05. Effect of Discontinuance of Proceedings. In case any proceeding taken by the Trustee or the Specially-Converted Bondholders on account of any Event of Default shall have been discontinued or abandoned for any reason then and in every such case, the Issuer, the Trustee and the Specially-Converted 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 proceeding had been taken.

Section 7.06. Control of Proceedings by Bondholders. Anything in this *Exhibit D* to the contrary notwithstanding, the Specially-Converted Bondholder Representative or the holders of a majority in aggregate principal amount the Specially-Converted Bonds then Outstanding, shall have the right, subject to the provisions of Section 7.07 of this *Exhibit D*, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder with respect to any Specially-Converted Bonds (in the case of any direction given by the holders of the Specially-Converted Bonds), *provided* that such direction shall not be otherwise than in accordance with law and the provisions of this *Exhibit D*.

Section 7.07. Restrictions Upon Actions by Individual Bondholders. No Specially-Converted Bondholder shall have any right to institute any suit, action or proceeding in equity or at law on any Specially-Converted Bond or for the execution of any trust hereunder or for any other remedy hereunder unless specifically permitted by the Subordination Agreement (i) such Specially-Converted Bondholder previously shall have given to the Trustee written notice of the Event of Default on account of which such suit, action or proceeding is to be instituted, (ii) the holders of not less than 51% of the Specially-Converted Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinabove granted to institute such action, suit or proceeding in its or their name, and (iii) there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in

every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this *Exhibit D* or to any other remedy hereunder; *provided, however*, that notwithstanding the foregoing provisions of this Section and without complying therewith, the Specially-Converted Bondholder Representative or the holders of not less than 51% in aggregate principal amount of Outstanding Specially-Converted Bonds may institute any such suit, action or proceeding in their own names for the benefit of all Specially-Converted Bondholders hereunder to the extent specifically permitted by the Subordination Agreement. It is understood and intended that, except as otherwise above provided, no one or more Specially-Converted Bondholders hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this *Exhibit D*, or to enforce any right hereunder except in the manner provided, that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Specially-Converted Bondholders, and that any individual rights of action or other right given to one or more of such Specially-Converted Bondholders by law are restricted by this *Exhibit D* to the rights and remedies herein provided.

Nothing in this Article shall affect or impair the right of any Specially-Converted Bondholder to enforce the payment of the principal of and interest on his Specially-Converted Bond or Specially-Converted Bonds, or the obligation of the Issuer to pay the principal of and interest on each Specially-Converted Bond to the holder thereof at the time and place in said Specially-Converted Bond expressed.

Section 7.08. Enforcement of Rights of Actions. All rights of action (including the right to file proof of claim) under this *Exhibit D* or under any Specially-Converted Bond, may be enforced by the Trustee without the possession of any Specially-Converted Bond or the production thereof in any proceedings relating thereto, and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Specially-Converted Bondholders, and any recovery of judgment shall be for the equal benefit of the Specially-Converted Bondholders, subject to the provisions of Section 7.01 of this *Exhibit D*.

Section 7.09. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Specially-Converted Bondholders is intended to be exclusive of any other remedy or remedies herein provided, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity.

Section 7.10. Delay Not a Waiver. No delay or omission of the Trustee, the Specially-Converted Bondholder Representative or of any Specially-Converted Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein; and every power or remedy given by this *Exhibit D* to the Trustee and to the Specially-Converted Bondholders, respectively, may be exercised from time to time and as often as may be deemed expedient.

The Trustee may waive, and upon written request of the Specially-Converted Bondholder Representative or holders of not less than a majority in principal amount of the Specially-Converted Bonds then Outstanding shall waive any default or Event of Default hereunder or

under the Loan Agreement which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this *Exhibit D* or the Loan Agreement or before the completion of the enforcement of any subsequent default or defaults or impairment of any rights or remedies thereon.

Section 7.11. Notice of Default. The Trustee shall mail to the Specially-Converted Bondholder Representative and, upon written request therefor, such owners of Specially-Converted Bonds at their addresses as they appear on the registration books, written notice of the occurrence of an Event of Default within ten (10) days after the Trustee shall have notice that any such Event of Default shall have occurred.

Section 7.12. Termination. Upon the occurrence of an event of default under any of the Senior Loan Documents that results in a foreclosure or deed in lieu of foreclosure with respect to the Security Instrument (as defined in the Indenture), and the redemption in full of the Senior Bonds, the Trustee shall promptly thereafter apply any moneys then remaining in the Subordinate Trust Estate, first, to pay any fees and expenses owed to the Trustee and the Issuer hereunder or under the Loan Agreement, and, second, to the Specially-Converted Bondholder Representative and the holders of the Specially-Converted Bonds, whereupon the lien of this *Exhibit D* shall automatically be deemed to be discharged, and this *Exhibit D*, the Loan Agreement and the Subordinate Mortgage shall automatically be deemed to be terminated and the Specially-Converted Bonds and all obligations owed under this *Exhibit D* and the Loan Agreement shall be deemed paid and satisfied for purposes of Section 10 of the Regulatory Agreement.

Section 7.13. Subordination. Notwithstanding anything herein to the contrary, so long as the Senior Bonds or the Reimbursement Agreement remains outstanding, the Trustee shall have no right to enforce the provisions hereof on behalf of the holders of the Specially-Converted Bonds, except as permitted by the Subordination Agreement. From and after the date as of which no Senior Bonds remain outstanding and the Reimbursement Agreement has terminated, the Trustee shall, upon direction by the holders of a majority in aggregate principal amount of the Specially-Converted Bonds, take such actions as may reasonably be requested by such owners to enforce such provisions in accordance with the applicable provisions of this Article VII.

ARTICLE VIII
CONCERNING THE TRUSTEE, PAYING AGENT AND BONDHOLDER REPRESENTATIVE

Section 8.01. Duties, Immunities and Liabilities of Trustee. The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in this *Exhibit D*, and no additional covenants or duties of the Trustee shall be implied in this *Exhibit D*, the Loan Agreement, the Regulatory Agreement or otherwise. In the event that the Senior Bonds or any portion thereof is outstanding, the Issuer, as provided in Section 8.04 hereof, shall appoint a separate Trustee for the Specially-Converted Bonds during the existence of any such Event of Default (which has not been cured) to the extent necessary to avoid a conflict of interest under applicable law, unless 100% of the Specially-Converted Bondholders determine that a separate

Trustee under the circumstances is not necessary. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this *Exhibit D*, and use the same degree of care and skill in their exercise, as prudent persons familiar with such matters would exercise or use under similar circumstances in the conduct of their own affairs.

No provision of this *Exhibit D* shall be construed to relieve the Trustee from liability for its own negligent action or its own negligent failure to act or willful misconduct, except that:

(a) Prior to such an Event of Default hereunder and after the curing of all Events of Default that may have occurred, (1) the duties and obligations of the Trustee shall be determined solely by the express provisions of this *Exhibit D*, the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this *Exhibit D* or for actions not required or permitted of the Trustee by this *Exhibit D*, and no implied covenants or obligations shall be read into this *Exhibit D* against the Trustee; and (2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the requirements of this *Exhibit D*; but in the case of any such certificate or opinion which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this *Exhibit D*;

(b) At all times, regardless of whether or not any Event of Default shall exist, (1) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers or by any agent or attorney of the Trustee appointed with due care unless the Trustee was negligent in ascertaining the pertinent facts; and (2) 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 an opinion of counsel as provided herein or in accordance with the directions of the Specially-Converted Bondholder Representative or holders of not less than a majority, or such other percentage as may be required hereunder, in aggregate principal amount of the Specially-Converted Bonds at the time outstanding 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 *Exhibit D*;

(c) The Trustee shall not be required to take notice or be deemed to have notice of (i) any default hereunder or under the Loan Agreement, except defaults under Section 7.01(a) or (b) hereof, unless a responsible officer of the Trustee shall be specifically notified in writing of such default by the Issuer, the Specially-Converted Bondholder Representative or the owners of at least twenty-five percent (25%) in aggregate principal amount of Specially-Converted Bonds then Outstanding, or (ii) any default under the Regulatory Agreement, unless a responsible officer of the Trustee shall be specifically notified in writing of such default by the Issuer;

(d) Before taking any action under Article VII hereof or this Section at the request or direction of the Specially-Converted Bondholders, the Trustee may require that satisfactory indemnity be furnished by the Specially-Converted Bondholder Representative or the Specially-Converted Bondholders, as the case may be, for the reimbursement of all expenses to which it

may be put and to protect it against all liability, except liability that is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken;

(e) Upon any application or request by the Issuer to the Trustee to take any action under any provision of this *Exhibit D*, the Issuer shall furnish to the Trustee a certificate of the Issuer stating that all conditions precedent, if any, provided for in this *Exhibit D* relating to the proposed action have been complied with, and an opinion of counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this *Exhibit D* relating to such particular application or request, no additional certificate or opinion need be furnished;

(f) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder or under the Regulatory Agreement or the Loan Agreement either directly or through agents, receivers or attorneys and the Trustee shall not be responsible for any negligence or misconduct on the part of any agent, receiver or attorney appointed with due care by it hereunder;

(g) Neither the Issuer, the Specially-Converted Bondholder Representative nor the Borrower shall be deemed to be agents of the Trustee for any purpose, and the Trustee shall not be liable for any noncompliance of any of them in connection with their respective duties hereunder or in connection with the transactions contemplated hereby;

(h) The Trustee hereby acknowledges that the Specially-Converted Bondholder Representative has the authority to represent and to bind the Specially-Converted Bondholders and to act on their behalf for all purposes of this *Exhibit D*;

(i) The Trustee shall be entitled to rely upon telephonic notice for all purposes whatsoever so long as the Trustee reasonably believes such telephonic notice has been given by a person authorized to give such notice;

(j) The immunities extended to the Trustee also extend to its directors, officers, employees and agents;

(k) Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Specially-Converted Bonds, it being the sole obligation of the Trustee to administer, for the benefit of the Specially-Converted Bondholders, the various funds and accounts established hereunder;

(l) No permissive power, right or remedy conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy;

(m) The Trustee, in its capacity as Trustee hereunder, is authorized and directed to execute the Subordination Agreement;

(n) Anything to the contrary notwithstanding, the Trustee shall not be required to enter, take possession of, or take any other action whatsoever with respect to the Mortgaged Property, and shall not be required to initiate foreclosure proceedings with respect to the

Mortgaged Property and the Subordinate Mortgage unless the Trustee is satisfied that the Trustee will not be subject to liability under any local, State or federal environmental laws or regulations of any kind whatsoever or from any circumstances present at the Mortgaged Property relating to the presence, use, management, disposal of, or contamination by any environmentally hazardous materials or substances of any kind whatsoever; and

(o) Subject to the first paragraph of this Section 8.01, the Trustee may act in the capacity of Senior Trustee under the Indenture.

None of the provisions contained in this *Exhibit D* shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The Trustee shall have no responsibility for the monitoring, reviewing or receiving of any insurance of the Mortgaged Property. Whether or not therein expressly so provided, every provision of this *Exhibit D*, the Loan Agreement, the Regulatory Agreement or any other document relating to the conduct, powers or duties of, or affecting the liability of, or affording protection to, the Trustee shall be subject to the provisions of this Article.

If the application, payment, withdrawal or transfer of money hereunder is not made in accordance with the provisions of this *Exhibit D*, the Trustee shall pay to the Issuer and shall deposit into the funds and accounts created hereunder amounts equal to the expenses incurred and revenues and earnings lost, respectively, as a result of such noncompliance on the part of the Trustee.

Section 8.02. Right of Trustee to Rely Upon Documents. Except as otherwise provided in Section 8.01:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any written resolution, requisition, certificate, statement, instrument, opinion, report, notice, request, consent, order, Specially-Converted Bond or other paper or document believed by it to be genuine and to have been signed or presented by the purported proper party or parties;

(b) Any consent, demand, direction, election, notice, order or request of the Issuer mentioned herein shall be sufficiently evidenced by a Written Consent, Written Demand, Written Direction, Written Notice, Written Order or Written Request of the Issuer may be evidenced to the Trustee by a certified resolution;

(c) The Trustee may consult with counsel (who may be counsel for the Issuer, counsel for the Trustee, the Specially-Converted Bondholder Representative or Bond Counsel) 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 with the opinion of such counsel;

(d) Whenever in the administration of the trusts of this *Exhibit D* the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of the Issuer; and such certificate of the

Issuer shall, in the absence of negligence or bad faith on the part of the Trustee, be full warrant to the Trustee for any action taken or suffered by it under the provisions of this *Exhibit D* upon the faith thereof;

(e) The Trustee shall not be bound to make any investigation into the facts or matters stated in any written resolution, certificate, statement, requisition, instrument, opinion, report, notice, request, direction, consent, order, Specially-Converted Bond, debenture or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts 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, personally or by agent or attorney;

(f) In determining whether a petition in bankruptcy has been filed against the Issuer or the Borrower (or any general partner or guarantor of the Borrower), the Trustee may rely conclusively upon a certificate of the Issuer or a certificate of the Borrower; and

Section 8.03. Trustee Not Responsible for Recitals. The recitals contained herein and in the Specially-Converted Bonds shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for the correctness of the same or for the correctness of the recitals in the Loan Agreement or the Regulatory Agreement. The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Specially-Converted Bonds. The Trustee makes no representations as to the value or condition of any assets pledged or assigned as security for the Specially-Converted Bonds, or as to the right, title or interest of the Issuer therein, or as to the security provided thereby or by this *Exhibit D* or the Loan Agreement, or as to the compliance of the Mortgaged Property with the Act, or as to the tax-exempt status of the Specially-Converted Bonds, or as to the technical or financial feasibility of the Mortgaged Property, or as to the validity or sufficiency of this *Exhibit D* as an instrument of the Issuer or of the Specially-Converted Bonds as obligations of the Issuer. The Trustee shall not be accountable for the use or application by the Issuer of any of the Specially-Converted Bonds authenticated or delivered hereunder or of the use or application of the proceeds of such Specially-Converted Bonds by the Issuer or the Borrower or their agents.

Section 8.04. Intervention by Trustee. The Trustee may intervene on behalf of the Specially-Converted Bondholders 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 Specially-Converted Bonds and, subject to the provisions of Section 8.01(d), shall do so if requested in writing by the owners of a majority in aggregate principal amount of all Specially-Converted Bonds then outstanding.

Section 8.05. Moneys Received by Trustee to be Held in Trust. All moneys received by the Trustee shall, until used or applied as herein provided, 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 or as otherwise provided herein. Any moneys held by the Trustee may be deposited by it in its banking department and invested in Investment Securities as provided herein.

Section 8.06. Compensation and Indemnification of Trustee and Paying Agent. The Borrower is required under Sections 3.06 and 5.11 of the Loan Agreement: (1) to pay to the Trustee from time to time reasonable compensation for all ordinary and extraordinary services rendered by it hereunder and under the other agreements related to the Specially-Converted Bonds to which it is a party (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust); (2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this *Exhibit D* or other agreement related to the Specially-Converted Bonds to which the Trustee is a party or incurred in complying with any request made by the Issuer or the Specially-Converted Bondholder Representative with respect to the Specially-Converted Bonds (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be adjudicated by a court of competent jurisdiction to be attributable in whole or in part to its negligence, willful misconduct or bad faith; (3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without default, negligence, willful misconduct or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust or arising from the Loan Agreement or Regulatory Agreement or other documents related to the Specially-Converted Bonds, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder or other agreement to which the Trustee is a party; and (4) to indemnify the Trustee for any reasonable fees and expenses (including without limitation those of its attorneys) incurred during a period of default hereunder (other than a default by the Trustee). The Paying Agent shall be entitled to reasonable compensation for all services rendered by it as such Paying Agent, and the Borrower is required under the Loan Agreement to provide for payment or reimbursement of the Paying Agent upon request for all expenses, disbursements and advances incurred or made by the Paying Agent in accordance with any of the provisions of this *Exhibit D* (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its default, willful misconduct, negligence or bad faith. If any property, other than cash, shall at any time be held by the Trustee subject to this *Exhibit D*, or any *Exhibit D* supplemental, as security for the Specially-Converted Bonds, the Trustee, if and to the extent authorized by a receivership, bankruptcy or other court of competent jurisdiction or by the instrument subjecting such property to the provisions of this *Exhibit D* as such security for the Specially-Converted Bonds, shall be entitled but not obligated to make advances for the purpose of preserving such property or of discharging tax liens or other prior liens or encumbrances thereon. The rights of the Trustee and the Paying Agent to compensation for services and to payment or reimbursement for expenses, disbursements, liabilities and advances shall have and is hereby granted a lien and a security interest prior to the Specially-Converted Bonds in respect of all property and funds held or collected by the Trustee as such, except funds held in trust by the Trustee for the benefit of the holders of particular Specially-Converted Bonds and other available amounts held by the Trustee in the Specially-Converted Bond Fund, all of which amounts shall be held solely for the benefit of the Specially-Converted Bondholders and used only for the payment of principal of and premium, if any, and interest on the Specially-Converted Bonds. The Trustee's rights to immunities, indemnities and protection from liability hereunder and its rights to payment of its

fees and expenses shall survive its resignation or removal and final payment of the Specially-Converted Bonds.

Section 8.07. Qualifications of Trustee. There shall at all times be a trustee hereunder which shall be a corporation or banking association organized and doing business under the laws of the United States or of a state thereof, authorized under such laws to exercise corporate trust powers, having (or in the case of a corporation or trust company included in a bank holding system, the related bank holding company shall have) a combined capital and surplus of at least $50,000,000, and subject to supervision or examination by federal or state authority. If such corporation or banking association publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such corporation or banking association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.08.

Section 8.08. Resignation and Removal of Trustee and Appointment of Successor Trustee.

(a) The Trustee may at any time resign by giving written notice delivered to the Issuer, the Borrower, the Specially-Converted Bondholder Representative and the Specially-Converted Bondholders by first class mail, *provided however*, that unless otherwise provided in this *Exhibit D*, the Trustee under this *Exhibit D* and the Senior Trustee shall always be the same.

(b) In case at any time either (1) the Trustee shall cease to be eligible in accordance with the provisions of Section 8.07 and shall fail to resign after written request therefor by the Issuer, the Specially-Converted Bondholder Representative or by any Specially-Converted Bondholder who has been a bona fide holder of a Specially-Converted Bond for at least six months, or (2) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the Issuer shall remove the Trustee and, upon such removal or upon any removal pursuant to paragraph (c) of this Section, except as otherwise provided in said paragraph (c), shall appoint a successor trustee by an instrument in writing, or the Specially-Converted Bondholder Representative or any such Specially-Converted Bondholder may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and may prescribe, remove the Trustee and appoint a successor Trustee.

(c) The Issuer, unless an Event of Default has occurred and is continuing hereunder, or the holders of a majority in aggregate principal amount of the Specially-Converted Bonds Outstanding, may at any time remove the Trustee and may appoint a successor Trustee, by an instrument or concurrent instruments in writing signed by the Issuer, the Specially-Converted Bondholder Representative or such Specially-Converted Bondholders, as the case may be, and delivered to the Trustee and the Issuer.

(d) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section shall become effective only upon acceptance of appointment and assumption of duties by the successor trustee as provided in Section 8.09.

Section 8.09. Acceptance of Trust by Successor Trustee. Any successor Trustee appointed as provided in Section 8.08 shall execute, acknowledge and deliver to the Issuer and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with and shall assume all the rights, powers, trusts, duties and obligations of its predecessor in the trusts hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on the Written Request of the Issuer or the request of the successor Trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Trustee so ceasing to act. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments in writing necessary or desirable for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and duties. Any Trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such Trustee to secure the amounts due it as compensation, reimbursement, expenses and indemnity afforded to it by Section 8.06.

No successor Trustee shall accept appointment as provided in this Section unless at the time of such acceptance such successor Trustee shall be eligible under the provisions of Section 8.07.

Upon acceptance of appointment by a successor Trustee as provided in this Section, the Issuer or such successor Trustee shall give the Specially-Converted Bondholder Representative or such Specially-Converted Bondholders notice by first class mail of the succession of such Trustee to the trusts hereunder.

In the event of the appointment of a successor Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee of the funds hereunder and Specially-Converted Bond registrar and paying agent for the Specially-Converted Bonds, and the successor Trustee shall become such Trustee and shall accept such other appointments as the Trustee may hold, including the offices of Specially-Converted Bond registrar and paying agent hereunder.

Section 8.10. Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to the business of the Trustee or to whom all or part of its corporate trust business is sold, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties to the Indenture, anything herein to the contrary notwithstanding; *provided* that such successor Trustee shall be eligible under the provisions of Section 8.07.

Section 8.11. Accounting Records and Reports. The Trustee shall keep proper books of record and account in which complete and correct entries shall be made of all transactions made by it hereunder relating to the receipt, disbursement, allocation and application of the

Revenues and the proceeds of the Specially-Converted Bonds. Such records and other information shall be open to inspection by the Issuer, by the Borrower, the Specially-Converted Bondholder Representative and by any Specially-Converted Bondholder at any reasonable time on reasonable notice. The Trustee shall furnish to the Issuer, the Specially-Converted Bondholder Representative and the Borrower regular reports on such dates and containing information detailing all receipts, disbursements and investments made by the Trustee hereunder.

Section 8.12. Power to Appoint Co-Trustee. At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Mortgaged Property may at the time be located, the Issuer (at the request of the Borrower) shall have the power to appoint one or more persons approved by the Trustee either to act as co-trustee or co-trustees jointly with the Trustee of all or any part of the Mortgaged Property, or to act as separate trustee or separate co-trustees of all or any part of the Mortgaged Property, and to vest in such person or persons, in such capacity, such title to the Mortgaged Property or any part thereof, and such rights, powers, duties, trusts or obligations as the Issuer and the Trustee may consider necessary or desirable, subject to the remaining provisions of this Section. Upon the request of the Trustee, the Specially-Converted Bondholder Representative or of the holders of not less than a majority of the aggregate principal amount of the Specially-Converted Bonds then outstanding, the Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effect such appointment. If the Issuer shall not have joined in such appointment within thirty (30) days after the receipt by it of a request so to do, or in case an Event of Default shall have occurred and be continuing, the Trustee alone shall have the power to make such appointment.

Every co-trustee or separate trustee shall, to the extent permitted by law or any applicable contract, be appointed subject to the following terms, namely:

(a) All rights, powers, trusts, duties and obligations conferred or imposed upon the trustees shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and such co-trustee or co-trustees, or separate trustee or separate trustees, jointly, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.

(b) Any request in writing by the Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee.

(c) Any co-trustee or separate trustee to the extent permitted by law may delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(d) The Trustee at any time, by an instrument in writing, with the concurrence of the Issuer, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate

trustee without the concurrence of the Issuer. Upon the request of the Trustee, the Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section.

(e) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by any Specially-Converted Bondholder and delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee.

(f) Any moneys, papers, securities or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

Upon the acceptance in writing of appointment by any such co-trustee or separate trustee, such co-trustee shall be vested with the pledge and assignment of the Subordinate Trust Estate and with such rights, powers, duties, trusts or obligations as shall be specified in the instrument of appointment, jointly with the Trustee (except insofar as local law makes it necessary for any such co-trustee or separate trustee to act alone), subject to all the terms of this *Exhibit D*. Every such acceptance shall be filed with the Trustee.

In case any co-trustee or separate trustee shall become incapable of acting, resign or be removed, the pledge and assignment of the Subordinate Trust Estate and all rights, powers, trusts, duties and obligations of said co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee shall be appointed in the same manner as provided for with respect to the appointment of a successor Trustee pursuant to Section 8.08 hereof.

Section 8.13. Indemnification of Bondholder Representative. The Borrower has covenanted and is hereby required to indemnify the Specially-Converted Bondholder Representative for, and to hold it harmless against, any loss, liability or expense incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with the its obligations as Specially-Converted Bondholder Representative under this *Exhibit D* or the Loan Agreement, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its authority or duties hereunder, including any reasonable fees and expenses incurred during a period of default hereunder (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be adjudicated by a court of competent jurisdiction to be attributable in whole or in part to its gross negligence, willful misconduct or bad faith.

ARTICLE IX
SUPPLEMENTS TO THIS EXHIBIT D

Section 9.01. Supplement by the Issuer. Subject to the terms of the Subordination Agreement, without prior notice to or the consent of the Specially-Converted Bondholders, but with the consent of the Credit Provider, if any, the Issuer and the Trustee may, from time to time

and at any time, execute a supplement hereto for any of the purposes described herein if such supplement shall not adversely affect the interest of the Specially-Converted Bondholders (which supplement shall thereafter form a part of this *Exhibit D*):

(a) to add to the covenants and agreements of other covenants and agreements thereafter to be observed, or to assign or pledge additional security for the Specially-Converted Bonds, or to surrender any right or power herein reserved to or conferred upon the Issuer; *provided* that no such covenant, agreement, assignment, pledge or surrender shall materially adversely affect the interests of the holders of the Specially-Converted Bonds;

(b) to evidence the succession of a new Trustee hereunder, or to provide for the appointment of a co-trustee or for a paying agent in addition to the Trustee;

(c) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing, correcting or supplementing any defective provision contained in this *Exhibit D*, or in regard to matters or questions arising under this *Exhibit D*, as the Issuer and the Specially-Converted Bondholder Representative may reasonably deem necessary or desirable and not inconsistent with this *Exhibit D* and which shall not materially adversely affect the interests of the holders of the Specially-Converted Bonds;

(d) to modify, amend or supplement this *Exhibit D* or any *Exhibit D* supplemental hereto in such manner as to permit the qualification hereof or thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and, if they so determine, to add to this *Exhibit D* or any *Exhibit D* supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939, as amended, or similar federal statute, and which shall not materially adversely affect the interests of the holders of the Specially-Converted Bonds; or

(e) to make such additions, deletions or modifications as may be necessary to assure compliance with the Code, or otherwise to assure the exclusion from gross income under federal tax law of interest on the Specially-Converted Bonds.

Any supplement authorized by the provisions of this Section may be executed by the Issuer and the Trustee without the consent of or notice to the holders of any of the Specially-Converted Bonds at the time outstanding, notwithstanding any of the provisions of Section 9.02, but (i) the Trustee shall not be obligated to enter into any supplement that affects the Trustee's own rights, duties or immunities under this *Exhibit D* or otherwise; and (ii) the Trustee shall not enter into any such supplement that affects the rights or obligations of the Borrower hereunder or under the Loan Agreement without first obtaining the written consent of the Borrower unless the Borrower is in default under the Loan Agreement or Senior Financing Agreement.

Section 9.02. Modification of Exhibit D with Consent of Bondholders. Subject to the terms of the Subordination Agreement, with the prior written consent of the Specially-Converted Bondholder Representative or, if there is no Specially-Converted Bondholder Representative, the holders of not less than sixty percent (60%) in aggregate principal amount of the Specially-Converted Bonds at the time outstanding evidenced as provided in Article X, the Issuer and the Trustee may from time to time and at any time enter into an *Exhibit D* or *Exhibit Ds*

supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this *Exhibit D* or of any *Exhibit D* supplemental hereto; *provided, however,* that, except to the extent permitted by Section 9.01, no such *Exhibit D* supplemental hereto shall (1) extend the fixed maturity of any Specially-Converted Bond or reduce the rate of interest thereon or extend the time of payment of interest, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the holder of each Specially-Converted Bond so affected, or (2) reduce the aforesaid percentage of holders of Specially-Converted Bonds whose consent is required for the execution of supplements to this *Exhibit D*, or permit the creation of any lien on the Subordinate Trust Estate prior to or on a parity with the lien of this *Exhibit D*, except as permitted herein, or permit the creation of any preference of any Specially-Converted Bondholder over any other Specially-Converted Bondholder or deprive the holders of the Specially-Converted Bonds of the lien created by this *Exhibit D* upon the Subordinate Trust Estate, without in each case the consent of the holders of all the Specially-Converted Bonds then outstanding. Nothing in this paragraph shall be construed as making necessary the approval of any Specially-Converted Bondholder of any supplement to it permitted by the provisions of Section 9.01.

Upon receipt by the Trustee of a certified resolution of the Issuer authorizing the execution of any such supplement, and upon the filing with the Trustee of evidence of the consent of the Specially-Converted Bondholder Representative or the Specially-Converted Bondholders, as required herein, the Trustee shall join with the Issuer in the execution of such supplement, unless (i) such supplement affects the Trustee's own rights, duties or immunities under this *Exhibit D* or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplement; or (ii) such supplement affects the rights or obligations of the Borrower hereunder or under the Loan Agreement, in which case the Trustee shall enter into such supplement only if the Trustee has received the Borrower's written consent thereto unless the Borrower is in default under the Loan Agreement or Senior Financing Agreement.

It shall not be necessary for the Specially-Converted Bondholders to approve the particular form of any proposed supplement to *Exhibit D* under this Section, but it shall be sufficient if the required consent approves the substance thereof.

Promptly after the execution by the Issuer and the Trustee of any supplement pursuant to the provisions of this Section, the Trustee shall give Specially-Converted Bondholders, by first class mail, a notice setting forth in general terms the substance of such supplement. Any failure of the Trustee to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplement.

Section 9.03. Effect of Supplement. Upon the execution of any supplement pursuant to the provisions of this Article IX, this *Exhibit D* shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this *Exhibit D* of the Issuer, the Trustee and all holders of outstanding Specially-Converted Bonds shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplement shall be part of the terms and conditions of this *Exhibit D* for any and all purposes.

Section 9.04. Opinion of Counsel as to a Supplement to Exhibit D. The Trustee and the Issuer shall be entitled to receive, and shall be fully protected in relying upon, an opinion of Specially-Converted Bond Counsel as conclusive evidence that any supplement executed pursuant to the provisions of this Article IX is authorized and permitted by this *Exhibit D* and, if applicable, that the supplement will not adversely affect the exclusion from gross income of interest on the Specially-Converted Bonds for federal income tax purposes.

Section 9.05. Amendments to Loan Agreement. Subject to the terms of the Subordination Agreement, the Issuer may from time to time and at any time, subject to Section 9.06 and with the consent of the Trustee, which consent shall not be unreasonably withheld if the proposed amendment shall not adversely affect the interests of the Specially-Converted Bondholders, execute amendments to the Loan Agreement for any of the following purposes (which amendments shall thereafter form a part thereof):

(a) to cure any ambiguity or formal defect or omission in the Loan Agreement or in any amendment thereto, or

(b) to grant or confer upon the Trustee for the benefit of the Specially-Converted Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Specially-Converted Bondholders or the Trustee.

At least 10 days prior to the execution of any amendment for any of the purposes of this Section, the Borrower shall cause a notice of the proposed execution of such amendment to be mailed, postage prepaid, to the Issuer, the Specially-Converted Bondholder Representative and the Trustee. Such notice shall briefly set forth the nature of the proposed amendment and provide a copy of the proposed amendment. The Borrower shall deliver to the Trustee a copy of each amendment promptly after the execution thereof, together with an opinion of Specially-Converted Bond Counsel that such amendment (i) complies with the requirements of this Section and (ii) will not affect the exclusion from gross income for federal income tax purposes of interest payable on the Specially-Converted Bonds. Notwithstanding the foregoing, no amendment shall be entered into which materially adversely affects the rights or obligations of the Borrower without the Borrower's consent.

Section 9.06. Covenant as to Amendment of Loan Agreement. The Loan Agreement sets forth the covenants and obligations of the Issuer and the Borrower, including a provision therein that so long as any of the Specially-Converted Bonds are Outstanding and the Trustee does not hold in trust sufficient moneys for the payment of the Specially-Converted Bonds, including principal, interest accrued and to accrue to the date of the payment of the Specially-Converted Bonds and all other obligations incurred and to be incurred by the Issuer or the Borrower in connection with the Mortgaged Property and under this *Exhibit D* and the Loan Agreement, the Loan Agreement may be amended or supplemented or modified by a written agreement duly executed by the Borrower and the Issuer, with the consent of the Trustee endorsed thereon; but nothing in the Loan Agreement permits or shall be construed as permitting any abatement, reduction, abrogation, waiver, diminution or other modification in any manner or to any extent whatsoever of the obligation of the Borrower to pay the Loan Payments, from and to the extent of Available NOI, or any impairment of the lien accorded the Specially-Converted Bondholders under this *Exhibit D* unless otherwise agreed to by the Specially-Converted

Bondholder Representative or, if no Specially-Converted Bondholder Representative, the applicable Specially-Converted Bondholders. Reference is hereby made to the Loan Agreement for a detailed statement of said covenants and obligations of the Borrower under the Loan Agreement, and the Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer and all obligations of the Borrower under and pursuant to the Loan Agreement and the Subordinate Mortgage other than those described therein, for and on behalf of the Specially-Converted Bondholders, whether or not the Issuer is in default hereunder.

Section 9.07. Responsibilities of Trustee and the Issuer Under this Article. In each and every case provided for in this Article, the Trustee and the Issuer shall be entitled to exercise their discretion (after notice to the Specially-Converted Bondholder Representative) in determining whether or not any proposed supplement or amendment to the Loan Agreement, or any term or provision therein contained, is permitted hereby or will adversely affect the interests of the Specially-Converted Bondholders, having in view the purposes of such instrument, the needs of the Issuer, the rights and interests of the Specially-Converted Bondholders, and the rights, obligations and interests of the Trustee, and the Trustee shall not be under any responsibility or liability to the Issuer or to any Specially-Converted Bondholder or to anyone whomsoever for its refusal in good faith to accept any such supplement or amendment if such *Exhibit D* or amendment is deemed by the Trustee to be contrary to the provisions of this Article. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel, who may be (but shall not be required to be) Bond Counsel or counsel for the Issuer, as conclusive evidence that any such proposed supplement or amendment does or does not comply with the provisions of this *Exhibit D*, and that it is or is not proper for it, under the provisions of this Article, to consent to and execute such supplement or amendment, as the case may be.

ARTICLE X
DEFEASANCE

Section 10.01. Release of Exhibit D. If (a) when all Specially-Converted Bonds Outstanding shall have become due and payable in accordance with their terms or otherwise as provided in this *Exhibit D* and the whole amount of the principal and the interest and premium, if any, so due and payable with respect to the Specially-Converted Bonds shall be paid or if the Trustee or the Paying Agent shall hold sufficient moneys or Government Obligations the principal of and the interest on which, when due and payable, will provide sufficient moneys (without further reinvestment of either the principal amount thereof or any interest earnings thereon) to pay the principal of and the interest on all Specially-Converted Bonds then Outstanding to the Maturity Date of the Specially-Converted Bonds or to the date or dates specified for the redemption thereof, (b) in the event any of the Specially-Converted Bonds are to be called for redemption, irrevocable instructions to call the Specially-Converted Bonds for redemption shall have been given by the Issuer (at the direction of the Borrower) to the Trustee, and (c) sufficient funds shall also have been provided or provisions made for paying all other obligations payable hereunder by the Issuer, then and in that case, the right, title and interest of the Trustee in the Loan Payments and all Funds hereunder, except the Rebate Fund, shall thereupon cease, determine and become discharged and, on demand of the Issuer (at the Borrower's direction) and upon being furnished with an Opinion of Counsel to the effect that all

conditions precedent to the release of this *Exhibit D* have been satisfied and that the provision for payment of the Specially-Converted Bonds in accordance with the terms hereof will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Specially-Converted Bonds, the Trustee shall release this *Exhibit D* and shall execute such documents to evidence such release as may be reasonably required by the Issuer, and shall turn over to the Issuer, any surplus in the Funds hereunder, except the Rebate Fund, moneys held for the redemption or payment of the Specially-Converted Bonds and all other obligations payable hereunder by the Issuer; *provided* that in the case of a Borrower bankruptcy and the determination of a preferential transfer to the holders of the Specially-Converted Bonds, this *Exhibit D* shall be reinstated and remain in full force and effect until payment of all amounts due and payable hereunder. Otherwise, the provisions of this *Exhibit D* shall be, continue and remain in full force and effect.

All moneys and Government Obligations held by the Trustee (or any Paying Agent) pursuant to this Section shall be held in trust and applied to the payment, when due, of the obligations payable therewith.

Notwithstanding anything in this *Exhibit D* to the contrary, after (a) the termination of the right to receive Available NOI, as provided in the Subordination Agreement and Section 7.02 of this *Exhibit D*, shall have occurred and all Specially-Converted Bonds Outstanding shall have become due and payable (whether or not the acceleration of all Specially-Converted Bonds Outstanding occurred prior to the termination of the right to receive Available NOI or as a result of such termination), and (b) application of any and all amounts remaining on deposit under this *Exhibit D* in accordance with Section 7.04 of this *Exhibit D*, then this *Exhibit D* shall (notwithstanding that the Specially-Converted Bonds may not have been paid in full) thereupon be released and discharged, and the Specially-Converted Bonds shall be extinguished and retired. The Trustee is directed to take all such action consistent with the foregoing sentence as may be necessary to give effect to such provision.

ARTICLE XI
MISCELLANEOUS PROVISIONS

Section 11.01. Successors of Issuer. All the covenants, stipulations, promises and agreements in this *Exhibit D* contained, by or on behalf of the Issuer, shall bind and inure to the benefit of its successors and assigns, whether so expressed or not. If any of the powers or duties of the Issuer shall hereafter be transferred by any law of the United States of America, and if such transfer shall relate to any matter or thing permitted or required to be done under this *Exhibit D* by the Issuer, then the body or official who shall succeed to such powers or duties shall act and be obligated in the place and stead of the Issuer as in this *Exhibit D* provided.

Section 11.02. Successorship of Paying Agent and Bond Registrar. Any bank or trust company with or into which any Paying Agent and Specially-Converted Bond Registrar may be merged or consolidated, or to which the assets and business of such Paying Agent or Specially-Converted Bond Registrar may be sold, shall be deemed the successor of such Paying Agent or Specially-Converted Bond Registrar for the purposes of this *Exhibit D*. To the extent that the Trustee is not acting as Paying Agent or the sole Paying Agent hereunder, such Paying Agent other than the Trustee may resign or be removed and shall be replaced in the same manner as is provided for the resignation, removal and replacement of the Trustee hereunder.

Section 11.03. Manner of Giving Notice. It shall be sufficient service of any notice, request, complaint, demand or other paper on the Issuer, the Trustee, the Specially-Converted Bondholder Representative or the Borrower if the same shall, except as otherwise provided herein, be duly mailed by first class mail, postage prepaid, or given by telephone or telecopier and confirmed by such mail, and to the other parties as set forth in the Indenture.

The Issuer, the Trustee, the Borrower and the Specially-Converted Bondholder Representative may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Notwithstanding the foregoing provisions of this Section, neither the Issuer nor the Trustee shall be deemed to have received, and shall not be liable for failing to act upon the contents of, any notice unless and until the Issuer or the Trustee, respectively, actually receives such notice. Any telecopy or other electronic transmission received by any party after 4:00 p.m., local time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day.

Section 11.04. Parties and Bondholders Alone Have Rights Under Exhibit D. Except as herein otherwise expressly provided, nothing in this *Exhibit D*, express or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Trustee, the Issuer, the Borrower, the Specially-Converted Bondholder Representative, the Specially-Converted Bondholders and the Credit Provider any right, remedy of claim, legal or equitable, under or by reason of this *Exhibit D* or any provision hereof, this *Exhibit D* and all its provisions being intended to be or being for the sole exclusive benefit of the Trustee, the Issuer, the Borrower and the Specially-Converted Bondholders.

Section 11.05. Effect of Partial Invalidity. In case any one or more of the provisions of this *Exhibit D* or the Loan Agreement issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this *Exhibit D* or the Loan Agreement, but this *Exhibit D* and the Loan Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. In case any covenant, stipulation, obligation or agreement contained in this *Exhibit D* or the Loan Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement contained in this *Exhibit D* or the Loan Agreement shall for any reason be held to be in violation of law, then such covenant, stipulation, obligation or agreement shall be deemed to be the covenant, stipulation, obligation or agreement of the Issuer or the Borrower to the full extent permitted by law.

Section 11.06. Limited Obligations; No Recourse Against Members, Officers, Employees or Agents of Issuer.

(a) The Specially-Converted Bonds are limited obligations of the Issuer payable solely from the Subordinate Trust Estate. The Specially-Converted Bonds are not a debt, nor a loan of the credit, of the Issuer or the State, the County or any of its other political subdivisions, and the Specially-Converted Bonds, shall not be construed to create any moral obligation on the part of the Issuer, its program participants, the State, the County or any other political subdivision thereof with respect to the payment thereof. The Specially-Converted Bonds do not

constitute an indebtedness within the meaning of any constitutional or statutory debt limitation. The issuance of the Specially-Converted Bonds shall not directly or indirectly or contingently obligate the Issuer, the State, the County or any other political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment, and no Specially-Converted Bondholder has the right to compel any exercise of the taxing power of the State or any political subdivision thereof.

(b) Neither the Issuer (or any member, official or employee thereof) nor any person executing the Specially-Converted Bonds is liable personally on the Specially-Converted Bonds or subject to any personal liability or accountability by reason of their issuance. No recourse under, or upon, any statement, obligation, covenant, or agreement contained in this *Exhibit D* or in any Specially-Converted Bond hereby secured, or in the Loan Agreement, or in any document or certification whatsoever, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer, employee or agent, as such, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for, or to, the Issuer or any receiver thereof, or for, or to, the holder of any Specially-Converted Bond issued hereunder or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Specially-Converted Bond. Any and all personal liability of every nature, whether at common law or in equity or by statute or by constitution or otherwise, of any such member, officer, employee or agent, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the Issuer or any receiver thereof, or for, or to, the holder of any Specially-Converted Bond issued hereunder or otherwise, of any sum that may remain due and unpaid upon the Specially-Converted Bonds hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the execution of this *Exhibit D* and the issuance of the Specially-Converted Bonds.

(c) The Issuer and the Trustee hereby acknowledge that, notwithstanding anything to the contrary herein, except as provided in Article VII of the Loan Agreement, in any action or proceeding brought on any instrument evidencing any indebtedness to the Issuer or the Trustee with respect to the Specially-Converted Bonds, no deficiency or other money judgment shall be enforced against the Borrower or any successor or assign of the Borrower, and any judgment obtained shall, subject in all respects to the limitations of the Regulatory Agreement, be enforced only against the property of the Borrower, and the rents, issues and profits of such property, and any other security for the indebtedness evidenced by the Loan Agreement, and not against the Borrower or any successor or assign of the Borrower. It is understood and agreed that nothing contained in this *Exhibit D* shall be construed in any way to limit or restrict any of the Reserved Rights of the Issuer (but specifically excluding from such liability any payments corresponding to the Subordinate Loan or the principal, premium if any, interest and purchase price on or of the Specially-Converted Bonds) or any of the rights and remedies of the Issuer in any proceeding or other enforcement for the payment of any indebtedness, subject only to the above limitation upon enforcement of any judgment against the Borrower and any successor or assign of the Borrower.

Section 11.07. Reliance upon Opinions and Certifications. Any certificate or opinion made or given by an officer of the Issuer may be based (whether or not expressly so stated), insofar as it relates to legal matters, upon a certificate or opinion of or representation by, counsel, unless such officer actually knows that the certificate or representation with respect to the matter

upon which his or her certificate or opinion may be based are erroneous. Any certificate or opinion made or given by counsel may be based (whether or not expressly so stated), insofar as it relates to factual matters, upon the certificate or opinion of, or representation by, an officer or officers of the Issuer, unless such counsel actually knows that the certificate or opinion or representation with respect to the matters upon which his or her certificate or opinion may be based as aforesaid are erroneous.

Section 11.08. Execution of Instruments by Bondholders. Any request, direction, consent or other instrument in writing required or permitted by this *Exhibit D* to be signed or executed by Specially-Converted Bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by the Specially-Converted Bondholder Representative or by the Specially-Converted Bondholders. Proof of the execution of any such instrument and of the ownership of the Specially-Converted Bonds shall be sufficient for any purpose of this *Exhibit D* and shall be conclusive in favor of the Trustee and the Issuer with regard to any action taken by either under such instrument if made in the following manner: the fact and date of the execution by any person of any such instrument may be proved by the verification of any officer in any jurisdiction who, by the laws thereof, has power to take affidavits within such jurisdiction, to the effect that such instrument was subscribed and sworn to before him, or by an affidavit of a witness to such execution. Where such execution is on behalf of a person other than an individual, such verification or affidavit shall also constitute sufficient proof of the authority of the signer thereof. Nothing contained in this Section shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Specially-Converted Bondholder shall bind every future Specially-Converted Bondholder in respect of anything done by the Trustee in pursuance of such request or consent.

Section 11.09. Headings. Any heading preceding the text of the several articles and sections hereof, and any table of contents or marginal notes appending to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this *Exhibit D*, nor shall they affect its meaning, construction or effect.

Section 11.10. Holidays. If the date for making any payment hereunder or the last date for the performance of any act or the exercising of any right hereunder shall not be a Business Day in the place of such payment or the place where such act shall be taken or right exercised, such payment may, unless otherwise provided herein or in the Loan Agreement, be made or act taken or right exercised on the next succeeding Business Day with the same force and effect as if made, taken or exercised on the date required hereunder, and with respect to any such payment, no interest shall accrue for the period from and after the due date of such payment.

[Appendix "C" referred to in these Provisions Governing Specially-Converted Bonds unavailable at time of printing.]

Appendices "A" and "B" referred to in these Provisions Governing Specially-Converted Bonds read as follows:

Appendix "A".
(To Provisions Governing Specially-Converted Bonds)

Form Of Bonds.

[TRANSFER OF THE OWNERSHIP OF THIS SPECIALLY-CONVERTED BOND IS RESTRICTED TO ACCREDITED INVESTORS AS SUCH TERM IS DEFINED IN THE SECURITIES ACT OF 1933 AND REGULATION D ISSUED THEREUNDER. THE TRUSTEE IS PROHIBITED FROM REGISTERING THE OWNERSHIP OR TRANSFER OF OWNERSHIP OF THIS SPECIALLY-CONVERTED BOND TO ANY PERSON WITHOUT RECEIPT OF AN EXECUTED INVESTOR LETTER AS DEFINED IN AND ATTACHED TO THE *EXHIBIT D* DESCRIBED HEREIN.]

No. _____ $ _____

INTEREST RATE	MATURITY DATE	ISSUE DATE	CUSIP

REGISTERED OWNER:

PRINCIPAL SUM: _____ DOLLARS

The CITY OF CHICAGO, ILLINOIS, a public body corporate and politic duly organized and existing under the laws of the State of Illinois (herein called the "**Issuer**"), for value received, hereby promises to pay (but only out of the Subordinate Trust Estate as hereinafter provided) to the registered owner identified above or registered assigns, on the Maturity Date identified above (subject to any right of prior tender and redemption hereinafter mentioned), the principal sum identified above in lawful money of the United States of America; and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-day months) in like money on each Interest Payment Date (as defined in the *Exhibit D* described below) thereafter until the Maturity Date specified above or upon earlier redemption or acceleration.

The principal or redemption price is payable only upon presentation and surrender hereof at the designated trust office of [Trustee], a [national banking association] (herein called the "**Trustee**"), as defined and designated in the *Exhibit D* to that Trust Indenture dated as of _____ 1, 2004, by and between the Issuer and the Trustee, and interest shall be paid by check mailed by first class mail by the Trustee on each Interest Payment Date to the person in whose name this Specially-Converted Bond is registered on the applicable Record Date (as hereinafter defined), at the address of such registered owner shown on the books of the Trustee, except that such interest payment may be made to any holder holding 100% of the Specially-Converted Bonds, upon the written request of any such holder, by wire transfer of immediately available funds to an account designated by such holder at least fifteen days before the Record Date therefor.

The principal of and the interest on this Specially-Converted Bond shall be payable in lawful money of the United States of America. The first payment of interest on this Specially-Converted Bond shall be due on the initial Interest Payment Date. The interest to be paid on an Interest Payment Date shall be computed from the date through which interest was last paid on this Specially-Converted Bond or, if interest has not previously been paid on this Specially-Converted Bond, from the initial Interest Payment Date.

This Specially-Converted Bond is one of a duly authorized issue of Specially-Converted Bonds of the Issuer designated as "City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004A (herein called the "**Specially-Converted Bonds**"), in the aggregate principal amount of $_____ authorized to be issued under a Bond Ordinance adopted by the City Council of the Issuer on _____, 2004 (herein called the "**Bond Ordinance**"), and issued under and secured by an *Exhibit D* to the Indenture (herein called the "***Exhibit D***"), between the Issuer and the Trustee. Reference is hereby made to the *Exhibit D* and any supplements thereto for a description of the rights thereunder of the owners of the Specially-Converted Bonds, of the nature and extent of the security, 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 the *Exhibit D* as holder of this Specially-Converted Bond, by acceptance hereof, assents and agrees. Capitalized terms used in this Specially-Converted Bond and not otherwise defined shall have the same meanings as in the *Exhibit D.*

The indebtedness evidenced by this Specially-Converted Bond is and shall be subordinate in right of payment to the prior payment in full of all then current amounts due and payable under the Issuer's Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004A (the "**Senior Bonds**"), in the original principal amount of $_____, respectively, to the extent and in the manner provided in that certain Subordination Agreement (as defined in the *Exhibit D*). The *Exhibit D* securing this Specially-Converted Bond is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Senior Loan Documents [and the Swap Documents] as more fully set forth in the Subordination Agreement. The rights and remedies of the holder and each subsequent holder of this Specially-Converted Bond under the *Exhibit D* are subject to the restrictions and limitations set forth in the Subordination Agreement.

The Specially-Converted Bonds are secured by a pledge of the Subordinate Trust Estate, which consists primarily of the Issuer's right, title and interest in the Subordinate Loan Agreement, dated as of _____ 1, 200_ (the "**Loan Agreement**"), between the Issuer and _____ (the "**Borrower**"), and the related Subordinate Mortgage, except for the Reserved Rights, together with all moneys and securities held from time to time in any of the funds and accounts established therefor under the *Exhibit D.* This Specially-Converted Bond and the interest hereon are payable solely from moneys received by the Issuer from the Borrower under the Loan Agreement and not from any other fund or source.

Pursuant to the Loan Agreement, the Issuer has loaned the proceeds of the sale of the Specially-Converted Bonds to the Borrower upon the terms, conditions and payments therein provided. The Borrower is obligated under the Loan Agreement to make loan payments (the "**Loan Payments**") consisting of an aggregate amount sufficient for the payment in full of the

principal of, the redemption premium (if any) and the interest on the Specially-Converted Bonds when due. The Borrower is further obligated to pay certain costs and expenses incurred in connection with the Specially-Converted Bonds. The Loan Agreement provides that the Borrower's obligation to pay the Loan Payments shall be a general obligation of the Borrower, and shall not be abated, rebated, set-off, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever.

THE SPECIALLY-CONVERTED BONDS ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, THE STATE OF ILLINOIS, COOK COUNTY, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, NOR DO THEY CONSTITUTE INDEBTEDNESS OF THE ISSUER, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF UNDER ANY DEBT LIMITATION IMPOSED BY THE CONSTITUTION OF THE STATE OF ILLINOIS. NEITHER THE FAITH AND CREDIT OF THE ISSUER, THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR PREMIUM OR INTEREST ON, THIS SPECIALLY-CONVERTED BOND. THE ISSUER HAS NO TAXING POWER.

This Specially-Converted Bond is subject to optional redemption, extraordinary and scheduled redemptions as more fully set forth in the *Exhibit D*. Written notice of the redemption in whole or in part of this Specially-Converted Bond shall be given by first class mail, postage prepaid, mailed not less than fifteen or more than thirty days prior to the redemption date to the Specially-Converted Bondholder at the last address shown on the registration book kept by the Trustee.

In accordance with the *Exhibit D*, the particular Specially-Converted Bonds, or portions thereof to be redeemed in the case of a partial redemption under any of the provisions of the *Exhibit D*, shall be selected by the Trustee, and with respect to any partial redemption of the Specially-Converted Bonds shall be pro rated among all the holders of the Specially-Converted Bonds in proportion to the principal amount of such Specially-Converted Bonds; *provided, however*, the Specially-Converted Bonds remaining outstanding shall remain in Authorized Denominations.

The Trustee shall not register any transfer of this Specially-Converted Bond except to a Approved Institutional Buyer.

This Specially-Converted Bond, upon the surrender thereof at the Principal Corporate Trust Office of the Trustee with a written instrument of transfer satisfactory to the Trustee executed by the Specially-Converted Bondholder or his duly authorized attorney, may, at the option of the Specially-Converted Bondholder, be exchanged for an equal aggregate principal amount of Specially-Converted Bonds of the same maturity and interest rate of any other Authorized Denomination, in the manner and subject to the conditions provided in the *Exhibit D*.

The Trustee shall not be required to transfer or exchange any Specially-Converted Bond (i) during the period following the Record Date next preceding any Interest Payment Date of such Specially-Converted Bond and such Interest Payment Date, or during the 15 days preceding the mailing of notice of redemption of any Specially-Converted Bonds or (ii) after the giving of notice calling such Specially-Converted Bond for redemption or partial redemption has been made.

The person in whose name this Specially-Converted Bond is registered at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding the cancellation of such Specially-Converted Bond upon any transfer or exchange subsequent to such Record Date and prior to such Interest Payment Date; *provided, however*, that if and to the extent that the Issuer shall default in the payment of interest due on such Interest Payment Date, such past due interest shall be paid to the persons in whose name outstanding Specially-Converted Bonds are registered on a subsequent Record Date established by notice given by mail by the Trustee or by or on behalf of the Issuer to the holders of the Specially-Converted Bonds not less than thirty days preceding such subsequent Record Date.

The holder of this Specially-Converted Bond shall have no right to enforce the provisions of the *Exhibit D* or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the *Exhibit D*, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the *Exhibit D*.

In certain events, on the conditions, in the manner and with the effect set forth in the *Exhibit D*, the principal of all Specially-Converted Bonds then outstanding under the *Exhibit D* may become or may be declared due and payable before the stated maturity thereof, together with the interest accrued thereon.

Modifications or alterations of the *Exhibit D* or of any trust *Exhibit D* supplemental thereto, or of the Loan Agreement or any supplement thereto, may be made only to the extent and in the circumstances permitted by the *Exhibit D* or the Loan Agreement.

This Specially-Converted Bond shall not be entitled to any benefit under the *Exhibit D* and shall not become valid or obligatory for any purpose until it shall have been authenticated by execution by the Trustee by manual signature of the certificate hereon endorsed.

ASSIGNMENT AND TRANSFER

FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) the within Specially-Converted Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Specially-Converted Bond on the books kept for registration thereof, with full power or substitution in the premises.

Date: _____

_____
Signature

Signature Guaranteed:

_____

NOTICE: Signature(s) must be guaranteed by a signature guarantor institution that is a participant in a nationally recognized signature guarantor program.

NOTICE: The signature to this assignment must correspond with the name of the registered owner of the within Specially-Converted Bond as it appears on the face hereof in every particular, without alteration or enlargement or any change whatever, and the Social Security number or federal employer identification must be supplied.

Appendix "B".
(To Provisions Governing Specially-Converted Bonds)

Form Of Investor Letter

[$ Amount]
City Of Chicago
Specially-Converted Multi-Family Housing Revenue Bonds
(Central Station Multi-Family Project) Series 2004A.

Ladies and Gentlemen:

The undersigned (the "**Purchaser**") hereby acknowledges receipt of $_____ in the aggregate principal amount of Specially-Converted Multi-Family Revenue Bonds (Central Station Multi-Family Project), Series 2004A (the "**Specially-Converted Bonds**"). The Specially-Converted Bonds have been checked, inspected and approved by the Purchaser.

The undersigned acknowledges that the Specially-Converted Bonds were converted from Weekly Rate Bonds to Specially-Converted Bonds pursuant to Section 2.8(d) of that certain Trust Indenture dated as of _____ (as amended and supplemented, the "**Indenture**"), between the City and _____ (the "**Trustee**"), and that the Specially-Converted Bonds are governed solely by *Exhibit D* of the Indenture, and have no claim to the Trust Estate established under the Indenture to secure the Senior Bonds.

In connection with the sale of the Specially-Converted Bonds to the Purchaser, the Purchaser hereby makes the following representations, warranties and agreements upon which you may rely:

1. The Purchaser is: (a) an Accredited Investor as such term is defined in the Securities Act of 1933 and Regulation D issued thereunder or is the trustee or custodian of a pass-through entity all of the Owners of which are Accredited Investors; (b) familiar with and experienced in the purchase of tax-exempt revenue Specially-Converted Bonds similar to the Specially-Converted Bonds; (c) capable of evaluating the merits and economic risks which may be associated with the purchase of the Specially-Converted Bonds; and (d) financially able to bear the economic risks which may be associated with the purchase of the Specially-Converted Bonds.

2. The Specially-Converted Bonds are a security of the kind the Purchaser wishes to purchase and hold for investment, and the nature and amount of the Specially-Converted Bonds

are consistent with the Purchaser's investment program. The Specially-Converted Bonds are being acquired by the Purchaser for its own account and the Purchaser intends to hold the Specially-Converted Bonds for an indefinite period of time. The Purchaser does not intend at this time to distribute or resell all or any part of the Specially-Converted Bonds. The Purchaser understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible. The foregoing is without prejudice, however, to the Purchaser's right at all times to sell or otherwise dispose of all or any part of such Specially-Converted Bonds as permitted by law and subject to all applicable state and federal securities laws, rules and regulations, *provided, however*, that no public offering of all or any portion of the Specially-Converted Bonds, or any interest therein, shall be made.

The Purchaser has not offered any of the Specially-Converted Bonds for sale to, solicited offers to buy any Specially-Converted Bonds from, or otherwise approached or negotiated with respect thereto with, any prospective purchaser; further, it has not employed any person to act as agent, broker, dealer, or otherwise to offer the Specially-Converted Bonds for it or to solicit offers to buy the Specially-Converted Bonds from it.

3. The Purchaser has been informed that (i) the Specially-Converted Bonds have not been and will not be registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any jurisdiction, (ii) will not be listed on any stock or other securities exchange, and (iii) will carry no rating from any rating service. The Purchaser further understands that the Specially-Converted Bonds have not been registered under the Securities Act of 1933, as amended, and were originally sold in reliance upon an exemption from federal and certain state securities laws. The Purchaser acknowledges that the Issuer requires that, if the Specially-Converted Bonds are disposed of by it information which meets the disclosure requirements of any applicable state and federal securities laws then in effect, concerning the Specially-Converted Bonds and the Mortgaged Property must be furnished to any prospective purchaser.

4. It is acknowledged that no written information has been provided by the Issuer or the Trustee; that any written information furnished by any other party to the transaction does not purport to fully disclose all information pertinent to the Specially-Converted Bonds; and that neither the Issuer, the Trustee nor their counsel have participated in the preparation of any offering document with respect to the Specially-Converted Bonds.

5. In entering into this transaction, the Purchaser has not relied upon any representations or opinions made by the Issuer relating to the legal consequences or other aspects of the purchase of the Specially-Converted Bonds by the Purchaser, nor has it looked to, nor expected, the Issuer to undertake or require any credit investigation or due diligence reviews relating to the Borrower, its financial condition or business operations, the Mortgaged Property (including the financing, acquisition, construction, operation or management thereof), or any other matter pertaining to the merits or risks of the transaction, or the adequacy of any collateral pledged to the Trustee to secure repayment of the Specially-Converted Bonds. The Purchaser

understands and acknowledges that the obligations of the Borrower under the Agreement and the Note (as defined in the Agreement) are non-recourse obligations against the general assets of the Borrower and are secured only by the Mortgaged Property to the extent provided in the Mortgage, Security Agreement, Assignment of Leases and Rents and Financing Statement dated as of _____, and as otherwise provided in the documents relating thereto.

6. The Purchaser understands that the Specially-Converted Bonds involve a high degree of risk. Specifically, and without in any manner limiting the foregoing, the Purchaser understands and acknowledges that, among other risks, the Specially-Converted Bonds are payable solely from revenues derived from the Mortgaged Property and other sources available for such payment. The Purchaser has made such inquiry with respect to all of the foregoing as it believed to be desirable for its purposes. The Purchaser understands that the Specially-Converted Bonds are not secured by any pledge of any moneys received or to be received from taxation by the State of Illinois or any political subdivision or taxing district thereof, including, without limitation, the Issuer; that the Specially-Converted Bonds will never represent or constitute a general obligation or a pledge of the faith and credit of the Issuer, the State of Illinois or any political subdivision thereof; that no right will exist to have taxes levied by the Issuer, the State of Illinois or any political subdivision thereof for the payment of principal and interest on the Specially-Converted Bonds; and that the liability of the Issuer with respect to the Specially-Converted Bonds is subject to further limitations as set forth in the Specially-Converted Bonds and the *Exhibit D.*

7. The Purchaser will not sell or otherwise transfer any of the Specially-Converted Bonds without requiring the transferee to deliver to the Authority an investor letter to the same effect as this Investor Letter, including this paragraph 8, as required under the *Exhibit D.*

8. The Purchaser agrees that it will not bring any action with respect to the issuance of the Specially-Converted Bonds against the Issuer, except as required to enforce payment of the Specially-Converted Bonds and performance related thereto as contemplated in and as limited by the Specially-Converted Bonds, this *Exhibit D* and the Agreement, or any of its present or future officers, directors, employees, agents or servants.

9. The Purchaser understands and acknowledges that neither the Issuer nor its agents have had any involvement in structuring or selling the Specially-Converted Bonds. Further, the Purchaser understands and acknowledges that neither the Issuer nor its agents have considered the merits of the financing and have not evaluated what effect, if any, the interest rate on the Specially-Converted Bonds shall have upon the long-term economic viability of the Mortgaged Property and the Borrower's ability to meet its debt service obligations.

10. The Purchaser has the authority to purchase the Specially-Converted Bonds and to execute this letter and any other instruments and documents required to be executed by the Purchaser in connection with the purchase of the Specially-Converted Bonds.

[ENTITY]

By:_____

Exhibit "A-2".
(To Ordinance)

Form Of Senior Housing Indenture.

TRUST INDENTURE

Between

CITY OF CHICAGO, COOK COUNTY, ILLINOIS

and

[TRUSTEE],
as Trustee

with respect to

CITY OF CHICAGO
$[Bond Principal Amount] VARIABLE RATE DEMAND
MULTI-FAMILY HOUSING REVENUE BONDS
(CENTRAL STATION SENIOR HOUSING PROJECT), SERIES 2004

Dated as of _____ 1, 2004

This TRUST INDENTURE, dated as of _____ 1, 2004 (this "**Indenture**"), is by and 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 [TRUSTEE], a national banking association duly organized, validly existing and authorized to accept the duties and obligations set out by virtue of the laws of the United States of America and having its principal corporate trust office located in the City of Chicago, Illinois, as Trustee (such trustee or any of its successors in trust being the "**Trustee**"). The meaning of capitalized terms used in this Indenture can be determined by reference to Article I of this Indenture.

RECITALS

A. Pursuant to Article VII, Section 6 of the 1970 Constitution of the State, and pursuant to the Bond 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 City of Chicago, which constitutes a valid public purpose for the issuance of revenue bonds by the Issuer; and

B. The Borrower have requested that the Issuer provide financing for the Mortgaged Property to be owned by the Borrower by issuing the Bonds and by using the Net Bond Proceeds to fund the Loan to the Borrower and the Borrower has agreed to secure its Loan by placing the Security Instrument on the Mortgaged Property.

C. The Issuer has determined that the issuance and sale of the Bonds and the application of the Net Bond Proceeds to fund the Loan will facilitate the financing of the Mortgaged Property and will accomplish a valid public purpose of the Issuer.

D. The Issuer has, pursuant to the Bond Ordinance, authorized (i) the issuance of the Bonds in the Principal Amount and for the purpose of providing financing for the Mortgaged Property, (ii) the execution and delivery of this Indenture to establish the terms of the Bonds and the security for the Bonds, and (iii) the execution and delivery of the Financing Agreement to establish certain terms and conditions of the Loan.

E. By executing this Indenture, the Issuer is directing the deposit of the Net Bond Proceeds with the Trustee, to be used by the Trustee to fund the Loan to the Borrower. The proceeds of the Loan will be applied, together with other funds, to the financing of the Mortgaged Property.

F. The Issuer and the Trustee are concurrently entering into a Financing Agreement with the Borrower.

G. The Loan will be (i) made by the Issuer pursuant to the Financing Agreement, (ii) evidenced by the Note, (iii) secured by the Security Instrument and (iv) otherwise documented, evidenced and secured by the other Loan Documents.

H. The Credit Provider has agreed, subject to the satisfaction of certain conditions, to facilitate the financing of the Mortgaged Property by providing credit enhancement and liquidity support for the Bonds pursuant to the Credit Facility.

I. Pursuant to the Assignment, the Issuer will assign and deliver all of its right, title and interest in and to the Loan, including the Note, the Security Instrument and the other Loan Documents, to the Trustee and the Credit Provider, as their interests may appear.

J. The operation of the Mortgaged Property will be subject to the Regulatory Agreement.

K. The Issuer has determined that all things necessary to make the Bonds, when executed by the Issuer and authenticated by the Trustee and issued in accordance with this Indenture, the valid, binding and legal limited obligations of the Issuer and to constitute this Indenture a valid assignment and pledge of the Trust Estate as security for the payment of the principal of and interest and any premium on, the Bonds have been done, and the creation, execution and delivery of this Indenture and the creation, execution and delivery of the Bonds, subject to the terms of this Indenture, have been duly authorized by the Issuer.

L. The Trustee has trust powers and the power and authority to enter into this Indenture, to accept trusts generally and to accept and execute the trust created by this Indenture; the Trustee has accepted the trust so created, and to evidence such acceptance, has joined in the execution of this Indenture.

GRANTING CLAUSES

To secure the payment of the principal of and interest and any premium on, and the purchase price of, the Bonds according to their tenor and effect, to secure, on a parity basis, all obligations owed to the Credit Provider under the Credit Facility Documents and the Loan Documents, and to secure the performance and observance by the Issuer of the covenants expressed or implied in this Indenture and in the Bonds, the Issuer absolutely and irrevocably pledges and assigns the property described in the following paragraphs (1) through (5) to the Trustee for the benefit of the Bondholders and to the Credit Provider, as their interests may appear, subject to the Assignment and the provisions of this Indenture permitting the application of such property for the purposes set forth in this Indenture:

(1) all right, title and interest of the Issuer in and to the Loan, including the Note, the Security Instrument and the other Loan Documents and in and to the Financing Agreement, reserving, however, the Reserved Rights;

(2) all rights to receive payments on the Note and under the other Loan Documents, including all proceeds of insurance or condemnation awards;

(3) all right, title and interest of the Issuer in and to the Revenues, the Net Bond Proceeds and the accrued interest, if any, derived from the sale of the Bonds, and all Funds and Accounts under this Indenture (including, without limitation, moneys, documents, securities, investments, Investment Income, instruments and general intangibles on deposit or otherwise held by the Trustee) but excluding all moneys in the Fees Account, the Rebate Fund and the Costs of Issuance Fund unless and to the extent funded with Net Bond Proceeds (including within such exclusion Investment Income retained in the Costs of Issuance Fund and the Rebate Fund);

(4) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time conveyed, mortgaged, pledged, assigned or transferred by delivery or by writing of any kind to the Trustee as additional security under this Indenture for the benefit of the Bondholders and the Credit Provider; and

(5) all of the proceeds of the foregoing, including, without limitation, Investments and Investment Income (except as excluded above);

TO HAVE AND TO HOLD unto the Trustee and the Credit Provider, as their interests may appear;

IN TRUST, NEVERTHELESS, upon the terms set forth in this Indenture for the equal and proportionate benefit, security and protection of (i) all Registered Owners of the Bonds, without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds, except as otherwise provided in this Indenture and (ii) the Credit Provider to secure the payment of all amounts owed to the Credit Provider under the Credit Facility Documents;

PROVIDED, FURTHER, HOWEVER, that if the Issuer or its successors or assigns pay or cause to be paid to the Registered Owners of the Bonds the principal of and interest and any premium to become due on the Bonds at the times and in the manner provided in this Indenture, and if no amount is owing by the Borrower to the Issuer or the Trustee under the Financing Agreement or to the Credit Provider under the Credit Facility Documents, and if the Issuer keeps, performs and observes, or causes to be kept, performed and observed, all of its covenants, warranties and agreements contained in this Indenture, this Indenture and the estate and rights granted by this Indenture shall terminate and be discharged in accordance with its terms, upon which termination the Trustee shall execute and deliver to the Issuer such instruments in writing as shall be necessary to satisfy the lien of this Indenture, and, in accordance with Article IX, shall reconvey to the Issuer any property at the time subject to the lien of this Indenture which may then be in the Trustee's possession, except amounts held by the Trustee for the payment of principal of and interest and any premium on the Bonds, or moneys held in the Rebate Fund for payment to the United States Government or moneys held in the Fees Account for the payment of accrued and unpaid Third-Party Fees and Fees and Expenses; otherwise this Indenture shall be and remain in full force and effect, upon the trusts and subject to the covenants and conditions set forth in this Indenture; and

FINALLY, all Bonds issued and secured under this Indenture are to be issued, authenticated and delivered, and all property, rights and interests, including, but not limited to, the amounts payable under the Financing Agreement and any other amounts assigned and pledged by this 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 Indenture, and the Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with the Registered Owners of the Bonds as set forth in this Indenture.

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. All capitalized terms used in this Indenture have the meanings given to those terms in this Section 1.1 or elsewhere in this Indenture unless the context clearly indicates a different meaning.

"**Account**" means an account established within a Fund.

"**Act of Bankruptcy**" means any proceeding instituted under the Bankruptcy Code or other applicable insolvency law by or against the Issuer.

"**Adjustment Date**" means any date on which the interest rate on the Bonds is adjusted to a different Mode or to a different Reset Rate. An Adjustment Date may only occur on an Interest Payment Date or, if such date is not a Business Day, the following Business Day. Any Reset Date and the Fixed Rate Adjustment Date are Adjustment Dates.

"**Advance**" means an advance made under the Credit Facility.

"**Affiliate**" as applied to any Person, means any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, partnership interests or by contract or otherwise.

"**Alternate Credit Facility**" means a letter of credit (whether or not so named), surety bond, insurance policy, standby bond purchase agreement, credit enhancement instrument, collateral purchase agreement, mortgage backed security or similar agreement, instrument or facility (other than the initial Credit Facility) provided in accordance with the Financing Agreement.

"**Alternate Credit Provider**" means the provider of an Alternate Credit Facility.

"**as their interests may appear**" means, with reference to any of the Assigned Rights, the respective interests (exclusive of the Reserved Rights of the Issuer), of Fannie Mae and of the Trustee to such documents and rights as set forth in the Assignment.

"**Assigned Rights**" has the meaning given to that term in the Assignment.

"**Assignment**" means the Assignment and Intercreditor Agreement, dated as of the date of this Indenture, among the Issuer and the Trustee, with Fannie Mae, as the Initial Credit Provider as

a third-party beneficiary and acknowledged and agreed to by the Borrower, as it may be amended, supplemented or restated from time to time.

"**Authorized Attesting Officer**" means the City Clerk of the Issuer, or such other officer or official of the Issuer who, in accordance with the laws of the State, or other governing documents of the Issuer (including the Bond Ordinance), or practice or custom, regularly attests or certifies official acts and records of the Issuer.

"**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, the Loan Servicer, the Construction Lender, the Credit Provider 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, the Loan Servicer, the Construction Lender and the Credit Provider) a written certificate revoking such person's authority to act in such capacity.

"**Authorized Construction Lender Representative**" means any Person from time to time designated to act on behalf of the Construction Lender by written certificate furnished to the Trustee and the Issuer containing the specimen signature of such Person and authorized to act by resolution or other appropriate action of the Board of Directors of the Construction Lender or by its bylaws. Such resolution or other appropriate action may designate an alternate or alternates who shall have the same authority, duties and powers as the Authorized Construction Lender Representative. The Trustee may conclusively presume that a Person designated in a written certificate filed with it as an Authorized Construction Lender Representative is an Authorized Construction Lender Representative until such time as such provider files with it and with the Issuer, the Loan Servicer and the Credit Provider a written certificate identifying a different Person or Persons to act in such capacity.

"**Authorized Denomination**" means (i) during any Weekly Variable Rate Period, $100,000 or any integral multiple of $5,000 in excess of $100,000, and (ii) during any Reset Period or the Fixed Rate Period, $5,000 or any integral multiple of $5,000.

"**Authorized Officer**" means the Mayor, the City Comptroller or, if so designated and determined by the City Comptroller, the Chief Financial Officer of the City appointed by the Mayor, or any other officer or employee of the City authorized to perform specific acts or duties under this Indenture by ordinance or resolution duly adopted by the City Council.

"**Available Moneys**" means, as of any date of determination, any of (i) the proceeds of the Bonds, (ii) remarketing proceeds received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer, any Affiliate of either the Borrower or the Issuer or any guarantor of the Loan), (iii) moneys received by the Trustee pursuant to a draw on the

Credit Facility, (iv) any other amounts, including the proceeds of refunding bonds, for which, in each case, the Trustee has received an Opinion of Counsel acceptable to each Rating Agency 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 544, 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code; and (v) the monies paid by the Credit Provider for the purchase of Bonds in lieu of redemption pursuant to Section 3.7; and (vi) Investment Income derived from the investment of moneys described in clause (i), (ii), (iii) or (iv).

"**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, for any Bond which is held by a nominee, the beneficial owner of such Bond.

"**BMA Index Rate**" means the rate published in The Bond Market Association Municipal Swap Index, produced by Municipal Market Data, a Thomson Financial Services Company, or its successors.

"**Bond**" or "**Bonds**" means the Issuer's Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Senior Housing Project), Series 2004, in the original aggregate principal amount of **$[BOND PRINCIPAL AMOUNT]**.

"**Bond Counsel**" means (i) on the Closing Date, the law firm or law firms delivering the approving opinion(s) with respect to the Bonds or (ii) after the Closing Date, any law firm selected by the Issuer and acceptable to the Credit Provider, of nationally recognized standing in matters pertaining to the exclusion from gross income for federal income tax purposes of the interest payable on bonds issued by states and political subdivisions.

"**Bond Documents**" means, collectively, the Assignment, the Bonds, the Bond Purchase Agreement, the Credit Facility, the Disclosure Agreement, the Financing Agreement, this Indenture, the Regulatory Agreement (and any other agreements relating to rental restrictions on the Mortgaged Property), the Remarketing Agreement, the Tax Certificate, any Tender Agent Agreement, and all other documents, instruments and agreements executed and delivered in connection with the issuance, sale, delivery and/or remarketing of the Bonds, as each such agreement or instrument may be amended, supplemented or restated from time to time. Any Forward Commitment Deposit Fee Instrument (as that term is defined in the Reimbursement Agreement) is not a Bond Document.

"**Bond Ordinance**" means the ordinance adopted by the Issuer on _____, 2004, authorizing and approving the issuance and sale of the Bonds and the execution and delivery of the Assignment, the Bond Purchase Agreement, the Financing Agreement, this Indenture, the Regulatory Agreement, the Tax Certificate and certain other documents, making certain appointments and determining certain details with respect to the Bonds.

"**Bond Purchase Agreement**" means the Composite Bond Purchase Agreement, dated as of _____, 2004, among the Underwriters, the Issuer and the Borrower.

"**Bond Purchase Fund**" means the Bond Purchase Fund created by Section 5.1.

"**Bond Register**" means the Bond Register maintained by the Trustee pursuant to Section 2.16.

"**Bondholder,**" "**holder,**" "**Owner,**" "**owner,**" "**Registered Owner**" or "**registered owner**" means, with respect to any Bond or Borrower Bond, the owner of the Bond or Borrower Bond, as the case may be, as shown on the Bond Register.

"**Bondholder Tender Notice**" means a written notice meeting the requirements of Section 4.1(a).

"**Book-Entry Bonds**" means that part of the Bonds for which a Securities Depository or its nominee is the Bondholder.

"**Book-Entry System**" means an electronic system in which the clearance and settlement of securities transactions is made through electronic book-entry changes.

"**Borrower**" means FC Central Station Senior, LLC, an Illinois limited liability company.

"**Borrower Default**" means a "Borrower Default" as defined under the Construction Phase Financing Agreement.

"**Borrower Documents**" means the Bond Documents to which the Borrower is a party, the Credit Facility Documents to which the Borrower is a party, the Construction Phase Credit Documents to which the Borrower is a party and the Loan Documents and all other documents to which the Borrower is a party and which are being executed and delivered by the Borrower in connection with the transactions provided for in the Bond Documents, the Loan Documents and the Credit Facility Documents. Any Forward Commitment Deposit Fee Instrument (as that term is defined in the Reimbursement Agreement) is not a Borrower Document.

"**Business Day**" means any day other than (i) a Saturday or a Sunday, (ii) any day on which banking institutions located in the City of New York, New York or Chicago, Illinois are required or authorized by law or executive order to close, (iii) any day on which banking institutions located in the city or cities in which the Designated Office of the Trustee or the Remarketing Agent is located are required or authorized by law or executive order to close, (iv) prior to the Fixed Rate Adjustment Date, a day on which the New York Stock Exchange is closed, (v) on or after the Conversion Date, a day on which banking institutions located in the city in which the Designated Office of the Loan Servicer is located are required or authorized by law or executive order to close, or (vi) so long as a Credit Facility is in effect, any day on which the Credit Provider is closed.

"**Capitalized Moneys Account**" means the Capitalized Moneys Account of the Loan Fund.

"**Certificate of Borrower**" means the Certificate of Borrower dated as of the Closing Date, as it may be amended, supplemented or restated from time to time.

"**Closing Date**" means the date on which the Bonds are issued and delivered to or upon the order of the Underwriters.

"**Code**" means the Internal Revenue Code of 1986, as amended; each reference to the Code is deemed to include (i) any successor internal revenue law, and (ii) the applicable regulations whether final, temporary or proposed under the Code or such successor law. Any reference to a particular provision of the Code is deemed to include any successor provision of any successor internal revenue law and applicable regulations whether final, temporary or proposed under such provision or successor provision.

"**Completion Date**" means the date of the completion of the acquisition, construction, and equipping of the Mortgaged Property, as that date shall be certified as provided in Section 5.9 of the Financing Agreement.

"**Conditional Redemption**" has the meaning given to that term in Section 3.4.

"**Conditions to Conversion**" has the meaning given to that term in the Construction Phase Financing Agreement.

"**Construction Lender**" means GMAC Commercial Mortgage Corporation, a California corporation, subject to Section 8.10(c) which provides for the termination of all references to the Construction Lender from and after the Conversion Date.

"**Construction Lender's Fee**" means the fee paid to the Construction Lender in an amount equal to ____ percent (___%) of the Principal Amount of the Bonds Outstanding per annum, calculated on a 30/360 basis and payable monthly in arrears from the Closing Date to the Conversion Date.

"**Construction Phase**" has the meaning given to that term in the Construction Phase Financing Agreement.

"**Construction Phase Credit Documents**" means, individually and collectively, the Construction Phase Financing Agreement, the Letter of Credit, the Construction Phase Reimbursement Agreement, the Construction Phase Loan Agreement, the Construction Phase Mortgage, and all other documents evidencing, securing or otherwise relating to the Letter of Credit, including all amendments, modifications, supplements and restatements of such documents.

"**Construction Phase Financing Agreement**" means the Construction Phase Financing Agreement, dated as of the date of this Indenture, among the Credit Provider, the Loan Servicer and the Construction Lender, as such agreement may be amended, modified, supplemented or restated from time to time.

"**Construction Phase Mortgage**" means the Construction Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date of this Indenture, executed by the

Borrower in favor of the Construction Lender, as such mortgage may be amended, modified, supplemented or restated from time to time.

"**Construction Phase Loan Agreement**" means the Construction Agreement, between the Construction Lender and the Borrower, as such agreement may be amended, modified, supplemented or restated from time to time.

"**Construction Phase Reimbursement Agreement**" means the Construction Phase Reimbursement Agreement, dated as of the Closing Date, between the Borrower and the Construction Lender, as such agreements may be amended, modified, supplemented or restated from time to time.

"**Conversion**" means the conversion of the Loan from the Construction Phase to the Permanent Phase.

"**Conversion Date**" means the date of the Conversion of the Loan pursuant to the Construction Phase Financing Agreement.

"**Conversion Notice**" means a written notice by the Loan Servicer to the Issuer, the Trustee, the Borrower, the Construction Lender and the Credit Provider given on or before the Termination Date (i) stating that each of the Conditions to Conversion has been satisfied on or before the Termination Date or, if any Condition to Conversion has not been satisfied on or before the Termination Date, has been waived in writing by the Credit Provider on or before the Termination Date, (ii) specifying the Conversion Date, and (iii) providing the Schedule of Deposits to Principal Reserve Fund to be attached as an exhibit to the Reimbursement Agreement.

"**Costs of Issuance**" means:

(a) the fees, costs and expenses of (i) the Issuer, the Issuer's counsel and the Issuer's financial advisor, if any, (ii) the Underwriters (including discounts to the Underwriters or other purchasers of the Bonds, other than original issue discount, incurred in the issuance and sale of the Bonds) and the Underwriters' counsel, (iii) Bond Counsel, (iv) the Trustee and the Trustee's counsel, (v) the Loan Servicer and the Loan Servicer's counsel, if any, (vi) the Credit Provider and the Credit Provider's counsel, (vii) the Borrower's counsel and the Borrower's financial advisor, if any, (viii) the Rating Agency, and (ix) the Construction Lender and the Construction Lender's counsel;

(b) costs of printing the offering documents relating to the sale of the Bonds; and

(c) all other fees, costs and expenses directly associated with the authorization, issuance, sale and delivery of the Bonds, including printing costs, costs of reproducing documents, filing and recording fees, and any fees, costs and expenses required to be paid to the Loan Servicer in connection with the origination of the Loan.

"**Costs of Issuance Deposit**" means the deposit in the amount of $_____ to be made by the Borrower with the Trustee on the Closing Date to pay Costs of Issuance.

"**Costs of Issuance Fund**" means the Costs of Issuance Fund created by Section 5.1.

"**Costs of the Project**" means, to the extent authorized by the Code, the costs chargeable to the Mortgaged Property in accordance with generally accepted accounting principles, including, but not limited to, the costs of acquisition, construction, reconstruction, restoration, repair, alteration, improvement and extension (in any of such events, "**construction**") of any building, structure, facility or other improvement; stored materials for work in progress; the cost of machinery and equipment; the cost of the "Land" (as that term is defined in the Security Instrument), rights-in-lands, easements, privileges, agreements, franchises, utility extensions, disposal facilities, access roads and site development necessary or useful and convenient for the Mortgaged Property; financing costs, including, but not limited to, the Costs of Issuance, engineering and inspection costs; fees paid to the developer of the Mortgaged Property; organization, administrative, insurance, legal, operating, letter of credit and other expenses of the Borrower actually incurred prior to and during construction; and all such other expenses as may be necessary or incidental to the financing, acquisition, construction or completion of the Mortgaged Property or any part of it, including, but not limited to, the amount of interest expense incurred with respect to the Loan prior to the Completion Date; insurance premiums payable by the Borrower and taxes and other governmental charges levied on the Mortgaged Property and "**Costs of the Projects**" means the aggregate of the Costs of the Project for the Mortgaged Property.

"**Credit Facility**" means the Credit Enhancement Instrument, dated the Closing Date, issued by Fannie Mae to the Trustee, or any Alternate Credit Facility in effect at the time, as any such facility may be amended, supplemented or restated from time to time.

"**Credit Facility Account**" means the Credit Facility Account of the Revenue Fund.

"**Credit Facility Documents**" means the Reimbursement Agreement, the Certificate of Borrower, all Collateral Agreements (as that term is defined in the Security Instrument), the Construction Phase Financing Agreement, the Hedge Documents, the Hedge Security Agreement, the Hedge Reserve Escrow Account Security Agreement, the Operating Reserve Agreement, the Pledge Agreement and all other agreements and documents securing the Credit Provider or otherwise relating to the provision of the Credit Facility, as any such agreements may be amended, supplemented or restated from time to time. Any Forward Commitment Deposit Fee Instrument (as that term is defined in the Reimbursement Agreement) is not a Credit Facility Document.

"**Credit Provider**" means, so long as the initial Credit Facility is in effect, Fannie Mae, or so long as any Alternate Credit Facility is in effect, the Alternate Credit Provider then obligated under the Alternate Credit Facility.

"**Custodian**" means the custodian under the Pledge Agreement.

"**Designated Office**" of the Trustee, the Tender Agent, the Remarketing Agent or the Loan Servicer means, respectively, the office of the Trustee, the Tender Agent, the Remarketing Agent or the Loan Servicer at the respective address set forth in Section 13.4 or at such other address as may

be specified in writing by the Trustee, the Tender Agent, the Remarketing Agent or the Loan Servicer, as applicable, as provided in Section 13.4.

"**Disclosure Agreement**" means the Continuing Disclosure Agreement, dated as of the date of this Indenture, by the Borrower and the Trustee.

"**DTC**" means The Depository Trust Company and any successor to it or any nominee of it.

"**DTC Participant**" has the meaning given to that term in Section 2.15(b).

"**Electronic Means**" means a facsimile transmission or any other electronic means of communication approved in writing by the Credit Provider and, with respect to any notice to come to the Issuer, any other electronic means (in addition to facsimile transmission) approved in writing by the Issuer.

"**Equity Account**" means the Equity Account created by Section 5.1.

"**Event of Default**" has the meaning given to that term in Section 10.1.

"**Extension Date**" means, with respect to an Alternate Credit Facility, the date which is five Business Days prior to the expiration date of the Alternate Credit Facility.

"**Extraordinary Items**" means, with respect to the Trustee, reasonable compensation for extraordinary services and/or reimbursement for reasonable extraordinary costs and expenses including reasonable fees and expenses of its counsel.

"**Facility Fee**" means the monthly fee owed to the Credit Provider by the Borrower pursuant to the Reimbursement Agreement, which during the Construction Phase is $_____ based on conditions in effect as of the Closing Date.

"**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 and assigns.

"**Fees Account**" means the Fees Account of the Revenue Fund.

"**Fees and Expenses**" means the fees, advances, out-of-pocket expenses, costs and other charges payable by the Borrower from time to time pursuant to Section 2.5(c) of the Financing Agreement.

"**Financing Agreement**" means the Financing Agreement, dated as of the date of this Indenture, among the Issuer, the Trustee and the Borrower, as amended, supplemented or restated from time to time.

"**Fixed Rate**" means the rate of interest borne by the Bonds as determined in accordance with Section 2.7.

"**Fixed Rate Adjustment Date**" means the date on which the interest rate on the Bonds adjusts from the Weekly Variable Rate or a Reset Rate to the Fixed Rate pursuant to Section 2.8.

"**Fixed Rate Period**" means the period beginning on the Fixed Rate Adjustment Date and ending on the Maturity Date.

"**Fund**" means any fund created by Section 5.1.

"**Government Obligations**" means direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, the full faith and credit of the United States of America.

"**Hedge Document**" has the meaning given that term in the Hedge Security Agreement.

"**Hedge Reserve Escrow Account Security Agreement**" means Hedge Reserve Escrow Account Security Agreement, among the Borrower, the Loan Servicer and Fannie Mae entered into prior to or on the Conversion Date in the form attached as Exhibit A to the Reimbursement Agreement, as amended, supplemented or restated from time to time.

"**Hedge Security Agreement**" means the Hedge Security Agreement among the Borrower, the Loan Servicer and Fannie Mae entered into prior to or on the Conversion Date in the form attached as Exhibit B to the Reimbursement Agreement.

"**Highest Rating Category**" has the meaning, with respect to an Investment, given in this definition. If the Bonds are rated by a Rating Agency, the term "Highest Rating Category" means, with respect to an Investment, that the Investment is rated by each Rating Agency in the highest rating given by that Rating Agency for that general category of security. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the term "Highest Rating Category" means, with respect to an Investment, that the Investment is rated by S&P or Moody's in the highest rating given by that rating agency for that general category of security. By way of example, the Highest Rating Category for tax-exempt municipal debt established by S&P is "A-1+" for debt with a term of one year or less and "AAA" for a term greater than one year, with corresponding ratings by Moody's of "MIG-1" (for fixed rate) or "VMIG-1" (for variable rate) for three months or less and "Aaa" for greater than three months. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody's rate an Investment and (iii) one of those ratings is below the Highest Rating Category, then such Investment will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency. For example, an Investment rated "AAA" by S&P and "Aa3" by Moody's is rated in the Highest Rating Category. If, however, the lower rating is more than one full rating category below the Highest Rating Category of that rating agency, then the Investment will be deemed to be rated below the Highest Rating Category. For example, an Investment rated "AAA" by S&P and "A1" by Moody's is not rated in the Highest Rating Category.

"**Interest Account**" means the Interest Account of the Revenue Fund.

"**Interest Payment Date**" means (i) during any Weekly Variable Rate Period, the 15th day of each calendar month commencing **[August 15, 2004]**; (ii) during any Reset Period and during the Fixed Rate Period each January 15 and July 15 following the Adjustment Date; *provided* that the first Interest Payment Date during any such period may only occur on a date which is at least 30 days after the Adjustment Date, (iii) each Adjustment Date, (iv) for Bonds subject to redemption in whole or in part on any date, the date of such redemption, (v) the Maturity Date, and (vi) for all Bonds any date determined pursuant to Section 10.10(c).

"**Interest Requirement**" means (i) during the Weekly Variable Rate Period, 34 days interest on the Bonds at the Maximum Rate on the basis of a 365-or 366-day year, as applicable, for the actual number of days elapsed, and (ii) during a Reset Period or the Fixed Rate Period, 210 days interest at, respectively, the Reset Rate or the Fixed Rate, as the case may be, on the basis of a year of 360 days of twelve 30-day months; or, in the case of either (i) or (ii), such other number of days as may be required by the Rating Agency.

"**Investment**" means any Permitted Investment and any other investment held under this Indenture that does not constitute a Permitted Investment.

"**Investment Agreement**" means a Permitted Investment described in paragraph (g) of the definition of the term "Permitted Investments."

"**Investment Income**" means the earnings, profits and accreted value derived from the investment of moneys pursuant to Article VI.

"**Issuer Documents**" means the Assignment, the Bonds, the Financing Agreement, this Indenture, the Regulatory Agreement and the Tax Certificate.

"**Issuer's Fee**" means the Issuer's annual fee of .15% of the outstanding amount of Bonds payable by the Borrower under the Financing Agreement.

"**Letter of Credit**" means the letter of credit or the guaranty to be issued and delivered by or on behalf of the Construction Lender pursuant to, and which satisfies all requirements of, the Construction Phase Financing Agreement, any amendment to the letter of credit or guaranty and any replacement letter of credit, and any confirmation of the Letter of Credit issued and delivered in accordance with the Construction Phase Financing Agreement.

"**Letter of Representations**" means when all the Bonds are Book-Entry Bonds, the Blanket Letter of Representations executed by the Issuer and delivered to the Securities Depository, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"**Loan**" means the loan made by the Issuer to the Borrower pursuant to the Financing Agreement for the purpose of providing funds to the Borrower to finance the acquisition and construction of its Mortgaged Property.

"**Loan Documents**" means, collectively, the Note, the Security Instrument and all other documents, agreements and instruments evidencing, securing or otherwise relating to the 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 Loan Document and neither document is secured by the Security Instrument.

"**Loan Fund**" means the Loan Fund created by Section 5.1.

"**Loan Servicer**" means the multifamily mortgage loan servicer designated from time to time by the Credit Provider.

"**Mandatory Tender Date**" means any date on which Bonds are required to be tendered pursuant to Section 4.2, including any Adjustment Date, Substitution Date, Extension Date or date specified by the Trustee as provided in Section 4.2(b).

"**Maturity Date**" means [_____] or in the event the Bonds are adjusted to the Fixed Rate Mode and a Sinking Fund Schedule is established, the maturity date of all serial Bonds, if any.

"**Maximum Rate**" means 12 percent per annum; *provided, however*, that, with respect to the Bonds, the Maximum Rate may be increased not to exceed 20 percent per annum, if the Trustee receives (i) the written consent of the Credit Provider, the Issuer and the Borrower to a specified higher Maximum Rate not to exceed the lesser of the maximum rate permitted by law to be paid on the Bonds and the maximum rate chargeable on the Loan, (ii) an opinion of Bond Counsel to the effect that such higher Maximum Rate is permitted by law and will not adversely affect either the validity of the Bonds or the exclusion of the interest payable on the Bonds from gross income for federal income tax purposes, and (iii) a new or amended Credit Facility in an amount equal to the sum of (A) the then outstanding principal amount of the Bonds and (B) the new Interest Requirement calculated using the new Maximum Rate.

"**Mode**" means any of the Weekly Variable Rate, the Reset Rate and the Fixed Rate.

"**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 the Credit Provider, that assigns credit ratings.

"**Mortgaged Property**" means the mortgaged property described in the Security Instrument, together with all facilities, improvements, fixtures and personal property (to the extent of the Borrower's interest therein) and located on such real property.

"**Net Bond Proceeds**" means the total proceeds derived from the issuance, sale and delivery of the Bonds representing the total purchase price of the Bonds, including any premium paid as part of the purchase price of the Bonds but excluding the accrued interest, if any, on the Bonds paid by the initial purchaser(s) of the Bonds.

"**Note**" means the Note (together with all addenda thereto) dated as of the date of this Indenture, executed by the Borrower in favor of the Issuer, as it may be amended, supplemented or restated from time to time or, any mortgage note executed in substitution therefor in

accordance with the Bond Documents, as such substitute notes may be amended, supplemented or restated from time to time.

"**Note Interest**" has the meaning given to that term in the Note.

"**Operating Reserve and Security Agreement**" means the Operating Reserve and Security Agreement, dated as of the date of this Indenture, among the Borrower, the Loan Servicer, and the Credit Provider, as such agreement may be amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"**Opinion of Counsel**" means a written opinion of legal counsel, acceptable to the recipient(s) of such opinion. If the opinion is with respect to an interpretation of federal tax laws or regulations or bankruptcy matters, such legal counsel also must be an attorney or firm of attorneys experienced in such matters.

"**Outstanding**" means, when used with reference to the Bonds at any date as of which the amount of Outstanding Bonds is to be determined, all Bonds which have been authenticated and delivered under this Indenture except:

(d) Bonds cancelled or delivered for cancellation at or prior to such date;

(e) Bonds deemed to be paid in accordance with Article IX;

(f) Bonds in lieu of which others have been authenticated under Article II.

In determining whether the owners of a requisite aggregate principal amount of Outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of this Indenture, Bonds which are owned or held by or for the account of the Borrower and Pledged Bonds will be disregarded and deemed not to be Outstanding under this Indenture for the purpose of any such determination unless all Bonds are Pledged Bonds, Bonds owned or held by or for the account of the Borrower or a combination of Pledged Bonds and Bonds owned by or held for the account of the Borrower. In determining whether the Trustee will be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which are registered in the name of or known by the Trustee to be held for the account of the Borrower, including Pledged Bonds.

"**Permitted Investments**" means, to the extent authorized by law for investment of moneys of the Issuer, the following:

(a) Government Obligations.

(b) Direct obligations of, and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by, any agency or instrumentality of the United States of America (other than the Federal Home Loan Mortgage Corporation) or direct obligations of the World Bank, which obligations are rated in the Highest Rating Category.

(c) Obligations, in each case rated in the Highest Rating Category, of (i) any state or territory of the United States of America, (ii) any agency, instrumentality, authority or political

subdivision of a state or territory, or (iii) any public benefit or municipal corporation the principal of and interest on which are guaranteed by such state or political subdivision.

(d) Any written repurchase agreement entered into with a Qualified Financial Institution whose unsecured short-term obligations are rated in the Highest Rating Category.

(e) Commercial paper rated in the Highest Rating Category.

(f) Interest-bearing negotiable certificates of deposit, interest-bearing time deposits, interest-bearing savings accounts and bankers' acceptances, issued by a Qualified Financial Institution if either (A) the Qualified Financial Institution's unsecured short-term obligations are rated in the Highest Rating Category or (B) such deposits, accounts or acceptances are fully insured by the Federal Deposit Insurance Corporation.

(g) An agreement held by the Trustee for the investment of moneys at a guaranteed rate with (i) the Credit Provider, or (ii) a Qualified Financial Institution whose unsecured long-term obligations are rated in the Highest Rating Category or the Second Highest Rating Category, or whose obligations are unconditionally guaranteed or insured by a Qualified Financial Institution whose unsecured long-term obligations are rated in the Highest Rating Category or Second Highest Rating Category; *provided* that such agreement is in a form acceptable to the Credit Provider; and *provided further* that such agreement includes the following restrictions:

(1) the invested funds will be available for withdrawal without penalty or premium, at any time that (A) the Trustee is required to pay moneys from the Fund(s) established under this Indenture to which the agreement is applicable, or (B) any Rating Agency indicates that it will lower or actually lowers, suspends or withdraws the rating on the Bonds on account of the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement;

(2) the agreement, and if applicable the guarantee or insurance, is an unconditional and general obligation of the provider and, if applicable, the guarantor or insurer of the agreement, and ranks pari passu with all other unsecured unsubordinated obligations of the provider, and if applicable, the guarantor or insurer of the agreement;

(3) the Trustee receives an Opinion of Counsel, which may be subject to customary qualifications, that such agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and, if applicable, an Opinion of Counsel that any guaranty or insurance policy provided by a guarantor or insurer is legal, valid, binding and enforceable upon the guarantor or insurer in accordance with its terms; and

(4) the agreement provides that if during its term the rating of the Qualified Financial Institution providing, guaranteeing or insuring, as applicable, the agreement, is withdrawn, suspended by any Rating Agency or falls below the Second Highest Rating Category, the provider must, within 10 days, either: (A) collateralize the agreement (if the agreement is not already collateralized) with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Trustee or a third-party custodian,

such collateralization to be effected in a manner and in an amount sufficient to maintain the then current rating of the Bonds, or, if the agreement is already collateralized, increase the collateral with Permitted Investments described in paragraph (a) or (b) by depositing collateral with the Trustee or a third-party custodian, so as to maintain the then current rating of the Bonds, (B) at the request of the Trustee or the Credit Provider, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium unless required by law, or (C) transfer the agreement, guarantee or insurance, as applicable, to a replacement provider, guarantor or insurer, as applicable, then meeting the requirements of a Qualified Financial Institution and whose unsecured long-term obligations are then rated in the Highest Rating Category or the Second Highest Rating Category. The agreement may provide that the down-graded provider may elect which of the remedies to the down-grade (other than the remedy set out in (B)) to perform.

Notwithstanding anything else in this Paragraph (g) to the contrary and with respect only to any agreement described in this Paragraph or any guarantee or insurance for any such agreement which is to be in effect for any period after the Conversion Date, any reference in this Paragraph to the "Second Highest Rating Category" will be deemed deleted so that the only acceptable rating category for such an agreement, guarantee or insurance will be the Highest Rating Category.

(h) Subject to the ratings requirements set forth in this definition, shares in any money market mutual fund (including those of the Trustee or any of its Affiliates) registered under the Investment Company Act of 1940, as amended, that have been rated AAAm-G or AAAm by S&P or Aaa by Moody's so long as the portfolio of such money market mutual fund is limited to Government Obligations and agreements to repurchase Government Obligations. If approved in writing by the Credit Provider, a money market mutual fund portfolio may also contain obligations and agreements to repurchase obligations described in paragraphs (b) or (c). If the Bonds are rated by a Rating Agency, the money market mutual fund must be rated AAAm-G or AAAm by S&P, if S&P is a Rating Agency, or Aaa by Moody's, if Moody's is a Rating Agency. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the money market mutual fund must be rated AAAm-G or AAAm by S&P or Aaa by Moody's. If at any time (i) the Bonds are not rated, (ii) both S&P and Moody's rate a money market mutual fund, and (iii) one of those ratings is below the level required by this paragraph, then such money market mutual fund will, nevertheless, be deemed to be rated in the Highest Rating Category if the lower rating is no more than one rating category below the highest rating category of that rating agency.

(i) Any other investment authorized by the laws of the State, if such investment is approved in writing by the Construction Lender, the Credit Provider and each Rating Agency.

Permitted Investments shall not include any of the following:

(1) Except for any investment described in the next sentence, any investment with a final maturity or any agreement with a term greater than one year from the date of the investment. This exception (1) shall not apply to any obligation that provides for the optional or mandatory tender, at par, by the holder of such obligation at least once within

one year of the date of purchase, Government Obligations irrevocably deposited with the Trustee for payment of Bonds pursuant to Section 9.3, and Permitted Investments listed in paragraphs (g) and (i).

(2) Except for any obligation described in paragraph (a) or (b), any obligation with a purchase price greater or less than the par value of such obligation.

(3) Any asset-backed security, including mortgage-backed securities, real estate mortgage investment conduits, collateralized mortgage obligations, credit card receivable asset-backed securities and auto loan asset-backed securities.

(4) Any interest-only or principal-only stripped security.

(5) Any obligation bearing interest at an inverse floating rate.

(6) Any investment which may be prepaid or called at a price less than its purchase price prior to stated maturity.

(7) Any investment the interest rate on which is variable and is established other than by reference to a single index plus a fixed spread, if any, and which interest rate moves proportionately with that index.

(8) Any investment described in paragraph (d) or (g) with, or guaranteed or insured by, a Qualified Financial Institution described in clause (iv) of the definition of Qualified Financial Institution if such institution does not agree to submit to jurisdiction, venue and service of process in the United States of America in the agreement relating to the investment. and

(9) any investment to which S&P has added an "r" or "t" highlighter.

"**Person**" means a natural person, estate, trust, corporation, partnership, limited liability company, association, public body or any other organization or entity (whether governmental or private).

"**Pledge Agreement**" means the Pledged Bonds Custody and Security Agreement, dated as of the date of this Indenture, among the Borrower, the Trustee, as collateral agent for the Credit Provider, and the Credit Provider, as such agreement may be amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"**Pledged Bonds**" means any Bond during the period from and including the date of its purchase by the Trustee on behalf of and as agent for the Borrower with the proceeds of an Advance under the Credit Facility, to, but excluding, the date on which the Pledged Bonds Advance made by the Credit Provider on account of such Pledged Bond is reinstated under the Credit Facility.

"**Potential Default**" means, as used in any Transaction Document, any event that has occurred which, with the giving of notice or the passage of time or both, would constitute an Event of Default as described in that document. Any "Potential Default" as described in any

Transaction Document is not a "Potential Default" in any other Transaction Document unless that other Transaction Document specifically so provides.

"**Pre-Conversion Loan Equalization Payment**" has the meaning given to that term in the Note.

"**Preference Claim**" has the meaning given that term in Section 8.8.

"**Principal Amount**" means, $[**Bond Principal Amount**], the original principal amount of the Bonds on the Closing Date.

"**Principal Reserve Amount**" means 20% of the principal amount of the Bonds Outstanding immediately after the Conversion Date.

"**Principal Reserve Fund**" means the Principal Reserve Fund created by Section 5.1.

"**Principal Reserve Schedule**" means the Schedule of Deposits to Principal Reserve Fund attached to the Reimbursement Agreement, as such schedule may be amended, supplemented or restated from time to time.

"**Project Account**" means the Project Account created by Section 5.1

"**Project Account Requisition Certificate**" means a written requisition relating to the Project Account pursuant to Section 5.3(b).

"**Qualified Financial Institution**" means any of (i) bank or trust company organized under the laws of any state of the United States of America, (ii) national banking association, (iii) savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, (iv) federal branch or agency pursuant to the International Banking Act of 1978 or any successor provisions of law or a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, (v) government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, (vi) securities dealer approved in writing by the Credit Provider the liquidation of which is subject to the Securities Investors Protection Corporation or other similar corporation, and (vii) any other entity which is acceptable to the Construction Lender and the Credit Provider. With respect to an entity which provides an agreement held by the Trustee for the investment of moneys at a guaranteed rate as set out in paragraph (g) of the definition of the term "Permitted Investments" or an entity which guarantees or insures, as applicable, the agreement, a "Qualified Financial Institution" may also be a corporation or limited liability company organized under the laws of any state of the United States of America.

"**Qualified Project Costs**" means Costs of the Project (excluding Costs of Issuance) incurred after the date which is 60 days prior to the adoption of the Bond Ordinance, 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 Mortgaged Property 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 the Mortgaged Property shall constitute a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all Costs of the Project; 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 Mortgaged Property is being constructed by an Affiliate (whether as a general contractor or a subcontractor), "Qualified Project Costs" shall include only (a) the actual out-of-pocket costs incurred by such Affiliate in constructing the Mortgaged Property (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Affiliate, and (c) any overhead expenses incurred by the Affiliate of the Borrower which are directly attributable to the work performed on the Mortgaged Property, 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 Mortgaged Property of payments received by such Affiliate due to early completion of the Mortgaged Property (or any portion of it).

"**Rate Determination Date**" means (i) with respect to the Weekly Variable Rate, the Wednesday of each week, or if such Wednesday is not a Business Day the first Business Day before such Wednesday; *provided, however*, that upon any adjustment to the Weekly Variable Rate Mode from a Reset Rate, the first Rate Determination Date will be the Business Day prior to the Adjustment Date, and (ii) with respect to any Reset Rate and the Fixed Rate, the date selected by the Remarketing Agent which date must be a Business Day not less than five Business Days prior to the Adjustment Date.

"**Rating Agency**" means any nationally recognized statistical rating agency then maintaining a rating on the Bonds.

"**Rebate Analyst**" means a Person that is (i) qualified and experienced in the calculation of rebate payments under Section 148 of the Code and compliance with the arbitrage rebate regulations promulgated under the Code, (ii) chosen by the Borrower, and (iii) engaged for the purpose of determining the amount of required deposits, if any to the Rebate Fund.

"**Rebate Analyst's Fee**" means the annual continuing fee of the Rebate Analyst, if any, in the amount of $_____ for its rebate calculation services.

"**Rebate Fund**" means the Rebate Fund created by Section 5.1.

"**Record Date**" means, with respect to any Interest Payment Date, (i) if the Bonds bear interest at the Weekly Variable Rate, the Business Day before the Interest Payment Date, and (ii) if the Bonds bear interest at a Reset Rate or the Fixed Rate, the first day of the month in which the Interest Payment Date occurs.

"**Redemption Account**" means the Redemption Account of the Revenue Fund.

"**Redemption Date**" means any date upon which Bonds are to be redeemed pursuant to this Indenture.

"**Regulatory Agreement**" means the Regulatory Agreement and Declaration of Restrictive Covenants relating to the Mortgaged Property, dated as of the date of this Indenture, by the Issuer, the Trustee, and the Borrower, as the context may require, as each may be amended, supplemented or restated from time to time.

"**Reimbursement Agreement**" means the Reimbursement Agreement, dated as of the date of this Indenture, by the Credit Provider and the Borrower, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"**Remarketing Agent**" means **[NAME OF REMARKETING AGENT]** or any successor as Remarketing Agent designated in accordance with Section 4.3.

"**Remarketing Agent's Fee**" means the **[annual]** continuing fee of the Remarketing Agent for its remarketing services.

"**Remarketing Agreement**" means the Remarketing Agreement, dated as of the date of this Indenture by the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"**Remarketing Notice Parties**" means the Borrower, Issuer, Trustee, Tender Agent, Remarketing Agent, Construction Lender, Credit Provider and Loan Servicer.

"**Reserved Rights**" means those certain rights of the Issuer under the Financing Agreement 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 Mortgaged Property, 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 (including the rules and regulations of the Issuer, if any), and its right to give or withhold consent to amendments, changes, modifications and alterations to the Financing Agreement relating to the Reserved Rights.

"**Reset Date**" means any date upon which the Bonds begin to bear interest at a Reset Rate for the Reset Period then beginning.

"**Reset Period**" means each period of ten years or more selected by the Borrower, or such shorter period as may be selected by the Borrower with the prior written consent of the Credit Provider, during which the Bonds bear interest at a Reset Rate.

"**Reset Rate**" means the rate of interest borne by the Bonds as determined in accordance with Section 2.6.

"**Revenue Fund**" means the Revenue Fund created by Section 5.1.

"**Revenues**" means all (i) payments made under the Credit Facility, (ii) Investment Income (excluding Investment Income earned from moneys on deposit in the Principal Reserve Fund, the Rebate Fund, the Fees Account and the Costs of Issuance Fund, but including Investment Income

earned on Net Bond Proceeds deposited into the Costs of Issuance Fund and Investment Income on such Investment Income), and (iii) payments made under the Note.

"**S&P**" means Standard & Poor's, a Division of The McGraw-Hill Companies, Inc., 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 the Credit Provider, as assigns credit ratings.

"**Second Highest Rating Category**" means, with respect to an Investment, that the Investment is rated by each Rating Agency in the second highest rating category given by that Rating Agency for that general category of security. If at any time the Bonds are not rated (and, consequently, there is no Rating Agency), then the term "Second Highest Rating Category" means, with respect to an Investment, that the Investment is rated by S&P or Moody's in the second highest rating category given by that rating agency for that general category of security. By way of example, the Second Highest Rating Category for tax-exempt municipal debt established by S&P is "AA" for a term greater than one year, with corresponding ratings by Moody's of "Aa." If at any time (i) the Bonds are not rated, (ii) both S&P and Moody's rate an Investment, and (iii) one of those ratings is below the Second Highest Rating Category, then such Investment will not be deemed to be rated in the Second Highest Rating Category. For example, an Investment rated "AA" by S&P and "A" by Moody's is not rated in the Second Highest Rating Category.

"**Securities Depository**" means, initially, DTC and its successors and assigns, and any replacement securities depository appointed under this Indenture.

"**Security**" means the Trust Estate and the Credit Facility.

"**Security Instrument**" means the First Multifamily Mortgage Assignment of Rents, Security Agreement and Fixture Filing dated as of the date of this Indenture, together with all riders and exhibits, securing the Note and the obligations of the Borrower to the Credit Provider under the Credit Facility Documents, executed by the Borrower with respect to the Mortgaged Property, as the same has been amended or conformed to the Loan and as it may be amended, supplemented or restated from time to time, or any security instrument executed in substitution therefor, as such substitute security instruments may be amended, supplemented or restated from time to time.

"**Sinking Fund Payment**" means, as of any particular date of calculation, the amount required to be paid by the Issuer on a single future date for the retirement of Outstanding Bonds which mature after such future date, but excluding any amount payable by the Issuer by reason of the maturity of a Bond or by optional redemption at the election of the Issuer.

"**Sinking Fund Payment Date**" means any of the dates on which any of the Bonds matures or is subject to redemption through the application of Sinking Fund Payments as set out in a Sinking Fund Schedule.

"**Sinking Fund Schedule**" means a schedule of principal amounts of Bonds to mature or be subject to redemption through the application of Sinking Fund Payments on the specified dates and/or a schedule of principal amounts of Bonds maturing as serial Bonds.

"**State**" means the State of Illinois.

"**Substitution Date**" means the date upon which an Alternate Credit Facility is to be substituted for the Credit Facility then in effect, which date must be an Interest Payment Date during a Weekly Variable Rate Period or an Adjustment Date which immediately follows a Reset Period.

"**Tax Certificate**" means the agreement entered into by the Borrower with respect to preserving the exclusion from federal income taxes of the interest paid on the Bonds.

"**Tax Event**" has the meaning given to that term in Section 10.1(c).

"**Tender Agent**" means the Tender Agent named in Article XI or its successor as Tender Agent under this Indenture named in accordance with such Article.

"**Tender Agent Agreement**" means any Tender Agent Agreement entered into by the Issuer, the Trustee and the Tender Agent in the event that the Trustee does not serve as Tender Agent under this Indenture, as such agreement may be amended, supplemented or restated from time to time.

"**Tender Agent's Annual Fee**" means the **[annual]** continuing fee of the Tender Agent **[equal to ___% per annum of the principal amount of the Bonds Outstanding]** payable by the Borrower as provided in the Financing Agreement, computed and payable semiannually in **[ADVANCE/ARREARS]** on each Interest Payment Date.

"**Tender Date**" means any Mandatory Tender Date or any other date on which Bondholders are permitted under this Indenture to tender their Bonds for purchase.

"**Tendered Bond**" means any Bond which has been tendered for purchase pursuant to Sections 4.1 or 4.2.

"**Termination Date**" has the meaning given to that term in the Construction Phase Financing Agreement.

"**Third-Party Fees**" means the Issuer's Fee, the Rebate Analyst's Fee, the Remarketing Agent's Fees, the Tender Agent's Fee, the Trustee's Annual Fee, and (until the Conversion Date) the Construction Lender's Fee. Neither the Fees and Expenses nor the Facility Fee is a Third-Party Fee.

"**Transaction Documents**" means the Bond Documents, the Loan Documents and the Credit Facility Documents.

"**Trust Estate**" means the property, interests, rights, money, securities and other amounts pledged and assigned pursuant to this Indenture and the property, rights, money, securities and other

amounts pledged and assigned by the Issuer to the Trustee and the Credit Provider pursuant to the Assignment.

"**Trustee's Annual Fee**" means the annual continuing trust administration fee of the Trustee equal to ___% per annum of the principal amount of the Bonds Outstanding payable by the Borrower as provided in the Financing Agreement, computed and payable semiannually in **[ADVANCE/ARREARS]** on each Interest Payment Date.

"**UCC**" means the Uniform Commercial Code of the State as in effect now or in the future, whether or not such Uniform Commercial Code is applicable to the parties or the transactions.

"**Underwriters**" means _____ and _____.

"**Week**" means any seven-day period during a Weekly Variable Rate Period beginning on Thursday and ending on and including the following Wednesday; except that:

(a) the first Week will begin on the Closing Date and end on and include the following Wednesday;

(b) the first Week of a Weekly Variable Rate Period immediately following an Adjustment Date will begin on such Adjustment Date and end on and include the following Wednesday;

(c) any Week ending immediately before an Adjustment Date will begin on a Thursday and end on the day before such Adjustment Date;

(d) the final Week will begin on a Thursday and end on the earlier of an Adjustment Date or the Maturity Date; and

(e) the first and last Weeks of a Weekly Variable Rate Period may consist of more (but not more than 13) or less than 7 days.

"**Weekly Variable Rate**" means the variable rate of interest per annum for the Bonds determined from time to time during the Weekly Variable Rate Period in accordance with Section 2.5.

"**Weekly Variable Rate Period**" means the period commencing on the Closing Date or an Adjustment Date on which the interest rate on the Bonds is adjusted from the Reset Rate to the Weekly Variable Rate and ending on the day preceding the following Adjustment Date or the Maturity Date.

"**Wrongful Dishonor**" means an uncured failure by the Credit Provider to make an Advance to the Trustee upon proper presentation of documents which conform to the terms and conditions of the Credit Facility.

Section 1.2 Rules of Construction. The rules of construction set forth in this Section 1.2 apply to this Indenture.

(a) The singular form of any word includes the plural, and vice versa, unless the context otherwise requires. The use of a pronoun of any gender includes correlative words of the other genders.

(b) All references to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or other subdivisions of this Indenture; and the words "in this Indenture," "of this Indenture," "under this Indenture" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision.

(c) Any captions, headings or titles of the several Articles, Sections and other subdivisions, and the table of contents are solely for convenience of reference and do not limit or otherwise affect the meaning, construction or effect of this Indenture or describe the scope or intent of any provision.

(d) All accounting terms not otherwise defined 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," "direction" or similar action under this Indenture by any party must be in writing and signed by a duly authorized representative of such party with a duly authorized signature.

(f) All references in this Indenture to "counsel fees," "attorneys' fees" or the like mean and include fees and disbursements allocable to in-house or outside counsel, whether or not suit is instituted, and including fees and disbursements preparatory to and during trial and appeal and in any bankruptcy or arbitration proceedings.

(g) Whenever the word "includes" or "including" is used, such word means "includes or including by way of example and not limitation."

ARTICLE II
THE BONDS

Section 2.1 Authorized Amount of Bonds. No Bonds may be issued under this Indenture except as provided in this Article. The total principal amount of Bonds that may be issued and outstanding under this Indenture is expressly limited to the Principal Amount.

Section 2.2 Issuance of Bonds. The Bonds are authorized to be issued pursuant to and in accordance with this Indenture, substantially in the form set forth in ***Exhibit A***, attached to this Indenture with such appropriate variations, legends, omissions and insertions as permitted by this Indenture. The Bonds shall (i) be designated "Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Senior Housing Project), Series 2004", (ii) be issued in their

respective Principal Amount, (iii) be dated the Closing Date, (iv) bear interest, with respect to the Bonds, from the Closing Date at the rate or rates determined as provided in Sections 2.5, 2.6, and 2.7, and (v) mature on the Maturity Date, subject to prior redemption as provided in Article III. The Bonds shall be issued as registered bonds without coupons in Authorized Denominations. The Bonds shall be numbered consecutively from R-1 upwards.

Section 2.3 Payment of Principal and Interest. The principal of and the interest and any premium on the Bonds is payable in lawful money of the United States of America to the Registered Owners at the close of business on the applicable Record Date. Payment of interest on the Bonds shall be made on each Interest Payment Date by check drawn upon the Trustee and mailed by first class mail, postage prepaid, to the addresses of the Registered Owners as they appear on the Bond Register or to such other address as may be furnished in writing by any Registered Owner to the Trustee prior to the applicable Record Date. Payment of the principal of any Bond and premium, if any, together with interest (other than interest payable on a regularly scheduled Interest Payment Date) shall be made by check only upon presentation and surrender of the Bond, on or after its maturity date or date fixed for purchase, redemption or other payment at the office of the Trustee designated for that purpose. Notwithstanding the foregoing, payment of principal of and interest and any premium on any Bond shall be made by wire transfer to any account within the United States of America designated by a Registered Owner owning $1,000,000 or more in aggregate principal amount of Bond if a written request for wire transfer in form and substance satisfactory to the Trustee is delivered to the Trustee by any such Registered Owner not less than five Business Days prior to the applicable payment date. A request for wire transfer that specifies that it is effective with respect to all succeeding payments of principal, interest and any premium will be so effective unless and until rescinded in writing by the Registered Owner at least five Business Days prior to a Record Date. If interest on the Bonds is in default, the Trustee, prior to the payment of interest, shall establish a special record date ("**Special Record Date**") for such payment. A Special Record Date may not be more than 15 nor less than ten days prior to the date of the proposed payment. Payment of defaulted interest shall then be made by check or wire transfer, as permitted above, mailed or remitted to the Registered Owners in whose names the Bonds are registered on the Special Record Date.

Section 2.4 Limited Obligations. The Bonds are limited obligations of the Issuer, payable solely from the Security. 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 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. Neither the Issuer, the State nor 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 2.5 Weekly Variable Rate Mode.

(a) **Weekly Variable Rate.** Except during a Reset Period or a Fixed Rate Period, the Bonds shall bear interest at the Weekly Variable Rate, determined from time to time pursuant to Section 2.5(b). During the Weekly Variable Rate Period, interest shall accrue on the basis of a 365- or 366-day year, as applicable, for the actual number of days elapsed.

(b) **Determination of Weekly Variable Rate.** During each Weekly Variable Rate Period, the Remarketing Agent shall determine the Weekly Variable Rate for each Week not later than 4:00 p.m. Eastern time on each Rate Determination Date. The Weekly Variable Rate shall be the minimum rate of interest necessary, in the professional judgment of the Remarketing Agent, taking into consideration prevailing market conditions, to enable the Remarketing Agent to remarket all of the Bonds on the applicable Rate Determination Date at par plus accrued interest on the Bonds for that Week. The Weekly Variable Rate so determined shall be effective for the Week for which such rate was determined. The Remarketing Agent shall provide notice of the Weekly Variable Rate before 5:00 p.m. Eastern time on the Rate Determination Date by telephone to any Beneficial Owner upon request and to the Trustee, the Loan Servicer and Construction Lender, and not later than the next Business Day to the other Remarketing Notice Parties by Electronic Means. The Weekly Variable Rate so determined by the Remarketing Agent will be conclusive and binding upon the Remarketing Notice Parties and the Registered Owners.

Section 2.6 Reset Rate Mode.

(a) **Reset Rate.** During any Reset Period, the Bonds shall bear interest at the Reset Rate determined pursuant to Section 2.6(b) for such Reset Period. During each Reset Period, interest shall accrue on the basis of a year of 360 days of twelve 30-day months.

(b) **Determination of Reset Rate.** The Remarketing Agent shall determine the Reset Rate not later than 4:00 p.m. Eastern time on the applicable Rate Determination Date. The Reset Rate shall be the minimum rate of interest necessary, in the professional judgment of the Remarketing Agent, taking into consideration prevailing market conditions, to enable the Remarketing Agent to remarket all of the Bonds on the applicable Rate Determination Date at par for the applicable Reset Period. The Remarketing Agent will provide notice of the Reset Rate before 5:00 p.m. Eastern time on the Rate Determination Date by telephone to any Beneficial Owner upon request and to the Trustee and the Loan Servicer and Construction Lender, and not later than the next Business Day to the other Remarketing Notice Parties by Electronic Means. The Reset Rate so determined by the Remarketing Agent will be conclusive and binding upon the Remarketing Notice Parties and the Registered Owners.

Section 2.7 Fixed Rate Mode.

(a) **Fixed Rate.** During the Fixed Rate Period, the Bonds shall bear interest at the Fixed Rate determined pursuant to Section 2.7(b). During the Fixed Rate Period, interest shall accrue on the basis of a year of 360 days of twelve 30-day months.

(b) **Determination of Fixed Rate**. The Remarketing Agent shall determine the Fixed Rate not later than 4:00 p.m. Eastern time on the applicable Rate Determination Date. The Fixed Rate shall be the minimum rate of interest necessary, in the professional judgment of the Remarketing Agent, taking into consideration prevailing market conditions, to enable the Remarketing Agent to remarket all of the Bonds on the Rate Determination Date at par for the Fixed Rate Period. The Remarketing Agent shall provide notice of the Fixed Rate before 5:00 p.m. Eastern time on the Rate Determination Date by telephone to the Loan Servicer and Construction Lender, and not later than the next Business Day to the other Remarketing Notice Parties by Electronic Means. The Fixed Rate so determined by the Remarketing Agent will be conclusive and binding upon the Remarketing Notice Parties and the Registered Owners.

Section 2.8 Mode Adjustments.

(a) **Adjustment to Reset Rate from Weekly Variable Rate or from prior Reset Rate**. At the option of the Borrower, the interest rate on all Outstanding Bonds may be adjusted on any Interest Payment Date from the Weekly Variable Rate to a Reset Rate for a Reset Period of ten years or more selected by the Borrower, or such shorter period as may be selected by the Borrower with the prior written consent of the Credit Provider. Any Reset Period must end immediately before an Interest Payment Date. In addition, the interest rate on all Outstanding Bonds may be adjusted from a prior Reset Rate to a new Reset Rate on the Adjustment Date immediately following the Reset Period then in effect. Each such adjustment is subject to satisfaction of the following conditions precedent:

(1) not less than 45 days before the proposed Reset Date, the Borrower delivers (A) written notice to the other Remarketing Notice Parties of the proposed adjustment and designating the proposed Reset Date and the duration of the Reset Period to commence on such Reset Date, and (B) the written preliminary consent of the Credit Provider to such adjustment which consent may be subject to the satisfaction of conditions prior to such adjustment;

(2) not less than 30 days before the proposed Reset Date, the Trustee gives written notice to the Bondholders by first class mail, postage prepaid, stating: (A) the proposed Reset Date; (B) that from and after the proposed Reset Date, if the conditions specified in this Indenture to such adjustment are satisfied, the Bonds will bear interest at a Reset Rate (which rate need not be stated); and (C) that all Bonds are subject to mandatory tender and purchase on the proposed Reset Date, whether or not such conditions are satisfied, and no holder of any Bond shall have the right to elect to retain such Bond;

(3) on or prior to the proposed Reset Date, the Borrower delivers (A) to the Trustee and the Loan Servicer, written notice from the Credit Provider consenting to the adjustment to the Reset Rate, together with confirmation that the Credit Facility will be sufficient in amount and term to satisfy the requirements of Section 2.9, and (B) to the other Remarketing Notice Parties, an opinion of Bond Counsel to the effect that the adjustment of the interest rate on the Bonds to the Reset Rate is authorized and permitted by this Indenture and the laws of the State, and will not adversely affect the exclusion

from gross income for federal income tax purposes of the interest payable on the Bonds; and

(4) on or prior to the proposed Reset Date, the Remarketing Agent has given notice pursuant to Section 4.3(d) to the effect that all Outstanding Bonds have been remarketed for the Reset Period at the Reset Rate determined pursuant to Section 2.6(b).

(b) **Adjustment from Reset Rate to Weekly Variable Rate.** At the option of the Borrower, the interest rate on all Outstanding Bonds may be adjusted from a Reset Rate to the Weekly Variable Rate on the day following the last day of a Reset Period. Each such adjustment is subject to the satisfaction of the following conditions precedent:

(1) not less than 45 days before the proposed Adjustment Date, the Borrower delivers (A) written notice to the other Remarketing Notice Parties electing the proposed adjustment, and (B) the written preliminary consent of the Credit Provider to such adjustment which consent may be subject to the satisfaction of conditions prior to such adjustment;

(2) not less than 30 days before the proposed Adjustment Date, the Trustee gives written notice to the Bondholders by first class mail, postage prepaid, stating: (A) the proposed Adjustment Date; (B) that from and after the proposed Adjustment Date, if the conditions specified in this Indenture to such adjustment are satisfied, the Bonds will bear interest at the Weekly Variable Rate (which rate need not be stated); and (C) that all Bonds are subject to mandatory tender and purchase on the proposed Adjustment Date, and that no holder of any Bond will have the right to elect to retain such Bond;

(3) on or prior to the proposed Adjustment Date, the Borrower delivers (A) to the Trustee and the Loan Servicer written notice from the Credit Provider consenting to the adjustment to the Weekly Variable Rate, together with confirmation that the Credit Facility will be sufficient in amount and term to satisfy the requirements of Section 2.9, and (B) to the other Remarketing Notice Parties, an opinion of Bond Counsel to the effect that the adjustment of the interest rate on the Bonds to the Weekly Variable Rate is authorized and permitted by this Indenture and the laws of the State, and will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds; and

(4) on or prior to the proposed Adjustment Date, the Remarketing Agent has given notice pursuant to Section 4.3(d) to the effect that all Outstanding Bonds have been remarketed for the first Week of the Weekly Variable Rate Period at the Weekly Variable Rate determined pursuant to Section 2.5(b).

(c) **Adjustment to Fixed Rate.** At the option of the Borrower, the interest rate on all Outstanding Bonds may be adjusted to the Fixed Rate (i) from the Weekly Variable Rate on any Interest Payment Date designated by the Borrower, or (ii) from a Reset Rate (A) on the day following the last day of any Reset Period or (B) on any Interest Payment Date during a Reset Period on which the Bonds are subject to redemption pursuant to Section 3.2(a) at par without

any premium. Such adjustment is subject to the satisfaction of the following conditions precedent:

(1) not less than 45 days before the proposed Fixed Rate Adjustment Date, the Borrower deliver (A) written notice to the other Remarketing Notice Parties designating the proposed Fixed Rate Adjustment Date, and (B) the written preliminary consent of the Credit Provider to such adjustment which consent may be subject to the satisfaction of conditions prior to such adjustment;

(2) not less than 30 days before the proposed Fixed Rate Adjustment Date, the Trustee gives written notice to the Bondholders by first class mail, postage prepaid, stating the following: (A) the proposed Fixed Rate Adjustment Date; (B) that from and after the proposed Fixed Rate Adjustment Date, if the conditions specified in this Indenture to such adjustment are satisfied, the Bonds will bear interest at the Fixed Rate (which rate need not be stated); and (C) that all Bonds are subject to mandatory tender and purchase on the proposed Fixed Rate Adjustment Date, whether or not such conditions are satisfied and no holder of any Bond(s) will have the right to elect to retain its Bonds;

(3) on or prior to the proposed Fixed Rate Adjustment Date, the Borrower deliver: (A) to the Trustee, either (1) written notice from the Credit Provider consenting to the adjustment to the Fixed Rate, together with confirmation that the Credit Facility will be sufficient in amount and term to satisfy the requirements of Section 2.9, or (2) a written waiver from the Issuer of the requirement for a Credit Facility during the Fixed Rate Period so long as the Credit Facility then in effect remains in effect for the mandatory tender of the Bonds on the proposed Fixed Rate Adjustment Date (which waiver will acknowledge that the Rating Agency has been notified not less than ten days prior to the Fixed Rate Adjustment Date that the Credit Facility will be terminated on the Fixed Rate Adjustment Date); and (B) to the other Remarketing Notice Parties, an opinion of Bond Counsel to the effect that the adjustment of the interest rate on the Bonds to the Fixed Rate is authorized and permitted by this Indenture and the laws of the State, and will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds;

(4) on or prior to the proposed Fixed Rate Adjustment Date, the Remarketing Agent has given notice pursuant to Section 4.3(d) to the effect that all Outstanding Bonds have been remarketed for the Fixed Rate Period at the Fixed Rate determined pursuant to Section 2.7(b); and

(5) on or prior to the proposed Fixed Rate Adjustment Date (A) the Issuer, at the written direction of the Borrower and with the prior written consent of the Credit Provider, establishes a Sinking Fund Schedule, (B) the Issuer, the Trustee and the Credit Provider receive an opinion of Bond Counsel to the effect that establishing a Sinking Fund Schedule will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds, and (C) the Note is amended, with the prior written consent of the Credit Provider, to provide for principal amortization of the Loan consistent with the Sinking Fund Schedule.

(d) **Adjustment During the Construction Period**. Notwithstanding anything to the contrary in this Section 2.8, no change in Mode to take effect prior to the Conversion Date shall be made unless the Construction Lender consents to such change in writing.

(e) The Trustee shall provide a copy of the Sinking Fund Schedule, opinion of Bond Counsel, and the Note amendment to the Loan Servicer on or before the proposed Adjustment Date.

Section 2.9 Credit Facility Requirement. So long as the Bonds bear interest at the Weekly Variable Rate or at a Reset Rate, one or more Credit Facilities providing credit support for the Loan or the Bonds and liquidity support for the Bonds must be in effect. If the Bonds bear interest at the Fixed Rate, one or more Credit Facilities providing credit support for the Loan or the Bonds must be in effect unless the Issuer has expressly waived such requirement in writing. When delivered, each Credit Facility shall satisfy the following requirements:

(a) the Credit Facility shall be in an amount equal to the aggregate principal amount of the Bonds Outstanding from time to time plus the Interest Requirement;

(b) the Credit Facility shall provide for payment in immediately available funds to the Trustee, upon receipt of the Trustee's request for such payment with respect to any Interest Payment Date, purchase date (if applicable) or mandatory redemption date pursuant to this Indenture;

(c) if the Credit Facility is provided to secure Bonds during a Reset Period, the Credit Facility shall provide an expiration date no earlier than the earliest of (i) the day following the Adjustment Date immediately succeeding the Reset Period, (ii) ten days after the Trustee receives notice from the Credit Provider of an Event of Default under a Reimbursement Agreement and a direction to redeem all Outstanding Bonds, (iii) the date on which all Bonds are paid in full and this Indenture is discharged in accordance with its terms, and (iv) the date on which the Bonds become secured by an Alternate Credit Facility in accordance with the terms of this Indenture and the Credit Facility; and

(d) unless waived by the Issuer in its sole discretion, the Credit Facility shall result in the Bonds receiving a short-term rating in the highest rating category of each Rating Agency or a long-term rating in one of the three highest rating categories of each Rating Agency, or both, as applicable for the Mode then in effect.

Section 2.10 Certain General Provisions Concerning Modes and Interest Rates.

(a) **Failure to Satisfy Conditions Precedent to Mode Change**. If the conditions precedent to a change in Mode set forth in Sections 2.8 and 2.9 have not been satisfied, then the following will apply:

(1) The new Mode shall not take effect.

(2) The Bonds shall be subject to mandatory tender on the proposed Adjustment Date and the holders of the Bonds will not have the right to elect to retain their Bonds.

(3) If the Mode in effect immediately prior to the proposed Adjustment Date is the Weekly Variable Rate, the interest rate on the Bonds shall continue at the Weekly Variable Rate from and after the proposed Adjustment Date, without any further action by any party.

(4) If the Mode in effect immediately prior to the proposed Adjustment Date is a Reset Rate, the interest rate on the Bonds shall be adjusted on the proposed Adjustment Date to the Weekly Variable Rate if the Trustee and the Credit Provider receive an opinion of Bond Counsel to the effect that the change to a Weekly Variable Rate will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. If such an opinion is not delivered, the interest rate on the Bonds shall be adjusted on the proposed Adjustment Date to a new Reset Rate for the shortest Reset Period ending on an Interest Payment Date which would enable the Remarketing Agent to remarket the Bonds on the proposed Adjustment Date at par with the Bonds bearing interest at the lowest possible rate, but in no event greater than the Reset Rate in effect for the Reset Period immediately prior to the proposed Adjustment Date or such higher rate to which the Credit Provider may consent from time to time without any further action by any party other than the selection of the Reset Period and the remarketing of the Bonds so long as the Trustee and the Credit Provider receive an opinion of Bond Counsel to the effect that the change to such Reset Period will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes. If such opinion is not delivered, the Bonds shall remain at the Reset Rate in effect for the immediately prior Reset Period, with a Reset Period equal to the Reset Period previously in effect without any further action by any party other than the remarketing of the Bonds.

(5) The Remarketing Agent will remarket the Bonds on the Adjustment Date at the applicable interest rate.

(b) **Failure by Remarketing Agent to Determine Weekly Variable Rate.** If the Remarketing Agent fails or refuses to determine the Weekly Variable Rate applicable for any Week, the interest rate to be borne by the Bonds during such Week shall be the latest BMA Index Rate published on or before the Rate Determination Date, or, in the event the BMA Index Rate is no longer published, the last Weekly Variable Rate determined by the Remarketing Agent.

(c) **Maximum Interest Rate.** Notwithstanding any other provision of this Indenture, the interest rate on the Bonds may not exceed the Maximum Rate.

(d) **Alternate Credit Facility.** Notwithstanding anything to the contrary in this Indenture, the consent of the Credit Provider to a change in Mode shall not be required if (i) an Alternate Credit Facility satisfying the requirements of Section 2.9 will be in effect on the Adjustment Date, and (ii) the Credit Facility then in effect will remain available for mandatory

tenders of Bonds on the Adjustment Date. Each opinion of Bond Counsel relating to a change in Mode required to be delivered to the Credit Provider must also be delivered to the Alternate Credit Provider.

(e) **Reimbursement Agreement Default.** Notwithstanding anything to the contrary contained in this Indenture, in the event that the Credit Provider gives written notice to the Issuer and the Trustee that the Borrower has defaulted in performing any of its obligations under Section 6.5 (Fannie Mae Right to Convert to Reset Rate, Fixed Rate) of the Reimbursement Agreement, then the Credit Provider shall be entitled to exercise all rights of the Borrower to adjust the Mode and the Borrower shall not be entitled to exercise any such rights unless and until the Borrower gives written notice, acknowledged in writing by the Credit Provider, to the Issuer, the Loan Servicer and the Trustee that either (i) such default has been cured or waived, or (ii) the Credit Provider has consented to the Borrower's resumption of the exercising of such rights. Such acknowledgement or consent by the Credit Provider shall not preclude the Credit Provider from exercising its rights under this subsection upon the occurrence of any subsequent default by the Borrower under a Reimbursement Agreement. Any notice from the Credit Provider to the Issuer and the Trustee of a default under the Reimbursement Agreement as set forth in this subsection must state whether or not it is also intended to constitute a notice described in Section 10.1(a)(4).

Section 2.11 Temporary Bonds. If definitive Bonds are not ready for delivery on the Closing Date, the Issuer shall execute, and at the request of the Issuer, the Trustee shall authenticate and deliver one or more temporary typewritten, printed or lithographed Bonds in any Authorized Denomination, in fully registered form, and in substantially the form provided for definitive Bonds with appropriate omissions, insertions and variations. The Issuer shall cause definitive Bonds to be prepared and to be executed and delivered to the Trustee. Upon presentation to it of any temporary Bond, the Trustee shall cancel the same and authenticate and deliver in exchange therefor, without charge to the owner of such Bond a definitive Bond or Bonds of an equal aggregate principal amount of Authorized Denominations, of the same maturity and series, and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged, the temporary Bonds will in all respects be entitled to the same benefit and security of this Indenture as the definitive.

Section 2.12 Execution. The Bonds shall be signed by the manual or facsimile signature of an Authorized Officer and attested by the manual or facsimile signature of an Authorized Attesting Officer under the official seal, or a facsimile of the official seal, of the Issuer. In case any officer whose signature or a facsimile of whose signature appears on any Bonds ceases to be such officer before the delivery of such Bonds such signature or such facsimile will nevertheless be valid and sufficient for all purposes as if such officer had remained in office until delivery.

Section 2.13 Authentication. Only such Bonds as have endorsed on them a certificate of authentication substantially in the form of the Bond set forth in ***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 has been manually executed by the Trustee. Such executed certificate upon any 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 representative of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds.

Section 2.14 Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond of the same maturity, interest rate, principal amount, series and tenor in lieu of and in substitution for the mutilated, lost, stolen or destroyed Bond *provided, however*, that in the case of any mutilated Bond the mutilated Bond must first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond there must be first furnished to the Trustee evidence satisfactory to it of the ownership of the Bond and of the loss, theft or destruction, together with indemnity satisfactory to the Trustee and the Issuer and compliance with such other reasonable requirements as the Trustee and the Issuer may prescribe. If any such Bond will mature within the ensuing 60 days, or if such Bond has been called for redemption or a redemption date pertaining to such Bond has passed, instead of replacing the Bond the Trustee may, upon receipt of such indemnity, pay the Bond on such maturity date or redemption date. The Trustee shall cancel any mutilated Bond surrendered to it. In connection with any such substitution or payment, the Issuer and the Trustee may charge the holder of such Bond their reasonable fees and expenses, including attorneys' fees and expenses.

If, after the delivery of such replacement Bond the original Bond in lieu of which such replacement Bond was issued is presented for payment or registration, the Trustee shall seek to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom and shall be entitled to recover from the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Trustee, the Borrower or the Issuer in connection therewith.

Section 2.15 Securities Depository Provisions.

(a) **Registration in the Book-Entry System**. Initially, all Bonds shall be Book-Entry Bonds. All Bonds shall be registered initially in the name of Cede & Co., as nominee of DTC. The Issuer and the Trustee acknowledge that they have executed and delivered a Letter of Representations with DTC. All payments of principal of, redemption premium, if any, and interest on the Book-Entry Bonds and all notices with respect thereto, including notices of full or partial redemption, shall be made and given at the times and in the manner set out in the Letter of Representations. This Indenture shall govern in the event of any inconsistency between this Indenture and the Letter of Representations. The Letter of Representations may be amended without Bondholder consent.

(b) **Exculpation**. With respect to Book-Entry Bonds, neither the Issuer, the Trustee, the Credit Provider, the Loan Servicer, the Construction Lender nor the Borrower will have any responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository ("**DTC Participant**") or to any person on behalf of whom such a DTC Participant directly or indirectly holds an interest in the Bonds ("**Indirect Participant**"). Without limiting the immediately preceding sentence, the Issuer, the Trustee, the Credit Provider, the Loan Servicer, the Construction Lender and the Borrower will have no responsibility or obligation with respect to (i) the accuracy of the records

of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any Indirect Participant or any other person, other than DTC, as Bondholder, of any notice with respect to the Bonds, including any notice of redemption, (iii) the payment to any DTC Participant or Indirect Participant or any other Person, other than DTC, as Bondholder, of any amount with respect to principal of, premium, if any, or interest on, the Bonds, (iv) any consent given by DTC, or (v) selection of Bonds for redemption. The Issuer, the Borrower, the Credit Provider, the Loan Servicer and the Trustee shall treat DTC or any successor securities depository as, and deem DTC or any successor securities depository to be, the absolute owner of the Bonds for all purposes whatsoever and neither the Issuer, the Borrower nor the Trustee shall have any responsibility or obligation to any Beneficial Owner of any Book-Entry Bond. While in the DTC system, no person other than DTC will receive a Bond certificate with respect to any Bond.

(c) **Successor Securities Depository; Transfers Outside Book-Entry System.** DTC may discontinue providing its services with respect to the Bonds at any time by giving written notice to the Issuer, the Trustee, the Remarketing Agent, the Tender Agent and the Borrower and by discharging its responsibilities with respect to the Bonds under applicable law. The Issuer or the Borrower, with the consent of the other, may terminate the services of DTC. If the Borrower is in default under any Bond Document or any Loan Document, the Issuer will not be required to obtain the consent of the Borrower to terminate the services of DTC. Without the consent of the Issuer, the Borrower may terminate the services of DTC if the Tender Agent is not a DTC Participant. Upon the discontinuance or termination of the services of DTC, unless a substitute securities depository is appointed to undertake the functions of DTC under this Indenture, the Issuer, at the expense of the Borrower, shall provide Bond certificates to the Trustee for delivery to the Beneficial Owners of the Bonds, and the Bonds may be registered in whatever name or names the Registered Owners transferring or exchanging Bonds designate to the Trustee in writing. The Trustee may appoint a successor depository operating a securities depository system, qualified to act as such under Section 17A of the Securities Exchange Act of 1934, as amended, as may be acceptable to the Issuer.

Section 2.16 Bond Registrar; Exchange and Transfer of Bonds; Persons Treated as the Bondholders.

(a) **Bond Registrar; Bond Register.** The Trustee shall act as the initial Bond Registrar and in such capacity shall keep the Bond Register for the registration of the Bonds and for the registration of transfer of the Bonds.

(b) **Transfers and Exchanges.** Any Bondholder or its attorney duly authorized in writing may transfer title to or exchange a Bond upon surrender of the Bond at the Designated Office of the Trustee together with a written instrument of transfer (in substantially the form of assignment, including signature guarantee, attached to the Bond) satisfactory to the Trustee executed by the Bondholder or its attorney duly authorized in writing. Upon surrender for registration of transfer of any Bond, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the Bondholder or its transferee or transferees a new Bond or Bonds of the same aggregate principal amount, rate of interest, maturity, series and tenor as the Bond surrendered and of any Authorized Denomination. If Fannie Mae is the Credit Provider, any purported transfer to Fannie Mae (other than a transfer of Pledged Bonds if Fannie Mae has

become the owner of the Mortgaged Property and would be required to advance funds under the Credit Facility in connection with a mandatory purchase of Bonds) must be accompanied by the written consent of the General Counsel and the Controller of Fannie Mae.

(c) **Exceptions to Transfers and Exchanges**. Except as provided in Section 4.1, the Trustee will not be required to register any transfer or exchange of any Bond (or portion of any Bond) during the 15-day period immediately before the selection of Bonds for redemption, and from and after notice calling such Bonds (or portion of such Bonds) for redemption or partial redemption has been given and prior to such redemption.

(d) **Charges**. Registrations of transfers or exchanges of Bonds shall be without charge to the Bondholders, but any taxes or other governmental charges required to be paid with respect to a transfer or exchange shall be paid by the Bondholder requesting the registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge made by the Trustee for any such registration, transfer or exchange shall be paid by the Borrower.

(e) **Recognized Owners**. The Person in whose name any Bond is registered on the Bond Register will be deemed the absolute owner of such Bond for all purposes, and payment of any principal, interest and premium will be made only to or upon the order of such Person or its attorney duly authorized in writing, but such registration may be changed as provided above. 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.

(f) **Bonds Protected**. All Bonds issued upon any registration of transfer or exchange of Bonds will be legal, valid and binding limited obligations of the Issuer, evidencing the same debt, and entitled to the same security and benefits under this Indenture, as the Bonds surrendered upon such transfer or exchange.

(g) **Issuer's Reliance**. In executing any Bond upon any exchange or registration of transfer provided for in this Section, the Issuer may rely conclusively on a representation of the Trustee that such execution is required.

Section 2.17 Cancellation. All Bonds which have been surrendered pursuant to Section 2.3 or Article III for payment upon maturity or redemption prior to maturity or Bonds which are deemed canceled or are canceled pursuant to Section 4.4(b) will be canceled by the Trustee and will not be reissued. Unless otherwise directed by the Issuer, the Trustee shall treat such Bonds in accordance with its document retention policies or as may be directed by the law of the State.

Section 2.18 Conditions for Delivery of Bonds. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Bonds and deliver them to or for the account of the Underwriters or to such Persons as the Underwriters specify, in each case in the records of DTC; *provided, however*, that prior to delivery of the Bonds to the Underwriters each of the following must be delivered to the Trustee:

(a) a certified copy of the Bond Ordinance authorizing the execution and delivery on behalf of the Issuer of the Bond Documents to which it is a party and related matters;

(b) executed original counterparts of the Bond Documents, the Loan Documents, the Construction Phase Credit Documents and all other agreements, documents and instruments to be executed and delivered on the Closing Date by the parties to those agreements, documents and instruments, and the original executed Credit Facility;

(c) opinions of Bond Counsel, addressed to the Trustee and the Issuer, to the effect that the Bonds have been duly and validly authorized, issued and delivered and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, that the interest payable on the Bonds is excludable from gross income for federal income tax purposes and that the Issuer has the power to enter into the Bond Documents to which it is a party and each of the Bond Documents to which the Issuer is a party has been duly and validly authorized, executed and delivered by the Issuer and each constitutes the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to customary qualifications on enforceability;

(d) a written request and authorization by the Issuer (acting through an Authorized Officer) to the Trustee to authenticate and deliver the Bonds to or for the account of the Underwriters upon receipt from the Underwriters of $_____;

(e) receipt from the Underwriters of $_____;

(f) receipt from the Borrower of the Costs of Issuance Deposit;

(g) evidence, acceptable to the Credit Provider and the Loan Servicer, of proper recordation of the Security Instrument, the Regulatory Agreement and the Assignment or a title insurance binder acceptable to the Credit Provider and the Loan Servicer insuring the "gap" in a manner acceptable to the Credit Provider and the Loan Servicer; and

(h) written evidence that the Bonds have been assigned a rating in the Highest Rating Category by the Rating Agency rating the Bonds.

ARTICLE III
REDEMPTION OF BONDS

Section 3.1 Redemption. The Bonds are subject to redemption prior to maturity only as set forth in this Article III. All redemptions must be in Authorized Denominations.

Section 3.2 Optional Redemption.

(a) **General Provisions.** The Bonds are subject to optional redemption in whole or in part upon optional prepayment of the Loan by the Borrower. Redemptions pursuant to this Section 3.2 will be made at the following times and at the following prices:

(1) On any Interest Payment Date within a Weekly Variable Rate Period and on any Adjustment Date at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the Redemption Date.

(2) On any date within a Reset Period at the respective redemption prices set forth in the table below expressed as percentages of the principal amounts of the Bonds called for redemption, such redemption prices declining [____] percent each year until such redemption price equals 100 percent of the principal amount of the Bonds, plus accrued interest, if any, to the Redemption Date:

Term of Reset Period	No-Call Period	Redemption Price	No Premium

The Borrower and the Remarketing Agent, not less than 15 days before any Reset Date, may give notice to the Issuer, the Credit Provider, the Loan Servicer, the Construction Lender and the Trustee setting forth a redemption schedule different from that set forth above, accompanied by (A) the written consent of the Credit Provider of the Credit Facility to be in effect for the ensuing Reset Period, and (B) an opinion of Bond Counsel to the effect that such change will not adversely affect the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. Such different redemption schedule will apply to any redemption pursuant to this Section 3.2(a)(2) for the new Reset Period, without further action by any party.

(3) On any date within the Fixed Rate Period, at the respective redemption prices set forth below expressed as percentages of the principal amounts of the Bonds called for redemption, such redemption prices declining [_____] percent each year until such redemption price equals 100 percent of the principal amount of the Bonds, plus accrued interest, if any, to the Redemption Date:

Term of Fixed Rate Period	No-Call Period	Redemption Price	No Premium

The Borrower and the Remarketing Agent may, not less than 15 days before the Fixed Rate Adjustment Date, give notice to the Issuer, the Credit Provider, the Loan Servicer,

the Construction Lender and the Trustee setting forth a redemption schedule different from that set forth in this paragraph, accompanied by (A) the written consent of the Credit Provider of the Credit Facility, if any, to be in effect for the ensuing Fixed Rate Period, and (B) opinion(s) of Bond Counsel to the effect that such change will not adversely affect the exclusion from gross income for federal income tax purposes of interest payable on the Bonds. Such different redemption schedule shall apply to any redemption pursuant to this Section 3.2(a)(3) for the Fixed Rate Period, without further action by any party.

(b) **Premium from Available Moneys other than the Credit Facility.** The principal of and accrued interest on any Bond being redeemed under Section 3.2(a) shall be paid from an Advance under the Credit Facility and the premium, if any, must be paid with other Available Moneys. Neither the Issuer, the Credit Provider nor the Loan Servicer shall have any obligation to provide funds to be included in any premium.

Section 3.3 Mandatory Redemption. The Bonds are subject to mandatory redemption as provided in this Section 3.3 on the earliest practicable Redemption Date for which timely notice of redemption can be given pursuant to Section 3.4 following the occurrence of the event requiring such redemption. The principal of and accrued interest on any Bond being redeemed under this Section shall be paid from an Advance under the Credit Facility. Bonds will be redeemed at a redemption price equal to 100 percent of the principal amount of such Bonds plus accrued interest to the Redemption Date. Bonds subject to mandatory redemption in part shall be redeemed in Authorized Denominations or shall be redeemed in such amounts so that the Bonds Outstanding following the redemption are in Authorized Denominations. If the Trustee receives an amount for the mandatory redemption of Bonds which is not equal to a whole integral multiple of the Authorized Denomination, the Trustee shall redeem Bonds in an amount equal to the next lowest whole integral multiple of the Authorized Denomination to the amount received by the Trustee and hold any excess amount in the Redemption Account.

(a) **Casualty or Condemnation**. The Bonds shall be redeemed in whole or in part in the event and to the extent that proceeds of insurance from any casualty to, or proceeds of any award from any condemnation of, or any award as part of a settlement in lieu of condemnation of, the Mortgaged Property ("**Proceeds**") are applied in accordance with the Security Instrument to the prepayment of the Loan.

(b) **After an Event of Default under a Reimbursement Agreement.** The Bonds shall be redeemed in whole or in part in an amount specified by and at the direction of the Credit Provider requiring that the Bonds be redeemed pursuant to this subsection following any Event of Default under the Reimbursement Agreement. The Redemption Date shall be the earliest practicable date, but in no event shall such redemption occur later than two Business Days prior to the date, if any, that the Credit Facility terminates on account of the Credit Provider's giving of direction to the Trustee pursuant to this subsection to redeem all of the Bonds.

(c) **Principal Reserve Fund.** The Bonds shall be redeemed in whole or in part as follows:

(1) on each Adjustment Date in an amount equal to the amount which has been transferred from the Principal Reserve Fund on such Adjustment Date to the Redemption Account pursuant to Section 5.12(b)(5); and

(2) on any Interest Payment Date in an amount equal to the amount which has been transferred from the Principal Reserve Fund on such Interest Payment Date to the Redemption Account pursuant to Section 5.12(b)(6).

(d) **Sinking Fund Redemption**. The Bonds shall be redeemed during the Fixed Rate Period if the Issuer has established a Sinking Fund Schedule, at the times and in the amounts set forth in the Sinking Fund Schedule (subject to the provisions of Section 5.5(c) permitting amounts to be credited toward part or all of any one or more Sinking Fund Payments).

(e) **Pre-Conversion Loan Equalization**. The Bonds shall be redeemed in part in the event that the Borrower makes a Pre-Conversion Loan Equalization Payment. The principal amount of Bonds to be redeemed shall be the amount prepaid by the Borrower or, if such amount is not an integral multiple of an Authorized Denomination, the next lowest integral multiple of an Authorized Denomination to the amount prepaid.

(f) **Failure of Conversion or Borrower Default**. The Bonds shall be redeemed in whole if the Credit Provider notifies the Trustee that (i) the Conditions to Conversion have not been satisfied on or prior to the Termination Date, or (ii) the Borrower Default has occurred, or (iii) the Construction Lender has directed Fannie Mae to draw on the Letter of Credit due to an event of default by the Borrower under the Construction Phase Loan Agreement or the Construction Phase Reimbursement Agreement. The Bonds shall also be redeemed in whole at the time and as otherwise required by Section 5.3(c)(2) if the Trustee purchases the Bonds for the account of the Construction Lender pursuant to Section 3.8.

(g) **Excess Loan Funds**. The Bonds shall be redeemed in whole or in part in the event and to the extent that amounts on deposit in the Loan Fund are transferred to the Redemption Account pursuant to Section 5.3(c)(1).

Section 3.4 Notice of Redemption to Registered Owners.

(a) **Notice Requirement**. For any redemption of Bonds pursuant to Section 3.2 or 3.3 (other than subsections (b) and (d)), the Trustee shall give notice of redemption by first class mail, postage prepaid, not less than ten days prior to the specified Redemption Date, to the Registered Owner of each Bond to be redeemed at the address of such Registered Owner as shown on the Bond Register. With respect to Book-Entry Bonds, if the Trustee sends notice of redemption to the Securities Depository pursuant to the Letter of Representations, the Trustee shall not be required to give the notice set forth in the immediately preceding sentence. In the case of any redemption of Bonds pursuant Section 3.3(b) immediate notice of redemption will be given. In the case of any redemption pursuant to Section 3.3(d), the Trustee will give notice of redemption as provided in Section 5.5(c)(3). In the case of an optional redemption under Section 3.2, the notice of redemption shall state that it is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds including Available Moneys to pay any redemption premium in full ("**Conditional Redemption**"), and such notice and optional redemption shall be

of no effect if either (i) by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds and sufficient Available Moneys to pay any redemption premium have not been deposited with the Trustee, or if such moneys are deposited, are not available or (ii) the Trustee at the direction of the Credit Provider rescinds such notice on or prior to the scheduled redemption date. The Trustee shall cause a second notice of redemption to be sent by first class mail, postage prepaid, on or within ten days after the 30th day after the Redemption Date to any Bondholder who has not submitted its Bond to the Trustee for payment. The Trustee shall provide copies of all notices given under this Section and of all revocations of notices to the Credit Provider, the Loan Servicer and the Construction Lender at the same time it gives notices to Bondholders.

(b) **Content of Notice**. Each notice of redemption must state (i) the date of the redemption notice, (ii) the Closing Date and the complete official name of the Bonds, including the series designation, (iii) for each Bond to be redeemed, the interest rate or that the interest rate is variable, maturity date and in the case of a partial redemption of Bonds, the principal amount of each Bond to be redeemed, (iv) the CUSIP numbers of all Bonds being redeemed, (v) the place or places where the Bonds to be redeemed must be surrendered for payment and where amounts due upon such redemption will be payable upon surrender of the Bonds to be redeemed, (vi) the Redemption Date and redemption price of each Bond to be redeemed, (vii) the name, address, telephone number and contact person at the office of the Trustee with respect to such redemption, (viii) that interest on all Bonds to be redeemed will not accrue from and after the Redemption Date, (ix) if a redemption is a Conditional Redemption, that redemption is conditional upon receipt by the Trustee of sufficient moneys to redeem the Bonds including Available Moneys to pay any redemption premium, and (x) that the Credit Provider may direct the Trustee to cancel such redemption upon the occurrence of any Event of Default under the Reimbursement Agreement.

(c) **Additional Notice**. At the same time notice of redemption is sent to the Registered Owners the Trustee shall send notice of redemption by first class mail, overnight delivery service or other overnight means, postage or service prepaid (or as specified below) (i) to the Rating Agency, (ii) if the Bonds are not subject to the Book-Entry System, to certain municipal registered Securities Depositories (described below) which are known to the Trustee, on the second Business Day prior to the date the notice of redemption is mailed to the Bondholders, to be holding Bonds, and (iii) at least two of the national Information Services (described below) that disseminate securities redemption notices. For this purpose:

(1) Securities Depositories include: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax: (516) 227-4039 or 4190; or, in accordance with the then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories or any such other depositories as the Issuer may designate in writing to the Trustee; and

(2) Information Services include: Financial Information, Inc. "Daily Called Bond Service," 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services, "Called Bond Service," 65 Broadway, 16th Floor, New York, New York 10004; Moody's Investors Service "Municipal and Government," 99 Church Street, 8th Floor, New York, New York 10007, Attention:

Municipal News Reports; and Standard and Poor's Ratings Group "Called Bond Record," 25 Broadway, New York, New York 10004; or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds, or any other such services as the Issuer may designate in writing to the Trustee.

(d) **Validity of Proceedings for the Redemption of Bonds**. If notice is given as stated in subsection (a), failure of any Bondholder to receive such notice, or any defect in the notice, shall not affect the redemption or the validity of the proceedings for the redemption of the Bonds.

(e) **Rescission of Conditional Redemption; Cancellation of Optional Redemption**. The Trustee shall rescind any Conditional Redemption if the requirements of Section 3.2(b) have not been met on or before the Redemption Date or the Trustee has received a direction to cancel the Conditional Redemption from the Credit Provider. The Trustee shall give notice of rescission by the same means as is provided in this Section for the giving of notice of redemption or by Electronic Means confirmed in writing. The optional redemption shall be canceled once the Trustee has given notice of rescission. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and neither the rescission nor the failure of funds being made available in part or in whole on or before the Redemption Date shall constitute an Event of Default. Notwithstanding notice having been given in the manner provided above, any optional redemption of Bonds shall be canceled with the consent of or at the direction of the Credit Provider if the Credit Provider has notified the Trustee in writing that an Event of Default under a Reimbursement Agreement has occurred.

Section 3.5 **Redemption Payments**. If notice of redemption has been given and the conditions for such redemption, if applicable, have been met, the Bonds called for redemption shall become due and payable on the Redemption Date, interest on those Bonds will cease to accrue from and after the Redemption Date and the called Bonds will no longer be Outstanding. The holders of the Bonds so called for redemption shall thereafter no longer have any security or benefit under this Indenture except to receive payment of the redemption price for such Bonds upon surrender of such Bonds to the Trustee. All moneys held by or on behalf of the Trustee for the redemption of particular Bonds will be held in trust for the account of the holders of the Bonds to be redeemed. If less than the entire principal amount of a Bond is called for redemption, the Issuer shall execute, and the Trustee shall authenticate and deliver, upon the surrender of such Bond to the Trustee, without charge by the Issuer or the Trustee to the Bondholder, in exchange for the unredeemed principal amount of such Bond, a new Bond or Bonds of the same interest rate, maturity and term, in any Authorized Denomination, in aggregate principal amount equal to the unredeemed balance of the principal amount of the Bond so surrendered.

Section 3.6 **Selection of Bonds to be Redeemed Upon Partial Redemption**. If less than all the Outstanding Bonds are called for redemption, the Trustee shall select by lot, in such manner as it determines in its discretion, the Bonds, or portions of the Bonds in Authorized Denominations, to be redeemed. In the selection process (i) any Pledged Bonds Outstanding will be called for redemption before any other Bonds are selected for redemption, and (ii) if applicable, the Bonds with the highest interest rate will be called for redemption before any other

Bonds are selected for redemption. For the purposes of this Section, Bonds which have previously been selected for redemption will not be deemed Outstanding. Notwithstanding the foregoing, the Securities Depository for Book-Entry Bonds shall select the Bonds for redemption within particular maturities according to its stated procedures.

Section 3.7 Purchase of Bonds in Lieu of Redemption. If the Bonds are called for redemption in whole or in part, the Bonds called for redemption may be purchased in lieu of redemption in accordance with this Section.

(a) **Purchase in Lieu of Redemption**. Purchase in lieu of redemption shall be available for all of the Bonds called for redemption or for such lesser portion of such Bonds as constitute Authorized Denominations. The Credit Provider or the Borrower with the written consent of the Credit Provider may direct the Trustee to purchase all or such lesser portion of the Bonds so called for redemption. In no event will Fannie Mae in its capacity as Credit Provider purchase Bonds for its own account in lieu of redemption without the prior written consent of the General Counsel to Fannie Mae. Any such direction to the Trustee must:

(1) be in writing;

(2) state either that all of the Bonds called for redemption are to be purchased or, if less than all of the Bonds called for redemption are to be purchased, identify those Bonds to be purchased by maturity date and outstanding principal amount in Authorized Denominations; and

(3) be received by the Trustee no later than 12:00 noon one Business Day prior to the Redemption Date.

If so directed, the Trustee shall purchase such Bonds on the date which otherwise would be the Redemption Date. Any of the Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by this Indenture on the Redemption Date.

(b) **Withdrawal of Direction to Purchase**. On or prior to the scheduled redemption date, any direction given to the Trustee pursuant to this Section or any consent given by the Credit Provider to such a direction may be withdrawn by written notice to the Trustee. Subject generally to this Indenture, should a direction to purchase or the consent of the Credit Provider be withdrawn, the scheduled redemption of such Bonds shall occur.

(c) **Purchaser**. If the purchase is directed by the Credit Provider, the purchase shall be made for the account of the Credit Provider or its designee. If the purchase is directed by the Borrower with the consent of the Credit Provider, the purchase shall be made for the account of the Borrower or their designee.

(d) **Purchase Price**. The purchase price of the Bonds shall be equal to the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, which would have been payable on such Bonds on the Redemption Date for such redemption. To pay the purchase price of such Bonds, the Trustee shall use such funds, if any, in:

(1) the Credit Facility Account to pay the principal and interest components of the purchase price; and

(2) the Redemption Account to pay the redemption premium component of the purchase price;

that the Trustee would have used to pay the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, that would have been payable on the redemption of such Bonds on the Redemption Date. Otherwise, the Trustee shall pay the purchase price only from Available Moneys. The Trustee shall not purchase the Bonds pursuant to this Section if by no later than the Redemption Date, sufficient moneys have not been deposited with the Trustee, or such moneys are deposited, but are not available.

(e) **No Notice to Bondholders.** No notice of the purchase in lieu of redemption shall be required to be given to the Bondholders (other than the notice of redemption otherwise required under this Indenture).

Section 3.8 Special Purchase in Lieu of Redemption.

(a) **Purchase Option.** If all Bonds Outstanding are called for redemption in whole under Section 3.3(f) at any time that the Letter of Credit is in effect, the Bonds may, in lieu of such redemption, be purchased ("**Special Purchase Bonds**") by the Trustee, at the written direction of the Construction Lender to the Trustee, for the account of the Construction Lender. Any purchase of Bonds pursuant to this Section 3.8(a) shall be in whole and not in part. Such purchase shall be made on the date the Bonds are otherwise scheduled to be redeemed ("**Special Purchase Date**"). The purchase price of the Special Purchase Bonds ("**Special Purchase Price**") shall be equal to the principal amount of the Special Purchase Bonds, plus accrued interest, if any, on the Special Purchase Bonds to the Special Purchase Date. The payment source shall consist solely of funds to be advanced by the Credit Provider under the Credit Facility in connection with such redemption together with Available Moneys otherwise available under this Indenture to pay the redemption price of the Special Purchase Bonds as directed by the Credit Provider.

(b) **Special Purchase Bonds.** Bonds to be purchased under Section 3.8(a) which are not delivered to the Trustee on the Special Purchase Date shall be deemed to have been so purchased and not redeemed on the Special Purchase Date and shall cease to accrue interest as to the former owner on the Special Purchase Date. Special Purchase Bonds shall be registered in the name of the Construction Lender or any third party designated by the Construction Lender and shall be delivered to the party designated by the Construction Lender. If delivery of the Bonds is not possible, the Trustee shall deliver a written entitlement order to the applicable financial intermediaries on whose records ownership of the Special Purchase Bonds is reflected directing the intermediaries to credit the security entitlement to the Special Purchase Bonds to the account of the Construction Lender. Following such purchase, the registered owner of the Special Purchase Bonds shall be the owner of such Bonds for all purposes under this Indenture and interest accruing on such Bonds from and after the Special Purchase Date shall be payable solely to the registered owner of the Special Purchase Bonds.

(c) **Notice**. Notice of the election by the Construction Lender to purchase Bonds otherwise called for redemption shall be delivered in writing to the Trustee, the Credit Provider, the Loan Servicer and the Rating Agency not less than eight days prior to the date otherwise scheduled for redemption of the Bonds.

(d) **Bonds Remain Outstanding**. It is the intention of the Issuer that the purchase of Bonds pursuant to this Section 3.8 shall not constitute a merger or extinguishment of the indebtedness of the Issuer evidenced by the Bonds so purchased or of the indebtedness of the Borrower under the Loan. Special Purchase Bonds shall for all purposes be regarded as Outstanding under this Indenture, except as otherwise expressly provided in this Indenture. Upon the purchase of any Bond pursuant to this Section 3.8, the notice of redemption previously given with respect to such Bond shall be deemed to be a notice of mandatory tender of such Bond.

(e) **Rights of the Credit Provider**. Notwithstanding anything contained in this Indenture to the contrary, in no event shall the Credit Facility (or any funds advanced under the Credit Facility) directly or indirectly secure, or provide a source of payment of amounts due from time to time with respect to, the Special Purchase Bonds. In no event shall Fannie Mae be deemed to be the owner of any Special Purchase Bond whether pursuant to this Section 3.8 or otherwise.

(f) **Limitations on Transfer of Bonds**. Notwithstanding Section 2.16, Special Purchase Bonds registered in the name of the Construction Lender pursuant to subsection (a) may not be transferred to another registered owner without the written approval of the Issuer and only in compliance with all applicable securities laws; *provided, however,* that such approval shall not be required if at the time of such transfer, the Special Purchase Bonds have a current investment grade rating from the Rating Agency. Any such approved transfer must be of all of the Outstanding Bonds to a single registered owner.

ARTICLE IV
PURCHASE AND REMARKETING OF BONDS

Section 4.1 Purchase of Bonds on any Business Day.

(a) **Optional Tender**. During any Weekly Variable Rate Period, the Trustee shall purchase any Bond on behalf of and as agent for the Borrower, but solely from the sources provided in Section 4.1(g), on the demand of the Beneficial Owner of such Bond. The purchase price of any Bond tendered for purchase shall be 100 percent of the principal amount of such Bond plus accrued interest, if any, to the date of purchase. The Beneficial Owner may demand purchase of its Bond by delivery of a Bondholder Tender Notice complying with the requirements of this subsection to the Tender Agent at its Designated Office on any Business Day. Any Bondholder Tender Notice received by the Tender Agent after 3:30 p.m. Eastern time on a Business Day will be treated as received at 9:00 a.m. Eastern time on the following Business Day. The date of purchase shall be the date selected by the Beneficial Owner in the Bondholder Tender Notice; *provided, however,* that such date is a Business Day which is at least

seven days after the date of the delivery of the Bondholder Tender Notice to the Tender Agent. A Bondholder Tender Notice complies with the requirements of this subsection if it:

(1) is accompanied by a guaranty of signature acceptable to the Tender Agent; and

(2) contains the CUSIP number of the Bond, the principal amount to be purchased (or portion of a Bond, *provided* that the retained portion is an Authorized Denomination), the name, address and tax identification number or social security number of the Beneficial Owner of the Bond demanding such payment and the purchase date.

(b) **Irrevocability of Tender**. Subject to Section 4.1(h), by delivering a Bondholder Tender Notice the Beneficial Owner irrevocably agrees to deliver the Tendered Bond (with an appropriate transfer of registration form executed in blank and accompanied by a guaranty of signature satisfactory to the Tender Agent) to the Designated Office of the Tender Agent or any other address designated by the Tender Agent at or prior to 10:00 a.m. Eastern time on the date of purchase specified in the Bondholder Tender Notice. Any election by a Beneficial Owner to tender a Bond or Bonds (or portion of a Bond or Bonds) for purchase on a Business Day in accordance with Section 4.1(a) shall also be binding on any transferee of the Beneficial Owner making such election.

(c) **Compliance with Tender Requirements**. Bonds shall be required to be purchased pursuant to Section 4.1(a) only if the Bonds so delivered to the Tender Agent conform in all respects to the description of such Bonds in the Bondholder Tender Notice. The Tender Agent shall determine in its sole discretion whether a Bondholder Tender Notice complies with the requirements of Section 4.1(a) and whether Bonds delivered conform in all respects to the description of the Bonds in the Bondholder Tender Notice. Such determination shall be binding on the other Remarketing Notice Parties and the Beneficial Owner of the Bonds.

(d) **Notice of Bondholder Tender Notice**. Immediately upon receipt of a copy of a Bondholder Tender Notice, the Tender Agent shall notify the other Remarketing Notice Parties by telephone, promptly confirmed in writing, of such receipt, specifying the contents of such Bondholder Tender Notice.

(e) **Untendered Bonds**. If after delivery of a Bondholder Tender Notice to the Tender Agent the holder making such election fails to deliver any of the Bonds described in the Bondholder Tender Notice as required by Section 4.1(b), each untendered Bond or portion of such untendered Bond ("**Untendered Bond**") described in such Bondholder Tender Notice shall be deemed to have been tendered to the Tender Agent for purchase, to the extent that there is on deposit in the Bond Purchase Fund on the applicable purchase date an amount sufficient to pay the purchase price of such Untendered Bond, and such Untendered Bond from and after such purchase date will cease to bear interest and no longer be considered to be Outstanding. The Trustee shall promptly give notice by registered or certified first class mail, postage prepaid, to each Beneficial Owner of any Bond which has been deemed to have been purchased pursuant to this Section, stating that interest on such Untendered Bond ceased to accrue from and after the date of purchase and that moneys representing the purchase price of such Untendered Bond are

available against delivery of such Untendered Bond at the Designated Office of the Tender Agent. The Issuer shall sign and the Tender Agent shall authenticate and deliver for redelivery a new Bond or Bonds in replacement of the Untendered Bond not so delivered. The replacement of any Bond will not be deemed to create new indebtedness, but will be deemed to evidence the indebtedness previously evidenced by the Untendered Bond.

(f) **Purchase of Bond in Part.** Upon surrender of any Bond for purchase in part only, the Issuer shall execute and the Tender Agent shall authenticate and deliver to the holder of such Bond a new Bond or Bonds of the same maturity and interest rate, of Authorized Denominations, in an aggregate principal amount equal to the unpurchased portion of the Bond surrendered.

(g) **Payment and Sources of Purchase Price.** The Tender Agent shall make payment for any Tendered Bond to the Registered Owner at or before 4:00 p.m. Eastern time on the date for purchase specified in the Bondholder Tender Notice, **first** from remarketing proceeds on deposit in the Bond Purchase Fund, **second**, from proceeds of a payment under the Credit Facility, and **third**, from the Borrower.

(h) **Book-Entry-Only.** Notwithstanding the above, during any period that the Bonds are Book-Entry Bonds, (i) any Bondholder Tender Notice also must (A) provide evidence satisfactory to the Tender Agent that the party delivering the notice is the Beneficial Owner of the Bond(s) or a custodian for the Beneficial Owner referred to in the notice, and (B) if the Beneficial Owner is other than a DTC Participant, identify the DTC Participant through whom the Beneficial Owner will direct transfer, (ii) on or before the purchase date, the Beneficial Owner must direct (or if the Beneficial Owner is not a DTC Participant, cause its DTC Participant to direct) the transfer of said Bond(s) on the records of DTC to the account of, or as directed by, the Trustee, (iii) Tendered Bond(s) will be purchased without physical delivery as if such Bond(s) had been so delivered, and (iv) the purchase price of such Bond(s) will be paid to DTC.

Section 4.2 Mandatory Tender and Purchase.

(a) **Mandatory Tender Dates (Other Than Upon Default); Notice.** The holders of the Bonds shall be required to tender their Bonds to the Tender Agent for purchase on each Mandatory Tender Date by the Trustee acting on behalf of and as agent for the Borrower, but solely from the sources provided in Section 4.2(d), at a purchase price equal to 100 percent of the principal amount of the Bonds plus accrued interest to the applicable Mandatory Tender Date. The Owner of any Bond may not elect to retain its Bond. Mandatory Tender Dates include each Adjustment Date (even if a proposed change in Mode fails to occur), each Substitution Date and each Extension Date. The Trustee shall give notice of Mandatory Tender Dates as follows:

(1) Not less than 30 days before any proposed Adjustment Date, the Trustee shall give notice by first class mail, postage prepaid, to the Bondholders stating the information required to be set forth in notices pursuant to the applicable provisions of Sections 2.8(a)(2), 2.8(b)(2), 2.8(c)(2) or 2.8(d).

(2) Not less than ten days before any Substitution Date, the Trustee shall give notice by first class mail, postage prepaid, to the Bondholders stating (A) an Alternate Credit Facility will be substituted for the Credit Facility then in effect, (B) the Substitution Date, (C) that the Bonds are required to be tendered on the Substitution Date, and (D) that Bondholders will not have the right to elect to retain their Bonds.

(3) Not less than ten days before any Extension Date, if the Trustee has not received a binding commitment to extend the Credit Facility, the Trustee shall give notice by first class mail, postage prepaid, to the Bondholders stating (i) the Extension Date and that no commitment to extend the Credit Facility then in effect has been received by the Trustee, (ii) that such Bonds are required to be tendered on the Extension Date (unless an extension of the Alternate Credit Facility is received prior to the Extension Date), and (iii) that the Bondholders will not have the right to elect to retain such Bonds if an extension of the Credit Facility is not received.

(b) **Mandatory Tender upon Default; Notice.** The Bonds shall be subject to mandatory tender upon receipt by the Trustee of written notice from the Credit Provider stating that an Event of Default under a Reimbursement Agreement has occurred and directing that the Bonds be subject to mandatory tender. Such mandatory tender shall be made on the earliest practicable date, after notice of tender has been given to Bondholders and shall be payable solely from the sources provided in Section 4.2(d)(2) at a purchase price equal to 100 percent of the principal amount of the Bonds plus accrued interest to the Mandatory Tender Date. The Owner of any Bond may not elect to retain its Bond. Immediately upon receipt by the Trustee of such written notice from the Credit Provider, the Trustee shall give notice by first class mail, postage prepaid, to the owners of the Bonds stating that (i) such event has occurred, (ii) the Bonds are required to be tendered on the Mandatory Tender Date specified in such notice, and (iii) the Bondholders will not have the right to elect to retain their Bonds.

(c) **Untendered Bond.** Any Untendered Bond which is not tendered on a Mandatory Tender Date will be deemed to have been tendered to the Tender Agent as of such Mandatory Tender Date, and, from and after such Mandatory Tender Date, shall cease to bear interest and no longer will be considered to be Outstanding. In the event of a failure by owners to deliver Bonds on the Mandatory Tender Date, such Owners will not be entitled to any payment (including any interest to accrue from and after the Mandatory Tender Date) other than the purchase price for such Untendered Bond, and any Untendered Bond will no longer be entitled to the benefits of this Indenture, except for the purpose of payment of the purchase price for such Untendered Bond. The Issuer shall sign, and the Tender Agent shall authenticate and deliver to the Remarketing Agent for redelivery to the purchaser, a new Bond in replacement of the Untendered Bond. The replacement of any such Untendered Bond shall not be deemed to create new indebtedness, but shall be deemed to evidence the indebtedness previously evidenced by the Untendered Bond.

(d) **Payment and Sources of Purchase Price.** The Tender Agent shall make payment for Bonds purchased pursuant to this Section at or before 4:00 p.m. Eastern time on the Mandatory Tender Date. The Trustee shall pay the purchase price:

(1) for Bonds purchased pursuant to Section 4.2(a), **first** from remarketing proceeds on deposit in the Bond Purchase Fund, **second**, from proceeds of a payment under the Credit Facility, and **third**, from the Borrower

(2) for Bonds purchased pursuant to Section 4.2(b) **first**, from proceeds of a payment under the Credit Facility, and **second**, from the Borrower.

(e) **Purchase Price Moneys Held in Trust**. Following any Mandatory Tender Date, moneys deposited with the Tender Agent for the purchase of Bonds shall be held in trust in the Bond Purchase Fund and shall be paid to the former owners of such Bonds upon presentation of such Bonds at the Designated Office of the Tender Agent. The Tender Agent shall promptly give notice by registered or "certified first class" mail, postage prepaid, to each Registered Owner of Bonds whose Bonds are deemed to have been purchased stating that interest on such Bonds ceased to accrue on the date of purchase and that moneys representing the purchase price of such Bonds are available against delivery of such Bonds at the Designated Office of the Tender Agent. During any period that the Bonds are Book-Entry Bonds, (i) any notice delivered pursuant to this Section 4.2(e) shall be given only to the entity designated in the Letter of Representations, as required by Section 3.4(a), and (ii) it shall not be necessary for Bond(s) to be physically delivered on the date specified for purchase of such Bond(s), but such purchase shall be made as if such Bond(s) had been so delivered, and the purchase price of such Bond(s) shall be paid to DTC.

Section 4.3 Remarketing of Bonds.

(a) **Resignation and Removal of Remarketing Agent.**

(1) **Resignation of Remarketing Agent; Termination of Existence**. The Remarketing Agent may resign by giving no less than 30 days prior written notice to the other Remarketing Notice Parties, but in no event shall such resignation take effect prior to the date a successor Remarketing Agent is appointed and is serving under this Indenture and the Remarketing Agreement. Upon receipt of such notice or upon termination of the Remarketing Agent's corporate existence, the Borrower, with the prior written consent of the Credit Provider, shall appoint a successor Remarketing Agent, which must be a trust company or bank or investment bank in good standing, within or without the State. If the Borrower fails or refuses to make such appointment prior to the effective date of the resignation set forth in such notice, or upon such termination of existence, the Credit Provider may appoint a successor Remarketing Agent by written notice to the other Remarketing Notice Parties.

(2) **Removal of Remarketing Agent**. The Borrower may remove the Remarketing Agent, with the prior written consent of the Credit Provider, at any time by a written notice to the other Remarketing Notice Parties, but unless specifically approved by the Credit Provider, such removal will not become effective until a successor Remarketing Agent satisfactory to the Credit Provider is appointed. If (A) an Event of Default has occurred and is continuing under a Reimbursement Agreement, or (B) the Remarketing Agent has failed to fulfill any of its duties and obligations under this Indenture or the Remarketing Agreement, the Credit Provider may remove the

Remarketing Agent by written notice to the other Remarketing Notice Parties and appoint a successor Remarketing Agent.

(b) **Commercially Reasonable Efforts to Remarket Tendered Bonds.** In accordance with Sections 2.5, 2.6 and 2.7, the Remarketing Agent shall offer for sale and use its commercially reasonable efforts to remarket, on or prior to each applicable Tender Date:

(1) all Bonds identified in a Bondholder Tender Notice delivered to the Tender Agent;

(2) all Bonds required to be tendered upon delivery of notice under Section 4.2(a)(1) and 4.2(a)(2);

(3) all Bonds required to be tendered pursuant to Section 4.2(a)(3) but only if an Alternate Credit Facility has been delivered to the Trustee; and

(4) all Bonds required to be tendered upon delivery of notice pursuant to Section 4.2(b) but only if the Credit Provider directs that such Bonds be remarketed.

The Remarketing Agent shall offer such Bonds for sale at par plus accrued interest, if any.

(c) **Preliminary Notice of Remarketing**. The Remarketing Agent will give notice by telephone (immediately confirmed by Electronic Means) not later than 4:00 p.m. Eastern time (unless a mandatory tender pursuant to Section 4.2(b) is scheduled, in which case the Remarketing Agent will give such notice not later than 11:00 a.m. Eastern time) on the Business Day preceding each Tender Date, as follows:

(1) to the other Remarketing Notice Parties specifying the total principal amount of Tendered Bonds, if any, (A) that have been remarketed for settlement on such Tender Date, (B) that remain unremarketed at such time, and (C) that in its best good faith estimate will remain unremarketed as of 10:00 a.m. Eastern time on the Tender Date; and

(2) to the Trustee, specifying the name, address and taxpayer identification number or social security number of each purchaser as well as the denominations of the Bonds to be issued to such purchaser.

(d) **Final Notice of Remarketing**. Not later than 10:00 a.m. Eastern time on the Tender Date, the Remarketing Agent shall give notice by Electronic Means to the other Remarketing Notice Parties (immediately confirmed in writing, together with instructions to the Tender Agent as to the manner in which any Bonds that have been remarketed are to be registered) specifying as follows:

(1) the principal amount of Bonds remarketed (together with the information required to be specified in Section 4.3(c) if not already provided);

(2) the amount of remarketing proceeds on deposit with the Tender Agent;

(3) the amount of Bonds to be purchased that have not been remarketed at the time of such notice; and

(4) the amount required to be paid under the Credit Facility, except that;

the information specified in paragraphs (3) and (4) is not relevant to a remarketing described in Section 4.3(b)(4) and the Remarketing Agent need not give such information in that circumstance. Upon receipt of such notice, the Trustee shall draw on the Credit Facility pursuant to Section 8.2 in the amount necessary to pay the purchase price of the Bonds for which remarketing proceeds are not available.

(e) **Payment of Purchase Price**. Upon delivery (except as otherwise provided in, but subject to the tendering Beneficial Owner's compliance with, Section 4.1(h)) of Tendered Bonds to or upon the order of the Remarketing Agent, the Remarketing Agent shall deliver to the Tender Agent at its Designated Office, in immediately available funds, an amount equal to the purchase price of the total principal amount of Bonds specified in the notice given by the Remarketing Agent pursuant to Section 4.3(d), plus accrued interest, if any, on such Bonds.

(f) **Prohibited Remarketing**. Except as otherwise provided in this Indenture, the Remarketing Agent shall not remarket any Bonds directly to the Issuer, the Borrower, any Affiliate of the Borrower, or any guarantor of the Loan.

(g) **Remarketing Agent's Own Account**. The Remarketing Agent may, but is not obligated to, acquire for its own account any Bonds delivered to it, but not otherwise remarketed. The Remarketing Agent may purchase and sell Bonds for its own account at any time.

(h) **Periodic Notice to Credit Provider**. The Remarketing Agent shall provide the Credit Provider with a notice, in form satisfactory to the Credit Provider, by the next Business Day after the first Rate Determination Date in each calendar month, setting forth the name and telephone number of the person providing the notice, the name of the Remarketing Agent and the principal amount of Bonds tendered for remarketing that remain unremarketed as of the close of business on such Rate Determination Date, or, if no Bonds were so tendered, indicating that no Bonds were tendered. The Credit Provider may waive its right to receive such notice(s) from time to time in writing.

(i) **Notices of Rate Determination Date and Nonpayment of Fees**. On or before a Rate Determination Date other than during a Weekly Variable Rate Period, the Remarketing Agent shall notify the other Remarketing Notice Parties of the date selected as the Rate Determination Date. The Remarketing Agent will promptly notify the Loan Servicer if the fees and expenses of the Remarketing Agent have not been paid under the Remarketing Agreement.

(j) **Duties of Trustee Concerning Remarketed Bonds**. Unless the Bonds are then Book-Entry Bonds, the Trustee shall deliver, or cause to be delivered, at the Designated Office of the Tender Agent, Bonds remarketed by the Remarketing Agent, before 1:00 p.m. Eastern time on the applicable purchase date or Mandatory Tender Date; *provided, however*, that prior to delivery of the Bonds to such purchasers the amount available under the Credit Facility to secure

the Bonds must equal the principal amount of the Bonds Outstanding (other than Pledged Bonds) plus the Interest Requirement.

Section 4.4 Pledged Bonds.

(a) **No Credit Facility Support.** The Credit Facility shall not constitute security or provide liquidity for Pledged Bonds.

(b) **Ownership and Pledge of Pledged Bonds.** Pledged Bonds shall be owned by the Borrower and pledged to the Custodian under the Pledge Agreement for the benefit of the Credit Provider. As set forth in the Pledge Agreement, the Tender Agent shall either (i) ensure that Pledged Bonds are delivered to the Custodian, or (ii) if, and only if, delivery of the Bonds is not possible, deliver a written entitlement order to the applicable financial intermediaries on whose records ownership of the Pledged Bonds is reflected directing the intermediaries to credit the security entitlement to the Pledged Bonds to the account of the Custodian for the benefit of the Credit Provider and deliver to the Custodian a written confirmation of such credit, whether or not the Borrower notifies the Remarketing Agent to do so. The Trustee shall cancel Pledged Bonds upon the written direction of the Credit Provider.

(c) **Remarketing of Pledged Bonds.** At such time as a Pledged Bond is remarketed by the Remarketing Agent, the Trustee or the Tender Agent, as appropriate, shall (i) remit the proceeds from the remarketing to the Credit Provider, (ii) pursuant to Section 8(e) of the Credit Facility, submit a Certificate in the form of ***Exhibit F*** attached to the Credit Facility, and (iii) give written notice to the Remarketing Agent, the Borrower, the Loan Servicer and the Credit Provider that such Bond is no longer a Pledged Bond. During the occurrence and continuation of an Event of Default under this Indenture or the Reimbursement Agreement, no Pledged Bond shall be remarketed without the consent of the Credit Provider. No Pledged Bond shall be remarketed unless the Trustee takes such action, if any, required by the Credit Facility to reinstate the Credit Facility for a like amount.

Section 4.5 No Sales After Wrongful Dishonor; No Purchase After Acceleration. Notwithstanding anything in this Indenture to the contrary, no Bonds shall be remarketed if the Trustee has given notice to the Remarketing Agent that a Wrongful Dishonor has occurred and is continuing. No Bonds, other than Pledged Bonds, shall be purchased if the Trustee has given notice to the Remarketing Agent that there has occurred and is continuing an acceleration of the Bonds pursuant to Section 10.2.

ARTICLE V
FUNDS AND ACCOUNTS

Section 5.1 Creation of Funds and Accounts. The following Funds and Accounts are created with the Trustee:

(a) the Loan Fund and within the Loan Fund, the Project Account, the Capitalized Moneys Account and the Equity Account;

(b) the Revenue Fund and within the Revenue Fund, the Interest Account, the Credit Facility Account, the Redemption Account, the Borrower Bond Account, and the Fees Account;

(c) the Costs of Issuance Fund and within the Costs of Issuance Fund, the Costs of Issuance Deposit Account and the Net Bond Proceeds Account;

(d) the Rebate Fund;

(e) so long as any Bonds are Outstanding and have not been adjusted to the Fixed Rate, the Bond Purchase Fund; and

(f) the Principal Reserve Fund.

The Trustee shall hold and administer the above Funds and Accounts in accordance with this Indenture.

Section 5.2 Initial Deposits.

(a) On the Closing Date, the Trustee shall make the following deposits:

(1) $_____ of the Net Bond Proceeds into the Project Account of the Loan Fund; and

(2) $_____ of Net Bond Proceeds into the Capitalized Moneys Account of the Loan Fund; and

(3) $_____ of amounts contributed by or on behalf of the Borrower to the Equity Account of the Loan Fund

(4) $_____ into the Costs of Issuance Deposit Account of the Costs of Issuance Fund received from the Borrower and representing the Costs of Issuance Deposit and $_____ of Net Bond Proceeds to the Net Bond Proceeds Account of the Costs of Issuance Fund to be applied to pay Costs of Issuance; and

(b) In addition, from time to time, the Trustee shall deposit into the Equity Account of the Loan Fund amounts received by the Trustee from or at the direction of the Borrower which the Borrower or Construction Lender directs in writing to be deposited into the Equity Account of the Loan Fund

Section 5.3 Loan Fund.

(a) **Disbursements from the Capitalized Moneys Account.** Until the earlier of (i) the depletion of the Capitalized Moneys Account and (ii) the Conversion Date (the Conversion Date being included as a date on which or for which, as the case may be, the Trustee is directed to perform this function), the Trustee shall automatically transfer amounts on deposit in the Capitalized Moneys Account as follows:

(1) Interest on the Note. Not later than three Business Days prior to each Interest Payment Date, the Trustee shall transfer to the Interest Account an amount equal to the interest which shall be payable on such Interest Payment Date by the Borrower under the Note;

(2) Facility Fee to the Credit Provider. Not later than three Business Days prior to each Interest Payment Date, the Trustee shall transfer to the Interest Account an amount equal to the amount of the Facility Fee payable to the Credit Provider under the Reimbursement Agreement; and

(3) Certain Other Fees. Not later than three Business Days prior to the date on which any Third-Party Fee is due, the Trustee shall transfer to the Fees Account, the amount of such Third-Party Fee.

Transfers from the Capitalized Moneys Account shall, so long as the Letter of Credit is outstanding, be made no later than three Business Days prior to the respective dates on which such payments are due. The Trustee shall immediately notify the Construction Lender and Fannie Mae if sufficient funds are not available to make the transfers as and when required by this paragraph.

(b) **Disbursements from the Project Account and Equity Account**. The Trustee shall disburse amounts on deposit in the Project Account and the Equity Account as provided in the following subsections for the sole purpose of paying the Costs of the Project.

(1) Project and Equity Account Requisitions. The Trustee shall make disbursements from the Project Account and Equity Account only upon the receipt of a Project/Equity Account Requisition Certificate, in the form of ***Exhibit B*** attached to this Indenture, signed by an Authorized Borrower Representative and countersigned by an Authorized Construction Lender Representative. The Trustee shall have no duty to determine whether any requested disbursement from the Project Account complies with the applicable Construction Phase Credit Documents. The countersignature of the Authorized Construction Lender Representative on a Project/Equity Account Requisition Certificate shall be deemed a certification and, insofar as the Trustee and the Issuer are concerned, constitute conclusive evidence, that all of the terms, conditions and requirements of the applicable Construction Phase Credit Documents applicable to the disbursement have been fully satisfied or waived. The Trustee shall, immediately upon each receipt of a completed Project/Equity Account Requisition Certificate signed by the Authorized Borrower Representative and countersigned by an Authorized Construction Lender Representative, initiate procedures with the provider of the Investment Agreement applicable to the Loan Fund, if any, to make withdrawals under that Investment Agreement as necessary to fund the Project/Equity Account Requisition.

(2) Timing. If a Project/Equity Account Requisition signed by the Authorized Borrower Representative and countersigned by an Authorized Construction Lender Representative, is received by the Trustee by 12:00 noon, prevailing Chicago time, on any given Business Day, the Trustee shall pay the requested disbursement within two Business Days (for this purpose, including in the definition of "Business Day" only

clauses (i) and (iii) of such definition), or, if an Investment Agreement is in effect with respect to such funds, within two Business Days after funds are received by the Trustee from the provider of the relevant Investment Agreement. If a Project/Equity Account Requisition signed by the Authorized Borrower Representative and countersigned by an Authorized Construction Lender Representative, is received by the Trustee after 12:00 noon, prevailing Chicago time, on any given Business Day, the Trustee shall pay the requested disbursement within three of the above-counted Business Days. Upon final disbursement of all amounts on deposit in the Loan Fund, the Trustee shall close the Loan Fund.

(c) **Transfers to Effect Certain Mandatory Redemptions of Bonds.**

(1) Conversion; Excess Loan Funds. On the Conversion Date (and, if applicable, from time to time after the Conversion Date) the Trustee shall transfer to the Redemption Account such amounts remaining on deposit in the Loan Fund, excluding from such transfer, however, any amount the Loan Servicer determines are required to pay Costs of the Project which are then not yet due and payable or which are then being contested in good faith. The Trustee shall apply any amounts so transferred to the redemption of Bonds pursuant to Section 3.3(g).

(2) Failure of Conversion or Borrower Default. If the Credit Provider notifies the Trustee pursuant to Section 3.3(f) that either (i) the Conditions to Conversion have not been satisfied prior to the Termination Date, or (ii) the Borrower Default has occurred or (iii) the Construction Lender has directed Fannie Mae to draw on the Letter of Credit due to an event of default by the Borrower under the Construction Phase Loan Agreement or the Construction Phase Reimbursement Agreement, then:

(A) the Trustee shall not make any further disbursement from the Project Account in accordance with subsection (b)(1); and

(B) the Trustee shall transfer any amounts remaining on deposit in the Loan Fund to the Redemption Account three Business Days prior to the Redemption Date determined for the redemption of the Bonds pursuant to Section 3.3(f).

If, however, the Trustee purchases the Bonds for the account of the Construction Lender pursuant to Section 3.8, the Trustee shall make the transfer described in clause (B) on such later date as the Construction Lender shall specify, but in any event not later than three years after the Closing Date. The Trustee shall apply any amounts so transferred to the Redemption Account to the redemption of Bonds pursuant to Section 3.3(f).

(3) Certain Other Mandatory Redemptions. Immediately prior to any mandatory redemption of the Bonds in whole pursuant to Section 3.3(a) or 3.3(f), any amounts then remaining in the Loan Fund shall, at the written direction of the Credit Provider, be transferred to the Redemption Account to be applied to the redemption of Bonds pursuant to the applicable provision.

Section 5.4 Revenue Fund - Interest Account.

(a) **Deposits into the Interest Account**. The Trustee shall deposit each of the following amounts into the Interest Account:

(1) moneys provided by or on behalf of the Borrower relating to an interest payment under the Note whether paid pursuant to Section 3.2(b)(1) of the Assignment or otherwise;

(2) moneys provided by or on behalf of the Borrower for the payment of the Facility Fee to the Credit Provider under a Reimbursement Agreement whether paid pursuant to Section 3.2(b)(4) of the Assignment or otherwise;

(3) moneys transferred from the Capitalized Moneys Account pursuant to Section 5.3(a) whether to pay accrued interest on the Bonds, the Facility Fee to the Credit Provider under a Reimbursement Agreement or otherwise;

(4) all Investment Income on the Funds and Accounts (except that Investment Income earned on amounts on deposit in the Loan Fund, Rebate Fund, Costs of Issuance Fund, and the Principal Reserve Fund shall be credited to and retained in those respective Funds or Accounts); and

(5) any other moneys made available for deposit into the Interest Account from any other source, including, but not limited to, any excess amounts in the Bond Purchase Fund pursuant to Section 5.11.

(b) **Disbursements from the Interest Account**. The Trustee shall disburse or transfer, as applicable, moneys on deposit in the Interest Account at the following times and apply such moneys in the following manner and in the following order of priority:

(1) On each (i) Interest Payment Date on or prior to the Conversion Date, (ii) Interest Payment Date after the Conversion Date during any Reset Period or Fixed Rate Period, (iii) Redemption Date, and (iv) date of acceleration of the Bonds, the Trustee shall disburse to the Credit Provider the amount of any Advance under the Credit Facility relating to the payment of interest on the Bonds;

(2) In the event of a Wrongful Dishonor until such Wrongful Dishonor is cured, the Trustee shall disburse to the Bondholders on each Interest Payment Date, an amount equal to the interest due on the Bonds on such date;

(3) On each Interest Payment Date on or prior to Conversion, to the Credit Provider the amount of its Facility Fee.

(4) If the Credit Provider or the Loan Servicer gives written notice to the Trustee at any time to the effect that there is any unreimbursed Advance under the Credit Facility or any other amount required to be paid by the Borrower to the Credit Provider under the Loan Documents, the Bond Documents or the Credit Facility Documents remains unpaid, then the Trustee shall transfer any Investment Income earned on the

Interest Account from and after the preceding Interest Payment Date or the Closing Date, as applicable, to the Credit Provider but not in an amount which exceeds the amount stated as unpaid by the Credit Provider in its notice to the Trustee; and

(5) Unless there is (A) a deficiency in the Principal Reserve Fund, the Fees Account or the Rebate Fund, or (B) other than as described in paragraph (3) above, an Event of Default under the Reimbursement Agreement or any Bond Document or a default under any Loan Document has occurred and is continuing, on each Interest Payment Date the Trustee shall disburse to the Borrower the Investment Income earned on or transferred to the Interest Account from and after the preceding Interest Payment Date or the Closing Date, as applicable. If a deficiency exists in the Principal Reserve Fund, the Fees Account or the Rebate Fund, such Investment Income shall be transferred to the Principal Reserve Fund, the Fees Account and/or the Rebate Fund, in that order of priority, prior to any payment to the Borrower.

Section 5.5 Revenue Fund - Redemption Account.

(a) **Deposits into the Redemption Account.** The Trustee shall deposit each of the following amounts into the Redemption Account:

(1) Available Moneys provided by or on behalf of the Borrower to fund the premium payable on Bonds in connection with a redemption of such Bonds, which amounts shall be held in a segregated subaccount in the Redemption Account;

(2) moneys transferred from the Loan Fund pursuant to Section 5.3(c);

(3) moneys provided by or on behalf of the Borrower relating to a principal payment, including any prepayment under the Note;

(4) moneys transferred from the Principal Reserve Fund pursuant to Section 5.12; and

(5) any other amount received by the Trustee and required by the terms of this Indenture or the Financing Agreement to be deposited into the Redemption Account.

(b) **Disbursements from the Redemption Account.** On each Redemption Date, date of acceleration of the Bonds and Maturity Date, the Trustee shall disburse from the Redemption Account (x) to the Credit Provider, the amount of any Advance under the Credit Facility relating to the payment of principal on the Bonds, or (y) in the event of a Wrongful Dishonor, to the Bondholders, an amount equal to the principal due on the Bonds on such date. In addition, on any date on which premium payable on Bonds in connection with a redemption of such Bonds is due, the Trustee shall disburse to the Bondholders, from the segregated subaccount in the Redemption Account, Available Moneys in an amount sufficient to pay such premium.

(c) **Disbursements from the Redemption Account for Sinking Fund Payments.**

(1) Application of Moneys. Provided that no notice of optional redemption has been sent to Bondholders on or prior to the 30th day preceding a Sinking Fund

Payment Date, at the written instruction of the Issuer (acting through an Authorized Officer), at the direction of the Borrower and with the prior written consent of the Credit Provider, the Trustee shall apply any moneys accumulated in the Redemption Account on or prior to the 30th day preceding such Sinking Fund Payment Date to the purchase of Bonds of the maturity for which such Sinking Fund Payment was established at prices (including any brokerage and other charges) not exceeding the redemption price for such Bonds plus accrued and unpaid interest to the date of purchase, such purchase to be made in such manner as the Trustee (after consultation with the Issuer, the Borrower and the Credit Provider) determines. The Borrower shall provide a copy of such direction to the Loan Servicer concurrently with delivery to the Trustee.

(2) Credit Toward Sinking Fund Payment. Upon the purchase of any Bond pursuant to Section 5.5(c)(1), all such Bonds will be cancelled by the Trustee and an amount equal to the principal amount of the Bonds so purchased will be credited toward the Sinking Fund Payment next due with respect to the Bonds of such maturity. In the event the Trustee is able to purchase Bonds at a price less than the redemption price at which such Bonds were to be redeemed, then, presuming no notice of redemption has been sent to Bondholders, after payment by the Trustee of the purchase price of such Bonds and after payment of any other amounts due on the due date of such Sinking Fund Payment, the Trustee shall pay an amount not greater than the difference between the amount of such purchase price and the amount of such redemption price to, or at the direction of, the Borrower.

(3) Redemption. As soon as practicable after the 30th day preceding the due date of any such Sinking Fund Payment, and otherwise as provided in Section 3.4, the Trustee shall give notice of redemption of Bonds in such amount as is necessary to complete the retirement of a principal amount of Bonds equal to the unsatisfied balance of such Sinking Fund Payment. The Trustee shall call such Bonds for redemption whether or not it then has moneys in the Redemption Account sufficient to pay the applicable redemption price of the Bonds to be redeemed on the Redemption Date. The Trustee shall pay the amount required for the redemption of the Bonds so called for redemption from the Funds specified in Article V of this Indenture, in the order of priority indicated, and such amount will be applied by the Trustee to such redemption.

Section 5.6 Revenue Fund - Credit Facility Account.

(a) **Deposits into the Credit Facility Account.** The Trustee shall deposit into the Credit Facility Account all Advances under the Credit Facility, except for (i) Advances on account of Issuer's Fee, and (ii) Pledged Bond Advances. That portion of any Advance on account of Issuer's Fee shall be deposited into the Fees Account. Any Advance for a Pledged Bond shall be deposited into the Bond Purchase Fund pursuant to Section 5.11(a)(2). No other moneys will be deposited into the Credit Facility Account and the Credit Facility Account shall be maintained as a segregated account and moneys therein shall not be co-mingled with any other moneys held under this Indenture. The Credit Facility Account shall be closed at such time as the Credit Provider has no continuing liability under the Credit Facility.

(b) **Transfers from the Credit Facility Account**. The Trustee shall cause amounts deposited into the Credit Facility Account to be applied on the date payment is due to the payments for which the Advance was made pursuant to the Credit Facility. In no event shall amounts in the Credit Facility Account be applied to the payment of principal of and interest and any premium on any Pledged Bonds or on any Bonds known by the Trustee to be held by the Borrower or any Affiliate of the Borrower. Any amounts remaining in the Credit Facility Account after making the payment for which the Advance was made pursuant to the Credit Facility shall be immediately refunded to the Credit Provider.

Section 5.7 [Reserved].

Section 5.8 Revenue Fund - Fees Account.

(a) **Deposits into the Fees Account**. The Trustee shall deposit into the Fees Account all:

(1) Capitalized Moneys Account. Moneys transferred from the Capitalized Moneys Account pursuant to Section 5.3(c);

(2) Third-Party Fees. Payments made by the Borrower under the Financing Agreement attributable to the Third-Party Fees; and

(3) Fees and Expenses. Payments made by the Borrower under the Financing Agreement attributable to the Fees and Expenses; and

(4) Amounts from the Credit Facility. Amounts derived from the Credit Facility for the payment of the Issuer's Fee attributable solely to the Bonds.

(b) **Disbursements from the Fees Account**. On any date on which any amounts are required to pay any Third-Party Fees or any Fees and Expenses, such amounts shall be withdrawn by the Trustee from the Fees Account for payment to the appropriate party; *provided, however*, that amounts derived from the Credit Facility and deposited into the Fees Account will be used only to pay the Issuer's Fee when due. In the event the amount in the Fees Account is insufficient to pay such Third-Party Fees or any Fees and Expenses, the Trustee shall make written demand on the Borrower for the amount of such insufficiency and, pursuant to the terms of the Financing Agreement, the Borrower shall be liable to promptly pay the amount of such insufficiency to the Trustee within five Business Days after the date of the Trustee's written demand. The Trustee will provide notice of the insufficiency to the Loan Servicer and, prior to the Conversion Date, to the Credit Provider and the Construction Lender.

(c) **No Other Claims to Trust Estate**. Neither the Tender Agent, the Remarketing Agent nor the Rebate Analyst shall have any right to any moneys in any Fund or Account or otherwise in the Trust Estate other than those moneys deposited pursuant to subsection (a) into the Fees Account specifically for such Person. Except as otherwise stated in Sections 5.18 and 9.2, the Issuer shall not have any right to any moneys in any Fund or Account or otherwise in the Trust Estate other than those moneys deposited pursuant to subsection (a) into the Fees Account specifically for the Issuer. Except as otherwise stated in Sections 5.16, 5.18, 9.2 and 10.10, the

Trustee shall not have any right to any moneys in any Fund or Account or otherwise in the Trust Estate or the Borrower Bond Trust Estate other than those moneys deposited pursuant to subsection (a) into the Fees Account specifically for the Trustee.

Section 5.9 Costs of Issuance Fund.

(a) **Deposits into the Costs of Issuance Fund.** On or before the Closing Date the Borrower shall deliver the Costs of Issuance Deposit to the Trustee. On the Closing Date, the Trustee shall deposit or transfer, as applicable, the Costs of Issuance Deposit into the Costs of Issuance Deposit Account of the Costs of Issuance Fund. On the Closing Date, the Trustees shall deposit any Net Bond Proceeds received to pay Costs of Issuance into the Net Bond Proceeds Account of the Costs of Issuance Fund

(b) **Disbursements from the Costs of Issuance Fund.** The Trustee shall disburse moneys on deposit in the Costs of Issuance Fund, pursuant to requisitions set for in a Requisition Certificate, a form of which is attached to this Indenture as ***Exhibit C***, signed by an Authorized Borrower Representative, to pay Costs of Issuance. The Trustee may conclusively rely on such requisitions for purposes of making such disbursements. Moneys on deposit in the Costs of Issuance Deposit Account of the Costs of Issuance Fund shall not be part of the Trust Estate and will be used solely to pay Costs of Issuance. Moneys on deposit in the Net Bond Proceeds Account of the Costs of Issuance Fund shall be part of the Trust Estate and shall be used to pay Costs of Issuance.

(c) **Disposition of Remaining Amounts.** Any moneys remaining in the (i) Costs of Issuance Deposit Account of the Costs of Issuance Fund six months after the Closing Date and not needed to pay Costs of Issuance will be transferred to the Equity Account of the Loan Fund, and/or (ii) the Net Bond Proceeds Account six months after the Closing Date and not needed to pay Costs of Issuance shall be transferred on a pro-rata basis on the original principal amount of the Loan to the Project Account. Upon final disbursement, the Trustee shall close the Costs of Issuance Fund.

Section 5.10 Rebate Fund. The Trustee shall hold and apply the Rebate Fund as provided in the Tax Certificate. Within 30 days after the end of every fifth Bond Year (as defined in the Tax Certificate), and within 55 days after the date on which no Bonds are Outstanding, the Borrower or the Trustee shall cause the Rebate Analyst to deliver to the Trustee and the Issuer a certificate stating whether any rebate payment is required to be made, as set forth in the Tax Certificate, and the Borrower shall deliver to the Trustee any amount so required to be paid.

Section 5.11 Bond Purchase Fund.

(a) **Deposits into Bond Purchase Fund.** The Trustee shall deposit each of the following into the Bond Purchase Fund:

(1) remarketing proceeds received upon the remarketing of Tendered Bonds to any person; and

(2) Pledged Bond Advances under the Credit Facility to enable the Trustee to pay the purchase price of Tendered Bonds to the extent that moneys obtained pursuant to paragraph (1) are insufficient on any date to pay the purchase price of Tendered Bonds, which amounts the Trustee shall transfer to the Tender Agent on or before 3:00 p.m. Eastern time on each Tender Date.

Subject to Section 8.3 permitting reimbursement of amounts owed to the Credit Provider, moneys in the Bond Purchase Fund shall be held uninvested and exclusively for the payment of the purchase price of Tendered Bonds. Amounts held to pay the purchase price for more than two years will be applied in the same manner as provided under Section 5.17 with respect to unclaimed payments of principal and interest.

(b) **Disbursements from the Bond Purchase Fund**. The Trustee shall transfer to the Tender Agent on or before 3:00 p.m. Eastern time on each Tender Date amounts on deposit in the Bond Purchase Fund to pay the purchase price of Tendered Bonds. The Tender Agent shall apply such amounts to pay the purchase price of Bonds purchased under this Indenture to the former owners of such Bonds upon presentation of the Bonds to the Tender Agent pursuant to Sections 4.1 or 4.2.

Section 5.12 Principal Reserve Fund.

(a) **Deposits into the Principal Reserve Fund**. The Trustee shall deposit each of the following amounts into the Principal Reserve Fund:

(1) All of the monthly payments made by the Borrower in accordance with the Schedule of Deposits to Principal Reserve Fund attached to the Reimbursement Agreement, as such schedule may be amended in accordance with the Reimbursement Agreement; and

(2) Investment Income earned on amounts on deposit in the Principal Reserve Fund.

The Trustee may rely upon the Schedule of Deposits to Principal Reserve Fund attached to each Reimbursement Agreement provided to it as of the Closing Date until it is furnished an amended schedule by the Credit Provider or the Loan Servicer.

(b) **Disbursements from the Principal Reserve Fund**. The Trustee shall pay or transfer amounts on deposit in the Principal Reserve Fund as follows:

(1) at the written direction of the Credit Provider, to the Credit Provider to reimburse the Credit Provider for any unreimbursed Advance under the Credit Facility and to pay any other amounts required to be paid by the Borrower under the Loan Documents, the Bond Documents or the Credit Facility Documents (including any amounts required to be paid to the Credit Provider);

(2) at the written direction of the Credit Provider, with the written consent of the Borrower (so long as an Event of Default has not occurred and is not continuing

under any of the Credit Facility Documents), to the Credit Provider or the Borrower, as the Credit Provider elects, to make improvements or repairs to the Mortgaged Property;

(3) at the written direction of the Credit Provider, if a default has occurred under the Credit Facility Documents, any Loan Document or any Bond Document, to the Credit Provider for any use approved in writing by the General Counsel of the Credit Provider;

(4) at the written direction of the Credit Provider, if a new mortgage and mortgage note have been substituted for the Security Instrument and the Note in accordance with the Loan Documents, or if the Borrower otherwise consents, for any purpose approved in writing by the General Counsel of the Credit Provider;

(5) on each Adjustment Date, to the Redemption Account;

(6) during a Weekly Variable Rate Period, on the tenth Business Day prior to each Interest Payment Date, all amounts on deposit in the Principal Reserve Fund (rounded downward to the nearest multiple of $100,000) in excess of the Principal Reserve Amount, to the Redemption Account.

(7) Pay to the Borrower, Investment Income on moneys in the Principal Reserve Fund on the Interest Payment Date following receipt by the Trustee of such interest or profits; *provided* that there is no deficiency in the Interest Account, the Redemption Account, the Principal Reserve Fund, the Fees Account or the Rebate Fund, and that no default exists under the Credit Facility Documents, any Loan Document or any Bond Document. If a deficiency exists in the Interest Account, the Redemption Account, the Principal Reserve Fund, the Fees Account or the Rebate Fund, the Trustee shall transfer such Investment Income to the Interest Account, the Redemption Account, the Principal Reserve Fund, the Fees Account and/or the Rebate Fund, in that order of priority, prior to any payment to the Borrower.

Section 5.13 Moneys to be Held in Trust. Except for (i) moneys deposited with or paid to the Trustee for the redemption of Bonds notice of the redemption of which has been duly given, and (ii) moneys on deposit in the Costs of Issuance Fund, the Rebate Fund and the Fees Account, all moneys required to be deposited with or paid to the Trustee for the account of any Fund or Account will be held by the Trustee in trust and, while held by the Trustee, shall constitute part of the Trust Estate and be subject to the security interest created by this Indenture.

Section 5.14 Records. The Trustee shall keep and maintain accurate records with respect to the Funds and Accounts. The Trustee shall file at least an annual accounting of the Funds and Accounts and the payment history on the Bonds and the Loan with the Issuer, the Loan Servicer and the Borrower and, upon request, with the Construction Lender and the Credit Provider. Any notices, reports or other information delivered by the Trustee to the Loan Servicer with respect to any Fund or Account also will be delivered, upon request, to the Construction Lender and the Credit Provider.

Section 5.15 Reports by the Trustee. The Trustee shall, on or before the 20th day of each month, file with the Issuer, the Construction Lender, the Loan Servicer and the Borrower a statement setting forth in respect of the preceding calendar month:

(a) the amount withdrawn or transferred and the amount deposited within or on account of each Fund and Account under this Indenture, including the amount of Investment Income on each Fund and Account transferred to the Interest Account;

(b) the amount on deposit at the end of such month to the credit of each Fund and Account;

(c) a brief description of all obligations held as an investment of moneys in each Fund and Account;

(d) the amount applied to the purchase or redemption of Bonds and a description of the Bonds or portions of Bonds so purchased or redeemed; and

(e) any other information which the Borrower, the Credit Provider, the Loan Servicer or the Issuer may reasonably request.

No monthly statement for a Fund or Account need be rendered if no activity occurred in that Fund or Account during such month. Upon the written request of any Bondholder owning 25 percent or more in aggregate principal amount of Bonds then Outstanding, the Trustee, at the Borrower's expense, shall provide a copy of such statement to the Bondholder. All records and files pertaining to the Trust Estate will be open at all reasonable times during regular business hours of the Trustee to the inspection and audit of the Issuer, the Loan Servicer, the Construction Lender, the Borrower and the Credit Provider and their agents and representatives upon reasonable prior notice.

Section 5.16 Moneys Held for Particular Bonds. The amounts held by the Trustee for payment of the interest, premium, if any, principal or redemption price due on any date with respect to particular Bonds, pending such payment, will be set aside and held in trust by the Trustee for the Bondholders entitled to such payment. For the purposes of this Indenture such interest, premium, principal or redemption price, after the due date of payment, will no longer be considered to be unpaid.

Section 5.17 Nonpresentment of Bonds. In the event any Bond is not presented for payment when the principal of such Bond becomes due, either at maturity or at the date fixed for redemption of such Bond or otherwise, if amounts sufficient to pay such Bond have been deposited with the Trustee for the benefit of the owner of the Bond and have remained unclaimed for two years after such principal has become due and payable, such amounts, to the extent amounts are owed to the Credit Provider as set forth in a written statement of the Credit Provider addressed to the Trustee, will be paid to the Credit Provider, with any excess to be paid to the Borrower. Upon such payment, all liability of the Issuer and the Trustee to the holder of any Bond for the payment of such Bond will cease and be completely discharged. The obligation of the Trustee under this Section to pay any such amounts to the Credit Provider [or the Borrower]

will be subject to any provisions of law applicable to the Trustee or to such amounts providing other requirements for disposition of unclaimed property.

Section 5.18 Disposition of Remaining Moneys. Provided that the rebate requirements referenced in the Tax Certificate are first satisfied, any amounts remaining in the Revenue Fund or the Principal Reserve Fund after payment in full of the principal of and interest and any premium on the Bonds will be applied to pay (i) **first**, to the Credit Provider any unpaid amounts certified by the Credit Provider to be due and owing to the Credit Provider, (ii) **second**, to the Person or Persons entitled to be paid, all other unpaid amounts required to be paid under this Indenture or the Financing Agreement, (iii) **third**, to the Construction Lender any unpaid amounts certified by the Construction Lender to be due and owing to the Construction Lender under the Construction Phase Credit Documents, and (iv) **fourth**, to the Issuer the balance upon the expiration or sooner cancellation or termination of the term of the Financing Agreement as provided in the Financing Agreement.

ARTICLE VI
INVESTMENTS

Section 6.1 Investment Limitations. Moneys held as part of any Fund or Account shall be invested and reinvested in Permitted Investments. Permitted Investments shall have maturities corresponding to, or shall be available for withdrawal without penalty no later than, the dates upon which such moneys shall be needed for the purpose for which such moneys are held. Moneys on deposit in the (i) Interest Account shall be invested only in investments described in paragraphs (a), (b), (c), and (h) of the definition of Permitted Investments, (ii) Redemption Account shall be invested only in investments described in paragraph (a) of the definition of Permitted Investments, with a term not exceeding the earlier of 30 days from the date of investment of such moneys or the date or dates that such moneys are anticipated to be required for redemption, (iii) Credit Facility Account and Bond Purchase Fund shall be held uninvested, and (iv) Costs of Issuance Fund, until disbursed or returned to the Borrower pursuant to Section 5.9, shall be invested only in investments described in paragraph (h) of the definition of Permitted Investments. Permitted Investments shall be held by or under the control of the Trustee. All Investment Income from moneys held in all Funds and Accounts other than the Loan Fund, the Rebate Fund, the Costs of Issuance Fund (other than as provided below) and the Principal Reserve Fund, upon receipt, shall be deposited into the Interest Account. Investment Income from moneys held in the Loan Fund, the Rebate Fund, the Costs of Issuance Fund and the Principal Reserve Fund shall remain in the respective Fund where earned.

Section 6.2 Trustee's Authority and Responsibilities. The Trustee is authorized to sell and reduce to cash a sufficient amount of Permitted Investments whenever the cash balance is or will be insufficient to make a requested or required disbursement. The Trustee shall not be accountable for any depreciation in the value of any Permitted Investment or for any loss resulting from such sale. The Trustee may trade with itself and its Affiliates in the purchase and sale of securities for investments, and may transact purchases and sales through its investment department or through its Affiliates. The Trustee and its Affiliates may act as principal, agent, sponsor, advisor or depository with respect to any investments. All Permitted Investments shall

be made by the Trustee in its name, as Trustee, at the written direction of the Borrower, subject to the limitations contained in this Indenture. If no direction is provided to the Trustee, the Trustee shall invest such moneys in investments described in paragraph (h) of the definition of Permitted Investments. In computing the amount in any Fund or Account, Permitted Investments if purchased at par shall be valued at principal cost plus accrued interest, or, if purchased at other than par, at principal cost plus amortized discount or less amortized premium (amortization to be on a straight-line basis to the date of stated maturity without regard to redemptions or repayments of principal which may occur prior to maturity) plus accrued interest. The Trustee shall take such actions as shall be necessary to assure that Permitted Investments purchased by it under this Indenture are held pursuant to the terms of this Indenture and are subject to the trusts and security interests created in this Indenture. The Issuer (and the Borrower by its execution of the Financing Agreement) acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer or the Borrower the right to receive brokerage confirmations of security transactions as they occur, the Issuer and the Borrower specifically waive receipt of such confirmations to the extent permitted by law.

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE ISSUER

Section 7.1 Issuer's Representations and Warranties. The Issuer represents and warrants that:

(a) The Issuer is duly authorized under the Constitution and laws of the State to (i) issue the Bonds (ii) execute and deliver this Indenture, the Financing Agreement, the Assignment, and the Regulatory Agreement and to endorse the Note, (iii) assign its interest in the Financing Agreement (except the Reserved Rights), and (iv) pledge and assign the Trust Estate as set forth in this Indenture for the benefit of (A) the Bondholders, to secure the payment of the principal of and interest and any premium on the Bonds in accordance with the terms and provisions of this Indenture and the Bonds and (B) the Credit Provider to secure the payment of all amounts owing to the Credit Provider under the Credit Facility Documents.

(b) All actions on the part of the Issuer for the issuance, sale and delivery of the Bonds and for the execution and delivery of this Indenture, the Financing Agreement, the Assignment and the Regulatory Agreement and the endorsement of the Note have been taken duly and effectively.

(c) The Bonds are not subject to debt limits.

Section 7.2 Issuer's Covenants. In addition to all other covenants and agreements of the Issuer contained in this Indenture or the Financing Agreement, the Issuer further covenants and agrees with the Bondholders and the Trustee as follows:

(a) Except as provided in Article XII, the Issuer shall not alter, modify or cancel, or agree to alter, modify or cancel, any agreement which relates to or affects the Security.

(b) Except as otherwise provided in this Indenture, the Financing Agreement or the Assignment, the Issuer shall not sell, convey, mortgage, encumber or otherwise dispose of any portion of the Security or create or authorize to be created any debt, lien or charge thereon.

(c) At the expense of the Borrower, the Issuer shall cooperate with the Borrower in the Borrower's performing the Borrower's obligation to cause this Indenture, or any related instruments or documents relating to the assignment made by the Issuer under this Indenture to secure the Bonds to be recorded and filed in the manner and in the places which may be required by law in order to preserve and protect fully the security of the holders of the Bonds and the rights of the Trustee hereunder.

Section 7.3 Limitations on Liability. Notwithstanding any other provision of this Indenture to the contrary:

(a) The Bonds and the interest thereon are limited obligations of the Issuer, payable solely from the Security.

(b) Nothing contained in the Bonds or in this Indenture shall be considered as assigning or pledging any funds or assets of the Issuer other than the Trust Estate.

(c) 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 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.

(d) Neither the faith and credit of the Issuer, the State nor of any other political subdivision of the State are pledged to the payment of the principal of and interest and any premium on the Bonds.

(e) Neither the Issuer, the State nor 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.

(f) No failure of the Issuer to comply with any term, condition, covenant or agreement in this Indenture or in any document executed by the Issuer in connection with the Mortgaged Property, or the issuance, sale and delivery of the Bonds shall subject the Issuer to liability for any claim for damages, costs or other charges except to the extent that the same can be paid or recovered from the Trust Estate.

(g) 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.

(h) 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.

(i) The Issuer shall not be required to advance any moneys derived from any source other than the Trust Estate, for any of the purposes of this Indenture, any of the other Bond Documents or any of the Loan Documents, whether for the payment of the principal or redemption price of, or interest on, the Bonds, the payment of Third-Party Fees, Fees and Expenses or administrative expenses or otherwise.

Section 7.4 Further Assurances; Security. The Issuer, to the extent permitted by law, shall execute, acknowledge and deliver such supplemental indentures and other instruments and documents, and perform such further acts, as the Trustee or the Credit Provider may reasonably require to perfect, and maintain perfected, the security interest in the Trust Estate or to better assure, transfer, convey, pledge, assign and confirm to the Trustee or the Credit Provider all of its respective interest in the property described in this Indenture and the revenues, receipts and other amounts pledged by this Indenture. The Issuer shall cooperate to the extent necessary with the Borrower, the Trustee and the Credit Provider in their defenses of the Trust Estate and the Security against the claims and demands of all Persons. In addition to the assignment by the Issuer of its rights (except the Reserved Rights) in the Trust Estate to the Trustee, the Issuer hereby acknowledges that in order to more fully protect, perfect and preserve the rights of the Trustee, the Borrower and the Credit Provider in the Trust Estate, the Issuer grants to the Trustee a security interest in the Trust Estate and the proceeds thereof.

Section 7.5 Enforcement. The Issuer agrees that the Trustee and, so long as a Credit Facility provided by the Credit Provider continues in effect, the Credit Provider, in its name or in the name of the Issuer, may enforce against the Borrower or any other Person any rights of the Issuer under the Bond Documents (other than the Reserved Rights) whether or not the Issuer is in default under this Indenture or under the Financing Agreement, but neither the Trustee nor the Credit Provider will be deemed to have assumed any of the obligations of the Issuer under the Bond Documents. The Issuer shall fully cooperate with the Trustee or the Credit Provider in the enforcement by the Trustee or the Credit Provider of any such rights. At the request of the Trustee or the Credit Provider, the Issuer, upon being indemnified to its satisfaction against all liability, costs and expenses which may be incurred in connection with such enforcement, shall in its name commence legal action or take such other actions as the Trustee or the Credit Provider reasonably requests to enforce the rights of the Issuer (except the Reserved Rights), the Trustee or the Credit Provider under or arising from the Bonds or the Bond Documents.

Section 7.6 Tax Covenants. The Issuer agrees:

(a) It shall neither make nor direct the Trustee to make any investment or other use of the proceeds of the Bonds that would cause the Bonds to be "arbitrage bonds" as that term is defined in Section 148(a) of the Code and that it shall comply with the requirements of the Code throughout the term of the Bonds.

(b) It (i) shall take, or use its reasonable best efforts to require to be taken, all actions that may be required of the Issuer for the interest on the Bonds to be and remain not included in gross income for federal income tax purposes and (ii) shall not take or authorize to be taken any actions within its control that would adversely affect that status under the provisions of the Code.

In furtherance of the covenants in this Section, the Issuer and the Borrower shall execute, deliver and comply with the provisions of the Tax Certificate, which is by this reference incorporated into this Indenture and made a part of this Indenture, and by its acceptance of this Indenture the Trustee acknowledges receipt of the Tax Certificate and acknowledges its incorporation into this Indenture by this reference. The Trustee agrees that in those instances where it exercises discretion over the investment of funds, it shall not knowingly make any investment inconsistent with subsection (a).

ARTICLE VIII
CREDIT FACILITY; ALTERNATE CREDIT FACILITY; LETTER OF CREDIT

Section 8.1 **Acceptance of the Credit Facility**. The Trustee shall hold the Credit Facility and shall enforce in its name all rights of the Trustee and all obligations of the Credit Provider under the Credit Facility for the benefit of the Bondholders. The Trustee shall not assign or transfer the Credit Facility except to a successor Trustee under this Indenture. The Issuer and the Trustee acknowledge that the obligations of Fannie Mae as the Credit Provider under the initial Credit Facility are not backed by the full faith and credit of the United States of America, but by the credit of Fannie Mae, a federally-chartered, stockholder owned corporation.

Section 8.2 **Requests for Advances Under Credit Facility**. The Trustee shall request Advances under the Credit Facility in accordance with its terms and cause the proceeds of each Advance to be applied so that full and timely payments are made on each date on which payment of principal, interest or purchase price is due on any Bond or any payment of the Issuer's Fee is due and not paid by the Borrower pursuant to the Financing Agreement. The Trustee shall not request, and shall not apply the proceeds of, any Advance to pay (i) principal of, interest on or the purchase price of, any Pledged Bond or any Bond known by the Trustee to be held by the Borrower or any Affiliate of the Borrower, (ii) premium that may be payable upon the redemption of any of the Bonds, or (iii) interest that may accrue on any of the Bonds on or after the maturity of such Bond. Prior to requesting an Advance to pay principal of or interest on the Bonds on an Interest Payment Date, the Trustee shall determine the amount necessary to make such payment of principal or interest.

Section 8.3 **Return of Payments Under the Credit Facility**. In the event the Trustee receives an Advance from the Credit Provider on account of any Tendered Bond and thereafter the Trustee receives remarketing proceeds upon the remarketing of such Tendered Bond, then the Trustee shall promptly reimburse the Credit Provider with such funds to the extent of the amount so paid by the Credit Provider as a reimbursement on behalf of the Borrower.

Section 8.4 **Alternate Credit Facility**. Subject to the terms of the Credit Facility Documents, the Trustee shall accept any Alternate Credit Facility delivered to the Trustee in substitution for the Credit Facility then in effect if:

(a) the Alternate Credit Facility meets the requirements of Section 2.9;

(h) the Substitution Date for the Alternate Credit Facility is an Interest Payment Date during a Weekly Variable Rate Period or an Adjustment Date which immediately follows a Reset Period;

(c) the Alternate Credit Facility is effective on and from the Substitution Date for such Alternate Credit Facility; and

(d) the Trustee and the Issuer receive on or prior to the effective date of the Alternate Credit Facility (i) an Opinion of Counsel to the Credit Provider issuing the Alternate Credit Facility, in form and substance satisfactory to the Issuer and the Trustee, relating to the due authorization and issuance of the Alternate Credit Facility and its enforceability, and (ii) an opinion of Bond Counsel to the effect that the substitution of such Alternate Credit Facility will not adversely affect the exclusion from gross income, for federal income tax purposes, of the interest payable on the Bonds.

The Trustee shall give notice to the Bondholders by first class mail, postage prepaid, of the substitution by such Alternate Credit Facility for the Credit Facility then in effect as provided in Section 4.2. On the Substitution Date, the Trustee shall draw, if necessary, on the Credit Facility being replaced and shall not surrender such Credit Facility until all requests thereon have been honored.

Section 8.5 Extension of Credit Facility. In the event the term of any Credit Facility is extended, the Trustee must receive, not later than the Extension Date, (i) the commitment relating to such extension of the Credit Facility, and (ii) an Opinion of Counsel for the Credit Provider, in substantially the form of the Opinion of Counsel delivered to the Trustee and the Issuer upon the issuance of such Credit Facility. The Trustee shall provide a copy of the commitment to extend and the extension of the credit facility upon receipt thereof to the Rating Agency and, upon request, to any Bondholder. Upon the failure of the Borrower to furnish the Trustee with either a satisfactory commitment to extend the Credit Facility or an Alternate Credit Facility pursuant to Section 8.4 and the accompanying Opinion of Counsel on or prior to each Extension Date, the Bonds shall be subject to mandatory tender pursuant to Section 4.2.

Section 8.6 Limitations on Rights of Credit Provider. Notwithstanding anything contained in this Indenture to the contrary, all provisions in this Indenture regarding consents, approvals, directions, waivers, appointments, requests or other actions by the Credit Provider shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider were not mentioned in such provisions (i) if a Wrongful Dishonor has occurred and is continuing, or (ii) after the Credit Facility ceases to be valid and binding on the Credit Provider for any reason, or is declared to be null and void by final judgment of a court of competent jurisdiction; *provided, however*, that the Credit Provider's right to notices and the payment of amounts due to the Credit Provider shall continue in full force and effect. The foregoing shall not affect any other rights of the Credit Provider.

Section 8.7 References to Credit Provider When No Credit Facility Is In Effect. Subject to the provisions of Section 8.10(a), all provisions of this Indenture relating to the rights of the Credit Provider shall be of no force and effect if there is no Credit Facility in effect and

there are no Pledged Bonds and all amounts owing to the Credit Provider under the Credit Facility Documents have been paid. In such event, all references to the Credit Provider shall have no force or effect.

Section 8.8 **Certain Notices to the Credit Provider and the Loan Servicer**. The Trustee shall promptly notify, and the Issuer shall use reasonable efforts to notify, the Construction Lender, the Credit Provider and the Loan Servicer of any of the following as to which it has actual knowledge (i) the occurrence of any Event of Default under this Indenture or under any of the other Transaction Documents, or any event which, with the passage of time or service of notice, or both, would constitute such an Event of Default, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect to such event, (ii) an Act of Bankruptcy or a bankruptcy filing by or against the Borrower, and (iii) the making of any claim in connection with seeking the avoidance as a preferential transfer ("**Preference Claim**") of any payment of principal of, or interest on, the Loan.

Section 8.9 **Credit Provider to Control Insolvency Proceedings**. Each Bondholder, by its purchase of Bonds, the Trustee and the Issuer agree that the Credit Provider may at any time during the continuation of an insolvency proceeding of the Issuer or the Borrower ("**Insolvency Proceeding**") direct all matters relating to the Bonds in any such Insolvency Proceeding, including, without limitation, (i) all matters relating to any Preference Claim, (ii) the direction of any appeal of any order relating to any Preference Claim, and (iii) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, and without limitation of the foregoing, the Credit Provider shall be subrogated to the rights of the Issuer, the Trustee and the Bondholders in any Insolvency Proceeding to the extent it has performed its payment obligations under the Credit Facility, including any rights of any party to an adversary proceeding action with respect to any court order issued in connection with any such Insolvency Proceeding and rights pertaining to the filing of a proof of claim, voting on a reorganization plan and rights to payment thereunder.

Section 8.10 **Construction Phase Financing Agreement; Assignment of Rights to Construction Lender**.

(a) **Assignment of Rights**. The Issuer and the Trustee acknowledge that, prior to the Conversion Date, and subject to the applicable terms and conditions of the Construction Phase Financing Agreement, the Construction Lender may, by assignment from the Credit Provider, succeed to the interests of the Credit Provider under the Bond Documents and the Loan Documents with the authority to exercise the rights otherwise granted to the Credit Provider under the Bond Documents and the Loan Documents. The Construction Lender shall notify the Issuer in writing of its exercise of this right in advance of so exercising.

(b) **Amounts Owed to Construction Lender**. Any references in this Indenture to amounts owed to the Credit Provider under any Credit Facility Document shall, on and after the effective date of the assignment referred in Section 8.10(a), be deemed to refer to amounts owed to the Construction Lender under the Construction Phase Credit Documents.

(c) **Termination of References to the Construction Lender**. From and after the Conversion Date, all references in this Indenture to the Construction Lender shall be of no further force or effect and shall be disregarded for all purposes of this Indenture.

(d) **Credit Provider Succeeds to Rights of Construction Lender**. In the event that the Credit Provider notifies the Trustee that either (i) the Construction Lender has failed to perform its obligations under the Construction Phase Financing Agreement, or (ii) the provider of the Letter of Credit has failed to honor a draw under the Letter of Credit upon proper presentation of documents which conform to the terms and conditions of the Letter of Credit, the Construction Lender shall have no rights under this Indenture, all of its former rights shall immediately become rights of the Credit Provider and all references in this Indenture to the Construction Lender shall be read as references to the Credit Provider. If the Credit Provider succeeds to the rights of the Construction Lender, the Credit Provider shall have the right in its discretion to appoint a third party to exercise part or all of such rights. The Credit Provider shall provide the Trustee, the Issuer and the Borrower with written notice of the selection of any such third party. In addition, the "Authorized Construction Lender Representative" shall become the person designated in writing by the Credit Provider. Such person need not be an employee of the Credit Provider and may be an employee of the third party appointed by the Credit Provider to exercise its rights.

ARTICLE IX
DISCHARGE OF LIEN

Section 9.1 Discharge of Lien and Security Interest.

(a) **Discharge**. Upon satisfaction of the conditions set out in subsection (b), the Trustee shall (i) cancel and discharge this Indenture and the pledge and assignment of the Security, (ii) execute and deliver to the Issuer such instruments in writing prepared by the Issuer or its counsel and provided to the Trustee and the Credit Provider as may be required to cancel and discharge this Indenture and the pledge and assignment of the Trust Estate, (iii) reconvey, assign and deliver to the Issuer so much of the Trust Estate as may be in its possession or subject to its control (except for (A) moneys and Government Obligations held for the purpose of paying Bonds, and (B) moneys and Investments held in the Rebate Fund for payment to the United States Government) and (iv) return the Credit Facility to the Credit Provider.

(b) **Conditions to Discharge**. The conditions precedent to the cancellation and discharge of this Indenture and the other acts described in subsection (a) are (i) payment in full of the Bonds, (ii) payment of the Trustee's Annual Fee and the Trustee's ordinary costs and expenses under this Indenture, (iii) receipt by the Trustee of a written statement from the Credit Provider stating that all obligations owed to the Credit Provider under the Credit Facility Documents have been fully paid, (iv) payment of all Extraordinary Items, (v) receipt by the Trustee of a written statement from the Issuer stating that all amounts owed to the Issuer hereunder have been fully paid, (vi) return of the Credit Facility to the Credit Provider, and (vii) receipt by the Trustee of an Opinion of Counsel, at the expense of the Borrower, stating that all conditions precedent to the satisfaction and discharge of this Indenture have been satisfied.

(c) **Survival of Rights and Powers.** The Reserved Rights of the Issuer and the rights and powers granted to the Trustee with respect to the payment, transfer and exchange of Bonds shall survive the cancellation and discharge of this Indenture.

Section 9.2 Payment of Outstanding Amounts. If the Bonds are paid in full, but any one or more of the other conditions precedent set out in Section 9.1(b) are not satisfied because an amount has not been paid, the Trustee, prior to cancellation and discharge of this Indenture, shall notify the Issuer of the status and thereafter shall pay to the persons listed below, in the strict order set out below, the amounts required to satisfy those conditions precedent:

(a) **Trustee's Annual Fee and Ordinary Costs and Expenses.** If any portion of the Trustee's Annual Fee or ordinary costs and expenses of the Trustee remain unpaid, the Trustee shall pay to itself so much of the Trust Estate as will fully pay such unpaid amounts. No Extraordinary Items may be included under this subsection (a).

(b) **Credit Provider.** If the Trustee receives a written statement from the Credit Provider stating that moneys are owed to the Credit Provider under the Credit Facility Documents or the Loan Documents, including obligations in respect of reimbursement of funds advanced by the Credit Provider to the Trustee for application to the payment of Remarketing Expenses, the Trustee shall pay to the Credit Provider so much of the remaining Trust Estate as will fully pay all amounts due and owing to the Credit Provider, as determined by the Credit Provider. The reimbursement from the Trust Estate of amounts advanced by the Credit Provider for application to the payment of remarketing expenses will be made with interest at a rate equal to the Prime Rate (as that term is defined in Section 4.2 of the Reimbursement Agreement) plus two percentage points, from the date or dates of such advances through the date of such reimbursement. The Trustee is authorized to rely on the written statement of the Credit Provider as to the amount of such advances and interest accrued on such advances.

(c) **Trustee.** If any Extraordinary Items have not been paid to the Trustee, the Trustee shall pay to itself so much of the remaining Trust Estate as will fully pay all amounts owing to the Trustee for Extraordinary Items.

(d) **Issuer.** If the Trustee receives a written statement from the Issuer stating that moneys are owed to the Issuer in respect of the Reserved Rights, the Trustee shall pay to the Issuer so much of the remaining Trust Estate and Borrower Bond Trust Estate as will fully pay all amounts owing to the Issuer in respect of the Reserved Rights.

(e) **Construction Lender.** If the Trustee receives a written statement from the Construction Lender stating that moneys are owed to the Construction Lender under the Construction Phase Credit Documents, the Trustee shall pay to the Construction Lender so much of the remaining Trust Estate as will fully pay all amounts due and owing to the Construction Lender.

Section 9.3 Defeasance.

(a) **Provision for Payment of Bonds.** So long as the Bonds are in a Reset Rate Mode or the Fixed Rate Mode, any Bond will be deemed paid within the meaning of Section 9.1

if each of the conditions set out in this Section is satisfied. The Bonds may not be defeased within the meaning of this Section if the Bonds are in the Weekly Variable Rate Mode. The conditions are:

(1) The Issuer or the Borrower deposit with the Trustee (A) Available Moneys or (B) Government Obligations which are not subject to early redemption and which are purchased with Available Moneys, of such maturities and interest payment dates and bearing such interest as will be sufficient, without further investment or reinvestment of either the principal amount of such Government Obligations or the interest earnings on Government Obligations (the earnings to be held in trust also), together with any Available Moneys, for the payment on their respective maturity dates, or redemption dates prior to maturity, of the principal of such Bonds and redemption premium, if any, and interest to accrue on such Bonds to such maturity or redemption dates.

(2) The Trustee receives, at the expense of the Borrower, and may rely upon (A) a verification report of an independent certified public accountant or other firm nationally recognized in the certification of cash flow analyses, and (B) an opinion of Bond Counsel, addressed to the Issuer and the Trustee, to the effect that such deposit with the Trustee and consequent defeasance of the Bonds does not adversely affect the excludability from gross income for federal income tax purposes of the interest payable on the Bonds.

(3) All Third-Party Fees and Fees and Expenses due or to become due have been paid or sufficient additional moneys to make the required payments have been irrevocably deposited with the Trustee.

(4) For any such Bonds to be redeemed on any date prior to their maturity, the Trustee has received in form satisfactory to it irrevocable instructions to redeem such Bonds on a date on which the Bonds are subject to redemption, and either evidence satisfactory to the Trustee that all redemption notices required by this Indenture have been given or irrevocable power authorizing the Trustee to give such redemption notices.

(5) If the Bonds are in a Reset Rate Mode, the Bonds will be redeemed on or before the last day of the current Reset Period.

The Trustee shall redeem the Bonds specified by such irrevocable instructions on the date specified by such irrevocable instructions.

(b) **Defeased Bonds No Longer Outstanding.** At such times as a Bond is deemed to be paid under this Indenture, it will no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of payment in accordance with this Indenture.

(c) **Release of Certain Income.** All income from all Government Obligations in the hands of the Trustee pursuant to this Section which is identified by an independent certified public accountant or other firm nationally recognized in the certification of cash flow analyses as not required for the payment of the Bonds and interest on such income with respect to which

such moneys have been so deposited will be deposited with the Trustee as and when realized and collected for use and application as are other moneys deposited with the Trustee.

(d) **Particular Bonds.** Notwithstanding any other provision of this Indenture to the contrary, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article IX for the payment of Bonds (including accrued interest on such Bonds) shall be applied to and used solely for the payment of the particular Bond (including interest on such Bonds) with respect to which such moneys or Government Obligations have been so set aside in trust.

ARTICLE X
DEFAULT PROVISIONS AND REMEDIES

Section 10.1 Events of Default; Preliminary Notice.

(a) **Events of Default.** Each of the following constitutes an Event of Default under this Indenture:

(1) default in the payment when due and payable of any interest due on any Bond (other than a Pledged Bond) or, unless the Construction Lender specifies otherwise by written notice to the Trustee, on any Special Purchase Bond;

(2) default in the payment when due and payable of (A) the principal of or any redemption premium on any Bond (other than a Pledged Bond) or, unless the Construction Lender specifies otherwise by written notice to the Trustee, Special Purchase Bond at maturity or upon any redemption, or (B) the purchase price of any Tendered Bond (other than a Pledged Bond);

(3) written notice to the Trustee from the Credit Provider of a default by the Issuer in the observance or performance of any covenant, agreement, warranty or representation on the part of the Issuer included in this Indenture or in the Bonds (other than an Event of Default set forth in subsection (1) or (2) above) and the continuance of such default for a period of 30 days after the Trustee receives such notice;

(4) written notice to the Trustee from the Credit Provider of an Event of Default under the Reimbursement Agreement;

(5) written notice to the Trustee from the Credit Provider of an Act of Bankruptcy;

(6) a Wrongful Dishonor; or

(7) any event described in any Transaction Document as an Event of Default.

(b) **Preliminary Notice.** The Trustee shall immediately notify the Issuer, the Loan Servicer, the Borrower, the Construction Lender and the Credit Provider after the Trustee obtains

knowledge or receives notice of the occurrence of an Event of Default under this Indenture or an event which would become such an Event of Default with the passage of time, the giving of notice or both, identifying the paragraph in Section 10.1(a) under which the Event of Default has occurred or may occur.

(c) **Non-Default and Prohibition of Mandatory Redemption Upon Tax Event.** The occurrence of any event ("**Tax Event**") which results in the interest payable on the Bonds being includable, for federal income tax purposes, in the gross income of the Bondholders, including any violation of any provision of the Regulatory Agreement or any of the other Bond Documents, shall not (i) directly or indirectly constitute an Event of Default under this Indenture or permit any party (other than the Credit Provider) to accelerate, or require acceleration of, the Loan or the Bonds, unless the Credit Provider provides written notice to the Trustee that such Tax Event constitutes a default under the Reimbursement Agreement, or (ii) give rise to a mandatory redemption of the Bonds, or (iii) give rise to the payment to the Bondholders of any amount, denoted as "supplemental interest," "additional interest," "penalty interest," "liquidated damages," "damages" or otherwise, in addition to the amounts payable to the owners of the Bonds prior to the occurrence of the Tax Event. Nothing contained in this subsection will be deemed to amend or supplement the terms of the Loan Documents. Promptly upon determining that a Tax Event has occurred, the Trustee, by notice in writing to the Construction Lender, the Credit Provider, the Loan Servicer, all Registered Owners of the Bonds and the Remarketing Agent, shall state that a Tax Event has occurred and whether the Tax Event is cured, curable within a reasonable period or incurable. If the Issuer learns of such an event, it will use reasonable efforts to provide notice to the same parties listed in the review conference (to the extent that such notice has not been provided by the Trustee). Notwithstanding the availability of the remedy of specific performance to cure a Tax Event that is curable within a reasonable period, neither the Issuer nor the Trustee shall have, upon the occurrence of a Tax Event, any right or obligation to cause or direct acceleration of the Bonds or the Loan, to enforce the Note or to foreclose the Security Instrument, to accept a deed to the Mortgaged Property in lieu of foreclosure, or to effect any other comparable conversion of the Mortgaged Property.

Section 10.2 **Acceleration, Redemption and Mandatory Tender**. The Bonds shall be subject to acceleration, redemption and mandatory tender as set out in this Section.

(a) **Acceleration**. Upon:

(1) the occurrence and during the continuance of a Wrongful Dishonor, the Trustee may, and, upon the written request of Bondholders owning not less than 51 percent in aggregate principal amount of Bonds then Outstanding, must, by written notice to the Issuer, the Borrower, the Construction Lender, the Credit Provider and the Loan Servicer, declare the principal of all Bonds and the interest accrued, and to accrue, on the Bonds to the date of payment immediately due and payable; or

(2) the occurrence of any other Event of Default under this Indenture, the Trustee may, upon receiving the prior written consent of the Credit Provider, and must, upon the written direction of the Credit Provider requiring that the Bonds be accelerated pursuant to this subsection, by written notice to the Issuer, the Borrower, the Credit Provider, the Construction Lender and the Loan Servicer, declare the principal of all

Bonds and the interest accrued, and to accrue, on the Bonds to the date of declaration immediately due and payable.

(b) **Redemption and Mandatory Tender.** Upon the occurrence of an Event of Default under Section 10.1(a)(4) of this Indenture:

(1) If the Credit Provider so directs pursuant to Section 3.3(b), the Bonds shall be redeemed in whole or in part in the amount specified by and at the direction of the Credit Provider.

(2) If the Credit Provider so directs pursuant to Section 4.2(b), the Bonds shall be subject to mandatory tender.

Notwithstanding anything to the contrary in this Indenture, if the Credit Provider directs that the Bonds be redeemed in part pursuant to Section 3.3(b), the Credit Provider may further direct on one or more other occasions under this subsection that the Bonds be redeemed in whole or in part or that the Bonds be subject to mandatory tender.

(c) **Notice.**

(1) Acceleration. Upon any decision to accelerate payment of the Bonds, the Trustee shall notify the Construction Lender and the Bondholders of the declaration of acceleration, that, in the event of acceleration pursuant to Section 10.2(a)(2), interest on the Bonds will cease to accrue upon such declaration, and payment of the Bonds will be made upon presentment of the Bonds at the Designated Office of the Trustee. Such notice shall be sent by registered mail or overnight delivery service, postage prepaid, or, at the Trustee's option, may be given by Electronic Means to each Registered Owner of Bonds at such Registered Owner's last address appearing in the Bond Register. Any defect in or failure to give notice of such declaration will not affect the validity of such declaration.

(2) Redemption. Upon the direction of the Credit Provider to redeem the Bonds in whole or in part pursuant Section 3.3(b) and as provided in Section 3.4(a), immediate notice of redemption will be given.

(3) Mandatory Tender. Upon any direction of the Credit Provider that the Bonds be subject to mandatory tender, the Trustee shall give notice to the Bondholders as provided in Section 4.2(b).

(d) **Draw on Credit Facility.** Immediately upon acceleration, mandatory redemption or mandatory tender of the Bonds, the Trustee shall request an Advance under the Credit Facility in accordance with its terms.

Section 10.3 Other Remedies. Upon the occurrence and continuance of an Event of Default under this Indenture, the Trustee may, with or without taking action under Section 10.2, but only with the prior written consent of the Credit Provider, and must at the direction of the Credit Provider if the Event of Default occurs under Section 10.1(a)(3), (4), or (5), pursue any of the following remedies:

(a) an action in mandamus or other suit, action or proceeding at law or in equity (A) to enforce the payment of the principal of and interest and any premium on the Bonds, (B) for the specific performance of any covenant or agreement contained in this Indenture, the Financing Agreement or the Regulatory Agreement, or (C) to require the Issuer to carry out any other covenant or agreement with Bondholders hereunder;

(b) the liquidation of the Trust Estate; or

(c) an 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.

Subject to the provisions of Section 10.7 and the requirement, if any, that the Credit Provider consent in writing to the exercise by the Trustee of any remedy, upon the occurrence and continuance of an Event of Default under this Indenture, the Trustee shall exercise such of the rights and powers conferred by this Section as the Trustee, being advised by counsel, deems most effective to enforce and protect the interests of the Bondholders and, unless a Wrongful Dishonor has occurred and is continuing, the Credit Provider.

Section 10.4 Preservation of Security and Remedies if Payment Under Credit Facility is Not Made or is Insufficient; Rights of Bondholders. Upon the occurrence and during the continuance of a Wrongful Dishonor, the Trustee may proceed, and upon the written request of the holders of not less than 25 percent of the aggregate principal amount of the Bonds Outstanding and the receipt of indemnity reasonably satisfactory to the Trustee shall proceed, to protect and enforce its rights and the rights of the Bondholders under this Indenture by such suits, actions or special proceedings in equity or at law, whether for the specific performance of any covenant or agreement, or in aid of the execution of any power granted in this Indenture or for the enforcement of any legal or equitable right or remedy, as the Trustee, being advised by counsel, deems most effective to protect and enforce such rights or to perform any of its duties under this Indenture.

Section 10.5 Remedies Not Exclusive; Delay or Omission. No right or remedy 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 will be cumulative and in addition to any other right or remedy given to the Trustee or to the Bondholders under this Indenture or under the Financing Agreement, the Regulatory Agreement or the Credit Facility or now or later existing at law or in equity. No delay or omission to exercise any right or remedy provided in this Indenture will impair any such right or remedy or be construed to be a waiver of any Event of Default or acquiescence in it. Every such right and remedy may be exercised from time to time as often as may be deemed expedient.

Section 10.6 Waiver. Subject to the conditions precedent set out below, (i) the Trustee may waive, (ii) the Trustee shall waive if directed to do so by the Credit Provider and the Construction Lender in writing, and (iii) Bondholders owning not less than 51 percent in aggregate principal amount of Bonds then Outstanding may waive, by written notice to the

Trustee, any Event of Default under this Indenture and its consequences and rescind any declaration of acceleration of maturity of principal. The conditions precedent to any waiver are:

(a) unless waiver is directed by the Credit Provider and the Construction Lender, the Credit Provider and the Construction Lender consent to such waiver in writing;

(b) the principal and interest on the Bonds in arrears, together with interest thereon (to the extent permitted by law) at the applicable rate or rates of interest borne by the Bonds has been paid or provided for by the Borrower in Available Moneys or by the Credit Provider and all fees and expenses of the Trustee have been paid or provided for by the Borrower or the Credit Provider; and

(c) after the waiver, the Credit Facility remains in effect in an amount equal to the aggregate principal amount of the Bonds Outstanding (other than Pledged Bonds) plus the Interest Requirement; *provided, however*, that such waiver will be permitted without the Credit Facility remaining in effect if (i) the Issuer consents to the waiver, (ii) the Rating Agency then rating the Bonds is notified and the Trustee gives written notice to the Bondholders that the ratings on the Bonds may be reduced or withdrawn upon the occurrence of such waiver, and (iii) 100 percent of the Bondholders consent to the waiver.

Upon any such waiver, the default or Event of Default shall be deemed cured and shall cease to exist for all purposes and the Issuer, the Borrower, the Trustee and the Bondholders will be restored to their former positions and rights under this Indenture. No waiver of any default or Event of Default shall extend to or affect any subsequent default or Event of Default or shall impair any right or remedy consequent thereto.

Section 10.7 Rights of the Credit Provider and the Bondholders to Direct Proceedings; Rights and Limitations Applicable to Bondholders, Issuer and Trustee.

(a) **Rights to Direct Proceedings.** Notwithstanding anything contained in this Indenture to the contrary, the Credit Provider itself or Bondholders owning not less than 51 percent in aggregate principal amount of Bonds then Outstanding, but only with the prior written consent of the Credit Provider, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or any other proceedings under this Indenture; *provided, however*, that such direction will not be otherwise than in accordance with the provisions of law and of this Indenture, and *provided, further*, that the Trustee will be indemnified to its reasonable satisfaction (except for actions required under Section 10.2(b)).

(b) **Limitations on Bondholders' Rights.** No Bondholder has or shall have the right to enforce the provisions of this Indenture or the Financing Agreement, or to institute any proceeding in equity or at law for the enforcement of this Indenture or the Financing Agreement, or to take any action with respect to an Event of Default under this Indenture or an Event of Default under the Financing Agreement, or to institute, appear in or defend any suit or other proceeding with respect to this Indenture or the Financing Agreement upon an Event of Default unless (i) such Event of Default is a Wrongful Dishonor, (ii) such Bondholder has given the

Trustee, the Issuer, the Credit Provider, the Construction Lender, the Loan Servicer and the Borrower written notice of the Event of Default, (iii) the holders of not less than 51 percent in aggregate principal amount of Bonds then Outstanding have requested the Trustee in writing to institute such proceeding, (iv) the Trustee has been afforded a reasonable opportunity to exercise its powers or to institute such proceeding, (v) the Trustee has been offered reasonable indemnity, where required, and (vi) the Trustee has thereafter failed or refused to exercise such powers or to institute such proceeding within a reasonable period of time. No Bondholder has or shall have any right in any manner whatever to affect, disturb or prejudice the pledge of revenues or of any other moneys, Funds, Accounts or securities under this Indenture. Except as provided in this subsection, no Bondholder has or shall have the right, directly or indirectly, individually or as a group, to seek to enforce, collect amounts available under, or otherwise realize on, the Credit Facility.

Section 10.8 Discontinuance of Proceedings. If the Trustee or any Bondholder has instituted any proceeding or remedy under this Indenture, and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely, then and in every such case the Issuer, the Credit Provider and the Trustee will be restored to their former positions and rights under this Indenture, and all rights, remedies, powers, duties and obligations of the Issuer, the Trustee and the Credit Provider shall continue as if no such proceedings had been taken, subject to the limits of any adverse determination.

Section 10.9 Possession of Bonds. All rights under this Indenture 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 of the Bonds at trial or other proceedings. Any suit, action or proceeding instituted by the Trustee may be brought in its name for itself or as representative of the Bondholders without the necessity of joining Bondholders as parties, and any recovery resulting from such proceedings shall, subject to Section 10.10, be for the ratable benefit of the Bondholders.

Section 10.10 Application of Moneys. Amounts derived from payments under the Credit Facility (other than amounts derived from an Advance to pay the Issuer's Fee) shall be deposited into the Credit Facility Account and applied solely to pay the principal of and interest on the Bonds. Amounts on deposit in the Bond Purchase Fund shall be applied solely to pay the purchase price of the Bonds. All other moneys received by the Trustee pursuant to any action taken under this Article X shall be deposited into the Interest Account and the Redemption Account, as applicable, after payment of the ordinary costs and expenses of the Trustee. The balance of such moneys, less such amounts as the Trustee determines may be needed for possible use in paying future fees and expenses and for the preservation and management of the Mortgaged Property (as identified by the Credit Provider), shall be applied as set out in the following subsections.

(a) **Principal on Bonds Not Declared Due and Payable**. Unless the principal on all Bonds has become or been declared due and payable, all such moneys will be applied:

First - to the payment of all interest then due on the Bonds, in the order of the maturity of such interest and, if the amount available shall not be sufficient to pay in full said

amount, then to the payment ratably, of the amounts due, without any discrimination or privilege;

Second - to the payment of the unpaid principal of any of the Bonds which have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to this Indenture), in the order of due dates, with interest upon the principal amount of the Bonds from the respective dates upon which they become due at the rate or rates borne by the Bonds, to the extent permitted by law, and, if the amount available shall not be sufficient to pay in full the principal of such Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled to such payment without any discrimination or privilege;

Third - to the payment of amounts owed to the Credit Provider under the Credit Facility Documents and the Loan Documents, and then to any amounts due to the Trustee for Extraordinary Items, for this purpose including the costs and expenses of any proceedings resulting in the collection of such moneys and of advances incurred or made by the Trustee.

(b) **Principal of Bonds Declared Due and Payable.** If the principal of all the Bonds has become or been declared due and payable, all such moneys shall be applied **first,** to the payment of the principal and interest then due and unpaid upon the Bonds, 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 to payment, until all such principal and interest has been paid; **second**, to pay the Credit Provider amounts owed to it under the Credit Facility Documents and the Loan Documents; and **third**, to pay the Construction Lender amounts owed to it under the Construction Phase Credit Documents as specified by the Construction Lender to the Trustee in writing, and **fourth**, to any other amounts due and payable under this Indenture.

(c) Notwithstanding any provision in this Indenture, the Bonds, the Loan Documents, the Financing Agreement or any related document, the Issuer shall not be required to advance any moneys derived from any source other than the Security, for any of the purposes of this Indenture, the Bonds, the Loan, the Financing Agreement or any such related document, whether for payment of the principal or redemption or purchase price of, or interest on, the Bonds the payment of administrative expenses (including Trustee's fees and expenses) or for any other purpose of this Indenture, the Bonds, the Loan, the Financing Agreement or any such related documents.

(d) **General.** Whenever moneys are to be applied pursuant to this Section, such moneys shall be applied at such times, and from time to time, as the Trustee determines, having due regard for the amount of such moneys available for application, the likelihood of additional moneys becoming available for such application in the future, and potential expenses relating to the exercise of any remedy or right conferred on the Trustee by this Indenture. Whenever the Trustee applies such moneys, it shall fix the date (which will be an Interest Payment Date unless it deems an earlier date more suitable) upon which such application is to be made, and upon such

date interest on the amounts of principal to be paid on such date shall cease to accrue, unless interest has already ceased to accrue in accordance with Section 10.2(b). The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond is presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

ARTICLE XI
THE TRUSTEE AND TENDER AGENT

Section 11.1 Appointment of Trustee; Duties. The Trustee is appointed and agrees to act in such capacity and to perform the duties of the Trustee under this Indenture, the Financing Agreement, the Assignment and the Regulatory Agreement upon the express terms and conditions of this Indenture.

(a) **Attorneys, Agents or Receivers**. The Trustee may execute any of its trusts or powers under this Indenture and perform any of its duties by or through attorneys, agents or receivers. The Trustee shall be entitled to advice of counsel concerning all matters of trust under this Indenture and its duties under this Indenture. The Trustee may in all cases pay such reasonable compensation to such attorneys, agents and receivers and shall be entitled to reimbursement from the Borrower for all such compensation paid. The Trustee may act upon the opinion or advice of counsel, accountants, or such other professionals as the Trustee deems necessary and selected by it in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice which is not contrary to the express terms of this Indenture, any of the other Bond Documents or the Loan Documents.

(b) **Limitation of Responsibility**. The Trustee shall not be responsible for any recital in this Indenture (other than Recital K) or in the Bonds (other than in the certificate of authentication on the Bonds), or for insuring the Mortgaged Property, or for the sufficiency of any insurance, or for collecting any insurance moneys, or for the validity of this Indenture or of any supplements to this Indenture or instruments of further assurance, or for the sufficiency of the security for the Bonds issued under this Indenture or intended to be secured by this Indenture, or for the value or condition of or title to the Mortgaged Property or the Security. The Trustee may require (but shall be under no duty to require) of the Borrower full information and advice as to the performance of the covenants, conditions and agreements aforesaid as to the condition of the Mortgaged Property. The Trustee shall not be liable for any loss suffered in connection with any investment of amounts made by it in accordance with this Indenture. The Trustee is not accountable for the use (i) of any Bonds delivered in accordance with instructions of the Issuer, (ii) by the Borrower of the proceeds of the Loan, or (iii) for the use or application of any moneys paid out by the Trustee in accordance with this Indenture.

(c) **Reliance**. The Trustee shall be protected in acting upon any Opinion of Counsel, notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons and which is not contrary to the express terms of this Indenture, the other Bond

Documents or the Loan Documents. Any action taken by the Trustee pursuant to this Indenture upon the request or 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 as shown on the Bond Register will be conclusive and binding upon all future owners or holders of the same Bonds and upon Bonds issued in exchange therefor or in place of such Bonds.

(d) **Right Not Duty Until Undertaken**. The permissive right of the Trustee to do things enumerated in this Indenture or in the other Bond Documents to which the Trustee is a party shall not be construed as duties until specifically undertaken by the Trustee. Prior to an Event of Default under this Indenture, the Trustee shall only be responsible for the performance of the duties expressly set forth in this Indenture and in the other Bond Documents to which it is a party and shall not be answerable for other than its negligence or willful misconduct in the performance of those express duties.

(e) **No Personal Liability**. The Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts, relating to the Mortgaged Property.

(f) **No Bond or Surety Required**. The Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers or otherwise in respect of the premises.

(g) **Security or Indemnity Bond**. Before taking any action requested by Bondholders under Article X (except for acceleration of the Bonds) or seeking payment under the Credit Facility, the Trustee may require reasonably satisfactory security or an indemnity bond reasonably satisfactory to it from such Bondholders for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its own negligence or willful misconduct by reason of any such action so taken.

(h) **Not Bound to Inquire**. The Trustee is not required to take notice or deemed to have notice of any default or Event of Default under this Indenture, except Events of Default under Section 10.1(a) (1), (2) or (6), unless the Trustee has actual knowledge thereof or has received notice in writing of such default or Event of Default from the Issuer, the Borrower, the Construction Lender, the Credit Provider, the Loan Servicer, or the holders of at least 25 percent in aggregate principal amount of the Outstanding Bonds, and in the absence of any such notice, the Trustee may conclusively assume that no such default or Event of Default exists. The Trustee may nevertheless require the Issuer and the Borrower to furnish information regarding performance of their respective obligations under the Financing Agreement, the Regulatory Agreement and this Indenture, but is not obligated to do so.

(i) **Standard of Care**. The Trustee, during the existence and continuation of any Event of Default under this Indenture, shall exercise such of the rights vested in it by this Indenture, the Financing Agreement and the Regulatory Agreement, and use the same degree of care and skill in their exercise, as a reasonable person would exercise or use under the circumstances in the conduct of such person's own affairs. The foregoing will not limit the Trustee's obligations under Article VIII or Section 10.2(a).

(j) **Notice to Rating Agency.** At any time that the Bonds are rated by a Rating Agency, the Trustee shall give notice by mail to that Rating Agency at its address (as specified in Section 13.4) promptly upon the occurrence of any of (i) the appointment of any successor trustee or separate trustee or co-trustee, (ii) any amendment of or supplement to this Indenture, the Financing Agreement, the Credit Facility or any Loan Document, (iii) the termination of the Credit Facility, the extension or expiration of the Credit Facility or the substitution of any Alternate Credit Facility for the Credit Facility, (iv) an Event of Default under this Indenture, (v) a redemption, acceleration or defeasance of the Bonds in whole or in part (other than any mandatory sinking fund redemption or redemption caused by the deposit and accumulation of moneys in the Principal Reserve Fund), (vi) any mandatory tender of the Bonds, (vii) execution by the Trustee of an agreement for the investment of moneys at a guaranteed rate as an Investment, (viii) any change in the provider of an agreement in the Trust Estate for the investment of moneys at a guaranteed rate; (ix) any resignation, removal or replacement of the Remarketing Agent, (x) any change in Mode, and (xi) any other event of which notice reasonably is requested by the Rating Agency. Notwithstanding the foregoing, it is expressly understood and agreed that failure to provide any such notice to any Rating Agency or any defect in any such notice will not affect the validity of any action with respect to which notice is to be given or the effectiveness of any such action.

(k) **Notice of the non-payment of any Third-Party Fee or Fees and Expenses.** The Trustee shall give prompt written notice of the non-payment of any Third-Party Fee or Fees and Expenses to the Loan Servicer and, prior to the Conversion Date, to the Credit Provider and to the Construction Lender.

(l) **Authority to Execute**. The Trustee is authorized and directed by the Issuer to execute or accept and acknowledge and to perform its obligations under, as applicable, in its capacity as Trustee, the Financing Agreement, the Assignment, the Regulatory Agreement and any financing statements.

(m) **No Disclosure Responsibility**. The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, except for any information provided by the Trustee.

(n) **No Financial Obligation**. No provision of this Indenture or any other Bond Document or any Loan Document shall require the Trustee to risk or advance its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of its rights under this Indenture.

(o) **No Liability for Directions**. The Trustee will not be liable for any action taken or not taken by it in accordance with the direction of the Credit Provider or Bondholders pursuant to this Indenture except for the Trustee's own negligent action, its own negligent failure to act, or its own willful misconduct.

(p) **No Liability for Loan Servicer**. The Trustee shall not be responsible for the actions or omissions of the Loan Servicer and shall have no duty or responsibility to monitor the performance of the Loan Servicer.

(q) **Books, Records and Accounts**. The Trustee, on behalf of the Issuer, shall keep and maintain, or cause to he kept and maintained, proper books, records and accounts in which complete and accurate entries shall be made of all of its transactions relating to the Bonds, this Indenture, the Financing Agreement, the Regulatory Agreement, the Loan, the Credit Facility, the Funds and Accounts, Permitted Investments and Investment Income, all of which, at all reasonable times, and upon reasonable prior notice, will be subject to the inspection and audit by the Issuer, the Credit Provider, the Borrower, the Loan Servicer, the Construction Lender and Bondholders owning not less than 25 percent in aggregate principal amount of Bonds then Outstanding or any of their accountants or agents duly authorized in writing, each of whom will have the right, at its expense, to make copies of any such books of record and accounts.

(r) **List of Bondholders**. The Trustee shall keep the Bond Register available for inspection by any Bondholder or its attorney duly authorized in writing during normal business hours upon reasonable prior notice.

(s) **Payment Servicing From the Closing Date to the Conversion Date**. The Trustee shall service the obligations of the Borrower to make payments as provided in Section 3.2 of the Assignment.

Section 11.2 Qualification. The Trustee and any successor Trustee shall at all times be a bank or trust company organized under the laws of the United States of America or any state, authorized under such laws to exercise corporate trust powers, having a combined capital stock, surplus and undivided profits of at least $50,000,000 (or an Affiliate of a corporation or banking association meeting that requirement which guarantees the obligations and liabilities of the Trustee) and subject to supervision or examination by federal or state banking authority.

Section 11.3 Fees; Expenses. Each of the Trustee and the Tender Agent is entitled to payment and reimbursement from the Borrower, or from the Trust Estate to the extent otherwise permitted in this Indenture, for reasonable fees for its ordinary services rendered under this Indenture and the other Bond Documents and its ordinary costs and expenses reasonably incurred in connection with its services under this Indenture and the other Bond Documents. In the event that it should become necessary that the Trustee perform extraordinary services, it shall be entitled to Extraordinary Items; *provided however*, that if such Extraordinary Items are incurred as a result of the negligence or willful misconduct of the Trustee or the Tender Agent, as applicable, it will not be entitled to compensation or reimbursement for such services or expenses. The Borrower's failure to pay amounts owed to the Trustee or the Tender Agent shall not excuse the performance of its obligations. The Trustee recognizes that all fees, charges and other compensation to which it may be entitled under this Indenture are required to be paid in accordance with the terms of the Indenture, including by the Borrower under the Financing Agreement, and, accordingly, the Trustee and the Tender Agent agree that the Issuer shall not be liable independently for any such fees, charges and other compensation.

Section 11.4 Merger; Consolidation. 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 corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger or consolidation, *provided* such corporation or association otherwise qualifies under Section 11.2, shall be and

become the successor Trustee under this Indenture with all the estates, properties, rights, powers and duties of the predecessor Trustee without the execution or filing of any instrument or any further act, deed or conveyance (other than the provision of notice to the Issuer, the Construction Lender, the Credit Provider and the Loan Servicer).

Section 11.5 Resignation or Removal of Trustee. The Trustee may resign only upon giving 60 days prior written notice to the Issuer, the Credit Provider, the Construction Lender, the Loan Servicer, the Borrower and to each Registered Owner of Bonds then Outstanding as shown on the Bond Register. The Trustee may be removed at any time upon 30 days prior written notice to the Trustee, (i) by the Issuer, with the prior written consent of the Construction Lender and the Credit Provider, (ii) by the owners of not less than 51 percent in aggregate principal amount of Bonds then Outstanding, which written instrument shall designate a successor Trustee approved by the Construction Lender and the Credit Provider, or (iii) by the Credit Provider. Such resignation or removal shall not be effective until a successor Trustee satisfying the requirements of Section 11.2 is appointed and has accepted its appointment.

Section 11.6 Appointment of Successor Trustee. Upon the resignation or removal of the Trustee, a successor Trustee, satisfying the requirements of Section 11.2, shall be appointed by the Issuer with the prior written consent of the Construction Lender and the Credit Provider (unless appointed by the Bondholders as provided in Section 11.5). If, in the case of resignation or removal of the Trustee, no successor is appointed within 30 days after the notice of resignation or within 30 days after removal, as the case may be, then, in the case of a resignation, the resigning Trustee shall appoint a successor with the prior written consent of the Issuer, the Construction Lender and the Credit Provider or apply to a court of competent jurisdiction for the appointment of a successor Trustee and, in the case of a removal, the Credit Provider shall have the right to appoint a successor Trustee or to apply to a court of competent jurisdiction for the appointment of a successor Trustee. The successor Trustee must accept in writing its duties and responsibilities under this Indenture, the Financing Agreement, the Assignment, and the Regulatory Agreement. The successor Trustee shall give notice of such succession by first-class mail, postage prepaid, to each Bondholder, the Issuer, the Construction Lender, the Credit Provider, the Loan Servicer and the Borrower.

Section 11.7 Transfer of Rights and Mortgaged Property to Successor Trustee. The successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of the predecessor Trustee, but the former Trustee shall nevertheless, on the written request of the Issuer, the Credit Provider or the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may be reasonably required for more fully and certainly vesting and confirming in the 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 set forth in this Indenture. The former Trustee shall execute and deliver a certificate of transfer or such other certificate or document as may be required by the Credit Facility for its transfer to a successor Trustee and do such other things as may be reasonably required to transfer all of its right, title and interest in and to the Credit Facility to the successor Trustee. Should any deed, conveyance or instrument in writing from the Issuer be required by the successor Trustee for more fully and certainly vesting in and confirming to the successor

Trustee any such moneys, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, shall, on request, and as may be authorized by law, be executed, acknowledged and delivered by the Issuer.

Section 11.8 Power To Appoint Co-Trustees and Separate Trustees.

(a) **Appointment of Co-Trustees.** At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Mortgaged Property is located, the Issuer (at the request of the Borrower, unless the Borrower is then in default under any Bond Document or any Loan Document or if an event has occurred and is continuing which, with notice or the passage of time or both, would constitute such a default) shall have the power, subject to the approval of the Construction Lender and the Credit Provider, to appoint one or more persons approved by the Trustee either to act as co-trustee jointly with the Trustee or as separate trustee of all or any part of the Mortgaged Property, and to vest in such person, in such capacity, such title to the Mortgaged Property or any part of it, and/or such rights, powers, duties, trusts or obligations as the Issuer and the Trustee may consider necessary or desirable. If the Issuer is in default under this Indenture, the Trustee alone will have the power to make such appointment with the prior written consent of the Construction Lender and the Credit Provider. The Issuer shall execute, acknowledge and deliver all such instruments as may be required by any such co-trustee or separate trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such co-trustee or separate trustee. Any co-trustee shall give prompt written notice of such appointment to the Loan Servicer.

(b) **Effect of Death, Incapacity, Resignation or Removal of Co-Trustee or Separate Trustee.** In case any co-trustee or separate trustee dies, becomes incapable of acting, resigns or is removed, the pledge and assignment of the Security and all rights, powers, trusts, duties and obligations of the co-trustee or separate trustee, so far as permitted by law, shall vest in and be exercised by the Trustee unless and until a successor co-trustee or separate trustee is appointed in the same manner as provided in subsection (a).

(c) **Approval of the Issuer.** No co-trustee or separate trustee may assume its duties as Trustee under this Indenture without the prior written approval of the Issuer, unless the Issuer is in default under this Indenture or has failed to respond within 30 days of its receipt of a request to so approve.

Section 11.9 Filing of Financing Statements. The Trustee shall, at the expense of the Borrower, file or record or cause to be filed or recorded all financing statements which are required to be filed or recorded in order fully to protect and preserve the security interests relating to and the priority of (a) the Trust Estate and the Security, and (b) at the direction of the Credit Provider or the Loan Servicer, the Loan and (c) the rights and powers of the Issuer, the Trustee and the Credit Provider in connection with such security interests, including, but not limited to, all continuation statements for the purpose of continuing without lapse the effectiveness of (i) those financing statements which have been filed at or prior to the Closing Date in connection with the security for the Bonds pursuant to the authority of the UCC, and (ii) any previously filed continuation statements which have been filed as required by this Indenture; *provided, however*, that if the Credit Provider or the Loan Servicer gives written notice to the Trustee that it has filed or recorded all applicable financing statements, the Trustee shall be

entitled to rely on such written notice. The Issuer shall sign, and the Trustee shall obtain from the Borrower, the Loan Servicer or the Credit Provider, all such financing statements as may be required for such purposes. Upon the filing of any such financing statement the Trustee shall immediately notify the Issuer, the Borrower, the Credit Provider and the Loan Servicer that the same has been done. If direction is given by the Loan Servicer or the Credit Provider, the Trustee shall file all financing statements in accordance with such directions.

Section 11.10 Tender Agent. The initial Tender Agent is **[NAME OF TENDER AGENT].** The Tender Agent shall designate to the Trustee, the Issuer, the Remarketing Agent and the Credit Provider its Designated Office and signify its acceptance of the duties and obligations imposed upon it under this Indenture by a written instrument of acceptance delivered to the Trustee under which such Tender Agent will agree particularly to:

(a) act as agent for the Trustee for the purpose of authenticating, accepting delivery of and delivering Bonds in accordance with Sections 2.11, 2.12, 2.13, 2.14, 2.16, 2.18 4.1 or 4.2 or other provisions of this Indenture relating to authentication and delivery of Bonds;

(b) forward to the Trustee immediately after completion of such authentication the names, addresses, taxpayer identification numbers or social security numbers of all persons in whose names the Bonds are to be registered;

(c) deliver authenticated and registered Bonds to or to the order of the persons in whose names such Bonds are registered;

(d) as agent for the Trustee, hold all moneys delivered to it for the purchase of Bonds in trust in the Bond Purchase Fund for the account of the person who delivered such moneys until the Bonds purchased with such moneys have been registered, authenticated and delivered to or to the order of such person; and

(e) hold all Bonds delivered to it for purchase in trust for the owner of such Bonds until such owner has received the purchase price for such Bonds.

The Tender Agent shall be entitled to the same protections, immunities and limitations from liability afforded the Trustee under this Indenture. The Issuer shall cooperate with the Trustee, the Borrower and the Credit Provider to cause the necessary arrangements to be made and to be continued by which amounts from the sources specified in this Indenture and in the Financing Agreement shall be made available for the purchase of Bonds presented at the Designated Office of the Tender Agent, and by which Bonds, executed by the Issuer and to be authenticated by the Tender Agent, shall be made available to the Tender Agent to the extent necessary for delivery pursuant to Sections 4.1 or 4.2.

Section 11.11 Resignation or Removal of Tender Agent. The Tender Agent may resign by giving no less than 30 days prior written notice to the Borrower, the Trustee, the Credit Provider, the Loan Servicer and the Issuer. The Tender Agent may be removed by the Issuer with the written approval of the Credit Provider, by an instrument signed by the Issuer stating the reason for such removal filed with the Tender Agent, the Trustee and the Credit Provider. The Trustee or the Credit Provider is authorized, with the prior written approval of the Issuer and the

Credit Provider or the Trustee, as applicable, to remove the Tender Agent and appoint a successor. No removal of the Tender Agent shall be effective until a successor Tender Agent has been appointed and has accepted such appointment. Failing such appointment by the Issuer prior to tbe effective date of the Tender Agent's resignation, the Credit Provider shall have the right to appoint a successor Tender Agent acceptable to the Issuer. Any successor Tender Agent shall be a trust company or bank having trust powers and in good standing, within or without the State, having trust powers. The provisions of this Section shall apply if the resignation of the Tender Agent is due to the fact that the Tender Agent no longer exists. In no event shall the resignation or removal of the Tender Agent take effect prior to the date a successor Tender Agent has been appointed and is serving under this Indenture and the Tender Agent Agreement. The Trustee, when acting as Tender Agent, may transfer the Tender Agent duties to any Affiliate without further act or approval (other than the provision of notice to the Issuer, the Credit Provider, the Borrower and the Remarketing Agent).

ARTICLE XII
SUPPLEMENTAL INDENTURES; AMENDMENTS

Section 12.1 Supplemental Indentures Not Requiring Bondholder Consent. The Issuer and the Trustee, without the consent of or notice to any Bondholder, may enter into an indenture or indentures supplemental to this Indenture for one or more of the following purposes:

(a) to cure any ambiguity or to correct or supplement any provision contained in this Indenture or in any supplemental indenture which may be defective or inconsistent with any other provision contained in this Indenture or in any supplemental indenture;

(b) to amend, modify or supplement this Indenture in any respect if such amendment, modification or supplement is not materially adverse to the interests of the Bondholders;

(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 to grant or pledge to the Trustee for the benefit of the Bondholders any additional security other than that granted or pledged under this Indenture;

(d) to modify, amend or supplement this Indenture in such manner as to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute then in effect, or to permit the qualification of the Bonds for sale under the securities laws of any of the States of the United States;

(e) to appoint a successor trustee, separate trustee or co-trustee, or a separate Tender Agent or Bond Registrar;

(f) to make any change requested by the Credit Provider which is not materially adverse to the interests of the Bondholders, including, but not limited to, provision of a Credit Facility otber than or in substitution for the initial Credit Facility; *provided* that the provision of such other Credit Facility does not adversely affect the rating tben in effect for the Bonds;

(g) to make any changes in this Indenture or in the terms of the Bonds necessary or desirable in order to maintain the then existing rating awarded to the Bonds by the Rating Agency or otherwise to comply with requirements of any Rating Agency then rating the Bonds;

(h) to comply with the Code and the regulations and rulings issued with respect to the Code, to the extent determined as necessary in the opinion of Bond Counsel;

(i) to modify, alter, amend or supplement this Indenture in any other respect, including amendments which would otherwise be described in Section 12.2, (A) if such amendments will take effect on a Mandatory Tender Date following the purchase of Tendered Bonds, or (B) if notice of the proposed supplemental indenture is given to Bondholders (in the same manner as notices of redemption are given) at least 30 days before the effective date of such amendment, modification, alteration or supplement and, on or before such effective date, the Bondholders have the right to demand purchase of their Bonds pursuant to Section 4.1; or

(j) to change any of the time periods for provision of notice relating to the remarketing of Bonds or the determination of the interest rate on the Bonds.

If the Trustee has received written confirmation from the Rating Agency to the effect that such supplemental indenture will not result in the suspension, withdrawal or reduction of the then current rating on the Bonds and all conditions precedent in this Section 12.1 and in Sections 12.5 and 12.6 have been satisfied, the Trustee shall join the Issuer in the execution of any such supplemental indenture. The Trustee promptly shall furnish a copy of any such supplemental indenture to the Credit Provider, the Construction Lender, the Remarketing Agent, the Tender Agent, the Loan Servicer and the Borrower.

Section 12.2 Supplemental Indentures Requiring Bondholder Consent. The Issuer and the Trustee may, with the consent of Bondholders owning not less than 51 percent in aggregate principal amount of Bonds then Outstanding, from time to time, execute indentures supplemental to this Indenture for the purpose of modifying or amending any of the provisions of this Indenture; *provided, however*, that nothing in this Section 12.2 permits, or shall be construed as permitting:

(a) an extension of the maturity of the principal of or interest on, or the mandatory redemption date of, any Bond, without the consent of the owner of such Bond;

(b) a reduction in the principal amount of, or the rate of interest on, any Bond, without the consent of the owner of such Bond;

(c) a preference or priority of any Bond or Bonds over any other Bond or Bonds, without the consent of the owners of all such Bonds;

(d) the creation of a lien prior to or on parity with the lien of this Indenture, without the consent of the owners of all of the Bonds then Outstanding;

(e) a change in the percentage of Bondholders necessary to waive an Event of Default under this Indenture or otherwise approve matters requiring Bondholder approval under this

Indenture, including consent to any supplemental indenture, without the consent of the owners of all the Bonds then Outstanding;

(f) a transfer, assignment or release of the Credit Facility (or modification of the provisions of this Indenture governing such transfer, assignment or release), other than as permitted by this Indenture or the Credit Facility, without the consent of the owners of all of the Bonds then Outstanding;

(g) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture, without the consent of the holders of all of the Bonds then Outstanding;

(h) the creation of any lien other than a lien ratably seeuring all of the Bonds at any time Outstanding under this Indenture, without the consent of the holders of all of the Bonds then Outstanding; or

(i) the amendment of this Section 12.2, without the consent of the holders of all of the Bonds then Outstanding.

The Trustee shall promptly furnish a copy of any such supplemental indenture to the Credit Provider, the Construction Lender, the Remarketing Agent, the Tender Agent, the Loan Servicer and the Borrower. Notice of any amendment pursuant to this Section shall be given to the Bondholders promptly following the execution thereof.

Section 12.3 No Bondholder Consent Required for Amendment to Loan Documents. Unless a Wrongful Dishonor has occurred and is continuing, the Credit Provider alone (with the concurrence of the Construction Lender, unless the change is required by law or will only take effect from or after the Conversion Date, in which case no concurrence of the Construction Lender shall be required) may consent to any amendment to the Loan Documents and no consent of the Bondholders is required; *provided, however*, that any amendment or substitution of the Note shall occur only following written confirmation of the Rating Agency that such amendment or substitution will not result in a reduction or withdrawal of the rating on the Bonds.

Section 12.4 Amendments to the Credit Facility. The Credit Facility may only be amended, supplemented or otherwise changed in accordance with the following:

(a) **Replacement Credit Facility**. At the request of the Credit Provider, the Trustee shall exchange the Credit Facility with the Credit Provider for a new Credit Facility (a "**Replacement Credit Facility**") issued by the Credit Provider; *provided* that there is delivered to the Trustee (i) a written confirmation from the Rating Agency to the effect that such exchange shall not adversely affect the rating then in effect for the Bonds, and (ii) a written opinion of Bond Counsel to the effect that such exchange will not adversely affect the excludability of interest on the bonds from gross income for federal income tax purposes. No such exchange shall require the approval of the Issuer, the Trustee or any of the Bondholders or constitute or require a modification or supplement to this Indenture.

(b) **Amendment of the Credit Facility**. The Trustee may consent, without the consent of the owners of the Bonds, to any amendment of the Credit Facility not addressed in subsection (a) which does not prejudice in any material respect the interests of the Bondholders.

(c) **Other Amendments of the Credit Facility**. Except as provided in subsections (a) and (b), the Credit Facility may be amended only with the consent of the Trustee and the owners of a majority of the owners of all Outstanding Bonds. No amendment may be made to the Credit Facility which would reduce the amounts required to be paid under the Credit Facility or change the time for payment of such amounts; *provided, however*, that any such amounts may be reduced without such consent solely to the extent that such reduction represents a reduction in any fees payable from such amounts.

Section 12.5 Notice to and Consent of Bondholders. If consent of the Bondholders is required for any supplement, amendment or modification to this Indenture or for any other similar purpose, the Trustee shall give notice of the proposed supplement, amendment or modification by first class mail, postage prepaid, to the Bondholders. Such notice will be conclusively presumed to have been duly given and received when given in such manner, whether or not any holder actually receives the notice. Such notice shall briefly set forth the nature of the proposed supplement, amendment or modification, and shall state that copies of any such supplement, amendment or modification are on file at the Designated Office of the Trustee for inspection by the Bondholders. The consent of the holder of any Bond or Borrower Bond will be binding on any transferee and successor transferees of such Bond or Borrower Bond, as the case may be.

Section 12.6 Required Approvals. Subject to the provisions of Section 8.7, no amendment, supplement or modification may be made (i) to any Bond Document without the prior written consent of the Construction Lender and the Credit Provider, (ii) to any Loan Document without the prior written consent of the Credit Provider and, so long as the change will take effect prior to the Conversion Date or is not required by law, the Construction Lender, or (iii) to any Credit Facility Document without the prior written consent of the Credit Provider and, if the change will materially adversely affect the Borrower or the Construction Lender, the Construction Lender. Anything in this Indenture to the contrary notwithstanding, a supplement or amendment or other document described under this Article XII which materially and adversely affects any rights or obligations of the Borrower will not become effective unless and until the Borrower (if the Borrower is not then in default under any Bond Document or any Loan Document and if no event which, with notice or the passage of time or both, would constitute such a default has occurred and is continuing) has consented in writing to the execution of such supplemental indenture, amendment or other document. The Trustee shall not be required to enter into any supplement or amendment which adversely affects the Trustee's rights and duties under this Indenture.

Section 12.7 Opinions of Counsel. Subject to the provisions of Section 11.1, the Trustee may obtain and will be fully protected in relying upon an Opinion of Counsel as conclusive evidence that any supplement or amendment to this Indenture is authorized and permitted by this Indenture and, if applicable, is not materially adverse to the interests of the Bondholders. No supplement or amendment with respect to this Indenture will be effective until the Issuer and the Trustee have received an opinion of Bond Counsel to the effect that such

supplement or amendment will not adversely affect the exclusion from gross income, for federal income tax purposes, of the interest payable on the Bonds.

Section 12.8 Notation of Modification on Bonds; Preparation of New Bonds. Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article may bear a notation, in form approved by the Trustee and the Issuer as to any matter provided for in such supplemental indenture, and if such supplemental indenture so provides, new Bonds, so modified as to conform, in the opinion of the Trustee and the Issuer, to any modification of this Indenture contained in any such supplemental indenture, may be prepared by the Issuer, authenticated by the Trustee and delivered without cost to the Bondholders, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

ARTICLE XIII
MISCELLANEOUS

Section 13.1 Consents, Etc., of Bondholders. Any consent, request, direction, or other instrument required to be signed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed by any Bondholder in person or by an authorized agent appointed in writing. The fact and date of the execution by any person of any such request, consent, direction, approval, objection or other instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before such officer its execution, or by an affidavit of any witness to such execution. Such proof of execution or of the writing appointing any agent will be sufficient for any of the purposes of this Indenture and will be conclusive in favor of the Trustee with regard to any action taken by it under such consent, request, direction or other instrument. In the event that the Trustee receives conflicting directions from two groups of Bondholders, each with combined holdings of not less than 25 percent in aggregate principal amount of all Bonds then Outstanding, the directions given by the group of Bondholders which hold the largest percentage of Bonds Outstanding will be controlling and the Trustee shall follow such directions as elsewhere required in this Indenture.

Section 13.2 Limitation of Rights. With the exception of rights expressly conferred in this Indenture, nothing expressed 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 Issuer, the Trustee, the Bondholders, the Credit Provider, the Loan Servicer, the Construction Lender and the Borrower any legal or equitable right, remedy or claim under or in respect of this Indenture. This Indenture and all of the covenants, conditions and provisions in this Indenture are intended to be for the sole and exclusive benefit of the parties to this Indenture, the Bondholders, the Credit Provider, the Loan Servicer, the Construction Lender and the Borrower as provided in this Indenture. The Credit Provider is a third-party beneficiary of this Indenture with the right to enforce its provisions. The Construction Lender, as to provisions directly running to the benefit of the Construction Lender, is a third-party beneficiary of such provisions with the right to enforce those provisions.

Section 13.3 Severability. If any provision of this Indenture is held to be in conflict with any applicable constitution or statue or rule of law, or is otherwise held to be unenforceable for any reason, such circumstance shall not have the effect of rendering the provision in question inoperative or unenforceable in any other part or circumstance, or of rendering any other provision or provisions contained in this Indenture invalid, inoperative or unenforceable to any

extent whatsoever. The invalidity of any one or more phrases, sentences, clauses or Sections of this Indenture will not affect the remaining portions of this Indenture.

Section 13.4 Notices. Unless otherwise specified in this Indenture, it shall be sufficient service or giving of any notice, request, certificate, demand 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, confirmed by first-class mail, postage prepaid, 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:

If to the Issuer:

City of Chicago
Department of Housing
318 South Michigan Avenue
Chicago, Illinois 60604
Attention: Commissioner
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

with copies to:

City of Chicago
Department of Law
City Hall
Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

and to:

City of Chicago
Department of Finance - Financial Policy
33 North LaSalle Street
Chicago, Illinois 60602
Attention: Deputy Comptroller
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

If to the Trustee:

_____
_____
_____
Attention: _____
Telephone: ___-___-____
Facsimile: ___-___-____

If to the Remarketing Agent: _____
_____
_____
Attention: _____
Telephone: ___-___-____
Facsimile: ___-___-____

If to the Borrower: _____
_____
_____
Attention: _____
Telephone: ___-___-____
Facsimile: ___-___-____

with a copy to: [Apollo Housing Capital, LLC
600 Superior Avenue
Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

If to the Tender Agent: _____
_____
_____
Attention: _____
Telephone: ___-___-____
Facsimile: ___-___-____

If to the Rating Agencies: Standard & Poor's Credit Rating Services
55 Water Street
38th Floor
New York, NY 10041
Attention: Public Finance Surveillance Group
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

Moody's Investor Services
99 Church Street
New York, New York 10007
Attention: Fully Supported Group
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

If to the Credit Provider:	Fannie Mae 3900 Wisconsin Avenue, NW Drawer AM Washington, DC 20016-2899 Attention: Director, Multifamily Asset Management Telephone: (Omitted for printing purposes) Facsimile: (Omitted for printing purposes) RE: $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Housing Project), Series 2004A/GMAC Commercial Mortgage Corporation
with a copy to:	Fannie Mae 3900 Wisconsin Avenue, NW Drawer AM Washington, DC 20016-2899 Operations Facsimile: (Omitted for printing purposes) RE: $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Housing Project), Series 2004A/GMAC Commercial Mortgage Corporation
provided, however, that any notice required to be delivered to the Credit Provider pursuant to Section 4.1, 4.2 or 4.3 will be addressed as follows:	Fannie Mae 3900 Wisconsin Avenue, N.W. Washington, DC 20016-2899 Attention: Director, Fiscal Agency Relations and Treasury Backoffice Telephone: (Omitted for printing purposes) Facsimile: (Omitted for printing purposes) RE: $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Housing Project), Series 2004A/GMAC Commercial Mortgage Corporation
with a copy to:	Fannie Mae 3900 Wisconsin Avenue, N.W. Washington, DC 20016-2899 Attention: Director, Multifamily Asset Management Telephone: (Omitted for printing purposes) Facsimile: (Omitted for printing purposes) RE: $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Housing Project), Series 2004A/GMAC Commercial Mortgage Corporation

If to the Loan Servicer:	GMAC Commercial Mortgage Corporation 200 Witmer Road P.O. Box 809 Horsham, PA 19044 Attention: Servicing-Account Manager Telephone: (Omitted for printing purposes) Facsimile: (Omitted for printing purposes) RE: $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Housing Project), Series 2004A/GMAC Commercial Mortgage Corporation
with a copy to:	GMAC Commercial Mortgage Corporation Affordable Housing Division 4195 East Thousand Oaks Boulevard, Suite 201 Westlake Village, CA 91362 Attention: Mortgage Servicing Telephone: (Omitted for printing purposes) Facsimile: (Omitted for printing purposes)
If to the Construction Lender:	GMAC Commercial Mortgage Corporation 100 South Wacker Drive, Suite 400 Chicago, Illinois 60606 Attention: Frank J. Guzanskas Telephone: (Omitted for printing purposes) Facsimile: (Omitted for printing purposes)

Copies of all notices given to the Credit Provider must be given concurrently to the Construction Lender and the Loan Servicer. By notice given under this Indenture, any entity whose address is listed in this Section may designate any different addresses to which subsequent notices, certificates, requests, demands or other communications shall be sent, but no notice directed to any one such entity (except for Credit Provider) will be required to be sent to more than two addresses. All approvals required under this Indenture will be given in writing.

Section 13.5 **Action Required to be taken on a Non-Business Day**. If the date for making any payment or any date on which action is required to be taken is not a Business Day, then any action required to be taken or any payment required to be made may be taken or made on the following Business Day with the same force and effect as if made or taken on the date otherwise provided for in this Indenture and, in the case of any payment date, no interest will accrue for the period from and after such date.

Section 13.6 Binding Effect. From and after the Closing Date, this Indenture shall be binding upon the Issuer and the Trustee and their respective successors and assigns, subject, however, to the limitations contained in this Indenture.

Section 13.7 Governing Law. This Indenture shall be governed by and interpreted in accordance with internal laws of the State without regard to conflicts of laws principles.

Section 13.8 No Personal Liability; No Recourse. No member, officer, agent, employee or attorney of the Issuer, including any person executing this Indenture or the Bonds, will be liable personally on the Bonds or for any reason relating to the issuance of the Bonds. No recourse will be had for the payment of the principal of or the interest on the Bonds, or for any claim based on such Bonds, or otherwise in respect of such Bonds, or based on or in respect of this Indenture or any indenture supplemental to this Indenture, against any member, officer, employee or agent, as such, 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 of this Indenture and as part of the consideration for the issue of the Bonds, expressly waived and released.

Section 13.9 Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

The Issuer has caused this Indenture to be executed, sealed and attested in its name and on its behalf by its duly authorized officers, and the Trustee has caused this Indenture to be executed in its name by its duly authorized officer, all as of the date set forth above.

(SEAL)

CITY OF CHICAGO

Attest:

By:_____
City Comptroller

_____
City Clerk

[TRUSTEE],
as Trustee

(SEAL)

Attest:

By:_____
Authorized Signatory

_____
Authorized Signatory

(Sub)Exhibits "A" and "B" referred to in this form of Senior Housing Indenture read as follows:

(Sub)Exhibit "A".
(To Form Of Senior Housing Indenture)

Form Of Bond.

CITY OF CHICAGO
VARIABLE RATE DEMAND
MULTI-FAMILY HOUSING REVENUE BONDS
(CENTRAL STATION SENIOR HOUSING PROJECT) SERIES 2004

No. R-1 **$_____**

Dated: _____ **CUSIP #_____**

Maturity Date: _____

Interest Rate: Weekly Variable Rate,
Determined as described below

REGISTERED OWNER: Cede & Co.
(Tax Identification No. 13-2555119)

PRINCIPAL AMOUNT: _____ DOLLARS

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration, transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or in the name of such other entity as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE OF THIS BOND FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner of this Bond, Cede & Co., has an interest in this Bond.

Capitalized terms used in this Bond but not defined in this Bond shall have the meanings given to those terms in the Indenture (as hereinafter defined).

FOR VALUE RECEIVED, **the City of Chicago (the "Issuer"), a home rule unit of local government public body corporate and politic organized and existing under the laws of the State of Illinois (the "State") promises to pay to the Registered Owner identified above or registered assigns (subject to prior redemption as hereinafter provided), on the Maturity Date set forth above, the Principal Amount set forth above, and to pay interest on the Principal Amount on each Interest Payment Date. The term "Interest Payment Date" means (a) during the Weekly Variable Rate Period, the 15th day of each calendar month, beginning _____, (b) any other date on which interest is payable, including any Adjustment Date, any Redemption Date, the Maturity Date and the date of acceleration of the Bonds.**

Payment of interest on this Bond on each Interest Payment Date will be made to the Registered Owner of this Bond (as determined at the close of business on the Record Date (being the Business Day preceding the applicable Interest Payment Date) by check drawn upon the Trustee and mailed by first class mail, postage prepaid, on the Interest Payment Date to the address of the Registered Owner as it appears on the Bond Register or to such other address as may be furnished in writing by the Registered Owner to the Trustee prior to the applicable Record Date. Payment of the principal of this Bond and premium, if any, together with interest payable on any Bond Payment Date (other than interest payable on a regularly scheduled Interest Payment Date) will be made by check to the Registered Owner of this Bond only upon presentation and surrender of this Bond on or after its maturity date or date fixed for purchase, redemption or other payment at the office of the Trustee designated by the Trustee for that purpose. Notwithstanding the foregoing, payment of principal of, premium, if any, and interest on, this Bond will be made by wire transfer to any account within the United States of America designated by the Registered Owner if the Registered Owner owns $1,000,000 or more in aggregate principal amount of the Bonds and otherwise complies with the procedures set forth in the Indenture. Notwithstanding the foregoing, payments of the principal of, premium, if any, and interest on any Bonds that are subject to the Book-Entry System will be made as provided in the Indenture.

If interest on this Bond is in default, the Trustee, prior to the payment of interest, will establish a special record date (the "Special Record Date") for such payment. A Special Record Date will be not more than 15 nor less than 10 days prior to the date of the proposed payment. Payment of defaulted interest will then be made by check or wire transfer as permitted by the Indenture, mailed or remitted to the Registered Owner in whose name this Bond is registered on the Special Record Date at the address or account of such Registered Owner as shown on the Bond Register.

The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America.

During the Weekly Variable Rate Period, interest on the Bonds is payable at the Weekly Variable Rate, and will remain payable at the Weekly Variable Rate unless and until the interest rate on the Bonds is adjusted to a different interest rate Mode in accordance with the Indenture. So long as the Bonds bear interest at the Weekly Variable Rate, interest will be computed on the basis of a 365 or 366-day year, as applicable, for the actual number of days elapsed.

The Weekly Variable Rate will be determined by the Remarketing Agent not later than 4:00 p.m., Eastern time, on the applicable Rate Determination Date and will be the minimum rate of interest necessary, in the best professional judgment of the Remarketing Agent, taking into consideration prevailing market conditions, to enable the Remarketing Agent to remarket all of the Bonds on the applicable Rate Determination Date at par plus accrued interest. The Weekly Variable Rate so determined will, within each Weekly Variable Rate Period, be effective for the seven-day period beginning on Thursday of each calendar week and ending on and including the following Wednesday, except that (a) the first Week will begin on the Closing Date and end on and include the following Wednesday; (b) the first Week of a Weekly Variable Rate Period immediately following an Adjustment Date will begin on such Adjustment Date and end on and include the following Wednesday; (c) any Week ending immediately before an Adjustment Date will begin on a Thursday and end on the day before such Adjustment Date; (d) the final Week will begin on a Thursday and end on the earlier of an Adjustment Date or the Maturity Date; and (e) the first and last Weeks of a Weekly Variable Rate Period may consist of more (but not more than 13) or less than 7 days.

If the Remarketing Agent fails or refuses to determine the Weekly Variable Rate for any period during the Weekly Variable Rate Period, the interest rate to be borne by the Bonds during such period beginning on and including Thursday of each week to and including the following Wednesday shall be the latest BMA Index Rate published on or before the Rate Determination Date, or, in the event the BMA Index Rate is no longer published, the last determined Weekly Variable Rate as determined by the Remarketing Agent.

THIS BOND AND THE ISSUE OF WHICH IT IS A PART ARE SPECIAL OBLIGATIONS OF THE ISSUER, PAYABLE OUT OF AND SECURED BY A PLEDGE OF THE TRUST ESTATE (AS DEFINED IN THE INDENTURE). NEITHER THE ISSUER, THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO PAY THIS BOND OR THE INTEREST HEREON EXCEPT FROM SUCH TRUST ESTATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS. THIS BOND AND THE ISSUE OF WHICH IT IS A PART ARE NOT GENERAL OBLIGATIONS OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

This Bond is one of a duly authorized issue of bonds of the Issuer designated as its Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Senior Housing Project) Series 2004 (the "Bonds") in the aggregate principal amount of $_____.

The Bonds are equally and ratably secured as to principal, premium, if any, interest and purchase price by a Trust Indenture dated as of _____ (the "Indenture"), by and between the Issuer and the Trustee (copies of which are on file at the Designated Office of the Trustee). Reference is made to the Indenture for a description of the Trust Estate, the nature and extent of the Security for the Bonds, the terms and conditions upon which the Bonds are secured, and the rights of the owners of the Bonds. The Security includes a Credit Enhancement Instrument (the "Credit Facility"), dated as of the Closing Date, issued by Fannie Mae to the Trustee.

FANNIE MAE'S OBLIGATIONS WITH RESPECT TO THE MORTGAGE LOAN AND THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT FACILITY. THE OBLIGATIONS OF FANNIE MAE UNDER THE CREDIT FACILITY WILL BE OBLIGATIONS SOLELY OF FANNIE MAE, A FEDERALLY CHARTERED STOCKHOLDER-OWNED CORPORATION. FANNIE MAE'S OBLIGATIONS ARE NOT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, OR ANY AGENCY OF THE UNITED STATES OF AMERICA, OR OF FANNIE MAE, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA, ANY AGENCY OF THE UNITED STATES OF AMERICA OR FANNIE MAE. FANNIE MAE HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE BONDS.

The Bonds are subject to redemption prior to maturity only as set forth below and in the Indenture. All redemptions will be in Authorized Denominations. The Authorized Denomination during the Weekly Variable Rate Period is $100,000 or any integral multiple of $5,000 in excess of $100,000, without regard to how DTC or any successor securities depository records interests in the Bonds.

Optional Redemption. The Bonds are subject to optional redemption in whole or in part upon optional prepayment of the Loan by the Borrower. Optional Redemption will be made on any Interest Payment Date within a Weekly Variable Rate Period and on any Adjustment Date, at a redemption price equal to one hundred percent (100%) of the principal amount redeemed plus accrued interest to the Redemption Date.

Mandatory Redemption. The Bonds are subject to mandatory redemption at a redemption price equal to one hundred percent (100%) of the principal amount of such Bonds plus accrued interest to the Redemption Date on the earliest practicable Redemption Date for which timely notice of redemption can be given following the occurrence of the event requiring such redemption specified below:

Casualty or Condemnation. The Bonds shall be redeemed in whole or in part in the event and to the extent that proceeds of insurance from any casualty to, or proceeds of any award from any condemnation of, or any award as part of a settlement in lieu of condemnation of, the Project ("Proceeds") are applied in accordance with the Security Instrument to the prepayment of the Loan.

After an Event of Default under the Reimbursement Agreement. The Bonds shall be redeemed on the earliest practicable date in whole or in part in an amount specified by and at the direction of the Credit Provider following any Event of Default under the Reimbursement Agreement.

Principal Reserve Fund. The Bonds shall be redeemed in whole or in part as follows:

(1) on each Adjustment Date in an amount equal to the amount which has been transferred from the Principal Reserve Fund on such Adjustment Date to the Redemption Account; and

(2) on any Interest Payment Date in an amount equal to the amount which has been transferred from the Principal Reserve Fund on such Interest Payment Date to the Redemption Account.

Sinking Fund Redemption. The Bonds shall be redeemed during the Fixed Rate Period if the Issuer has established a Sinking Fund Schedule, at the times and in the amounts set forth in the Sinking Fund Schedule (subject to the provisions of the Indenture permitting amounts to be credited toward part or all of any one or more Sinking Fund Payments).

Pre-Conversion Loan Equalization. The Bonds shall be redeemed in part in the event that the Borrower makes a Pre-Conversion Loan Equalization Payment. The principal amount of Bonds to be redeemed shall be the amount prepaid by the Borrower or, if such amount is not an integral multiple of an Authorized Denomination, the next lowest integral multiple of an Authorized Denomination to the amount prepaid.

Failure of Conversion or Borrower Default. The Bonds shall be redeemed in whole if the Credit Provider notifies the Trustee that either (i) the Conditions to Conversion have not been satisfied on or before the Termination Date or (ii) that a Borrower Default has occurred or (iii) that an event of default by the Borrower has occurred under the Construction Phase Loan Agreement or the Construction Phase Credit Reimbursement Agreement.

Excess Loan Funds. The Bonds shall be redeemed in whole or in part in the event and to the extent that amounts on deposit in the Loan Fund are transferred to the Redemption Account pursuant to Section 5.3(d)(i).

The Trustee will give notice of the call for redemption of any Bonds in the name and on behalf of the Issuer by mail not less than 10 days prior to the specified Redemption Date, to the Registered Owner of each Bond to be redeemed at the address of such Registered Owner as shown on the Bond Register. The Trustee may give a notice of redemption prior to the receipt of all funds necessary to effect the redemption, provided that a redemption will not occur unless and until the Trustee has on deposit and available or, if applicable, has received, all of the funds necessary to effect the redemption; otherwise, the redemption will be cancelled. The Trustee will cause a second notice of redemption to be sent by mail on or within 10 days after the 30th day after the Redemption Date to any Bondholder who has not submitted its Bond to the Trustee for payment on or before the 30th day following the Redemption Date.

If less than all the Outstanding Bonds are called for redemption, the Trustee will select by lot, in such manner as it shall in its discretion determine, the Bonds, or portions of the Bonds in Authorized Denominations, to be redeemed. In the selection process any Pledged Bonds Outstanding will be called for redemption before any other Bonds are selected for redemption.

During any Weekly Variable Rate Period, the Trustee will purchase any Bond on behalf of and as agent for the Borrower, but solely from the sources provided in the Indenture, upon

receipt from the Beneficial Owner of such Bond of a Bondholder Tender Notice. The purchase price of such Bond will be equal to one hundred percent (100%) of the principal amount of such Bond plus accrued interest, if any, to the date of purchase. The Bondholder Tender Notice must be accompanied by a guaranty of signature acceptable to the Tender Agent and must be delivered to and received prior to 3:30 p.m., Eastern time, on a Business Day not later than the seventh day preceding the Business Day designated in such Bondholder Tender Notice as the date of purchase. The Bondholder Tender Notice must state the following:

(i) the number and principal amount (or portion of a Bond in integral multiples of the Authorized Denomination, provided that the portion of the Bond retained is also an integral multiple of an Authorized Denomination) of such Bond;

(ii) the name, address and tax identification number or social security number of the Beneficial Owner of the Bond demanding such payment; and

(iii) the date on which the Bond is to be purchased, which date must be a Business Day not prior to the seventh day next succeeding the date of the delivery of the Bondholder Tender Notice to the Tender Agent.

The Trustee will, initially, serve as Tender Agent for the Bonds.

By delivering the Bondholder Tender Notice, the Beneficial Owner irrevocably agrees to deliver the Tendered Bond (with an appropriate transfer of registration form executed in blank and accompanied by a guaranty of signature satisfactory to the Tender Agent) to the Designated Office of the Tender Agent or any other address designated by the Tender Agent at or prior to 10:00 a.m., Eastern time, on the date of purchase specified in the Bondholder Tender Notice. Any election by a Beneficial Owner to tender a Bond or Bonds (or portion of a Bond or Bonds) for purchase on a Business Day will also be binding on any transferee of the Beneficial Owner making such election. A Bond will be purchased only if the Bond so delivered to the Tender Agent conforms in all respects to the description of the Bond in the Bondholder Tender Notice. The Tender Agent will determine in its sole discretion whether a Bondholder Tender Notice complies with the requirements of the Indenture and whether any Bond delivered conforms in all respects to the description of the Bond in the Bondholder Tender Notice.

If after delivery to the Tender Agent of a Bondholder Tender Notice in accordance with the Indenture, the Beneficial Owner making the election fails to deliver the Bond or Bonds described in the Bondholder Tender Notice to the Tender Agent on the applicable purchase date, the untendered Bond or Bonds or portion of the untendered Bond or Bonds described in the Bondholder Tender Notice will be deemed to have been properly tendered for purchase to the Tender Agent and, to the extent that there will be on deposit in the Bond Purchase Fund or the Credit Facility Account on the applicable purchase date an amount sufficient to pay the purchase price of the Bond, the untendered Bond or Bonds will on and after such purchase date cease to bear interest and no longer will be considered to be Outstanding under the Indenture.

The Holder of any Bond is required to tender its Bond to the Tender Agent, for purchase by the Trustee acting on behalf of and as agent for the Borrower, but solely from the sources

provided in the Indenture, for a purchase price equal to one hundred percent (100%) of the principal amount of the Bond plus accrued interest to the applicable Mandatory Tender Date, on each Mandatory Tender Date; and in any such event, the Holder of the Bond may not elect to retain its Bond. Mandatory Tender Dates include each proposed Adjustment Date, each Adjustment Date, each Substitution Date and each Extension Date. The Trustee will give notice of Mandatory Tender Dates as follows:

(i) Not less than 30 days before any proposed Adjustment Date, the Trustee will give notice by mail to the Owners of the Bonds and the other Remarketing Notice Parties stating (a) the proposed Adjustment Date, (b) that the Bonds are required to be tendered for purchase or redeemed on such date, (c) that the Owners of the Bonds will not have the right to elect to retain their Bonds, and (d) if applicable, any additional information required to be set forth in notices pursuant to the Indenture.

(ii) Not less than 10 days before any Substitution Date, the Trustee will give notice by mail to the Owners of the Bonds stating (a) an Alternate Credit Facility will be substituted for the Credit Facility then in effect, (b) the Substitution Date, (c) that the Bonds are required to be tendered on the Substitution Date and (d) that the Owners of the Bonds will not have the right to elect to retain their Bonds.

(iii) Not less than 10 days before any Extension Date, if the Trustee has not received a binding commitment to extend the applicable Alternate Credit Facility then in effect and the Opinion of Counsel required by the Financing Agreement, the Trustee will give notice by mail to the owners of the Bonds stating (a) the Extension Date and that the conditions to extend the Alternate Credit Facility set forth in the Indenture have not been satisfied, (b) that the Bonds are required to be tendered on the Extension Date (unless the conditions set forth in the Indenture are satisfied prior to the Extension Date, in which event the notice will be cancelled), and (c) that the Owners of the Bonds will not have the right to elect to retain their Bonds.

The Bonds will also be subject to mandatory tender on the earliest practicable date after notice of such tender has been given to Bondholders (but not less than 10 nor more than 15 days after the giving of such notice) (which date must be a Mandatory Tender Date) upon receipt by the Trustee of written notice from the Credit Provider stating that an Event of Default has occurred under the Indenture or an Event of Default has occurred under (and as defined in) the Financing Agreement or the Reimbursement Agreement and directing that the Bonds be subject to mandatory tender rather than mandatory redemption. Immediately upon receipt by the Trustee of written notice from the Credit Provider, the Trustee will give notice by mail to the owners of the Bonds stating (a) that such event has occurred, (b) that such Bonds are required to be tendered on the Mandatory Tender Date specified in such notice, and (c) that the Owners of the Bonds will not have the right to elect to retain their Bonds.

Any Bond which is not tendered on a Mandatory Tender Date will be deemed to have been tendered to the Tender Agent on the Mandatory Tender Date, and, beginning on the

Mandatory Tender Date, will cease to bear interest and no longer will be considered to be Outstanding under the Indenture.

The registered owner of this Bond will have no right to enforce the provisions of the Indenture or the Financing Agreement or to institute any proceeding in equity or at law for the enforcement of the Indenture or the Financing Agreement or to take any action with respect to an Event of Default under the Indenture or the Financing Agreement or to institute, appear in or defend any suit or other proceedings with respect to the Indenture or the Financing Agreement, except as provided in the Indenture.

If an Event of Default occurs, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture.

The Trustee is the Bond Registrar for the Bonds and will keep the Bond Register for the registration of the Bonds and for the registration of transfer of Bonds.

Subject to the express limitations contained in the Indenture, any Bondholder or its attorney duly authorized in writing may transfer title to a Bond on the Bond Register upon surrender of the Bond at the office of the Trustee designated by the Trustee for that purpose, together with a written instrument of transfer (in substantially the form of assignment, including signature guarantee, attached to the Bond) satisfactory to the Trustee executed by the Bondholder or its attorney duly authorized in writing, and upon surrender for registration of transfer of any Bond, the Issuer will execute and the Trustee will authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same aggregate principal amount, rate of interest, maturity and tenor as the Bond surrendered and of any Authorized Denomination.

Subject to the express limitations contained in the Indenture, Bonds may be exchanged upon surrender of such Bonds at the office of the Trustee designated by the Trustee for that purpose together with a written instrument of transfer (in substantially the form of assignment, including signature guarantee, attached to the Bond) satisfactory to the Trustee, executed by the Bondholder or its attorney duly authorized in writing, for an equal aggregate principal amount of Bonds of the same aggregate principal amount, rate of interest, maturity, and tenor as the Bonds being exchanged and of any Authorized Denomination. The Issuer will execute and the Trustee will authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding.

Registrations of transfers or exchanges of Bonds will be without charge to the Bondholders, but any taxes or other governmental charges required to be paid with respect to a transfer or exchange must be paid by any Bondholder requesting the registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge made by the Trustee for any such registration, transfer or exchange will be paid by the Borrower.

The Trustee is not required to register any transfer or exchange of any Bond (or portion of any Bond) called for redemption.

The person in whose name this Bond is registered on the Bond Register will be deemed and regarded as the absolute owner of this Bond for all purposes, and payment of or on account

of either principal or interest will be made only to or upon the order of such person or its attorney duly authorized in writing, but such registration may be changed as provided in the Indenture.

In any case in which the date required for payment of principal of or interest on the Bonds or the date fixed for redemption or mandatory purchase of any Bonds or any date on which action is required to be taken is a day other than a Business Day, then any action required to be taken or any payment 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 otherwise provided for in the Indenture and, in the case of any payment date, no interest shall accrue for the period on and after such date.

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 Bond shall be subject to any personal liability or accountability by reason of the issuance of this Bond, 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 Bonds.

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 on this Bond has been manually endorsed by the Trustee.

It is certified and recited by the Issuer that all conditions, acts and things required by the Indenture or by the laws of the State, including the Act, to exist, to have happened or to have been performed precedent to or in 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 and the issue of which it forms a part is within every debt and other limit prescribed by said Constitution or statutes.

IN WITNESS OF THE ABOVE, the Issuer has caused this Bond to be duly executed in its name as of the date of delivery shown above.

CITY OF CHICAGO

(SEAL)

By:_____
City Comptroller

ATTEST:

By:_____
City Clerk

(Sub)Exhibit "B".
(To Form Of Senior Housing Indenture)

Form Of Requisition Certificate.

Requisition No.: 1

Date: **[ISSUE DATE]**

To: [TRUSTEE], AS TRUSTEE UNDER THE TRUST INDENTURE DATED AS OF _____ 1, 2004, BETWEEN THE CITY OF CHICAGO AND THE TRUSTEE, AND FINANCING AGREEMENT DATED AS OF _____ 1, 2004, AMONG THE ISSUER, THE TRUSTEE AND THE BORROWER.

The undersigned hereby requests that the following amounts be paid to the following payees for the following Costs of the Project from the Project Account of the Loan Fund.

Amount:	**Payee and Address:**	**Description:**
	(See attached)	

The undersigned hereby requests that the following amounts be paid to the following payees for the following Costs of the Project from the Equity Account of the Loan Fund:

Amount:	**Payee and Address:**	**Description:**
	(See attached)	

I hereby state and certify that (i) the amounts requested are or were necessary and appropriate in connection with the acquisition, construction, and equipping of the Mortgaged Property have been properly incurred and are a proper charge against the Project Account of the Loan Fund, and have been paid, or are justly due to the persons whose names and addresses are stated above, and have not been the basis of any previous requisition from the Project Account of the Loan Fund, and that such amounts are costs which can be capitalized for Federal income tax purposes; (ii) as of this date, except for the amounts specified above, there are no outstanding statements which are due and payable for labor, wages, materials, supplies or services in connection with the acquisition, purchase, construction and installation of said buildings and improvements which, if unpaid, might become the basis of a vendors, mechanics, laborers,

materialmens, statutory or similar lien upon the Mortgaged Property or any part thereof; (iii) no part of the several amounts paid or due as stated above has been or is being made the basis for the withdrawal of any moneys from the Project Account of the Loan Fund or the Equity Account of the Loan Fund, as indicated above, in any previous or pending application for payment made pursuant to the Indenture; (iv) payment of this Requisition Certificate will not breach any limitation on disbursements contained in the Tax Certificate (as defined in the Financing Agreement); (v) the amount remaining in the Project Account of the Loan Fund or the Equity Account of the Loan Fund after payment of the amount(s) requested in this Requisition Certificate, the reasonable estimate of investment income thereon, plus funds of the Borrower available for such purpose will, after payment of the amount(s) requested hereby, be sufficient to pay the cost of completing the Mortgaged Property; and (vi) the amount(s) requested hereby to be funded from the Project Account of the Loan Fund are costs permitted by the Bond Ordinance.

By:_____
Name: _____
Title: Authorized Borrower Representative

The undersigned Construction Lender's signature below indicates only that the Construction Lender has approved this Requisition in accordance with The Construction Phase Credit Documents; the Construction Lender is not making any certification with respect to the matters being certified to by the Borrower in this Requisition

Approved:

GMAC COMMERCIAL MORTGAGE
CORPORATION, as Construction Lender

By:_____
Name: _____
Title: _____

Exhibit "B-1".
(To Ordinance)

Form Of Multi-Family Housing Borrower Financing Agreement.

FINANCING AGREEMENT

Between

CITY OF CHICAGO

and

[TRUSTEE],
as Trustee

and

FC CENTRAL STATION RESIDENTIAL, LLC,
an Illinois limited liability company

Dated as of _____ 1, 2004

THIS FINANCING AGREEMENT dated as of _____ 1, 2004, is by and among 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 **FC CENTRAL STATION RESIDENTIAL, LLC**, an Illinois limited liability company ("**Borrower**") and **[TRUSTEE]**, a national banking association duly organized, validly existing and authorized to accept the duties and obligations set out by virtue of the laws of the United States of America and having its principal corporate trust office located in the City of Chicago, Illinois, as Trustee (such trustee or any of its successors in trust being the "**Trustee**"), not in its individual or corporate capacity, but solely as Trustee under the Indenture.

ARTICLE I
INCORPORATION OF RECITALS, DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 **Incorporation of Recitals**. The Recitals to the Indenture are incorporated into and made a part of this Agreement.

Section 1.2 **Definitions**. All capitalized terms used in this Agreement have the meanings given to those terms in the Indenture or elsewhere in this Agreement unless the context or use clearly indicates a different meaning.

Section 1.3 **Rules of Construction**. The rules of construction set forth in Section 1.2 of the Indenture shall apply to this Agreement in their entirety, except that in applying such rules, the term "Agreement" shall be substituted for the term "Indenture."

ARTICLE II
THE LOAN

Section 2.1 **Amount and Source of Loan**. The Issuer has authorized the issuance of the (i) Bonds in the aggregate principal amount of **$[Principal Amount]**, and (ii) the Borrower Bonds in the aggregate principal amount of $10,000,000. The Issuer agrees to make the Loan in the total aggregate amount of **$[Principal Amount]** to the Borrower with the Net Bond Proceeds. Upon the issuance and delivery of the Bonds and the Borrower Bonds, the Issuer will deliver the Net Bond Proceeds to the Trustee. The Loan shall be deemed made in full upon deposit of the Net Bond Proceeds applicable to the Bonds into the Project Account of the Loan Fund, and up to $10,000,000, or such lesser amount, as applicable, is made to the Borrower Bonds into the Borrower Bond Account of the Revenue Fund. The Borrower accepts the Loan from the Issuer upon the terms and conditions set forth in this Agreement and the Loan Documents, subject to the Indenture, the Regulatory Agreement and the Assignment. Disbursements will be made from the Project Account of the Loan Fund and the Borrower Bond Account of the Revenue Fund, respectively, as provided in the Indenture. The Borrower agrees to apply the proceeds of the Loan to pay the costs of the acquisition, construction, equipping and financing for the multifamily housing facility known as the Central Station Multi-Family Project.

Section 2.2 **Note and Security Instrument**. The Loan shall be evidenced by, payable in accordance with, and bear interest at the rates and on the terms provided in, the Note and secured by the Security Instrument. In the event that a portion of the Bonds are converted to Specially Converted Bonds pursuant to Section 2.8(d) of the Indenture in lieu of a mandatory redemption of a like portion of the Outstanding Bonds arising from a Pre-Conversion Loan

Equalization Payment, the Borrower shall be subject with respect to the loan of proceeds allocable to such Specially-Converted Bonds solely in accordance with the terms of ***Exhibit A*** to this Agreement and shall execute and deliver a Note evidencing its obligation in the form attached to such ***Exhibit A***.

Section 2.3 **Costs of Issuance Deposit**. Prior to the issuance of the Bonds and the Borrower Bonds, the Borrower shall pay to the Trustee $[_____], representing the Borrower's pro-rata portion of the Costs of Issuance Deposit for deposit into the Costs of Issuance Fund. The Issuer shall have no obligation to issue the Bonds or the Borrower Bonds and to fund the Loan unless and until the Borrower delivers its portion of the Costs of Issuance Deposit.

Section 2.4 **Credit Facility**. The Borrower agrees to cause credit enhancement for the Loan or the Bonds and liquidity support for the Bonds to be in effect in the amounts and during the periods as required by the Indenture. From time to time, the Borrower, with the consent of FC Central Station Senior Residential, LLC, an Illinois limited liability company, may arrange for the delivery to the Trustee of one or more Alternate Credit Facilities meeting the requirements of the Indenture in substitution for the Credit Facility then in effect.

Section 2.5 **Payment of Fees, Costs and Expenses**. The Borrower shall pay when due, without duplication, the fees, expenses and other sums specified in this Section 2.5.

(a) **Fees Due at Closing**. The Borrower shall pay or provide for the payment of its pro-rata share of the Costs of Issuance and the Trustee's acceptance fee, if any, on the Closing Date.

(b) **Third-Party Fees**. The Borrower shall pay its pro-rata share of the Third-Party Fees on a monthly basis. Each monthly payment shall be in an amount equal to the aggregate of all of the Third-Party Fees prorated monthly so that the Trustee shall have the full amount of each fee available in the Fees Account to pay each Third-Party Fee as it falls due without regard to whether any Third-Party Fee is payable monthly, annually or on any other periodic basis. The Third-Party Fees are as follows:

(1) Issuer. The Issuer's annual fee of .15% of the outstanding amount of (i) Bonds, (ii) Borrower Bonds and (iii) Specially-Converted Bonds payable by the Borrower under the Financing Agreement, provided, however, that the only portion of the Issuer's Fee payable from the Credit Facility shall correspond to that portion of the Issuer's Fee attributable to the Bonds (and not that portion attributable to the Borrower Bonds and the Specially-Converted Bonds).

(2) Trustee. The annual continuing trust administration fee of the Trustee equal to [___]% per annum of the principal amount of the Bonds Outstanding and the Borrower Bonds Outstanding payable by the Borrower as provided in the Financing Agreement.

(3) Tender Agent. The Tender Agent's Annual Fee is the annual continuing fee of the Tender Agent **[equal to ___% per annum of the principal amount of the Bonds Outstanding]**.

(4) Remarketing Agent. The **[annual]** continuing fee of the Remarketing Agent for its remarketing services.

(5) Rebate Analyst. The annual continuing fee of the Rebate Analyst, if any, in the amount of $[_____] for its rebate calculation services.

(6) Construction Lender. The annual administration fee of the Construction Lender in an amount equal to one percent (1%) of the outstanding principal amount of the Bonds, computed on a 30/360 day basis and payable monthly in equal installments on the first (1st) day of each month prior to the Conversion Date.

(c) Fees and Expenses.

(1) Rating Agency. The annual rating maintenance fee of each Rating Agency.

(2) Extraordinary Items. The Extraordinary Items.

(3) Certain Advances, Expenses and other Items. All advances, out-of-pocket expenses, costs and other charges of each of the Issuer, the Rebate Analyst, the Remarketing Agent, the Tender Agent and the Trustee incurred from time to time, but only to the extent that any such amounts are payable by the Borrower pursuant to an agreement between the Borrower and such Person regarding its services in connection with the Bonds or the Loan.

(4) Bond and Borrower Bond Costs. All costs of registering, printing, reprinting, preparing and delivering any replacement bonds required under the Indenture and in connection with the registration, printing, reprinting or transfer of Bonds or Borrower Bonds.

(5) Adjustment or Conversion of Interest Rate; Tender, Purchase, Remarketing or Reoffering of Bonds or Borrower Bonds. All fees, costs and expenses of any change in Mode or of any tender, purchase, remarketing or reoffering of any Bonds or Borrower Bonds. The fees, costs and expenses of any tender, purchase, remarketing or reoffering of Bonds or Borrower Bonds must be paid by the Borrower in advance in accordance with the Remarketing Agreement or other agreement relating to the remarketing or reoffering of the Bonds or Borrower Bonds.

(6) Conversion. All fees, costs and expenses in connection with Conversion.

The Borrower agrees to timely honor any demand for payment by the Trustee pursuant to Section 5.8(b) of the Indenture on account of any insufficiency in the Fees Account.

Section 2.6 **Liability for Fees, Costs and Expenses**. Neither the Issuer nor the Trustee shall have any obligation to pay any of the fees, costs or expenses referred to in Section 2.5.

Section 2.7 **Borrower's Obligations Upon Tender of Bonds**. If any Tendered Bond is not remarketed on any Tender Date and a sufficient amount is not available in the Bond Purchase Fund for the purpose of paying the purchase price of such Bond, the Borrower will cause to be paid to the Trustee pursuant to the Credit Facility or otherwise pay by the applicable times provided in the Indenture, an amount equal to the principal amount of all Bonds tendered and not remarketed, together with interest accrued to the Tender Date.

Section 2.8 **Redemption Premium**. The Borrower shall pay all redemption premiums, if any, payable with respect to each redemption of any of the Bonds related to the Loan. The Borrower shall make each such payment, or cause such payment to be made, in Available Moneys.

Section 2.9 **Obligation of the Borrower to Pay Deficiencies**. The Borrower shall pay any deficiency resulting from any loss due to a default under any investment in any Fund or Account or a change in value of any investment.

Section 2.10 **Borrower's Approval of Transaction Documents**. The Borrower acknowledges that it participated in the drafting and negotiation of the Transaction Documents and approves and agrees to each of the provisions of the Transaction Documents. The Borrower agrees that it is bound by, shall adhere to, and shall have the rights set forth by, the Indenture.

ARTICLE III
NATURE OF BORROWER'S OBLIGATIONS; SECURITY FOR OBLIGATIONS

Section 3.1 **Obligations of the Borrower Unconditional**. To the fullest extent permitted by law, the obligations of the Borrower to make all payments and perform its other obligations under this Agreement shall be absolute, unconditional and irrevocable, shall be paid and performed strictly in accordance with the applicable Transaction Documents under all circumstances, including, without limitation, the following circumstances: (i) any invalidity or unenforceability of the Credit Facility or any of the other Transaction Documents; (ii) any amendment or waiver of, or any consent to departure from, the terms of the Credit Facility or any of the other Transaction Documents, any extension of time or other modification of the terms and conditions for any act to be performed in connection with the Credit Facility or any of the other Transaction Documents; (iii) the existence of any claim, set-off, defense or other right which the Borrower may have at any time against the Issuer, the Trustee, the Tender Agent, the Credit Provider, the Loan Servicer, the Remarketing Agent or any other Person, whether in connection with any of the Transaction Documents, the Mortgaged Property, or any unrelated transaction; (iv) the surrender or impairment of any security for the performance or observance of any of the

agreements or terms of any of the Transaction Documents; (v) defect in title to the Mortgaged Property, any act or circumstance that may constitute failure of consideration, destruction of, damage to or condemnation of the Mortgaged Property, commercial frustration of purpose, or any change in the tax or other laws of the United States of America or of the State or any political subdivision of either; (vi) the breach by the Issuer, the Trustee, the Tender Agent, the Remarketing Agent, the Credit Provider, the Loan Servicer or any other Person of any of its obligations under any Transaction Document; or (vii) any other circumstance, happening or omission whatsoever, whether or not similar to any of the foregoing.

Section 3.2 **Personal Liability of Borrower**. Except as provided in the last sentence of this Section, the obligations of the Borrower under this Agreement and the obligations of the Borrower under the Regulatory Agreement to pay money, including the obligations of the Borrower with respect to the Reserved Rights, shall be (i) general obligations of the Borrower with recourse to the Borrower personally, and (ii) subordinate and junior in priority, right of payment and all other respects to any and all obligations of the Borrower under the Loan Documents and to the Credit Provider under or in respect of the Credit Facility Documents. Nothing in this Section shall apply to the obligations of the Borrower under any of the Loan Documents.

Section 3.3 **Obligations Unsecured**. All obligations of the Borrower under this Agreement and under the Regulatory Agreement, including the obligations of the Borrower with respect to the Reserved Rights, shall not be secured by the Security Instrument and shall not constitute a lien on the Mortgaged Property in any manner.

Section 3.4 **Certain Obligations Personal to the Borrower**. No subsequent owner of the Mortgaged Property (including the Credit Provider as a result of a foreclosure, a deed in lieu of foreclosure or comparable conversion of the Loan) shall be liable for any breach or default of any obligation of any prior owner under the Regulatory Agreement or this Agreement, including any payment or indemnification obligation. The owner of the Mortgaged Property at the time any default or breach occurs shall remain liable for any and all damages occasioned by such default or breach even after such Person ceases to be the owner. Upon seeking to collect such damages, neither the Issuer nor the Trustee shall have recourse against or the right to levy against or otherwise collect on any judgment from the Mortgaged Property.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 4.1 **Representations and Warranties of the Issuer**. The Issuer represents and warrants that:

(a) The Issuer is a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State.

(b) The Issuer has complied with the Constitution and laws of the State that are prerequisites to the closing of the transactions provided for in the Bond Documents to which the Issuer is a party.

(c) Pursuant to Article VII, Section 6 of the 1970 Constitution of the State, and pursuant to the Bond 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 City of Chicago, which constitutes a valid public purpose for the issuance of revenue bonds by the Issuer

(d) To accomplish the foregoing, the Issuer intends to issue the Bonds on the terms set forth in the Indenture and to use the proceeds derived from the sale of the Bonds as specified in the Indenture and this Agreement.

(e) The Bonds and the Borrower Bonds have been duly executed and delivered by the Issuer, and upon authentication by the Trustee, will constitute legal, valid and binding special limited obligations of the Issuer, enforceable against the Issuer in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(f) The Issuer has the full legal right, power and authority to execute and deliver the Issuer Documents, and to carry out its obligations under each of those documents. The issuance of the Bonds and the execution, delivery and performance of the Issuer Documents have been duly authorized by the Issuer. Each of the Issuer Documents has been duly executed and delivered by the Issuer, and, upon execution and delivery by the other party or parties to the Issuer Documents, is a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(g) Neither the execution and delivery of, nor the fulfillment of or compliance with the terms or conditions of, the Issuer Documents violates the constitution or laws of the State or any judgment, order, writ, injunction or decree to which the Issuer is subject, or conflicts in any material respect with, or results in a material breach of, or material default under, any agreement or instrument to which the Issuer is now a party or by which it is bound.

(h) Except as otherwise provided in the Indenture and the Assignment, the Issuer has not created any debt, lien or charge upon the Trust Estate or the Borrower Bond Trust Estate, and has not made any pledge or assignment of or created any encumbrance on the Trust Estate or the Borrower Bond Trust Estate.

(i) The Issuer has complied with all material provisions of the Bond Ordinance applicable to the Bonds and the Borrower Bonds and the transactions provided for in the Issuer Documents.

(j) No litigation or administrative action of any nature is pending against the Issuer (i) seeking to restrain or enjoin the issuance of the Bonds or the Borrower Bonds or the execution and delivery of the Issuer Documents, (ii) questioning the proceedings or authority relating to the Bonds or the Borrower Bonds or any other Issuer Document or (iii) questioning the existence or authority of the Issuer or that of its present members or officers and, to the best knowledge of the Issuer, none of the foregoing is threatened.

(k) The Bonds and the Borrower Bonds are being issued under the Indenture, and, with respect to the Bonds, are secured by the Trust Estate, and with respect to the Borrower Bonds, are secured by the Borrower Bond Trust Estate. Under the Indenture, the Issuer's interest in this Agreement (other than the Reserved Rights) and the revenues and receipts to be derived by the Issuer pursuant to this Agreement, are pledged and assigned to the Trustee as security for payment of the principal of and interest and any premium on the Bonds and the Borrower Bonds.

ARTICLE V
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE BORROWER

Section 5.1 **Compliance With Laws**. The Borrower will comply with all laws, ordinances, regulations and requirements of any of duly constituted public authorities which may be applicable to the Mortgaged Property and all recorded lawful covenants and agreements relating to or affecting the Mortgaged Property, including all laws, ordinances, regulations, requirements and covenants pertaining to health and safety, construction of improvements on the Mortgaged Property, fair housing, zoning and land use, and Leases (as such term is defined in the Security Instrument). The Borrower also will comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits. The Borrower will at all times maintain records sufficient to demonstrate compliance with the provisions of this Section. The Borrower will take appropriate measures to prevent, and will not engage in or knowingly permit, any illegal activities at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Mortgaged Property, or otherwise materially impair the lien created by the Security Instrument. The Borrower represents and warrants that no portion of the Mortgaged Property has been or will be purchased with the proceeds of any illegal activity. Nothing contained in this Section is intended to modify or limit any provisions of the Regulatory Agreement or any Loan Document.

Section 5.2 **Maintenance of Legal Existence**. The Borrower (i) will maintain its existence and not terminate or dissolve, (ii) will continue to be duly qualified to transact business under the laws of the State, (iii) has the power and authority to carry on its properties and assets and to carry out its business as now being conducted by it and as contemplated by the Transaction Documents, and (iv) has been duly authorized to execute and deliver this Agreement and the other Borrower Documents. With the prior written consent of the Issuer, the Borrower may consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, but subject to the satisfaction of the following conditions: (i) the entity resulting from or surviving such merger or consolidation (if other than the Borrower) ("**Surviving Entity**") is duly organized and existing in good standing and qualified to

do business in the State, (ii) if the Borrower does not survive the consolidation or merger, the Surviving Entity expressly assumes in writing all of the Borrower's obligations under this Agreement and the other Borrower Documents and (iii) the Borrower delivers an opinion of Bond Counsel, addressed to the Issuer and the Trustee, to the effect that such consolidation or merger will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

Section 5.3 **Access to Mortgaged Property and Records**. Subject to reasonable notice, the Issuer and the Trustee and the respective duly authorized agents of each have the right, during normal business hours, to enter the Mortgaged Property and any location containing records relating to any of the Borrower, the Mortgaged Property, the Loan and the Transaction Documents, to inspect, audit and make copies of the Borrower's records or accounts pertaining to the Borrower, the Mortgaged Property, the Loan, the Transaction Documents, and the Borrower's compliance with the Transaction Documents, and to require the Borrower, at the Borrower's sole expense, to furnish such documents to the Issuer and the Trustee, as the Issuer or the Trustee from time to time deems necessary in order to determine that the Borrower is in compliance with the Transaction Documents and to make copies of any records that the Issuer or the Trustee, or their respective duly authorized agents, may reasonably require. The Borrower will make available to the Issuer and the Trustee such other information concerning the Borrower, the Mortgaged Property, the Loan and the Transaction Documents as any of them may reasonably request.

Section 5.4 **Reports and Information**. The Borrower will file such certificates and other reports with the Issuer and the Trustee as are required by the Transaction Documents. The Borrower will provide to the Issuer all information necessary to enable the Issuer to complete and file all forms and reports required by the laws of the State and the Code in connection with the Mortgaged Property and the Bonds.

Section 5.5 **Tax Covenants**. The Borrower covenants that it will comply with the requirements and conditions of the Tax Certificate and the Regulatory Agreement. Without limiting the foregoing and notwithstanding anything to the contrary in this Agreement, the Borrower will not take, or permit to be taken on its behalf, any action which would cause interest on the Bonds to be included in gross income for federal income tax purposes and will take such reasonable action as may be necessary to continue such exclusion from gross income, including:

(a) the Borrower will not use the proceeds of the Bonds or the Borrower Bonds, or any other funds which may be deemed to be proceeds of the Bonds or the Borrower Bonds pursuant to Section 148 of the Code, which will cause the Bonds to be "arbitrage bonds" within the meaning of such Section, and will comply with the requirements of such Section throughout the term of the Bonds and the Borrower Bonds, respectively;

(b) the Borrower will prepare and file any statements required to be filed by it in order to maintain such exclusion; and

(c) the Borrower will pay to the United States any amount required to be paid by the Issuer or the Borrower pursuant to Section 148(f) of the Code, at the times, in the amounts and at

the places required in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The Borrower irrevocably authorizes and directs the Issuer, the Trustee and any other agent designated by the Issuer to make payment of such amounts from funds of the Borrower, if any, held by the Issuer, the Trustee, or any agent of the Issuer or the Trustee. The Borrower further covenants and agrees that, pursuant to the requirements of Treasury Regulation Section 1.148-1(b), it (or any related person contemplated by such regulations) will not acquire, pursuant to any arrangement, formal or informal, any Bonds in an amount related to the amount of the Loan, other than Pledged Bonds.

Section 5.6 **Notice of Certain Events**. The Borrower will advise 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 Agreement or in any of the other Borrower Documents, or of any Event of Default or Potential Default under this Agreement known to it or of which it has received notice, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect to such default. Such notice shall be given promptly, and in no event less than ten 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 if insurance proceeds or condemnation awards are received with respect to the Mortgaged Property.

Section 5.7 **Obligation of the Borrower to Acquire, Construct and Equip the Property**. The Borrower shall proceed with reasonable dispatch to complete the acquisition, construction, and equipping of the Mortgaged Property. If amounts on deposit in the Loan Fund are not sufficient to pay the costs of completion, the Borrower shall pay such costs or cause the same to be paid from other sources. By reason of any such payment of costs relating to the Mortgaged Property from sources other than the Loan Fund, the Borrower shall not be entitled to any reimbursement from the Issuer, the Trustee, the Credit Provider, the Loan Service or the holders of the Bonds in respect of such payment or to any diminution or abatement in the repayment of the Loan. Neither the Issuer not the Credit Provider shall be liable to the Borrower, the holders of the Bonds or any other person if for any reason the Mortgaged Property is not completed or if the proceeds of the Loan are insufficient to pay all costs of the Mortgaged Property.

THE ISSUER DOES NOT MAKE ANY WARRANTY, EITHER EXPRESS OR IMPLIED, THAT MONEYS, IF ANY, WHICH WILL BE PAID INTO THE ACQUISITION FUND OR OTHERWISE MADE AVAILABLE TO THE BORROWER WILL BE SUFFICIENT TO COMPLETE THE MORTGAGED PROPERTY, AND THE ISSUER SHALL NOT BE LIABLE TO THE BORROWER, THE BONDHOLDERS OR ANY OTHER PERSON IF FOR ANY REASON THE MORTGAGED PROPERTY IS NOT COMPLETED.

Section 5.8 Additional Representations. The Borrower represents and warrants that:

(a) The execution and delivery by the Borrower of this Agreement and the Documents will not violate any provision of any presently existing law, rule or regulation, any order of any court or other agency or government, or any provision of any document or instrument to which the Borrower is a party the effect of which would materially and adversely affect the ability of the Borrower to perform its obligations under this Agreement.

(b) There is no action, suit or proceeding at law or in equity, or by or before any governmental instrumentality or other agency, now pending, or, to the best knowledge of the Borrower, threatened against or affecting the Borrower, or any of the properties or rights of the Borrower, which, if adversely determined, would materially impair the right of the Borrower to carry on its business substantially as now being conducted by it, and as contemplated by this Agreement and the other Borrower, or would materially and adversely affect the financial condition of the Borrower.

(c) The operation of the Mortgaged Property in the manner presently contemplated and as described in this Agreement and the other Transaction Documents will not, to the knowledge of the Borrower, conflict with any existing zoning, water, air pollution or other existing ordinance, order, law or regulation applicable thereto.

(d) The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed, 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.

(e) The Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party, which default would adversely affect the Mortgaged Property or the Borrower's ability to perform its obligations under any agreement related to the financing of the Mortgaged Property.

(f) The estimated cost of acquiring, constructing, and equipping the Mortgaged Property, inclusive of financing costs, is in excess of $_____.

(g) At least 95% of the net proceeds of the Bonds and the Borrower Bonds will be used to finance on-site or off-site Qualified Project Costs and such costs will have been incurred with respect to work performed or materials purchased after the date is sixty days prior to the adoption of the Bond Ordinance.

(h) At least 95% of the Mortgaged Property (determined separately on the basis of cost, square footage and rental value) constitutes "residential rental property" within the meaning of the Code.

(i) The average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the Mortgaged Property determined in accordance with Section 147(b) of the Code.

(j) 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 amount of the Loan to be funded by the Issuer for the Borrower.

(k) No more than 20% of the net proceeds of the Bonds and the Borrower Bonds will be used for the acquisition of the land on which the Mortgaged Property is located.

(l) None of the proceeds of the Bonds and the Borrower 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 and the Borrower Bonds will be used for the acquisition of land to be used for farming or industrial park purposes.

(m) Until payment in full of all of the Bonds and the Borrower Bonds, and the unless 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 Mortgaged Property or the Trust Estate or the Borrower Bond Trust Estate 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 Mortgaged Property, (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, or which liens are insured over by a title insurance company reasonably acceptable to Fannie Mae, (iv) the Loan Documents and the Regulatory Agreement, (v) other liens or encumbrances contemplated by the Bond Ordinance or otherwise approved by Fannie Mae, including, without limitation the tax credit regulatory agreement with respect to the Mortgaged Property, and (vi) such other pledges as may be approved in writing by the Trustee.

(n) The 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.

(o) If the Borrower becomes aware of any situation, event or condition which would result in the interest of the Bonds or the Borrower Bonds becoming includable in gross income for federal income tax purposes, the Borrower shall promptly give written notice thereof to the Issuer and the Trustee; *provided, however* that the Borrower shall not be required to notify the Issuer and the Trustee if the Borrower Bonds are includable in gross income for federal income tax purposes to the Borrower only as a result of the Borrower Bonds being held by the Borrower.

(p) The Borrower has made all filings with and has obtained all approvals, authorizations, permits and consents from all federal, state and local regulatory agencies having jurisdiction as required by applicable laws and regulations to be made or to be obtained in

connection with the acquisition, and construction of the Mortgaged Property, except for any such approvals, authorizations, permits and consents which are not yet required and which will be duly obtained not later than the time required or the failure to obtain which will not materially and adversely affect the acquisition, construction, and operation of the Mortgaged Property.

(q) The Mortgaged Property will be acquired, constructed, and equipped through the use of the Bond proceeds and certain other funds, and will be located entirely within the boundaries of the City of Chicago, Illinois.

(r) The Mortgaged Property meets the requirements of the Regulatory Agreement and the Code with respect to multi-family housing.

(s) All of the Costs of the Project were determined or estimated in accordance with sound engineering and accounting principles.

(t) The information contained in the Transaction Documents provided by the Borrower to the Issuer and Bond Counsel is true, correct and complete in all material respects.

(u) The Borrower will not make any payments, or agreements to pay, to a party, other than the United States of America, an amount that is required to be paid to the United States of America under the rebate requirements of Section 148(f) of the Code by entering into any transaction that reduces the rebatable amount 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 on the Bonds or the Borrower Bonds, as the case may be, not been relevant to either party. The Borrower will not acquire with the proceeds of the Bonds or the Borrower Bonds any certificate of deposit, investment contract, or any other type of investment which does not comply with the provisions of the Code.

(v) The information furnished by the Borrower and used by the Issuer in preparing the Form 8038, Information Return for Private Activity Bond Issues, which has been filed by or on behalf of the Issuer with the Internal Revenue Service Center in Ogden, Utah, pursuant to Section 149(e) of the Code, was true and complete as of the date of filing of said Form 8038.

(w) The weighted average maturity of the Bonds and the Borrower Bonds does not exceed 120% of the weighted average estimated economic life of the components comprising the Mortgaged Property, as determined pursuant to Section 147(b) of the Code.

(x) At least 95% of the net proceeds of the Bonds and the Borrower Bonds will be used to finance the cost of acquiring, constructing, and equipping the Mortgaged Property. All expenditures for and all Costs of the Project will be charged to a capital account for federal income tax purposes, or would be so chargeable either with a proper election or but for a proper election to deduct. In estimating the Costs of the Project, no amount has been included which, under the federal income tax laws, was or will be deductible by the Borrower in the year in which it was paid or incurred other than through an allowance for depreciation. No portion of the proceeds (as defined for purposes of Section 147(g) of the Code) from the sale of the Bonds or the Borrower Bonds will be used to provide working capital.

(y) The facilities comprising the Mortgaged Property constitute qualified residential housing, within the meaning of Section 142 of the Code.

(z) The operation of the Mortgaged Property in the manner presently contemplated and as described herein does not and will not conflict in any material respect with any zoning, water or air pollution or other ordinance, order, law or regulation applicable to the Mortgaged Property. The Borrower has caused the Mortgaged Property to be designed in accordance with all applicable Federal, State and local laws or ordinances (including rules and regulations) relating to zoning, planning, building, safety and environmental quality.

(aa) The Borrower possesses, and agrees to maintain and obtain in the future, all necessary licenses and permits, or rights thereto, to operate the Mortgaged Property as presently proposed to be operated; all such licenses, permits or other approvals required in connection with the acquisition, construction, and operation of the Mortgaged Property have been duly obtained and are in full force and effect except for any such licenses, permits or other approvals which are not yet required and which will be duly obtained not later than the time required or the failure to obtain which will not materially and adversely affect the acquisition, construction, and operation of the Mortgaged Property.

(bb) The Borrower will cause all of the residential units in the Mortgaged Property to be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement.

Section 5.9 Establishment of Completion Date; Obligation of Borrower to Complete. Within 60 days of the Completion Date, the Borrower shall furnish to the Issuer and the Trustee a certificate stating that the Mortgaged Property has been completed. The Completion Date shall be evidenced to the Issuer and the Trustee by a certificate signed by the Authorized Borrower Representative stating the Cost of the Project and stating that (a) the acquisition, construction, and equipping of the Mortgaged Property has been completed substantially in accordance with the plans, specifications and work orders therefor and all labor, services, materials and supplies used in such acquisition, construction and equipping have been paid for and (b) all other facilities necessary in connection with the Mortgaged Property have been acquired, constructed, and equipped in accordance with the plans, specifications and work orders therefor, and all costs and expenses incurred in connection therewith (other than costs and expenses for which the Borrower has withheld payment) have been paid and (c) the disbursement of amounts from the Loan Fund and the Cost of Issuance Fund complied with all representations and covenants of the Borrower pertaining thereto contained in the Tax Certificate of the Borrower. If the Borrower withholds the payment of any such cost or expense of the Mortgaged Property, the certificate shall state the amount of such withholding and the reason therefor. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. It shall be the duty of the Borrower to cause such certificate to be furnished to the Issuer and the Trustee promptly after the Mortgaged Property shall have been completed.

Within ten (10) days after the delivery by the Authorized Borrower Representative of the certificate evidencing the Completion Date, the Trustee shall retain in the Multi-Family Housing Project Account in the Loan Fund a sum equal to the amounts necessary for payment of Costs of the Project not then due and payable or the liability for which the Borrower is contesting as set forth in said certificate. Any amount not so retained in the Multi-Family Housing Project Account in the Loan Fund for such costs, and all amounts so retained but not subsequently used and for which notice of such failure of use has been given by the Borrower to the Trustee, shall be segregated by the Trustee and used by the Trustee, at the direction of the Authorized Borrower Representative, (a) to redeem Bonds on the earliest redemption date permitted by the Indenture for which no prepayment premium or penalty pertains, or, at the option of the Borrower, at an earlier redemption date (*provided* that, in neither event shall such amounts be used to pay interest or premium on the Bonds in connection with such redemption), (b) to purchase Bonds on the open market (including Bonds subject to mandatory purchase) prior to such redemption date (*provided* that, if Bonds are purchased at an amount in excess of the principal amount thereof, the Borrower shall pay such excess out of other funds) for the purpose of cancellation, or (c) for any other purpose, *provided* that the Trustee is furnished with an opinion of Bond Counsel, addressed to the Trustee and the Issuer, to the effect that such use is lawful under the Bond Ordinance and will not adversely affect the exclusion from gross income of interest on any of the Bonds for purposes of gross income taxation. Until used for one or more of the foregoing purposes, such segregated amount may be invested as permitted by Article VI of the Indenture, but may not be invested, without an opinion of Bond Counsel, addressed to the Trustee and the Issuer, to the effect that such investment will not adversely affect the exclusion from gross income of interest on any of the Bonds for purposes of federal income taxation, to produce a yield on such amount (computed from the Completion Date and taking into account any investment of such amount from the Completion Date) greater than the yield on the Bonds, computed in accordance with applicable provisions of the Code. The Issuer agrees to cooperate with the Trustee and take all required action necessary to redeem the Bonds or to accomplish any other purpose contemplated by this Section 5.10.

In the event the moneys in the Multi-Family Housing Project Account in the Loan Fund available for payment of the Cost of the Project should not be sufficient to pay the costs thereof in full, the Borrower agrees to pay directly the costs of completing the acquisition, construction, and equipping of the Mortgaged Property as may be in excess of the moneys available therefor in the Multi-Family Housing Project Account in the Loan Fund. The Issuer does not make any warranty, either express or implied, that the moneys which will be paid into the Loan Fund and which, under the provisions of this Agreement, will be available for payment of a portion of the Cost of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Borrower agrees that if after exhaustion of the moneys in the Multi-Family Housing Project Account in the Loan Fund the Borrower shall pay any portion of the Cost of the Project pursuant to the provisions of this Section 5.9, it shall not be entitled to any reimbursement therefor from the Issuer or from the Trustee, nor shall it be entitled to any diminution of the amounts payable under Section 6.1 hereof or under the Note.

ARTICLE VI
INDEMNIFICATION

Section 6.1 **Borrower's Obligations**. The Borrower releases the Issuer, the Trustee, the Tender Agent and their respective officers, directors, agents, officials, employees (and, as to the Issuer, members of its governing body) and any person who controls the Issuer, the Trustee or the Tender Agent within the meaning of the Securities Act of 1933, from, and covenants and agrees to indemnify, hold harmless and defend the Issuer, the Trustee, the Tender Agent and their respective officers, directors, employees, agents, members of its governing body, officials and any person who controls such party within the meaning of the Securities Act of 1933 and employees and each of them (each an "**Indemnified Party**") from and against, any and all losses, claims, damages, liabilities and expenses (including attorneys' fees and expenses), taxes, causes of action, suits and judgments of any nature, joint or several, by or on behalf of any person arising out of:

(a) the approval of financing for the Mortgaged Property or the making of the Loan;

(b) the issuance and sale, resale or remarketing of any Bonds or Borrower Bonds or any certifications or representations made by any person other than the party seeking indemnification in connection therewith, including, but not limited to, any (i) statement or information made in any offering document or materials regarding the Bonds, the Mortgaged Property or the Borrower or in the Tax Certificate of the Borrower or in any other certificate executed by the Borrower which, at the time made, is misleading, untrue or incorrect in any material respect, (ii) untrue statement or alleged untrue statement of a material fact relating to the Borrower or the Mortgaged Property contained in any offering material relating to the sale of the Bonds or the Borrower Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Borrower or the Mortgaged Property required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading, (iii) failure to properly register or otherwise qualify the sale of the Bonds or the Borrower Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds or the Borrower Bonds could be sold;

(c) the interpretation, performance, enforcement, breach, default or amendment of the Bond Documents, the Loan Documents or any other documents relating to the Mortgaged Property or the Bonds or the Borrower Bonds or in connection with any federal or state tax audit, or any questions or other matters arising under such documents;

(d) the Borrower's failure to comply with any requirement of this Financing Agreement or the Regulatory Agreement;

(e) the condition of the Mortgaged Property (environmental or otherwise), including any violation of any law, ordinance, court order or regulation affecting the Mortgaged Property or any part of it;

(f) any damage or injury, actual or claimed, of whatsoever kind, cause or character, to property (including loss of use of property) or persons, occurring or allegedly occurring in, on or about the Mortgaged Property or arising out of any action or inaction of the Borrower or any of its agents, servants, employees or licensees, whether or not related to the Mortgaged Property, or resulting from the acquisition, construction, design, repair, operation, use or management of all or any part of the Mortgaged Property;

(g) the Trustee's acceptance or administration of the trusts created by, and the exercise of its powers or duties under, the Indenture or under this Agreement, the Regulatory Agreement, the Credit Facility or any other agreements in connection with such agreements to which it is a party; and

(h) to the extent not mentioned in any of the preceding subsections, any cause whatsoever in connection with transactions provided for in this Agreement and the other Transaction Documents or otherwise in connection with the Mortgaged Property, the Bonds, the Borrower Bonds or the execution or amendment of any document relating to the Bonds, the Borrower Bonds, or the Mortgaged Property.

This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses and liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim, except (i) in the case of the foregoing indemnification of the Trustee or any of the its Indemnified Parties, to the extent such damages are caused by the negligence or willful misconduct of such Person, and (ii) in the case of the foregoing indemnification of the Issuer or any of its Indemnified Parties, to the extent such damages are caused by the willful misconduct of such Person.

Section 6.2 **Defense of Claims**. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought under Section 6.1, the Borrower, upon written notice from the Indemnified Party, will assume the investigation and defense of the action or proceeding, including the engagement of counsel selected by the Borrower, subject to the approval of the Indemnified Party in such party's sole discretion, and shall assume the payment of all expenses related to the action or proceeding, with full power to litigate, compromise ,or settle the same in its sole discretion; *provided, however*, that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to engage separate counsel in any action or proceeding and participate in the investigation and defense of such action or proceeding, and the Borrower shall pay the reasonable fees and expenses of such separate counsel if (i) the Indemnified Party determines that a conflict exists between the interests of the Indemnified Party and the interests of the Borrower or (ii) such separate counsel is engaged with the approval of the Borrower, which approval shall not be unreasonably withheld, conditioned or delayed.

Section 6.3 **Borrower's Continuing Obligations**. Notwithstanding any transfer of the Mortgaged Property to another owner in accordance with the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Article VI for all matters arising prior to such transfer, and, as a condition to the release of the transferor on

and after the transfer date, the transferee must assume the obligations of the Borrower under this Agreement and the other Borrower Documents on and after the transfer date. Each Indemnified Party's rights under this Article VI shall survive the termination of this Agreement, the payment of the Loan and the payment or defeasance of the Bonds or the Borrower Bonds.

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

Section 7.1 **Events of Default**. The occurrence of any one or more of the following events shall constitute an Event of Default under this Agreement:

(a) The Borrower fails to pay when due any amount payable by the Borrower under this Agreement.

(b) The Borrower fails to observe or perform any covenant or obligation in this Agreement on its part to be observed or performed for a period of 30 days after receipt of written notice from the Trustee specifying such failure and requesting that it be remedied, *provided, however*, that if the failure 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 validity or enforceability of the Bonds or the Borrower Bonds or on the exclusion from gross income, for federal income tax purposes, of the interest on the Bonds or the Borrower Bonds (except with respect the Borrower Bonds held by the Borrower), 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 is cured within 90 days of receipt of notice of such failure.

(c) The Credit Provider provides written notice to the Trustee of an Event of Default under this Agreement by reason of the occurrence of an Event of Default under the Reimbursement Agreement. No Event of Default under the Reimbursement Agreement shall constitute a default under this Agreement unless specifically declared to be so by the Credit Provider. The Credit Provider shall make such declaration by written notice to the Trustee.

Section 7.2 **Remedies upon an Event of Default**. Subject to the Assignment, whenever any Event of Default occurs and is continuing under this Agreement, the Issuer may take one or any combination of the following remedial steps:

(a) by written notice to the Borrower, declare all amounts then due and payable on the Note to be immediately due and payable;

(b) exercise any of the rights and remedies provided in the Loan Documents; and

(c) take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and afterward to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement.

Section 7.3 **No Levy or Other Execution Against Mortgaged Property**. Neither the Issuer nor the Trustee shall have any right to levy, execute or enforce any judgment in respect of

the Borrower's obligations under this Agreement, including the Reserved Rights, against the Mortgaged Property or any other property of the Borrower which secures the obligations of the Borrower under the Loan or to the Credit Provider under any of the Credit Facility Documents.

Section 7.4 **Waiver and Annulment.** Unless the Credit Provider otherwise consents in writing, neither the Issuer nor the Trustee may waive or annul any Event of Default under this Agreement unless (i) all amounts which would then be payable under this Agreement by the Borrower if such Event of Default had not occurred and was not continuing are paid by or on behalf of the Borrower, and (ii) the Borrower also performs all other obligations in respect of which it is then in default under this Agreement and pays the reasonable charges and expenses of the Issuer and the Trustee, including reasonable attorneys' fees and expenses paid or incurred in connection with such default. No waiver or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent on such Event of Default.

Section 7.5 **No Remedy Exclusive.** All rights and remedies provided in this Agreement 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.

Section 7.6 **No Waiver.** No delay or omission to exercise any right or power accruing upon any Event of Default under this Agreement shall impair any such right or power or shall be construed to be a waiver of such Event of Default, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

Section 7.7 **No Notices.** In order to entitle the Issuer 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 expressly required in this Article or by any Bond Document.

Section 7.8 **Expenses.** In the event the Borrower should default under this Agreement and the Issuer employs attorneys or incurs other expenses for the collection of payments under, or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained in, this Agreement, the Borrower agrees that it will pay, on demand, to the Issuer the fees of such attorneys and such other expenses so incurred by the Issuer.

ARTICLE VIII
MISCELLANEOUS

Section 8.1 **Notices.** All notices, certificates or other communications provided in this Agreement shall be given in writing, and shall be sufficiently given and shall be deemed given if given in the manner provided in Section 13.4 of the Indenture. Copies of each notice, certificate or other communication given under this Agreement by any party shall be given to the other parties. By notice given under this Agreement, 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 under this Agreement to the Issuer, the Borrower or the Trustee shall also be given to the Credit Provider, the Loan Servicer and prior to the Conversion Date, the Construction Lender.

Section 8.2 **Amendment**. No amendment to this Agreement shall be binding upon the parties to this Agreement until such amendment is reduced to writing and executed by such parties; *provided, however*, that no amendment, supplement or other modification to this Agreement or any other Bond Document shall be effective without the prior written consent of the Credit Provider, subject to the provisions of Section 8.12.

Section 8.3 **Entire Agreement**. This Agreement is one agreement in a set of agreements, documents and instruments representing an integrated transaction. The agreements, documents and instruments are the Transaction Documents. The Transaction Documents contain all agreements between the parties to the integrated transaction, and there are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among them, unless reference is made in a Transaction Document. Nothing in this Agreement shall relieve the Borrower of its obligations under the Loan Documents and the Credit Facility Documents.

Section 8.4 **Binding Effect**. This Agreement is a continuing obligation and shall (i) be binding upon each of the parties to this Agreement and their successors and assigns and (ii) inure to the benefit of and be enforceable by such parties and their respective successors, transferees and assigns; *provided, however*, that the Borrower may not assign all or any part of this Agreement without the prior written consent of the Issuer.

Section 8.5 **Further Assurances and Corrective Instruments**. The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such amendments to this Agreement and to the other Transaction Documents contemplated by this Agreement as reasonably may be required to carry out the intention of, or to facilitate the performance of this Agreement, or to perfect or give further assurances of any of the rights granted or provided for in this Agreement.

Section 8.6 **Severability**. Should one or more of the provisions of this Agreement be held to be invalid, illegal or unenforceable in any jurisdiction, such provision shall be severable from the remainder as to such jurisdiction and the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired in any jurisdiction.

Section 8.7 **Execution in Counterparts**. This 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 8.8 **Governing Law**. This Agreement shall be construed, and the obligations, rights and remedies of the parties under this Agreement shall be determined, in accordance with the laws of the State without regard to conflicts of laws principles, except to the extent that the laws of the United States of America may prevail.

Section 8.9 **WAIVER OF JURY TRIAL**. THE BORROWER, THE ISSUER AND THE TRUSTEE (A) COVENANT AND AGREE NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING UNDER THIS AGREEMENT TRIABLE BY A JURY AND (B) WAIVE ANY RIGHT TO TRIAL BY JURY TO THE EXTENT THAT ANY SUCH RIGHT NOW EXISTS OR SHALL LATER EXIST.

THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL BY THE BORROWER, AND THIS WAIVER IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A JURY TRIAL WOULD OTHERWISE ACCRUE. FURTHER, THE BORROWER CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE ISSUER (INCLUDING, BUT NOT LIMITED TO, THE ISSUER'S COUNSEL) HAS REPRESENTED, EXPRESSLY OR OTHERWISE, TO THE BORROWER THAT THE ISSUER WILL NOT SEEK TO ENFORCE THE PROVISIONS OF THIS SECTION.

Section 8.10 Limited Liability of the Issuer. All obligations of the Issuer under this Agreement, the Regulatory Agreement and the Indenture shall be limited obligations of the Issuer, payable solely and only from the Trust Estate, with respect to the Bonds, and the Borrower Bond Trust Estate, with respect to the Borrower Bonds. No owner or owners of any of the Bonds or Borrower Bonds shall ever have the right to compel any exercise of the taxing power of the State or any political subdivision or other public body for the payment of the Bonds or the Borrower Bonds, nor to enforce the payment of the Bonds or Borrower Bonds against any property of the State or any such political subdivision or other public body, including the Issuer except as provided in the Indenture. No official, member of the governing body, officer, agent, employee or attorney of the Issuer, including any person executing this Agreement on behalf of the Issuer, shall be liable personally under this Agreement. No recourse shall be had for the payment of the principal of or the interest on the Bonds or the Borrower Bonds, for any claim based on or in respect of the Bonds or Borrower Bonds or based on or in respect of this Agreement, against any official, member of the governing body, officer, employee or agent, as such, 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 of this Agreement and as part of the consideration for the issuance of the Bonds, or the Borrower Bonds expressly waived and released.

Section 8.11 Term of this Agreement. This Agreement shall be in full force and effect from its date to and including such date as all of the Bonds and the Borrower Bonds are fully paid or retired (or provision for such payment shall have been made as provided in the Indenture); *provided, however*, that Sections 2.5 and 5.5 and Articles III and VI shall survive the termination of this Agreement.

Section 8.12 References to the Credit Provider. All provisions in this Agreement regarding consents, approvals, directions, waivers, appointments, requests or other actions by the Credit Provider shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider were not mentioned (i) if a Wrongful Dishonor has occurred and is continuing, or (ii) from and after the date on which the Credit Facility is declared to be null and void by final judgment of a court of competent jurisdiction; [*provided, however*, that the payment of any amounts due to the Credit Provider pursuant to this Agreement shall continue in full force and effect]. The foregoing shall not affect any other rights of the Credit Provider. All provisions in this Agreement relating to the rights of the Credit Provider shall be of no force and effect if the Credit Facility has terminated or expired in accordance with its terms and there are no Pledged Bonds or Bonds in which the

Credit Provider has a security interest and all amounts owing to the Credit Provider under the Reimbursement Agreement have been paid.

The parties to this Agreement have caused this Agreement to be executed by their duly authorized representatives as of the date set forth above.

CITY OF CHICAGO

(SEAL)

By:_____

Attest:

_____
City Clerk

FC CENTRAL STATION RESIDENTIAL, LLC,
an Illinois limited liability company

By:
Its:

(SEAL)

By:_____
Authorized Signatory

Attest:

_____
Authorized Signatory

[TRUSTEE],
as Trustee

(SEAL)

By:_____
Authorized Signatory

Attest:

_____
Authorized Signatory

(Sub)Exhibit "A" referred to in this Form of Multi-Family Financing Agreement reads as follows:

(Sub)Exhibit "A".
(To Form Of Multi-Family Housing
Financing Agreement)

Provisions Applicable To Borrower's Obligations With Respect To The Portion Of The Loan Allocable To The Specially-Converted Bonds.

WHEREAS, as more fully set forth in Section 2.8(d) of and *Exhibit D* to the Indenture, certain of the Bonds may be converted to Specialty-Converted Bonds; and

WHEREAS, upon such conversion, a like portion of the Loan financed with the proceeds of the Bonds shall become allocable to such Specially-Converted Bonds (the "**Subordinate Loan**") and the Borrower has agreed to (i) make payments sufficient to pay the principal of, premium, if any, and interest on the Specially-Converted Bonds when due (whether at maturity, by redemption, acceleration or otherwise), and (ii) observe the other covenants and agreements and make the other payments set forth herein; and

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

Section 1.01 Definitions. The following words and terms as used in this *Exhibit A* shall have the following meanings, unless some other meaning is plainly intended. Terms that are not defined in this *Exhibit A* shall have the meaning specified in Section 1.01 of the Indenture, except as otherwise provided herein or unless the context requires otherwise.

"**Borrower Documents**" means this *Exhibit A,* the Subordinate Note, the Regulatory Agreement, the Subordinate Mortgage and the Tax Certificate.

"***Exhibit D***" means *Exhibit D* to the Indenture, which governs the Specially-Converted Bonds.

"**Generally Accepted Accounting Principles**" means those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board and its predecessors or pronouncements of the American Institute of Certified Public Accountants or those principles of accounting which have other substantial authoritative support and are, applicable in the

circumstances as of the date of application, as such principles are from time to time supplemented or amended.

"**Loan Payment**" means each payment to be made by the Borrower pursuant to Section 3.02 of this *Exhibit A*.

"**Managing Member**" means _____ and its successors and assigns.

"**Term**" means the term of this *Exhibit A* as provided herein.

Section 1.02 Representations and Warranties by the Borrower. The Borrower makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) The Borrower is a _____ limited liability company and is organized to do business in the State. The Borrower 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 Mortgaged Property, and to enter into, and to perform and carry out the transactions provided for in the Borrower Documents. The Borrower Documents, and all other documents to which the Borrower is a party and contemplated hereby or thereby have been duly authorized, executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower, enforceable against the Borrower 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.

(b) Neither the execution and delivery of the Borrower Documents or any other documents contemplated hereby or thereby, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance by the Borrower with the terms and conditions of the Borrower Documents or any other documents contemplated hereby or thereby, will violate any order of any court or other agency of government applicable to the Borrower 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, or order of any court or governmental 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 as permitted by this *Exhibit A*.

(c) The Borrower has, and at all times while the Specially-Converted Bonds are or the Subordinate Loan or the Subordinate Mortgage is outstanding will have, a fee interest to the Mortgaged Property. The Borrower is the sole borrower under the Subordinate Loan.

(d) Except as otherwise disclosed in writing by the Borrower, no litigation or proceeding is pending or, to the knowledge of the Borrower or the Managing Member of the Borrower, threatened against the Borrower or the Managing Member or with respect to the Mortgaged Property, which has a reasonable probability of having a material adverse effect on the Borrower's financial condition or business, or the transactions contemplated by the Borrower Documents or the Indenture, or which in any way would materially adversely affect the validity or enforceability of the Specially-Converted Bonds, the Indenture, the Borrower Documents, or the ability of the Borrower to perform its obligations under the Borrower Documents.

(e) Except as otherwise disclosed in writing by the Borrower, the Mortgaged Property conforms in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over the Mortgaged Property, all necessary utilities are (or, when necessary, will be) available to the Mortgaged Property, and the Borrower will obtain all requisite zoning, planning, building and environmental and other permits that may become necessary with respect to the Mortgaged Property. The Borrower has (or, when necessary, will have) obtained all licenses, permits and approvals necessary for the ownership, operation and management of the Mortgaged Property, including all approvals essential to the transactions contemplated by the Indenture and the Borrower Documents and any other documents contemplated hereby or thereby.

(f) There (i) is no completed, pending or threatened bankruptcy, reorganization, receivership, insolvency or like proceeding, whether voluntary or involuntary, affecting the Mortgaged Property, the Borrower, the Managing Member or any guarantor of the Borrower, and (ii) has been no assertion or exercise of jurisdiction over the Mortgaged Property, the Borrower or any member or guarantor 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 Mortgaged Property, which would constitute an Event of Default hereunder or which, with the lapse of time, if not cured, or with the giving of notice, or both, would become such an Event of Default. The Borrower is in compliance with the terms of the Regulatory Agreement. The Borrower is not presently in default under any document, instrument or commitment to which the Borrower is a party or to which it or any of its property is subject, which default would or could materially adversely affect the ability of the Borrower to carry out its obligations under the Borrower Documents.

(h) The Mortgaged Property is, as of the Initial Purchase Date, and will continue to be in compliance with all applicable requirements of the Regulatory Agreement, including all applicable requirements of the Code.

(i) No information, statement or report furnished in writing to the Issuer or the Bondholder by the Borrower in connection with this *Exhibit A*, or the consummation of the transactions contemplated hereby (including, without limitation, any written information

furnished by the Borrower in connection with the preparation of any offering materials for the Specially-Converted Bonds and of any other materials related to the issuance, delivery or offering of the Specially-Converted 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 the 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 contain any untrue statement or misleading statement of a material fact, and do 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 any estimates or the assumptions contained in any certificate of the Borrower delivered as of the Closing Initial Purchase Date are reasonable and based on the best information available to the Borrower.

(j) To the knowledge of the Borrower, no member, 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 Specially-Converted Bonds, the Borrower or the Mortgaged Property, in any contract for property or materials to be furnished or used in connection with the Mortgaged Property, or in any aspect of the transactions contemplated by the Regulatory Agreement or this *Exhibit A*.

(k) 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 the Borrower Documents or any other documents contemplated by this *Exhibit A* or such other documents, or the performance of the terms and provisions hereof or thereof by the Borrower.

(l) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Mortgaged Property; 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 understands the risks inherent in such transactions, including, without limitation, the risk of loss of the Mortgaged Property; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by this *Exhibit* and the Indenture or otherwise relied on the Issuer in any manner.

(m) Except as otherwise disclosed in writing by the Borrower, 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 (collectively, 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.

(n) The Borrower intends to hold the Mortgaged Property 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 Mortgaged Property, with the exception of the right of first refusal and option provisions of its operating agreement.

(o) The Mortgaged Property is located wholly within the corporate limits of the City of Chicago, Illinois.

(p) The Borrower shall make no changes to the Mortgaged Property or to the operation thereof that would affect the qualification of the Mortgaged Property under the Code or impair the exclusion from gross income for federal income tax purposes of the interest on the Specially-Converted Bonds. The Borrower intends to utilize the Mortgaged Property as required by the Regulatory Agreement.

(q) The Borrower will cause the Mortgaged Property to be operated in accordance with all applicable federal, state and local laws or ordinances (including rules and regulations) relating to zoning, building, safety and environmental quality.

(r) The Borrower has filed or caused to be filed or obtained extensions for all federal, state and local income tax returns which are required to be filed by it, and has paid or caused to be paid all taxes due from Borrower as shown on said returns and has paid all other taxes and assessments, to the extent that such taxes or assessments have become due from Borrower and relate to the Mortgaged Property.

(s) The Specially-Converted Bonds are not "federally guaranteed" as defined in Section 149(b) of the Code.

(t) In accordance with Section 147(b) of the Code, the weighted average maturity of the Specially-Converted Bonds does not exceed 120% of the weighted average reasonably expected economic life of the facilities comprising the Mortgaged Property financed

with the proceeds of the Specially-Converted Bonds, determined as of the later of the date the Specially-Converted Bonds are issued or the date the facilities are expected to be placed in service.

(u) Neither the Borrower nor any "related person" to the Borrower (within the meaning of Section 147(a)(2) of the Code) will own the Specially-Converted Bonds pursuant to any arrangement, formal or informal.

(v) The representations and warranties made by the Borrower in the Senior Agreement are true and correct as of the Closing Date.

ARTICLE II
TERM; LOAN PAYMENT AND PREPAYMENT; PAYMENT OF OTHER COSTS

Section 2.01 Term. The Term shall commence as of the Initial Purchase Date and shall terminate at 12:00 midnight, Chicago, Illinois time, on _____ 15, 20__, but in no event prior to the date that all Specially-Converted Bonds then Outstanding and all other obligations payable hereunder or under the Indenture shall have been paid in full, or sufficient funds for such payment shall be held in trust by the Trustee or provisions for payment pursuant to the Indenture otherwise made, unless terminated sooner pursuant to the provisions hereof as provided in Section 6.02.

Section 2.02 Loan Payments.

(a) In consideration of the Subordinate Loan made by the Issuer, the Borrower hereby agrees that simultaneously with the execution and delivery of this *Exhibit A* and issuance of the Specially-Converted Bonds, it will execute and deliver the Subordinate Note and the Subordinate Mortgage.

(b) The Borrower covenants and agrees to pay, subject to the provisions of the Subordination Agreement, amounts due under this *Exhibit A* from, and to the extent of, Available NOI, in accordance herewith during the Term. The Borrower agrees to deposit with the Trustee on or before the last Business Day of each month, following the Conversion Date, such portion of the Available NOI as is necessary to pay the total amount of the principal of and the interest on the Specially-Converted Bonds due (in each case, in equal monthly installments) on the immediately succeeding Interest Payment Date or Principal Payment Date, as the case may be (each a "**Loan Payment**"); *provided* that in the event the Available NOI is insufficient to make the full Loan Payment, the amount unpaid shall constitute a Delinquent Loan Payment (as hereinafter defined). Loan Payments shall be made by the Borrower only from Available NOI. Pursuant to the terms of the Indenture, the Trustee shall deposit Loan Payments, as they are received, into the Bond Fund and apply such moneys as provided in the Indenture. In addition, the Borrower covenants and agrees to pay any remaining Available NOI after the payment of the Loan Payments as a prepayment of the Loan for application to the redemption of Specially-Converted Bonds pursuant to Section 3.02(b) of the Indenture.

(c) In the event the Borrower shall fail to make any Loan Payment as required hereunder (a "**Delinquent Loan Payment**"), the Delinquent Loan Payment shall continue as an obligation of the Borrower until such amount shall have been fully paid. Failure to make a Loan Payment or Delinquent Loan Payment shall not be an Event of Default hereunder or under the Indenture, unless sufficient Available NOI is available to make such Loan Payment or Delinquent Loan Payment. The Borrower agrees to make Delinquent Loan Payments with interest thereon, at an interest rate per annum equal to the interest rate on the Specially-Converted Bonds or as otherwise set forth in the Indenture, from the date such Delinquent Loan Payment was due and payable until such Delinquent Loan Payment is paid. Delinquent Loan Payments shall be made by the Borrower, in the order of their delinquency, only from Available NOI.

(d) The Borrower covenants and agrees that it will pay or cause to be paid when due and payable hereunder each Loan Payment, without notice or demand therefor, in such coin or currency of the United States of America which, at the time of payment, shall be legal tender for the payment of public and private debts. Loan Payments shall be made by the Borrower directly to the Trustee at the Principal Corporate Trust Office of the Trustee, or such other office as specified by the Trustee.

(e) Failure to receive any prior notice of the due date of any Loan Payment shall not relieve the Borrower of its obligation to make such Loan Payment when it is due and payable, and any such notice is hereby expressly waived by the Borrower.

(f) Subject to the terms of the Subordination Agreement, if the obligation of the Issuer to pay the Specially-Converted Bonds is accelerated pursuant to the Indenture, or the Specially-Converted Bonds shall otherwise be declared immediately due and payable or be called for redemption, at the Borrower's option or otherwise, the Borrower hereby agrees that it shall forthwith pay to the Trustee, for deposit to the Bond Fund, an amount which shall be sufficient, with all other funds available therefor, to pay the Specially-Converted Bonds in full, including all principal and interest, and to pay all other obligations of the Issuer incurred or to be incurred in connection with the Mortgaged Property or under the Indenture or this *Exhibit A*.

(g) Whenever provision for payment in full of the Specially-Converted Bonds shall have been made in accordance with Article X of the Indenture, the obligation of the Borrower to make further Loan Payments hereunder shall be satisfied and terminated.

Section 2.03 Advance Payments. The Borrower shall have the option from time to time to deposit with the Trustee such additional amounts as it may determine. Such amounts shall be deposited by the Trustee in the Bond Fund and shall be applied to reduce the next required Loan Payment. Prior to the maturity of the Specially-Converted Bonds, the Borrower shall have the option from time to time to purchase Specially-Converted Bonds as they mature or are to be redeemed, as the case may be, on the open market and to surrender the same to the Trustee. Specially-Converted Bonds so purchased and surrendered shall be canceled by the Trustee. Specially-Converted Bonds which have been purchased in lieu of redemption and not surrendered to the Trustee shall remain outstanding.

Section 2.04 Borrower's Payments as Trust Funds; Unconditional Obligation. All Loan Payments and other payments required to be made by the Borrower under this *Exhibit A*, which are required under the Indenture to be applied to the payment of, or as security for, the Specially-Converted Bonds, shall be and constitute and are hereby declared to be trust funds for the benefit of the Bondholders, whether held by the Issuer, the Trustee or any bank or trust company designated for such purpose, and shall continue to be impressed with a trust for the benefit of the Bondholders until such moneys are applied in the manner provided in the Indenture.

So long as any Specially-Converted Bonds remain Outstanding, the obligation of the Borrower to make Loan Payments from, but only to the extent of, Available NOI shall be absolute and unconditional and shall not be abated, set-off, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever, regardless of any rights of set-off, recoupment or counterclaim that the Borrower might otherwise have against the Issuer or the Trustee or any Bondholder or any other party or parties for whatever reason and regardless of any contingency, act of God, event or cause whatsoever and notwithstanding any circumstance or occurrence that may arise or take place before, during or after the acquisition of the Mortgaged Property, including, but without limiting the generality of the foregoing: (a) any assignment, novation, merger, consolidation, transfer of assets, leasing or other similar transaction of or affecting the Borrower, whether with or without the approval of the Issuer, except as otherwise expressly provided in this *Exhibit A*; (b) any failure of the Issuer to perform or observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or in connection with this *Exhibit A* or the Indenture; or (c) any change in the tax or other laws of the United States of America or of any state or other governmental authority.

Section 2.05 Prepayment of Loan Payments.

(a) *Extraordinary Prepayment*. The Borrower shall prepay the Subordinate Loan in full, subject to the Subordination Agreement (but only to the extent of Available NOI), and cancel or terminate this *Exhibit A*, if any of the following shall have occurred:

(i) the Mortgaged Property shall have been damaged or destroyed by fire or other casualty to such an extent that, in the judgment of the Borrower, (A) it cannot be reasonably restored within a reasonable period to the condition thereof immediately preceding such damage or destruction, (B) the Borrower is thereby prevented from carrying on its normal operations at the Mortgaged Property for such period, or (C) it would not be economically feasible for the Borrower to replace, repair, rebuild or restore the same; or

(ii) title in and to, or the temporary use of, all or substantially all of the Mortgaged Property shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person acting under governmental authority or by any other person acting under governmental

authority (including such a taking as, in the judgment of the Borrower, results in the Borrower being prevented thereby from carrying on its normal operations at the Mortgaged Property).

The Borrower shall (1) within 90 days following the event giving rise to the Borrower's desire to exercise such option, deliver to the Bondholder Representative and the Trustee a certificate, executed by an Authorized Borrower Representative, stating (A) the event giving rise to the exercise of such option, (B) that the Borrower is directing the Trustee to redeem all of the Specially-Converted Bonds in accordance with the provisions of the Indenture, (C) the date upon which such prepayment is to be made (which date shall not be less than 30 days nor more than 45 days from the date such notice is mailed); and (2) make arrangements satisfactory to the Trustee for the giving of the required notice of redemption to the Bondholder Representative, the Bondholders and the Issuer.

The prepayment price that shall be paid to the Trustee by the Borrower upon its exercise of the option granted in this Section shall be the sum of an amount of money which, when added to the amounts then on deposit in the Bond Fund, will be sufficient to pay and redeem all of the then Outstanding Specially-Converted Bonds on the earliest applicable redemption date including, without limitation, the principal plus accrued interest on the Specially-Converted Bonds to said redemption date, plus an amount of money equal to the fees and expenses of the Issuer, the Trustee and any Paying Agent under the Indenture accrued and to accrue until such final payment and redemption of the Specially-Converted Bonds.

(b) *Optional Prepayment*. In accordance with Section 3.01 of the Indenture and subject to the Subordination Agreement, the Borrower shall have, and is hereby granted, the option to prepay the Loan Payments in whole or in part on any date. To exercise the option granted in this paragraph, the Borrower shall, on or before the 30th day next preceding the desired prepayment date, give written notice to the Bondholder Representative and the Trustee of its intention to prepay certain or all, as the case may be, of the Loan Payments, on such desired prepayment date and shall specify therein the aggregate principal amount of the Specially-Converted Bonds or portions thereof to be redeemed with the moneys received upon such prepayment. Upon the exercise of any such option, the Borrower shall direct the Trustee to redeem the Specially-Converted Bonds or portions thereof, in accordance with the Indenture, in the principal amount and on the date specified in the notice hereinabove referred to and shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption of Specially-Converted Bonds to the Bondholders and the Issuer. The prepayment price that shall be paid to the Trustee by the Borrower, in the event of its exercise of any option granted in this paragraph, shall be the sum of the optional redemption price then in effect for the Specially-Converted Bonds or portions thereof to be redeemed, plus accrued interest thereon to the redemption date, and all fees and expenses of the Issuer, the Trustee and any Paying Agent accrued and to accrue through such redemption date.

(c) *Mandatory Prepayment*. The Borrower shall prepay the Subordinate Loan, in whole or in part, from amounts representing Available NOI in excess of the amount of Available NOI necessary to make the scheduled Loan Payments as set forth in Section 3.02(b) hereof.

(d) *Defeasance*. The Borrower shall also have the option pursuant to Article X of the Indenture to prepay the Loan Payments in whole, at any time (i) depositing irrevocably with the Trustee either moneys in an amount which shall be sufficient, or Government Obligations the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with or held by the Trustee at the same time and available for such purpose, shall be sufficient pursuant to the Indenture, to pay the principal of and interest on all of the Specially-Converted Bonds due and to become due on or prior to the redemption date (if the Specially-Converted Bonds are to be redeemed) or maturity thereof, (ii) paying to the Trustee all fees and expenses of the Trustee and the Issuer due in connection with the payment or redemption of any such Specially-Converted Bonds, and (iii) if any Specially-Converted Bonds are to be redeemed on any date prior to their maturity, giving the Trustee irrevocable instructions to redeem such Specially-Converted Bonds on such date and either evidence satisfactory to the Trustee that all redemption notices required by the Indenture have been given or irrevocable power authorizing the Trustee to give such redemption notices.

Section 2.06 Payment of Fees and Expenses. The Borrower covenants and agrees to pay, or to cause to be paid, to the Trustee, the following costs and expenses in full as incurred or when due (exclusive of the costs and expenses, if any, that are payable from the proceeds of the Specially-Converted Bonds) and the Trustee shall forward such amounts to the appropriate payees as soon as practicable after receipt thereof (but only to the extent of Available NOI):

(a) the Trustee's Annual Fee as set forth in the Indenture, and any other fees and other costs incurred for services of the Trustee, any Paying Agent and the Bond Registrar;

(b) the Issuer's Fee as set forth in the Indenture and any other fees, charges and other costs, not otherwise paid under the Issuer Documents or the Borrower Documents; incurred by the Issuer in connection with its administration and enforcement of, and compliance with, the Issuer Documents, including, without limitation, legal fees and expenses incurred in connection with the performance, amendment, interpretation and enforcement of any documents relating to the Mortgaged Property or the Specially-Converted Bonds;

(c) the Rebate Analyst's Fee as set forth in the Indenture and any other fees and other costs incurred for services of the Rebate Analyst and payment of any Rebate Amount payable in compliance with the Tax Certificate;

(d) the reasonable costs incurred in connection with the redemption of the Specially-Converted Bonds, to the extent moneys are not otherwise available therefor;

(e) amounts advanced by the Issuer or the Trustee under authority of the Issuer Documents or the Borrower Documents, which the Borrower is obligated to repay; and

(f) any other amounts payable by the Borrower under the Issuer Documents or the Borrower Documents.

Neither the Issuer nor the Trustee shall have any obligation to pay any of the fees, costs or expenses referred to in this Section 3.06.

Section 2.07 Nonrecourse Obligation of Borrower. Notwithstanding any other term or provision contained in any of the Issuer Documents, the Borrower Documents or any other instrument executed or delivered in connection with the Subordinate Loan, but subject to the immediately following sentence, the Issuer, on behalf of itself and its successors and assigns, agrees that the liability of the Borrower and the Managing Member for any payments due under this *Exhibit A* or any other document relating to the Subordinate Loan, including, without limitation, the principal of, premium, if any, and interest on the Specially-Converted Bonds, and for the performance of any obligation under this *Exhibit A* or any other document relating to the Subordinate Loan, shall be non-recourse and strictly and absolutely limited in term to the assets of the Borrower and shall not be a personal or recourse liability of the Managing Member or any other members of the Borrower or such members' assets, except as follows. Notwithstanding the foregoing but subject to the terms of the Subordination Agreement, the Borrower, the Managing Member and any other member of the Borrower shall be personally liable for, and the Issuer and the Trustee shall have the right to seek a judgment for money damages (including a deficiency judgment) to enforce or collect any of the following:

(a) The Issuer Fee, the Trustee's Annual Fee, the Rebate Analyst's Fee and their extraordinary costs and expenses, including but not limited to reasonable legal fees and out-of-pocket costs and expenses of Bond Counsel, counsel to the Issuer and counsel for the Trustee, incurred in connection with the interpretation or enforcement of the Indenture, this Agreement, the Regulatory Agreement or the other Loan Documents;

(b) Indemnification provisions in favor of the Issuer and the Trustee hereunder and under equivalent provisions of the other Borrower Documents and Issuer documents; *provided, however*, said indemnification provisions shall not be deemed to create any personal liability of the Borrower or its members for any payment obligation on the Subordinate Note;

(c) Liability under any guaranty entered into with the Issuer or the Trustee;

(d) The leases, rents, profits and issues of the Mortgaged Property following any payment default (without regard to the expiration of any cure period, if any) to the extent misapplied or not applied to expenses thereof;

(e) Liability for intentional waste, destruction or damage to the Mortgaged Property or any part thereof by the Borrower;

(f) Tenant security deposits, to the extent not properly accounted for, or prepaid rent, to the extent misapplied or not applied to expenses of the Mortgaged Property;

(g) Liability and indemnification for environmental matters including, but not limited to, liability and indemnification obligations for removal or cleanup of environmental hazards on the premises of the Mortgaged Property;

(h) All obligations under the Regulatory Agreement (excluding any obligations therein relating to the payment of principal and interest on the Subordinate Note) and under the Tax Certificate;

(i) All condemnation awards and payments in lieu and/or insurance proceeds received by the Borrower which are not applied to the reasonable costs of the restoration of the Mortgaged Property or to the obligations of the Borrower under the Senior Loan Documents or under the Borrower Documents;

(j) Any liability, damage, cost or expense incurred by the Issuer or the Trustee as a result of any fraud, material misrepresentation or bad faith by the Borrower.

all of which foregoing obligations shall bear interest at the lesser of (a) the rate of eighteen percent (18%) per annum or (b) the maximum rate permitted by law, from the due date thereof (or, in the case of liability and indemnification for removal or cleanup of environmental hazards, from the date demand for payment thereof is made) until the date paid in full.

Section 2.08 Security for the Subordinate Loan. As security for the Subordinate Loan, subject to the terms of the Subordination Agreement, the Borrower shall execute and deliver to the Issuer the Subordinate Note and the Subordinate Mortgage, which the Borrower shall cause to be recorded in the official records of Cook County, Illinois. The Borrower hereby acknowledges that the Issuer shall assign its interests in the Subordinate Note and the Subordinate Mortgage to the Trustee for the benefit of the Bondholders.

Section 2.09 Subordination to Senior Loan Documents. The indebtedness evidenced by the Specially-Converted Bonds and all amounts payable under this *Exhibit A*, the Indenture and any other documents further evidencing or securing the Subordinate Loan is and shall be subordinate in right of payment, to the extent and in the manner provided in the Subordination Agreement, to the prior payment in full of the Senior Specially-Converted Bonds and other amounts payable under the Senior Loan Documents; *provided* that Loan Payments may be made from, but only to the extent of, Available NOI so long as there is no Event of Default under the Senior Loan Documents or the Senior Credit Facility Documents. The Indenture and this *Exhibit A* are and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Regulatory Agreement, the Senior Loan Documents and the Senior Credit Facility Documents and the obligations thereunder and to the terms and conditions of the Subordination Agreement.

ARTICLE III
CONVERTED BONDS; COVENANTS RELATING TO THE SPECIALLY-CONVERTED BONDS

Section 3.01 Investments. Upon Written Direction of the Borrower to the Trustee, any moneys in any Fund held by the Trustee under the Indenture shall be invested or reinvested by the Trustee in Investment Securities as provided in the *Exhibit D*; *provided* that amounts in the Bond Proceeds Fund shall not be invested. The Borrower hereby approves the investment provisions of the Indenture and directs the Trustee to make such investments, subject to the covenants of Section 4.04 hereof.

Section 3.02 Compliance with Exhibit D. The Borrower hereby acknowledges and accepts the terms of *Exhibit D* to the Indenture. The Borrower covenants that it will comply with the terms, covenants, conditions and provisions of the Indenture that expressly refer to, or impose obligations on, the Borrower, and covenants to cooperate with the Issuer and the Trustee in carrying out the terms of *Exhibit D.*

Section 3.03 Tax-Exempt Status of Specially-Converted Bonds.

(a) it will at all times comply with the terms of the Tax Certificate and the Regulatory Agreement;

(b) it will not take, or permit to be taken on its behalf, any action which would cause the interest payable on the Specially-Converted Bonds to be included in gross income, for federal income tax purposes, and will take such action as may be necessary in the opinion of Bond Counsel to continue such exclusion from gross income, including, without limitation the following:

(i) the preparation and filing of all statements required to be filed by it in order to maintain the exclusion (including, but not limited to, the filing of all reports and certifications required by the Regulatory Agreement);

(ii) the timely payment to the United States of America of any rebate amount required to be paid by the Issuer or the Borrower pursuant to Section 148(f) of the Code and the Treasury Regulations under Section 148; and

(iii) the use of not less than 95% of the net proceeds of the Specially-Converted Bonds (within the meaning of Section 142(a) of the Code) for Qualified Property Costs;

(c) in order to satisfy the requirements set forth in subpart (4) of the definition of "program investment" that appears in Section 1.148-1(b) of the Treasury Regulations (which requirements must be met in order for the Subordinate Loan to qualify as a program investment within the meaning of that section), neither the Borrower nor any related person (within the meaning of "program investment") will purchase Specially-Converted Bonds in an amount related to the amount of the Subordinate Loan;

(d) no changes will be made to the Mortgaged Property, no actions will be taken by the Borrower and the Borrower will not omit to take any actions, which will in any way adversely affect the tax-exempt status of the Specially-Converted Bonds;

(e) will comply with the requirements of Section 148 and the Treasury Regulations issued under Section 148 throughout the term of the Specially-Converted Bonds and will not make any use of the proceeds of the Specially-Converted Bonds, or of any other funds which may be deemed to be proceeds of the Specially-Converted Bonds under the Treasury Regulations, which would cause the Specially-Converted Bonds to be "arbitrage Specially-Converted Bonds" within the meaning of Section 148 and the Treasury Regulations;

(f) if the Borrower becomes aware of any circumstance, event or condition which would result in the interest payable on the Specially-Converted Bonds becoming includable in gross income, for federal income tax purposes, the Borrower will promptly give written notice of such circumstance, event or condition to the Issuer, the Trustee and the Bondholder Representative;

(g) the Borrower will cause the required number of the residential units in the Mortgaged Property to be rented or available for rental on a basis which satisfies the requirements of the Act, the Code and the Regulatory Agreement;

(h) all leases will comply with all applicable laws and the Regulatory Agreement;

(i) in connection with any lease or grant by the Borrower of the use of the Mortgaged Property, the Borrower will require that the lessee or user of any portion of the Mortgaged Property not use that portion of the Mortgaged Property in any manner which would violate the covenants set forth in this *Exhibit A* or the Regulatory Agreement;

(j) none of the proceeds of the Specially-Converted Bonds (within the meaning of the Code) or investment earnings thereon will be used for costs of issuance of the Specially-Converted Bonds, all within the meaning of Section 147(g)(1) of the Code. For this purpose, if the fees of the Original Purchaser are retained as a discount on the purchase of the Specially-Converted Bonds, such retention shall be deemed to be an expenditure of proceeds of the Specially-Converted Bonds (within the meaning of the Code) for said fees; and

(k) no proceeds of the Specially-Converted Bonds (within the meaning of the Code) shall be used directly or indirectly to provide any airplane, skybox or other private luxury box, health club facility, facility used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

Section 3.04 Tax Certificate; Regulatory Agreement; Rebate. In order to maintain the exclusion of interest on the Specially-Converted Bonds from the gross income of the owners thereof for federal income purposes and to assure compliance with the laws of the State, the Borrower hereby agrees that it shall, concurrently with or before the execution and delivery of the Specially-Converted Bonds, execute and deliver the Tax Certificate. The Borrower agrees and confirms that the Regulatory Agreement applies to the Specially-Converted Bonds and the Mortgaged Property.

The Borrower shall comply with every term of the Tax Certificate and the Regulatory Agreement, and the Borrower hereby acknowledges that, subject to the Subordination Agreement, in the event of a default under the Regulatory Agreement, which is not cured within any applicable cure period, the Subordinate Loan may be accelerated. The Borrower agrees to cause any amendments to the Regulatory Agreement to be recorded in the appropriate official public records. The books and records of the Borrower pertaining to the incomes of and rents charged to the tenants residing in the Mortgaged Property shall, upon reasonable notice, be open to inspection at the Borrower's designated management office by any authorized representative of the Issuer, the Bondholder Representative and the Trustee.

The Borrower will engage a Rebate Analyst to calculate the rebate amount, as required by the Indenture and will provide a copy of each rebate report to the Issuer and the Trustee. The Borrower will promptly pay, or cause to be paid, when due to the United States of America all rebate amounts that may be or become owing with respect to the Specially-Converted Bonds (which payment may be made out of any available amounts on deposit in the various Funds and Accounts established under the Indenture or, in the absence of such available amounts, must be paid by the Borrower or a member of the Borrower out of its own funds). For purposes of this Section, "available amounts", when used with respect to any Fund or Account established under the Indenture, means moneys on deposit in the Fund or Account in excess of the amounts required to be on deposit in the Fund or Account from time to time for the payment of interest, principal or premium, if any, due with respect to the Specially-Converted Bonds and third party fees. In the event that the Trustee receives written notice from the Borrower, the Issuer or any Bondholder, that the Borrower has failed to engage a Rebate Analyst, the Trustee in consultation with, and with the approval of, the Issuer, will use its best efforts to engage a Rebate Analyst to calculate rebate, *provided* that a Rebate Analyst can be engaged for amounts which do not exceed on an annual basis, the moneys that are and will be then available under the Indenture to pay the Rebate Analyst's Annual Fee, or from other moneys furnished to the Trustee; in no event shall the Trustee be required to risk or expend its own moneys to employ a Rebate Analyst.

Section 3.05 Limitation on the Issuer's Liability. All obligations of the Issuer expressed or implied in this *Exhibit A* or otherwise incurred in connection with the issuance of the Specially-Converted Bonds for the payment of money or for damages resulting from breach of any covenant, undertaking, agreement, or warranty shall not be a general debt of the Issuer, its program participants, the State or any other political subdivision thereof, but shall be payable solely from the Trust Estate. Neither the members, officers, employees nor agents of the Issuer shall be personally liable for the payment of any sum or for the performance of any obligation under this *Exhibit A*.

Section 3.06 Redemption of Specially-Converted Bonds. The Issuer, at the request at any time of the Borrower, shall take all steps that may be proper and necessary under the applicable redemption provisions of the Indenture to effect the redemption of all or a portion of the then Outstanding Specially-Converted Bonds as may be specified by the Borrower in accordance with this *Exhibit A*, on the earliest redemption date on which such redemption may be effected. It is understood that all expenses of such redemption shall be paid by the Borrower or from money in the hands of the Trustee and held for such purpose, and not from other funds of the Issuer. The Issuer shall cooperate with the Borrower (but at the sole expense of the Borrower) in effecting any purchase or redemption of the Specially-Converted Bonds.

ARTICLE IV
SPECIAL COVENANTS OF THE BORROWER

Section 4.01 Maintenance of the Mortgaged Property. The Borrower shall, at its sole cost and expense, cause the Mortgaged Property to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment, and shall cause

to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as, in the reasonable judgment of the Borrower, may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times.

Section 4.02 Compliance with Applicable Law. The Borrower covenants and agrees that throughout the Term, at its sole cost and expense, it shall comply or cause there to be compliance with applicable law relating to the use or occupancy or manner of use of the Mortgaged Property. The Borrower shall also observe and comply with the requirements respecting the Mortgaged Property of all policies of insurance at any time in force with respect to any of the buildings, improvements, machinery or equipment constituting a part of the Mortgaged Property.

Section 4.03 Payment of Other Obligations. The Borrower covenants and agrees to pay, or to cause to be paid, directly to the appropriate party, when due, all assessments, levies, taxes and insurance payments of every kind and nature relating to the whole or any part of the Mortgaged Property, or any interest therein, and all costs, expenses, liabilities and charges of every kind and nature, including charges for gas, electricity, water, sewer and other utilities, relating to the maintenance, operation, repair, replacement and improvement of the Mortgaged Property, or any part thereof, or any facilities, machinery or equipment thereon or to the operations or services conducted or provided thereon or in connection therewith which may arise or accrue during the Term; *provided, however*, that the Borrower shall be under no obligation to pay any such item so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, unless the Trustee shall receive an opinion of Independent Counsel that such contest or the failure to make such payment during such contest jeopardizes in any material respect the interest of the Bondholders, and, subject to the terms of the Subordination Agreement, the Borrower shall be obligated to make any such payment immediately upon its receipt of notice from the Trustee to the effect that the Trustee has received such an opinion.

Section 4.04 Insurance. Subject to the terms of the Subordination Agreement, the Borrower agrees to insure the Mortgaged Property or cause the Mortgaged Property to be insured during the Term of this *Exhibit A* for such amounts and for such occurrences as are required under the Subordinate Mortgage, naming the Trustee as an additional insured. The Borrower further agrees to provide the Trustee with evidence of such insurance and to certify compliance with the insurance requirements by not later than June 1 of each year; and to notify the Trustee and the Bondholder Representative, by certified mail, immediately upon cancellation or material alteration of such insurance. No acceptance of any insurance policy by the Issuer or the Trustee shall relieve or release the Borrower from any liability, duty or obligation under the provisions of this *Exhibit A*.

Section 4.05 Use and Operation of Mortgaged Property. The Borrower agrees that it will faithfully and efficiently administer, maintain and operate the Mortgaged Property free of unlawful discrimination based upon race, creed, color, sex, national origin, handicap or age. It is the express intention of the parties hereto that the Borrower shall have the right to manage, administer and govern the Mortgaged Property in all its activities and affairs on a continuing day-to-day basis.

The Borrower covenants that prior to any change in the use of the Mortgaged Property (or any portion thereof) the Borrower shall provide the Trustee with an opinion of Bond Counsel that such proposed change in use will not adversely affect the exclusion from gross income for federal income tax purposes of interest payable on the Specially-Converted Bonds under the Code.

Section 4.06 Inspections. The Issuer, the Bondholder Representative and the Trustee through their respective officers, employees, consultants and other authorized representatives, shall have free and unobstructed access at all reasonable times, and upon reasonable advance notice, to the Mortgaged Property for purposes of ascertaining whether the Borrower has complied with its agreements under this *Exhibit A*.

Section 4.07 No Warranty of Condition or Suitability. The Issuer makes no representation or warranty, either express or implied, and offers no assurance, respecting the condition of the mortgaged property, or the suitability thereof for the needs and requirements of the Borrower.

Section 4.08 Information Reporting. The Borrower, at its own expense, shall deliver to the Trustee and the Bondholder Representative (who shall have no duty to review such information) and, upon request therefor, to the Issuer, the following:

(a) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower (herein, "**Fiscal Year**"), the annual financial statements of the Borrower, including the Borrower's balance sheet as of the end of such Fiscal Year, the related income statements of revenue and expense and changes in fund balances and changes in financial position for such Fiscal Year, setting forth in each case in comparative form the figures for the previous fiscal year, prepared in accordance with Generally Accepted Accounting Principles (or other accounting principles approved in writing by the Credit Provider for the Senior Specially-Converted Bonds) by an independent certified public accountant;

(b) simultaneously with the delivery of the set of financial statements referred to in clause (a) above, a certificate of an Authorized Borrower Representative, stating whether there exists on the date of such certificate any Event of Default and, if any Event of Default then exists, setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto;

(c) forthwith upon the occurrence of any Event of Default, a certificate of an Authorized Borrower Representative setting forth the details thereof and the action that the Borrower is taking or proposes to take with respect thereto; and

(d) from time to time such additional information regarding the financial position, results of operations, business or prospects of the Borrower as the Issuer, the Trustee, the Bondholder Representative or any holder of 25% or more in outstanding principal amount of the Specially-Converted Bonds may reasonably request.

The Borrower agrees to deliver by the 15th day of each month its calculation of the prior month's Available NOI to the Bondholder Representative.

Section 4.09 Deposit of Required Available NOI. The Borrower hereby covenants and agrees to deposit with the Trustee on a monthly basis the Available NOI (to the extent such amounts exist), as appropriate and necessary to make Loan Payments or Delinquent Loan Payments, as the case may be, and to fund such other amounts required by this *Exhibit A* and Section 6.01 of the Indenture.

Section 4.10 Maintenance of Existence; Permitted Mergers and Consolidations.

(a) The Borrower agrees that during the Term of this *Exhibit A* it will remain in good standing and organized to do business in the State and will maintain its existence as a limited liability company, will not dissolve or otherwise dispose of all or substantially all of its assets and will not combine or consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; *provided, however*, that the Borrower may so combine, consolidate with, or merge into another entity existing under the laws of one of the states of the United States, or permit one or more other entities to consolidate with or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve, as long as the surviving, resulting or transferee entity, as the case may be, (i) assumes and agrees in writing to pay and perform all of the obligations of the Borrower hereunder, (ii) qualifies (if required under applicable law) to do business in the State, (iii) will not cause a violation of any of the representations or warranties in Section 2.02 hereof, (iv) the Borrower delivers an opinion of Bond Counsel to the effect that such consolidation or merger will not cause the interest payable on the Specially-Converted Bonds to be included in gross income for federal income tax purposes, and (v) the Bondholder Representative provides written approval of the resulting entity.

(b) Subject to the provisions of the Subordinate Mortgage, the rights and obligations of the Borrower under this *Exhibit A* may be assigned by the Borrower to any person in whole, in connection with and in proportion to, any conveyance of all or part of the Mortgaged Property that complies with Section 16 of the Regulatory Agreement; *provided* that (i) the assignee shall assume in writing the obligations of the Borrower hereunder to the extent of the interest assigned, and a copy of such instrument of assumption shall be delivered to the Issuer and the Trustee within ten (10) days after the execution thereof; (ii) the Borrower shall have obtained the written consent of the Issuer as provided in Section 12 of the Regulatory Agreement; (iii) the Borrower shall remain liable for its obligations hereunder to the extent of any interest not so assigned; (iv) the assignment will not cause a violation of any of the representations or warranties in Section 2.02 hereof; and (v) the Bondholder Representative provides written consent to such assignment in accordance with the terms of the Subordinate Mortgage.

No assignment, other than pursuant to this Section, shall relieve the Borrower from primary liability for any of its obligations hereunder, and in the event of any assignment not pursuant to this Section, the Borrower shall, subject to Section 3.07 hereof, continue to remain primarily liable for the Loan Payments and payments specified in Section 3.06 and 5.11 hereof and for performance and observance of the other agreements on its part herein provided to be performed and observed by it.

Section 4.11 Indemnification.

(a) The Borrower hereby releases the Issuer and the Trustee and their respective members, officers and employees from, and covenants and agrees to indemnify, hold harmless and defend the Issuer, the Trustee and their respective participants, officers, members, directors, officials, agents and employees and each of them (each an "**Indemnified Party**"), but only to the extent of Available NOI, from and against from and against, any and all losses, claims, damages, liabilities and expenses (including attorneys' fees and expenses), taxes, causes of action, suits and judgments of any nature, joint or several, by or on behalf of any person arising out of:

(i) the transactions provided for in the Issuer Documents or the Borrower Documents, except obligations to make payments of principal of and interest on the Subordinate Note;

(ii) the execution and delivery or amendment of any document entered into in connection with the transactions provided for in the Issuer Documents or the Borrower Documents, including any certifications or representations made by any person other than the party seeking indemnification;

(iii) the approval of the financing for the Mortgaged Property;

(iv) the Subordinate Loan, except obligations to make payments of principal of and interest on the Subordinate Note;

(v) any and all claims arising in connection with the interpretation, performance, enforcement, breach, default or amendment of the Issuer Documents, the Borrower Documents or any other documents relating to the Mortgaged Property or the Specially-Converted Bonds or in connection with any other matters relating to the Specially-Converted Bonds or the Mortgaged Property, including, but not limited to, any federal or state tax audit, or any questions or other matters arising under such documents;

(vi) the Trustee's acceptance or administration of the trusts created by the Indenture or the exercise of its powers or duties under the Indenture, this Agreement, the Regulatory Agreement or any other agreements to which it is a party or otherwise in connection with the transactions provided for in the Issuer Documents or the Borrower Documents;

(vii) any and all claims arising in connection with (a) the issuance and sale of any Specially-Converted Bonds or any certifications or representations made by any person other than the party seeking indemnification, including, but not limited to, any (1) statement or information made by the Borrower with respect to the Borrower or the Mortgaged Property in any offering document or materials regarding the Specially-Converted Bonds,

the Mortgaged Property or the Borrower or in the Tax Certificate of the Borrower or in any other certificate executed by the Borrower which, at the time made, is misleading, untrue or incorrect in any material respect, (2) untrue statement or alleged untrue statement of a material fact relating to the Borrower or the Mortgaged Property contained in any offering material relating to the sale of the Specially-Converted Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Borrower or the Mortgaged Property required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading, (3) the obligation of the Borrower, if any, to properly register or otherwise qualify the sale of the Specially-Converted Bonds or the obligation of the Borrower, if any, to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Specially-Converted Bonds could be sold and (b) the carrying out by the Borrower of any of the transactions provided for in the Issuer Documents and the Borrower Documents;

(viii) the Borrower's failure to comply with any requirement of this Agreement or the Regulatory Agreement; and

(ix) any act or omission of the Borrower or any of its agents, servants, employees or licensees in connection with the Subordinate Loan or the Mortgaged Property, including violation of any law, ordinance, court order or regulation affecting the Mortgaged Property or any part of it or the ownership, occupancy or use of it;

(x) any damage or injury, actual or claimed, of whatsoever kind, cause or character, to property (including loss of use of property) or persons, occurring or allegedly occurring in, on or about the Mortgaged Property or arising out of any action or inaction of the Borrower, whether or not related to the Mortgaged Property, or resulting from or in any way connected with the acquisition, rehabilitation or management of the Mortgaged Property, the issuance of the Specially-Converted Bonds or otherwise in connection with transactions provided for in the Issuer Documents and the Borrower Documents or otherwise in connection with the Mortgaged Property, the Specially-Converted Bonds or the execution or amendment of any document relating to the Mortgaged Property or the Specially-Converted Bonds;

(xi) any violation of any environmental law applicable to, or the release of any toxic substance from, the Mortgaged Property; and

(xii) any and all claims arising in connection with the operation of the Mortgaged Property, or the conditions, environmental or otherwise,

occupancy, use, possession, conduct or supervision of work done in or about, or from the planning, design, acquisition, rehabilitation, repair or equipping of, the Mortgaged Property or any part of it, including, but not limited to, the ADA (as evidenced by an architect's certificate to such effect).

This indemnification shall extend to and include, without limitation, all costs, counsel fees, expenses and liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim, except (i) in the case of the foregoing indemnification of any of the its Indemnified Parties, to the extent such damages are caused by the negligence or willful misconduct of such Indemnified Party, and (ii) in the case of the foregoing indemnification of the Issuer or any of its Indemnified Parties, to the extent such damages are caused by the willful misconduct of such Indemnified Party.

In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought under Section 5.11, the Borrower, upon written notice from the Indemnified Party, will assume the investigation and defense of the action or proceeding, including the engagement of counsel selected by the Borrower, subject to the approval of the Indemnified Party in such party's sole discretion, and shall assume the payment of all expenses related to the action or proceeding, with full power to litigate, compromise or settle the same in its sole discretion; *provided, however,* that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to engage separate counsel in any action or proceeding and participate in the investigation and defense of such action or proceeding, and the Borrower shall pay the reasonable fees and expenses of such separate counsel if (i) the Indemnified Party determines that a conflict exists between the interests of the Indemnified Party and the interests of the Borrower or (ii) such separate counsel is engaged with the approval of the Borrower, which approval shall not be unreasonably withheld, conditioned or delayed. The Borrower may request a disbursement from the Indemnity Fund created by the Senior Indenture for such purpose, in accordance with the provisions of the Senior Indenture.

Notwithstanding any transfer of the Mortgaged Property to another owner, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Section 5.11 for all matters arising prior to such transfer, and, as a condition to the release of the transferor on and after the transfer date, the transferee must assume the obligations of the Borrower under this Agreement and the other Borrower Documents on and after the transfer date. Each Indemnified Party's rights under this Section 5.11 shall survive the termination of this Agreement, the payment of the Subordinate Loan and the payment or defeasance of the Specially-Converted Bonds.

(b) The Borrower hereby indemnifies the Bondholder Representative for, and agrees to hold it harmless against, any loss, liability or expense incurred without gross negligence, willful misconduct or bad faith on its part, arising out of or in connection with the its obligations as Bondholder Representative under the Indenture or this *Exhibit A*, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its authority or duties hereunder, including any reasonable fees

and expenses incurred during a period of default hereunder (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be adjudicated by a court of competent jurisdiction to be attributable in whole or in part to its gross negligence, willful misconduct or bad faith.

ARTICLE V
AMENDMENT OF AGREEMENT; DISCHARGE OF AGREEMENT

Section 5.01 Amendment of this *Exhibit A*. Subject to the terms of the Subordination Agreement and the consent of Fannie Mae, this *Exhibit A* may be amended as provided in Article IX of the Indenture; provided, however, that nothing herein or in the Indenture shall permit or be construed as permitting any abatement, reduction, abrogation, waiver or diminution in any manner or to any extent whatsoever of the obligation of the Borrower to make the Loan Payments or to pay any other amounts required to be paid by the Borrower hereunder.

Section 5.02 Termination. The Borrower may, by notice to the Issuer, the Bondholder Representative and the Trustee, terminate this *Exhibit A* at any time when all the Specially-Converted Bonds Outstanding and interest thereon shall be deemed to have been paid and discharged under the provisions of Article X of the Indenture and there shall have been paid all other amounts due and payable hereunder and under the Indenture and all fees and charges of the Issuer, the Trustee and any Paying Agent due or to become due through the date on which the Specially-Converted Bonds are to be retired or redeemed.

When the Term of this *Exhibit A* has expired or been terminated as provided in the preceding paragraph, and the Trustee certifies to the Issuer that all the Specially-Converted Bonds Outstanding and interest thereon, and all other obligations incurred by the Issuer in connection with the Mortgaged Property under the Indenture and this *Exhibit A* have been paid or provision for payment of such amounts shall have been made in accordance with the Indenture, this *Exhibit A* shall be of no further force or effect except as otherwise expressly provided herein, and the Trustee shall execute and deliver to the Borrower proper instruments acknowledging satisfaction and discharge of the Indenture.

ARTICLE VI
EVENTS OF DEFAULT AND REMEDIES

Section 6.01 Events of Default. Each of the following shall constitute an Event of Default under this *Exhibit A*:

(a) if the Borrower shall fail to make any Loan Payment when due and payable, *provided* that sufficient Available NOI is available therefor;

(b) if the Borrower shall fail to perform, observe or comply with the terms, covenants, conditions or provisions contained in this *Exhibit A* (other than those described in Section 7.01(a)) binding upon the Borrower, and any such failure shall continue for a period of 30 days after written notice thereof shall have been given to the Borrower by the Issuer, the

Bondholder Representative or the Trustee; *provided, however,* that if such failure relates to damage, destruction, condemnation or other physical condition of the Mortgaged Property and the Borrower shall proceed to make any repair, restoration or replacement which, if begun and prosecuted with due diligence, cannot be completed within a period of thirty days and would correct such failure, then such period shall be increased to such extent as shall be necessary to enable the Borrower to begin and complete such repair, restoration or replacement through the exercise of due diligence; *provided further, however*, that if any such failure shall be such that it cannot be cured or corrected within such thirty-day period, it shall not constitute an Event of Default hereunder if curative or corrective action is instituted within said thirty day period and if such action is diligently pursued until the failure of performance is cured or corrected within the period so extended;

(c) the Borrower shall generally not pay its debts as they become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors or shall institute any proceeding or voluntary case seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property; or the Borrower shall take any action to authorize any of the actions described above in this paragraph (c), or any proceeding shall be instituted against the Borrower seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property, and, if such proceeding is being contested by the Borrower in good faith, such proceeding shall remain undismissed or unstayed for a period of sixty (60) days;

(d) an Event of Default shall occur under the *Exhibit D* to the Indenture;

(e) if any of the Borrower's representations or warranties made in the Borrower Documents or in any other certificate or writing furnished to the Issuer pursuant to the Indenture or the Borrower Documents is false or incorrect in any material respect when made;

(f) breach of any of the covenants, agreements or obligations of the Borrower under any of the Borrower Documents and the expiration of any cure periods applicable thereto; or subject to the terms of the Subordination Agreement, an Event of Default under the Financing Agreement.

The provisions of paragraph (b) of this Section are subject to the following limitations: if by reason of acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, orders of any kind of the government of the United States of America or of the State of any of their departments, agencies, political subdivisions or officials, or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil

disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, partial or entire failure of utilities, or any other cause or event not reasonably within the control of the Borrower, the Borrower is unable in whole or in part to carry out its agreements on its part herein contained, the Borrower shall not be deemed in default during the continuance of such inability. 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 agreements; *provided, however*, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Borrower, and the Borrower shall not be required to make settlement of strikes, lockouts and other industrial disturbances when such course is, in the judgment of the Borrower, unfavorable to the Borrower.

Section 6.02 Remedies.

(a) Whenever an Event of Default specified in Section 7.01 hereof (other than pursuant to subsection (a) or (c) thereof) shall have happened and be continuing, the Issuer or the Trustee, as the assignee and pledgee of the Issuer under the Indenture or the Bondholder Representative, shall have the following rights and remedies, subject to Sections 3.07 and 7.06 hereof and the terms of the Subordination Agreement:

(i) The Issuer or the Trustee, or the Bondholder Representative, if the Trustee has not acted within 5 days after written request from the Bondholder Representative, may declare all Loan Payments and all other amounts due from the Borrower pursuant to the terms of this *Exhibit A* to be immediately due and payable, whereupon the same shall become immediately due and payable. If the Issuer, the Trustee or the Bondholder Representative elects to exercise the remedy afforded in this Section 7.02(a), the amount then due and payable by the Borrower as accelerated payments shall be the sum of (1) the aggregate principal amount of the Specially-Converted Bonds then Outstanding, (2) the total amount of accrued and unpaid interest on the Specially-Converted Bonds to the date of their payment, and (3) an additional amount sufficient to pay and satisfy all other reasonable unpaid costs and obligations incurred or to be incurred by the Issuer and the Trustee in connection with the Mortgaged Property or such Event of Default and under this *Exhibit A* or the Indenture.

(ii) The Issuer or the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect any sums then due and thereafter to become due hereunder or to enforce the observance or performance of any agreement of the Borrower hereunder and under the Indenture.

(iii) The Issuer and the Trustee may exercise any and all remedies available under the Indenture.

(b) Whenever an Event of Default specified in Section 7.01(a) (and not cured within 5 days) shall have happened and be continuing, the Trustee, as assignee and pledgee of the Issuer under the Indenture, shall (subject to the terms of the Subordination Agreement) declare all Loan Payments and all other amounts due hereunder to be immediately due and payable.

The Issuer and the Borrower acknowledge that the Issuer will assign to the Trustee simultaneously with the issuance of the Specially-Converted Bonds all right, title and interest of the Issuer in this *Exhibit A* (except for the Reserved Rights) and the Issuer agrees that upon the occurrence of an Event of Default hereunder or under the Indenture to take, or refrain from taking, but in either case at the expense of the Borrower, such action as shall be reasonably requested by the Trustee in respect to such Event of Default.

Any amounts 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.

Section 6.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other remedy, and every remedy shall be cumulative and in addition to every other remedy herein or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof (unless expressly waived by the Trustee in accordance with the Indenture), but any such right or power may be exercised from time to time and as often as may be deemed expedient. The Trustee and the holders or owners of the Specially-Converted Bonds, subject to the provisions of the Indenture, shall be entitled to the benefit of all agreements herein contained, other than the Reserved Rights of the Issuer.

Section 6.04 Attorneys' Fees and Expenses. Should an Event of Default occur and the Issuer, the Bondholder Representative or the Trustee employ attorneys or incur other expenses for the collection of sums due hereunder or the enforcement of the rights of the Issuer hereunder, the Borrower shall on demand pay to the Issuer, the Bondholder Representative or the Trustee, as the case may be, the reasonable fees of such attorneys and such other reasonable expenses so incurred.

Section 6.05 No Waiver of Rights. No failure by the Issuer, the Bondholder Representative, the Trustee or the Bondholders to insist upon the strict performance of any term, covenant, condition or provision of this *Exhibit A*, or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of Loan Payments during the continuance of any such breach, shall constitute a waiver of any such breach or of such term, covenant, condition or provision or a waiver or relinquishment for the future of the right to insist upon and to enforce by an appropriate legal remedy the strict compliance with all the terms, covenants, conditions and provisions of this *Exhibit A*, or of the right to exercise any such rights or remedies, if any breach by the Borrower be continued or repeated. No term, covenant, condition or provision of this *Exhibit A* binding upon the Borrower, and no breach thereof, shall be waived, altered or modified, except in accordance with the Indenture. No waiver of any breach shall affect or alter

this *Exhibit A*, but every term, covenant, condition and provision of this *Exhibit A* shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

Section 6.06 Borrower's Remedies. In the event that the Issuer should fail to perform any of its obligations under this *Exhibit A*, the Borrower may institute such action against the Issuer as the Borrower may deem necessary to compel performance; *provided* that no such action shall seek to impose any personal pecuniary liability upon any member, officer, employee or agent thereof.

ARTICLE VII
MISCELLANEOUS

Section 7.01 Issuer Officers Not Liable. The members, officers, employees and agents of the Issuer shall not be personally liable for any costs, losses, damages or liabilities caused or subsequently incurred by the Borrower or any officer, director or agent thereof in connection with or as a result of this *Exhibit A*.

Section 7.02 Available Funds. When all the Specially-Converted Bonds Outstanding shall have been redeemed or retired and all other obligations incurred or to be incurred by the Borrower in connection with the Mortgaged Property or under *Exhibit D* to the Indenture or this *Exhibit A* shall have been paid, or sufficient funds or Government Obligations are held in trust pursuant to the Indenture for the payment of all such obligations, and assuming the existence of no other resolutions or other agreements, imposing a continuing lien on the surplus funds hereinafter mentioned, any surplus funds remaining to the credit of the Bond Fund or any other fund or account thereunder shall be paid to the Borrower to the extent permitted by law and the terms of the Subordination Agreement.

Section 7.03 Notices. All notices, certificates or other communications shall be deemed sufficiently given upon actual receipt when the same have been mailed by certified mail, postage prepaid, sent via a reliable overnight courier or telecopied and addressed to the Issuer, the Bondholder Representative, the Borrower or the Trustee at the respective addresses set forth in Section 11.03 of the Indenture. Any telecopy or other electronic transmission received by any party after 4:00 p.m., New York City time, as evidenced by the time shown on such transmission, shall be deemed to have been received the following Business Day. A duplicate copy of each notice, certificate or other communication given hereunder shall also be given to the other parties to this *Exhibit A* and, if a notice of default has been given pursuant to the Subordination Agreement, to the Credit Provider (as defined in the Senior Indenture). The Issuer, the Borrower, the Bondholder Representative and the Trustee may, by notice given hereunder, designate any different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 7.04 Consents and Approvals. Whenever the written consent or approval of the Issuer or the Borrower, or any member thereof, shall be required under the provisions of this *Exhibit A*, such consent or approval shall not be unreasonably withheld.

Section 7.05 Governing Law; Venue. This *Exhibit A* shall be construed and enforced in accordance with the laws of the State.

Section 7.06 Multiple Counterparts. This *Exhibit A* may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original constituting but one and the same instrument.

Section 7.07 Severability. If any one or more of the covenants, agreements or provisions of this *Exhibit A* shall be determined by a court of competent jurisdiction to be invalid or unenforceable, the invalidity or unenforceability of such covenants, agreements and provisions shall in no way affect the validity, enforceability or effectiveness of the remainder of this *Exhibit A,* and this *Exhibit A* shall continue in force to the fullest extent permitted by law.

Section 7.08 Holidays. If the date for making any payment hereunder or the last date for the performance of any act or the exercising of any right hereunder shall not be a Business Day in the place of such payment or the place where such act shall be taken or right exercised, such payment may, unless otherwise provided herein or in the Indenture, be made or act taken or right exercised on the next succeeding Business Day with the same force and effect as if made, taken or exercised on the date required hereunder, and with respect to any such payment, no interest shall accrue for the period from and after the due date of such payment.

Section 7.09 Issuer Assignment of this Exhibit A. Pursuant to *Exhibit D* to the Indenture, the Issuer shall pledge, assign and transfer all of its right, title and interest in and to this Agreement (other than the Reserved Rights of the Issuer), and the revenues, receipts and collections under this Agreement, to the Trustee, for the benefit of the Bondholders, as security for the payment of the principal of, premium, if any, and interest on the Specially-Converted Bonds, and as security for the payment of amounts due under the Borrower Documents. The parties to this *Exhibit A* acknowledge that the covenants and agreements contained in this *Exhibit A* and in *Exhibit D* to the Indenture are for the benefit of the Bondholders from time to time and may be enforced on their behalf by the Trustee. The Issuer shall, at the expense of the Borrower, execute and deliver from time to time, in addition to the instruments of assignment specifically provided for in this Agreement, 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 stated in the Indenture. The Borrower acknowledges and consents to the assignment and pledge of the Trust Estate (subject to the reservation by the Issuer of its Reserved Rights) by the Issuer to the Trustee, for the benefit of the Bondholders, as security for the payment of the Specially-Converted Bonds and as security for the payment of amounts owing under this *Exhibit A* and the Borrower Documents, including as part of the Trust Estate (a) the moneys deposited to the various Funds and Accounts under the Indenture (excluding the Rebate Fund, the Costs of Issuance Fund and the Fees and Expense Fund), including investment income thereon (other than Investment Income with respect to the Rebate Fund, the Costs of Issuance Fund and the Fees and Expense Fund), and (b) all of the Issuer's rights and interests under this Agreement (but excluding the Issuer's Reserved Rights) and the reserves, receipts and collections under this Agreement and the right and interest to enforce, either jointly or separately, the performance of the obligations of the Borrower under this *Exhibit A*. 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.

Exhibit "B-2".
(To Ordinance)

Form Of Senior Housing Borrower Financing Agreement.

FINANCING AGREEMENT

Between

CITY OF CHICAGO

and

[TRUSTEE],
as Trustee

and

FC CENTRAL STATION SENIOR, LLC,
an Illinois limited liability company

Dated as of _____ 1, 2004

THIS FINANCING AGREEMENT dated as of _____ 1, 2004, is by and among 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 **FC CENTRAL STATION SENIOR, LLC**, an Illinois limited liability company ("**Borrower**") and **[TRUSTEE]**, a national banking association duly organized, validly existing and authorized to accept the duties and obligations set out by virtue of the laws of the United States of America and having its principal corporate trust office located in the City of Chicago, Illinois, as Trustee (such trustee or any of its successors in trust being the "**Trustee**"), not in its individual or corporate capacity, but solely as Trustee under the Indenture.

ARTICLE I

INCORPORATION OF RECITALS, DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Incorporation of Recitals. The Recitals to the Indenture are incorporated into and made a part of this Agreement.

Section 1.2 Definitions. All capitalized terms used in this Agreement have the meanings given to those terms in the Indenture or elsewhere in this Agreement unless the context or use clearly indicates a different meaning.

Section 1.3 Rules of Construction. The rules of construction set forth in Section 1.2 of the Indenture shall apply to this Agreement in their entirety, except that in applying such rules, the term "Agreement" shall be substituted for the term "Indenture."

ARTICLE II

THE LOAN

Section 2.1 Amount and Source of Loan. The Issuer has authorized the issuance of the Bonds in the aggregate principal amount of **$[Principal Amount]**. The Issuer agrees to make the Loan in the total aggregate amount of **$[Principal Amount]** to the Borrower with the Net Bond Proceeds. Upon the issuance and delivery of the Bonds, the Issuer will deliver the Net Bond Proceeds to the Trustee. The Loan shall be deemed made in full upon deposit of the Net Bond Proceeds applicable to the Bonds into the Project Account of the Loan Fund. The Borrower accepts the Loan from the Issuer upon the terms and conditions set forth in this Agreement and the Loan Documents, subject to the Indenture, the Regulatory Agreement and the Assignment. Disbursements will be made from the Project Account of the Loan Fund as provided in the Indenture. The Borrower agrees to apply the proceeds of the Loan to pay the costs of the acquisition, construction, equipping and financing for the senior housing facility known as the Central Station Senior Housing Project.

Section 2.2 Note and Security Instrument. The Loan shall be evidenced by, payable in accordance with, and bear interest at the rates and on the terms provided in, the Note and secured by the Security Instrument.

Section 2.3 **Costs of Issuance Deposit**. Prior to the issuance of the Bonds, the Borrower shall pay to the Trustee $[_____], representing the Borrower's pro-rata portion of the Costs of Issuance Deposit for deposit into the Costs of Issuance Fund. The Issuer shall have no obligation to issue the Bonds and to fund the Loan unless and until the Borrower delivers its portion of the Costs of Issuance Deposit.

Section 2.4 **Credit Facility**. The Borrower agrees to cause credit enhancement for the Loan or the Bonds and liquidity support for the Bonds to be in effect in the amounts and during the periods as required by the Indenture. From time to time, the Borrower, with the consent of FC Central Station Residential, LLC, an Illinois limited liability company, may arrange for the delivery to the Trustee of one or more Alternate Credit Facilities meeting the requirements of the Indenture in substitution for the Credit Facility then in effect.

Section 2.5 **Payment of Fees, Costs and Expenses**. The Borrower shall pay when due, without duplication, the fees, expenses and other sums specified in this Section 2.5.

(a) **Fees Due at Closing**. The Borrower shall pay or provide for the payment of its pro-rata share of the Costs of Issuance and the Trustee's acceptance fee, if any, on the Closing Date.

(b) **Third-Party Fees**. The Borrower shall pay its pro-rata share of the Third-Party Fees on a monthly basis. Each monthly payment shall be in an amount equal to the aggregate of all of the Third-Party Fees prorated monthly so that the Trustee shall have the full amount of each fee available in the Fees Account to pay each Third-Party Fee as it falls due without regard to whether any Third-Party Fee is payable monthly, annually or on any other periodic basis. The Third-Party Fees are as follows:

(1) Issuer. The Issuer's annual fee of .15% of the outstanding amount of Bonds payable by the Borrower under the Financing Agreement.

(2) Trustee. The annual continuing trust administration fee of the Trustee equal to [___]% per annum of the principal amount of the Bonds Outstanding payable by the Borrower as provided in the Financing Agreement.

(3) Tender Agent. The Tender Agent's Annual Fee is the annual continuing fee of the Tender Agent **[equal to ___% per annum of the principal amount of the Bonds Outstanding]**.

(4) Remarketing Agent. The **[annual]** continuing fee of the Remarketing Agent for its remarketing services.

(5) Rebate Analyst. The annual continuing fee of the Rebate Analyst, if any, in the amount of $[_____] for its rebate calculation services.

(6) Construction Lender. The annual administration fee of the Construction Lender in an amount equal to one percent (1%) of the outstanding principal amount of the Bonds, computed on a 30/360 day basis and payable monthly in equal installments on the first (1st) day of each month prior to the Conversion Date.

(c) Fees and Expenses.

(1) Rating Agency. The annual rating maintenance fee of each Rating Agency.

(2) Extraordinary Items. The Extraordinary Items.

(3) Certain Advances, Expenses and other Items. All advances, out-of-pocket expenses, costs and other charges of each of the Issuer, the Rebate Analyst, the Remarketing Agent, the Tender Agent and the Trustee incurred from time to time, but only to the extent that any such amounts are payable by the Borrower pursuant to an agreement between the Borrower and such Person regarding its services in connection with the Bonds or the Loan.

(4) Bond Costs. All costs of registering, printing, reprinting, preparing and delivering any replacement bonds required under the Indenture and in connection with the registration, printing, reprinting or transfer of Bonds.

(5) Adjustment or Conversion of Interest Rate; Tender, Purchase, Remarketing or Reoffering of Bonds. All fees, costs and expenses of any change in Mode or of any tender, purchase, remarketing or reoffering of any Bonds. The fees, costs and expenses of any tender, purchase, remarketing or reoffering of Bonds must be paid by the Borrower in advance in accordance with the Remarketing Agreement or other agreement relating to the remarketing or reoffering of the Bonds.

(6) Conversion. All fees, costs and expenses in connection with Conversion.

The Borrower agrees to timely honor any demand for payment by the Trustee pursuant to Section 5.8(b) of the Indenture on account of any insufficiency in the Fees Account.

Section 2.6 Liability for Fees, Costs and Expenses. Neither the Issuer nor the Trustee shall have any obligation to pay any of the fees, costs or expenses referred to in Section 2.5.

Section 2.7 Borrower's Obligations Upon Tender of Bonds. If any Tendered Bond is not remarketed on any Tender Date and a sufficient amount is not available in the Bond Purchase Fund for the purpose of paying the purchase price of such Bond, the Borrower will cause to be paid to the Trustee pursuant to the Credit Facility or otherwise pay by the applicable times provided in the Indenture, an amount equal to the principal amount of all Bonds tendered and not remarketed, together with interest accrued to the Tender Date.

Section 2.8 **Redemption Premium**. The Borrower shall pay all redemption premiums, if any, payable with respect to each redemption of any of the Bonds related to the Loan. The Borrower shall make each such payment, or cause such payment to be made, in Available Moneys.

Section 2.9 **Obligation of the Borrower to Pay Deficiencies**. The Borrower shall pay any deficiency resulting from any loss due to a default under any investment in any Fund or Account or a change in value of any investment.

Section 2.10 **Borrower's Approval of Transaction Documents**. The Borrower acknowledges that it participated in the drafting and negotiation of the Transaction Documents and approves and agrees to each of the provisions of the Transaction Documents. The Borrower agrees that it is bound by, shall adhere to, and shall have the rights set forth by, the Indenture.

ARTICLE III
NATURE OF BORROWER'S OBLIGATIONS; SECURITY FOR OBLIGATIONS

Section 3.1 **Obligations of the Borrower Unconditional**. To the fullest extent permitted by law, the obligations of the Borrower to make all payments and perform its other obligations under this Agreement shall be absolute, unconditional and irrevocable, shall be paid and performed strictly in accordance with the applicable Transaction Documents under all circumstances, including, without limitation, the following circumstances: (i) any invalidity or unenforceability of the Credit Facility or any of the other Transaction Documents; (ii) any amendment or waiver of, or any consent to departure from, the terms of the Credit Facility or any of the other Transaction Documents, any extension of time or other modification of the terms and conditions for any act to be performed in connection with the Credit Facility or any of the other Transaction Documents; (iii) the existence of any claim, set-off, defense or other right which the Borrower may have at any time against the Issuer, the Trustee, the Tender Agent, the Credit Provider, the Loan Servicer, the Remarketing Agent or any other Person, whether in connection with any of the Transaction Documents, the Mortgaged Property, or any unrelated transaction; (iv) the surrender or impairment of any security for the performance or observance of any of the agreements or terms of any of the Transaction Documents; (v) defect in title to the Mortgaged Property, any act or circumstance that may constitute failure of consideration, destruction of, damage to or condemnation of the Mortgaged Property, commercial frustration of purpose, or any change in the tax or other laws of the United States of America or of the State or any political subdivision of either; (vi) the breach by the Issuer, the Trustee, the Tender Agent, the Remarketing Agent, the Credit Provider, the Loan Servicer or any other Person of any of its obligations under any Transaction Document; or (vii) any other circumstance, happening or omission whatsoever, whether or not similar to any of the foregoing.

Section 3.2 **Personal Liability of Borrower**. Except as provided in the last sentence of this Section, the obligations of the Borrower under this Agreement and the obligations of the Borrower under the Regulatory Agreement to pay money, including the obligations of the Borrower with respect to the Reserved Rights, shall be (i) general obligations of the Borrower

with recourse to the Borrower personally, and (ii) subordinate and junior in priority, right of payment and all other respects to any and all obligations of the Borrower under the Loan Documents and to the Credit Provider under or in respect of the Credit Facility Documents. Nothing in this Section shall apply to the obligations of the Borrower under any of the Loan Documents.

Section 3.3 Obligations Unsecured. All obligations of the Borrower under this Agreement and under the Regulatory Agreement, including the obligations of the Borrower with respect to the Reserved Rights, shall not be secured by the Security Instrument and shall not constitute a lien on the Mortgaged Property in any manner.

Section 3.4 Certain Obligations Personal to the Borrower. No subsequent owner of the Mortgaged Property (including the Credit Provider as a result of a foreclosure, a deed in lieu of foreclosure or comparable conversion of the Loan) shall be liable for any breach or default of any obligation of any prior owner under the Regulatory Agreement or this Agreement, including any payment or indemnification obligation. The owner of the Mortgaged Property at the time any default or breach occurs shall remain liable for any and all damages occasioned by such default or breach even after such Person ceases to be the owner. Upon seeking to collect such damages, neither the Issuer nor the Trustee shall have recourse against or the right to levy against or otherwise collect on any judgment from the Mortgaged Property.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties of the Issuer. The Issuer represents and warrants that:

(a) The Issuer is a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State.

(b) The Issuer has complied with the Constitution and laws of the State that are prerequisites to the closing of the transactions provided for in the Bond Documents to which the Issuer is a party.

(c) Pursuant to Article VII, Section 6 of the 1970 Constitution of the State, and pursuant to the Bond 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 City of Chicago, which constitutes a valid public purpose for the issuance of revenue bonds by the Issuer

(d) To accomplish the foregoing, the Issuer intends to issue the Bonds on the terms set forth in the Indenture and to use the proceeds derived from the sale of the Bonds as specified in the Indenture and this Agreement.

(e) The Bonds have been duly executed and delivered by the Issuer, and upon authentication by the Trustee, will constitute legal, valid and binding special limited obligations of the Issuer, enforceable against the Issuer in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(f) The Issuer has the full legal right, power and authority to execute and deliver the Issuer Documents, and to carry out its obligations under each of those documents. The issuance of the Bonds and the execution, delivery and performance of the Issuer Documents have been duly authorized by the Issuer. Each of the Issuer Documents has been duly executed and delivered by the Issuer, and, upon execution and delivery by the other party or parties to the Issuer Documents, is a legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and general principles of equity.

(g) Neither the execution and delivery of, nor the fulfillment of or compliance with the terms or conditions of, the Issuer Documents violates the constitution or laws of the State or any judgment, order, writ, injunction or decree to which the Issuer is subject, or conflicts in any material respect with, or results in a material breach of, or material default under, any agreement or instrument to which the Issuer is now a party or by which it is bound.

(h) Except as otherwise provided in the Indenture and the Assignment, the Issuer has not created any debt, lien or charge upon the Trust Estate, and has not made any pledge or assignment of or created any encumbrance on the Trust Estate.

(i) The Issuer has complied with all material provisions of the Bond Ordinance applicable to the Bonds and the transactions provided for in the Issuer Documents.

(j) No litigation or administrative action of any nature is pending against the Issuer (i) seeking to restrain or enjoin the issuance of the Bonds or the execution and delivery of the Issuer Documents, (ii) questioning the proceedings or authority relating to the Bonds or any other Issuer Document or (iii) questioning the existence or authority of the Issuer or that of its present members or officers and, to the best knowledge of the Issuer, none of the foregoing is threatened.

(k) The Bonds are being issued under the Indenture and are secured by the Trust Estate. Under the Indenture, the Issuer's interest in this Agreement (other than the Reserved Rights) and the revenues and receipts to be derived by the Issuer pursuant to this Agreement are pledged and assigned to the Trustee as security for payment of the principal of and interest and any premium on the Bonds.

ARTICLE V
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE BORROWER

Section 5.1 Compliance With Laws. The Borrower will comply with all laws, ordinances, regulations and requirements of any of duly constituted public authorities which may be applicable to the Mortgaged Property and all recorded lawful covenants and agreements relating to or affecting the Mortgaged Property, including all laws, ordinances, regulations, requirements and covenants pertaining to health and safety, construction of improvements on the Mortgaged Property, fair housing, zoning and land use, and Leases (as such term is defined in the Security Instrument). The Borrower also will comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits. The Borrower will at all times maintain records sufficient to demonstrate compliance with the provisions of this Section. The Borrower will take appropriate measures to prevent, and will not engage in or knowingly permit, any illegal activities at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Mortgaged Property, or otherwise materially impair the lien created by the Security Instrument. The Borrower represents and warrants that no portion of the Mortgaged Property has been or will be purchased with the proceeds of any illegal activity. Nothing contained in this Section is intended to modify or limit any provisions of the Regulatory Agreement or any Loan Document.

Section 5.2 Maintenance of Legal Existence. The Borrower (i) will maintain its existence and not terminate or dissolve, (ii) will continue to be duly qualified to transact business under the laws of the State, (iii) has the power and authority to carry on its properties and assets and to carry out its business as now being conducted by it and as contemplated by the Transaction Documents, and (iv) has been duly authorized to execute and deliver this Agreement and the other Borrower Documents. With the prior written consent of the Issuer, the Borrower may consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it, but subject to the satisfaction of the following conditions: (i) the entity resulting from or surviving such merger or consolidation (if other than the Borrower) ("**Surviving Entity**") is duly organized and existing in good standing and qualified to do business in the State, (ii) if the Borrower does not survive the consolidation or merger, the Surviving Entity expressly assumes in writing all of the Borrower's obligations under this Agreement and the other Borrower Documents and (iii) the Borrower delivers an opinion of Bond Counsel, addressed to the Issuer and the Trustee, to the effect that such consolidation or merger will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

Section 5.3 Access to Mortgaged Property and Records. Subject to reasonable notice, the Issuer and the Trustee and the respective duly authorized agents of each have the right, during normal business hours, to enter the Mortgaged Property and any location containing records relating to any of the Borrower, the Mortgaged Property, the Loan and the Transaction Documents, to inspect, audit and make copies of the Borrower's records or accounts pertaining

to the Borrower, the Mortgaged Property, the Loan, the Transaction Documents, and the Borrower's compliance with the Transaction Documents, and to require the Borrower, at the Borrower's sole expense, to furnish such documents to the Issuer and the Trustee, as the Issuer or the Trustee from time to time deems necessary in order to determine that the Borrower is in compliance with the Transaction Documents and to make copies of any records that the Issuer or the Trustee, or their respective duly authorized agents, may reasonably require. The Borrower will make available to the Issuer and the Trustee such other information concerning the Borrower, the Mortgaged Property, the Loan and the Transaction Documents as any of them may reasonably request.

Section 5.4 **Reports and Information**. The Borrower will file such certificates and other reports with the Issuer and the Trustee as are required by the Transaction Documents. The Borrower will provide to the Issuer all information necessary to enable the Issuer to complete and file all forms and reports required by the laws of the State and the Code in connection with the Mortgaged Property and the Bonds.

Section 5.5 **Tax Covenants**. The Borrower covenants that it will comply with the requirements and conditions of the Tax Certificate and the Regulatory Agreement. Without limiting the foregoing and notwithstanding anything to the contrary in this Agreement, the Borrower will not take, or permit to be taken on its behalf, any action which would cause interest on the Bonds to be included in gross income for federal income tax purposes and will take such reasonable action as may be necessary to continue such exclusion from gross income, including:

(a) the Borrower will not use the proceeds of the Bonds, or any other funds which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code, which will cause the Bonds to be "arbitrage bonds" within the meaning of such Section, and will comply with the requirements of such Section throughout the term of the Bonds;

(b) the Borrower will prepare and file any statements required to be filed by it in order to maintain such exclusion; and

(c) the Borrower will pay to the United States any amount required to be paid by the Issuer or the Borrower pursuant to Section 148(f) of the Code, at the times, in the amounts and at the places required in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

The Borrower irrevocably authorizes and directs the Issuer, the Trustee and any other agent designated by the Issuer to make payment of such amounts from funds of the Borrower, if any, held by the Issuer, the Trustee, or any agent of the Issuer or the Trustee. The Borrower further covenants and agrees that, pursuant to the requirements of Treasury Regulation Section 1.148-1(b), it (or any related person contemplated by such regulations) will not acquire, pursuant to any arrangement, formal or informal, any Bonds in an amount related to the amount of the Loan, other than Pledged Bonds.

Section 5.6 **Notice of Certain Events**. The Borrower will advise 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 Agreement or in any of the other Borrower Documents, or of any Event of Default or Potential Default under this Agreement known to it or of which it has received notice, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect to such default. Such notice shall be given promptly, and in no event less than ten 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 if insurance proceeds or condemnation awards are received with respect to the Mortgaged Property.

Section 5.7 **Obligation of the Borrower to Acquire, Construct and Equip the Property**. The Borrower shall proceed with reasonable dispatch to complete the acquisition, construction, and equipping of the Mortgaged Property. If amounts on deposit in the Loan Fund are not sufficient to pay the costs of completion, the Borrower shall pay such costs or cause the same to be paid from other sources. By reason of any such payment of costs relating to the Mortgaged Property from sources other than the Loan Fund, the Borrower shall not be entitled to any reimbursement from the Issuer, the Trustee, the Credit Provider, the Loan Service or the holders of the Bonds in respect of such payment or to any diminution or abatement in the repayment of the Loan. Neither the Issuer not the Credit Provider shall be liable to the Borrower, the holders of the Bonds or any other person if for any reason the Mortgaged Property is not completed or if the proceeds of the Loan are insufficient to pay all costs of the Mortgaged Property.

THE ISSUER DOES NOT MAKE ANY WARRANTY, EITHER EXPRESS OR IMPLIED, THAT MONEYS, IF ANY, WHICH WILL BE PAID INTO THE ACQUISITION FUND OR OTHERWISE MADE AVAILABLE TO THE BORROWER WILL BE SUFFICIENT TO COMPLETE THE MORTGAGED PROPERTY, AND THE ISSUER SHALL NOT BE LIABLE TO THE BORROWER, THE BONDHOLDERS OR ANY OTHER PERSON IF FOR ANY REASON THE MORTGAGED PROPERTY IS NOT COMPLETED.

Section 5.8 **Additional Representations**. The Borrower represents and warrants that:

(a) The execution and delivery by the Borrower of this Agreement and the Documents will not violate any provision of any presently existing law, rule or regulation, any order of any court or other agency or government, or any provision of any document or instrument to which the Borrower is a party the effect of which would materially and adversely affect the ability of the Borrower to perform its obligations under this Agreement.

(b) There is no action, suit or proceeding at law or in equity, or by or before any governmental instrumentality or other agency, now pending, or, to the best knowledge of the Borrower, threatened against or affecting the Borrower, or any of the properties or rights of the Borrower, which, if adversely determined, would materially impair the right of the Borrower to carry on its business substantially as now being conducted by it, and as contemplated by this

Agreement and the other Borrower, or would materially and adversely affect the financial condition of the Borrower.

(c) The operation of the Mortgaged Property in the manner presently contemplated and as described in this Agreement and the other Transaction Documents will not, to the knowledge of the Borrower, conflict with any existing zoning, water, air pollution or other existing ordinance, order, law or regulation applicable thereto.

(d) The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed, 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.

(e) The Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party, which default would adversely affect the Mortgaged Property or the Borrower's ability to perform its obligations under any agreement related to the financing of the Mortgaged Property.

(f) The estimated cost of acquiring, constructing, and equipping the Mortgaged Property, inclusive of financing costs, is in excess of $_____.

(g) At least 95% of the net proceeds of the Bonds will be used to finance on-site or off-site Qualified Project Costs and such costs will have been incurred with respect to work performed or materials purchased after the date is sixty days prior to the adoption of the Bond Ordinance.

(h) At least 95% of the Mortgaged Property (determined separately on the basis of cost, square footage and rental value) constitutes "residential rental property" within the meaning of the Code.

(i) The average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the Mortgaged Property determined in accordance with Section 147(b) of the Code.

(j) 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 amount of the Loan to be funded by the Issuer for the Borrower.

(k) No more than 20% of the net proceeds of the Bonds will be used for the acquisition of the land on which the Mortgaged Property is located.

(l) 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 he used for farming or industrial park purposes.

(m) Until payment in full of all of the Bonds, and the unless 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 Mortgaged Property or the Trust Estate 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 Mortgaged Property, (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, or which liens are insured over by a title insurance company reasonably acceptable to Fannie Mae, (iv) the Loan Documents and the Regulatory Agreement, (v) other liens or encumbrances contemplated by the Bond Ordinance or otherwise approved by Fannie Mae, including, without limitation the tax credit regulatory agreement with respect to the Mortgaged Property, and (vi) such other pledges as may be approved in writing by the Trustee.

(n) The 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.

(o) 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 and the Trustee; *provided, however* that the Borrower shall not be required to notify the Issuer and the Trustee if the Bonds are includable in gross income for federal income tax purposes to the Borrower only as a result of the Bonds being held by the Borrower.

(p) The Borrower has made all filings with and has obtained all approvals, authorizations, permits and consents from all federal, state and local regulatory agencies having jurisdiction as required by applicable laws and regulations to be made or to be obtained in connection with the acquisition, and construction of the Mortgaged Property, except for any such approvals, authorizations, permits and consents which are not yet required and which will be duly obtained not later than the time required or the failure to obtain which will not materially and adversely affect the acquisition, construction, and operation of the Mortgaged Property.

(q) The Mortgaged Property will be acquired, constructed, and equipped through the use of the Bond proceeds and certain other funds, and will be located entirely within the boundaries of the City of Chicago, Illinois.

(r) The Mortgaged Property meets the requirements of the Regulatory Agreement and the Code with respect to multi-family housing.

(s) All of the Costs of the Project were determined or estimated in accordance with sound engineering and accounting principles.

(t) The information contained in the Transaction Documents provided by the Borrower to the Issuer and Bond Counsel is true, correct and complete in all material respects.

(u) The Borrower will not make any payments, or agreements to pay, to a party, other than the United States of America, an amount that is required to be paid to the United States of America under the rebate requirements of Section 148(f) of the Code by entering into any transaction that reduces the rebatable amount 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 on the Bonds not been relevant to either party. The Borrower will not acquire with the proceeds of the Bonds any certificate of deposit, investment contract, or any other type of investment which does not comply with the provisions of the Code.

(v) The information furnished by the Borrower and used by the Issuer in preparing the Form 8038, Information Return for Private Activity Bond Issues, which has been filed by or on behalf of the Issuer with the Internal Revenue Service Center in Ogden, Utah, pursuant to Section 149(e) of the Code, was true and complete as of the date of filing of said Form 8038.

(w) The weighted average maturity of the Bonds does not exceed 120% of the weighted average estimated economic life of the components comprising the Mortgaged Property, as determined pursuant to Section 147(b) of the Code.

(x) At least 95% of the net proceeds of the Bonds will be used to finance the cost of acquiring, constructing, and equipping the Mortgaged Property. All expenditures for and all Costs of the Project will be charged to a capital account for federal income tax purposes, or would be so chargeable either with a proper election or but for a proper election to deduct. In estimating the Costs of the Project, no amount has been included which, under the federal income tax laws, was or will be deductible by the Borrower in the year in which it was paid or incurred other than through an allowance for depreciation. No portion of the proceeds (as defined for purposes of Section 147(g) of the Code) from the sale of the Bonds will be used to provide working capital.

(y) The facilities comprising the Mortgaged Property constitute qualified residential housing, within the meaning of Section 142 of the Code.

(z) The operation of the Mortgaged Property in the manner presently contemplated and as described herein does not and will not conflict in any material respect with any zoning, water or air pollution or other ordinance, order, law or regulation applicable to the Mortgaged Property. The Borrower has caused the Mortgaged Property to be designed in accordance with all applicable Federal, State and local laws or ordinances (including rules and regulations) relating to zoning, planning, building, safety and environmental quality.

(aa) The Borrower possesses, and agrees to maintain and obtain in the future, all necessary licenses and permits, or rights thereto, to operate the Mortgaged Property as presently proposed to be operated; all such licenses, permits or other approvals required in connection with the acquisition, construction, and operation of the Mortgaged Property have been duly obtained and are in full force and effect except for any such licenses, permits or other approvals which are

not yet required and which will be duly obtained not later than the time required or the failure to obtain which will not materially and adversely affect the acquisition, construction, and operation of the Mortgaged Property.

(bb) The Borrower will cause all of the residential units in the Mortgaged Property to be rented or available for rental on a basis which satisfies the requirements of the Regulatory Agreement.

Section 5.9 **Establishment of Completion Date; Obligation of Borrower to Complete**. Within 60 days of the Completion Date, the Borrower shall furnish to the Issuer and the Trustee a certificate stating that the Mortgaged Property has been completed. The Completion Date shall be evidenced to the Issuer and the Trustee by a certificate signed by the Authorized Borrower Representative stating the Cost of the Project and stating that (a) the acquisition, construction, and equipping of the Mortgaged Property has been completed substantially in accordance with the plans, specifications and work orders therefor and all labor, services, materials and supplies used in such acquisition, construction and equipping have been paid for and (b) all other facilities necessary in connection with the Mortgaged Property have been acquired, constructed, and equipped in accordance with the plans, specifications and work orders therefor, and all costs and expenses incurred in connection therewith (other than costs and expenses for which the Borrower has withheld payment) have been paid and (c) the disbursement of amounts from the Loan Fund and the Cost of Issuance Fund complied with all representations and covenants of the Borrower pertaining thereto contained in the Tax Certificate of the Borrower. If the Borrower withholds the payment of any such cost or expense of the Mortgaged Property, the certificate shall state the amount of such withholding and the reason therefor. Notwithstanding the foregoing, such certificate may state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. It shall be the duty of the Borrower to cause such certificate to be furnished to the Issuer and the Trustee promptly after the Mortgaged Property shall have been completed.

Within ten (10) days after the delivery by the Authorized Borrower Representative of the certificate evidencing the Completion Date, the Trustee shall retain in the Project Account in the Loan Fund a sum equal to the amounts necessary for payment of Costs of the Project not then due and payable or the liability for which the Borrower is contesting as set forth in said certificate. Any amount not so retained in the Project Account in the Loan Fund for such costs, and all amounts so retained but not subsequently used and for which notice of such failure of use has been given by the Borrower to the Trustee, shall be segregated by the Trustee and used by the Trustee, at the direction of the Authorized Borrower Representative, (a) to redeem Bonds on the earliest redemption date permitted by the Indenture for which no prepayment premium or penalty pertains, or, at the option of the Borrower, at an earlier redemption date (*provided* that, in neither event shall such amounts be used to pay interest or premium on the Bonds in connection with such redemption), (b) to purchase Bonds on the open market (including Bonds subject to mandatory purchase) prior to such redemption date (*provided* that, if Bonds are purchased at an amount in excess of the principal amount thereof, the Borrower shall pay such excess out of other funds) for the purpose of cancellation, or (c) for any other purpose, *provided* that the Trustee is furnished with an opinion of Bond Counsel, addressed to the Trustee and the Issuer, to the effect that such use is lawful under the Bond Ordinance and

will not adversely affect the exclusion from gross income of interest on any of the Bonds for purposes of gross income taxation. Until used for one or more of the foregoing purposes, such segregated amount may be invested as permitted by Article VI of the Indenture, but may not be invested, without an opinion of Bond Counsel, addressed to the Trustee and the Issuer, to the effect that such investment will not adversely affect the exclusion from gross income of interest on any of the Bonds for purposes of federal income taxation, to produce a yield on such amount (computed from the Completion Date and taking into account any investment of such amount from the Completion Date) greater than the yield on the Bonds, computed in accordance with applicable provisions of the Code. The Issuer agrees to cooperate with the Trustee and take all required action necessary to redeem the Bonds or to accomplish any other purpose contemplated by this Section 5.10.

In the event the moneys in the Project Account in the Loan Fund available for payment of the Cost of the Project should not be sufficient to pay the costs thereof in full, the Borrower agrees to pay directly the costs of completing the acquisition, construction, and equipping of the Mortgaged Property as may be in excess of the moneys available therefor in the Project Account in the Loan Fund. The Issuer does not make any warranty, either express or implied, that the moneys which will be paid into the Loan Fund and which, under the provisions of this Agreement, will be available for payment of a portion of the Cost of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Borrower agrees that if after exhaustion of the moneys in the Project Account in the Loan Fund the Borrower shall pay any portion of the Cost of the Project pursuant to the provisions of this Section 5.9, it shall not be entitled to any reimbursement therefor from the Issuer or from the Trustee, nor shall it be entitled to any diminution of the amounts payable under Section 6.1 hereof or under the Note.

ARTICLE VI
INDEMNIFICATION

Section 6.1 **Borrower's Obligations**. The Borrower releases the Issuer, the Trustee, the Tender Agent and their respective officers, directors, agents, officials, employees (and, as to the Issuer, members of its governing body) and any person who controls the Issuer, the Trustee or the Tender Agent within the meaning of the Securities Act of 1933, from, and covenants and agrees to indemnify, hold harmless and defend the Issuer, the Trustee, the Tender Agent and their respective officers, directors, employees, agents, members of its governing body, officials and any person who controls such party within the meaning of the Securities Act of 1933 and employees and each of them (each an "**Indemnified Party**") from and against, any and all losses, claims, damages, liabilities and expenses (including attorneys' fees and expenses), taxes, causes of action, suits and judgments of any nature, joint or several, by or on behalf of any person arising out of:

(a) the approval of financing for the Mortgaged Property or the making of the Loan;

(b) 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, including, but not limited to, any (i) statement or information made in any offering

document or materials regarding the Bonds, the Mortgaged Property or the Borrower or in the Tax Certificate of the Borrower or in any other certificate executed by the Borrower which, at the time made, is misleading, untrue or incorrect in any material respect, (ii) untrue statement or alleged untrue statement of a material fact relating to the Borrower or the Mortgaged Property contained in any offering material relating to the sale of the Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Borrower or the Mortgaged Property required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading, (iii) failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds could be sold;

(c) the interpretation, performance, enforcement, breach, default or amendment of the Bond Documents, the Loan Documents or any other documents relating to the Mortgaged Property or the Bonds or in connection with any federal or state tax audit, or any questions or other matters arising under such documents;

(d) the Borrower's failure to comply with any requirement of this Financing Agreement or the Regulatory Agreement;

(e) the condition of the Mortgaged Property (environmental or otherwise), including any violation of any law, ordinance, court order or regulation affecting the Mortgaged Property or any part of it;

(f) any damage or injury, actual or claimed, of whatsoever kind, cause or character, to property (including loss of use of property) or persons, occurring or allegedly occurring in, on or about the Mortgaged Property or arising out of any action or inaction of the Borrower or any of its agents, servants, employees or licensees, whether or not related to the Mortgaged Property, or resulting from the acquisition, construction, design, repair, operation, use or management of all or any part of the Mortgaged Property;

(g) the Trustee's acceptance or administration of the trusts created by, and the exercise of its powers or duties under, the Indenture or under this Agreement, the Regulatory Agreement, the Credit Facility or any other agreements in connection with such agreements to which it is a party; and

(h) to the extent not mentioned in any of the preceding subsections, any cause whatsoever in connection with transactions provided for in this Agreement and the other Transaction Documents or otherwise in connection with the Mortgaged Property, the Bonds, or the execution or amendment of any document relating to the Bonds or the Mortgaged Property.

This indemnification shall extend to and include, without limitation, all reasonable costs, counsel fees, expenses and liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim, except (i) in the case of the foregoing indemnification of the Trustee or any of the its Indemnified Parties, to the extent such damages are caused by the negligence or willful misconduct of such Person, and (ii) in the case of the foregoing indemnification of the

Issuer or any of its Indemnified Parties, to the extent such damages are caused by the willful misconduct of such Person.

Section 6.2 **Defense of Claims**. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought under Section 6.1, the Borrower, upon written notice from the Indemnified Party, will assume the investigation and defense of the action or proceeding, including the engagement of counsel selected by the Borrower, subject to the approval of the Indemnified Party in such party's sole discretion, and shall assume the payment of all expenses related to the action or proceeding, with full power to litigate, compromise or settle the same in its sole discretion; *provided, however*, that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to engage separate counsel in any action or proceeding and participate in the investigation and defense of such action or proceeding, and the Borrower shall pay the reasonable fees and expenses of such separate counsel if (i) the Indemnified Party determines that a conflict exists between the interests of the Indemnified Party and the interests of the Borrower or (ii) such separate counsel is engaged with the approval of the Borrower, which approval shall not be unreasonably withheld, conditioned or delayed.

Section 6.3 **Borrower's Continuing Obligations**. Notwithstanding any transfer of the Mortgaged Property to another owner in accordance with the Regulatory Agreement, the Borrower shall remain obligated to indemnify each Indemnified Party pursuant to this Article VI for all matters arising prior to such transfer, and, as a condition to the release of the transferor on and after the transfer date, the transferee must assume the obligations of the Borrower under this Agreement and the other Borrower Documents on and after the transfer date. Each Indemnified Party's rights under this Article VI shall survive the termination of this Agreement, the payment of the Loan and the payment or defeasance of the Bonds.

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

Section 7.1 **Events of Default**. The occurrence of any one or more of the following events shall constitute an Event of Default under this Agreement:

(a) The Borrower fails to pay when due any amount payable by the Borrower under this Agreement.

(b) The Borrower fails to observe or perform any covenant or obligation in this Agreement on its part to be observed or performed for a period of 30 days after receipt of written notice from the Trustee specifying such failure and requesting that it be remedied, *provided, however*, that if the failure 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 validity or enforceability of the Bonds or on the exclusion from gross income, for federal income tax purposes, of the interest 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 is cured within 90 days of receipt of notice of such failure.

(c) The Credit Provider provides written notice to the Trustee of an Event of Default under this Agreement by reason of the occurrence of an Event of Default under the Reimbursement Agreement. No Event of Default under the Reimbursement Agreement shall constitute a default under this Agreement unless specifically declared to be so by the Credit Provider. The Credit Provider shall make such declaration by written notice to the Trustee.

Section 7.2 Remedies upon an Event of Default. Subject to the Assignment, whenever any Event of Default occurs and is continuing under this Agreement, the Issuer may take one or any combination of the following remedial steps:

(a) by written notice to the Borrower, declare all amounts then due and payable on the Note to be immediately due and payable;

(b) exercise any of the rights and remedies provided in the Loan Documents; and

(c) take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and afterward to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement.

Section 7.3 No Levy or Other Execution Against Mortgaged Property. Neither the Issuer nor the Trustee shall have any right to levy, execute or enforce any judgment in respect of the Borrower's obligations under this Agreement, including the Reserved Rights, against the Mortgaged Property or any other property of the Borrower which secures the obligations of the Borrower under the Loan or to the Credit Provider under any of the Credit Facility Documents.

Section 7.4 Waiver and Annulment. Unless the Credit Provider otherwise consents in writing, neither the Issuer nor the Trustee may waive or annul any Event of Default under this Agreement unless (i) all amounts which would then be payable under this Agreement by the Borrower if such Event of Default had not occurred and was not continuing are paid by or on behalf of the Borrower, and (ii) the Borrower also performs all other obligations in respect of which it is then in default under this Agreement and pays the reasonable charges and expenses of the Issuer and the Trustee, including reasonable attorneys' fees and expenses paid or incurred in connection with such default. No waiver or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent on such Event of Default.

Section 7.5 No Remedy Exclusive. All rights and remedies provided in this Agreement 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.

Section 7.6 No Waiver. No delay or omission to exercise any right or power accruing upon any Event of Default under this Agreement shall impair any such right or power or shall be construed to be a waiver of such Event of Default, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

Section 7.7 **No Notices**. In order to entitle the Issuer 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 expressly required in this Article or by any Bond Document.

Section 7.8 **Expenses**. In the event the Borrower should default under this Agreement and the Issuer employs attorneys or incurs other expenses for the collection of payments under, or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower contained in, this Agreement, the Borrower agrees that it will pay, on demand, to the Issuer the fees of such attorneys and such other expenses so incurred by the Issuer.

ARTICLE VIII
MISCELLANEOUS

Section 8.1 **Notices**. All notices, certificates or other communications provided in this Agreement shall be given in writing, and shall be sufficiently given and shall be deemed given if given in the manner provided in Section 13.4 of the Indenture. Copies of each notice, certificate or other communication given under this Agreement by any party shall be given to the other parties. By notice given under this Agreement, 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 under this Agreement to the Issuer, the Borrower or the Trustee shall also be given to the Credit Provider, the Loan Servicer and prior to the Conversion Date, the Construction Lender.

Section 8.2 **Amendment**. No amendment to this Agreement shall be binding upon the parties to this Agreement until such amendment is reduced to writing and executed by such parties; *provided, however*, that no amendment, supplement or other modification to this Agreement or any other Bond Document shall be effective without the prior written consent of the Credit Provider, subject to the provisions of Section 8.12.

Section 8.3 **Entire Agreement**. This Agreement is one agreement in a set of agreements, documents and instruments representing an integrated transaction. The agreements, documents and instruments are the Transaction Documents. The Transaction Documents contain all agreements between the parties to the integrated transaction, and there are no other representations, warranties, promises, agreements or understandings, oral, written or implied, among them, unless reference is made in a Transaction Document. Nothing in this Agreement shall relieve the Borrower of its obligations under the Loan Documents and the Credit Facility Documents.

Section 8.4 **Binding Effect**. This Agreement is a continuing obligation and shall (i) be binding upon each of the parties to this Agreement and their successors and assigns and (ii) inure to the benefit of and be enforceable by such parties and their respective successors, transferees and assigns; *provided, however*, that the Borrower may not assign all or any part of this Agreement without the prior written consent of the Issuer.

Section 8.5 **Further Assurances and Corrective Instruments**. The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such amendments to this Agreement and to the other Transaction Documents contemplated by this Agreement as reasonably may be required to carry out the intention of, or to facilitate the performance of this Agreement, or to perfect or give further assurances of any of the rights granted or provided for in this Agreement.

Section 8.6 **Severability**. Should one or more of the provisions of this Agreement be held to be invalid, illegal or unenforceable in any jurisdiction, such provision shall be severable from the remainder as to such jurisdiction and the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired in any jurisdiction.

Section 8.7 **Execution in Counterparts**. This 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 8.8 **Governing Law**. This Agreement shall be construed, and the obligations, rights and remedies of the parties under this Agreement shall be determined, in accordance with the laws of the State without regard to conflicts of laws principles, except to the extent that the laws of the United States of America may prevail.

Section 8.9 **WAIVER OF JURY TRIAL**. THE BORROWER, THE ISSUER AND THE TRUSTEE (A) COVENANT AND AGREE NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING UNDER THIS AGREEMENT TRIABLE BY A JURY AND (B) WAIVE ANY RIGHT TO TRIAL BY JURY TO THE EXTENT THAT ANY SUCH RIGHT NOW EXISTS OR SHALL LATER EXIST. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL BY THE BORROWER, AND THIS WAIVER IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A JURY TRIAL WOULD OTHERWISE ACCRUE. FURTHER, THE BORROWER CERTIFIES THAT NO REPRESENTATIVE OR AGENT OF THE ISSUER (INCLUDING, BUT NOT LIMITED TO, THE ISSUER'S COUNSEL) HAS REPRESENTED, EXPRESSLY OR OTHERWISE, TO THE BORROWER THAT THE ISSUER WILL NOT SEEK TO ENFORCE THE PROVISIONS OF THIS SECTION.

Section 8.10 **Limited Liability of the Issuer**. All obligations of the Issuer under this Agreement, the Regulatory Agreement and the Indenture shall be limited obligations of the Issuer, payable solely and only from the Trust Estate. No owner or owners of any of the Bonds shall ever have the right to compel any exercise of the taxing power of the State or any political subdivision or other public body for the payment of the Bonds, nor to enforce the payment of the Bonds against any property of the State or any such political subdivision or other public body, including the Issuer except as provided in the Indenture. No official, member of the governing body, officer, agent, employee or attorney of the Issuer, including any person executing this Agreement on behalf of the Issuer, shall be liable personally under this Agreement. No recourse shall be had for the payment of the principal of or the interest on the Bonds, for any claim based on or in respect of the Bonds or based on or in respect of this Agreement, against any official, member of the governing body, officer, employee or agent, as such, 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 of this Agreement and as part of the consideration for the issuance of the Bonds, expressly waived and released.

Section 8.11 **Term of this Agreement**. This Agreement shall be in full force and effect from its date to and including such date as all of the Bonds are fully paid or retired (or provision for such payment shall have been made as provided in the Indenture); *provided, however*, that Sections 2.5 and 5.5 and Articles III and VI shall survive the termination of this Agreement.

Section 8.12 **References to the Credit Provider**. All provisions in this Agreement regarding consents, approvals, directions, waivers, appointments, requests or other actions by the Credit Provider shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider were not mentioned (i) if a Wrongful Dishonor has occurred and is continuing, or (ii) from and after the date on which the Credit Facility is declared to be null and void by final judgment of a court of competent jurisdiction; [*provided, however*, that the payment of any amounts due to the Credit Provider pursuant to this Agreement shall continue in full force and effect]. The foregoing shall not affect any other rights of the Credit Provider. All provisions in this Agreement relating to the rights of the Credit Provider shall be of no force and effect if the Credit Facility has terminated or expired in accordance with its terms and there are no Pledged Bonds or Bonds in which the Credit Provider has a security interest and all amounts owing to the Credit Provider under the Reimbursement Agreement have been paid.

The parties to this Agreement have caused this Agreement to be executed by their duly authorized representatives as of the date set forth above.

(SEAL)

Attest:

_____
City Clerk

(SEAL)

Attest:

_____
Authorized Signatory

(SEAL)

Attest:

_____
Authorized Signatory

CITY OF CHICAGO

By:_____

FC CENTRAL STATION SENIOR, LLC,
an Illinois limited liability company

By:_____
Its:_____

By:_____
Authorized Signatory

[TRUSTEE],
as Trustee

By:_____
Authorized Signatory

Exhibit "C-1".
(To Ordinance)

Form Of Multi-Family Housing Borrower Regulatory Agreement And Declaration Of Restrictive Covenants.

REGULATORY AGREEMENT
AND DECLARATION OF RESTRICTIVE COVENANTS

by and among

FC CENTRAL STATION RESIDENTIAL, LLC,
an Illinois limited liability company
and
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
and
[TRUSTEE],
as Trustee under the Indenture for the following Bonds:

CITY OF CHICAGO
$[BOND PRINCIPAL AMOUNT] VARIABLE RATE DEMAND
MULTI-FAMILY HOUSING REVENUE BONDS
(CENTRAL STATION MULTI-FAMILY PROJECT), SERIES 2004A

CITY OF CHICAGO
$[BORROWER BOND PRINCIPAL AMOUNT] MULTI-FAMILY HOUSING REVENUE BONDS
(CENTRAL STATION MULTI-FAMILY PROJECT), SERIES 2004B

Dated as of _____ 1, 2004

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS, dated as of _____ 1, 2004 (this "**Agreement**"), is entered into by and among FC CENTRAL STATION RESIDENTIAL, LLC, an Illinois limited liability company, and any approved successor or assignee to its rights and obligations (the "**Borrower**"), **[TRUSTEE]**, a national banking association duly organized, validly existing and authorized to accept the duties and obligations set out by virtue of the laws of the United States of America and having its principal

corporate trust office located in the City of Chicago, Illinois, as Trustee (such trustee or any of its successors in trust being the "**Trustee**") under the Indenture, as defined in this Agreement, and 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**") under the circumstances summarized in the following recitals.

W I T N E S S E T H:

WHEREAS, the City of Chicago (the "**Issuer**") has authorized the issuance of its (i) Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004A, and (ii) Multi-Family Housing Revenue Bonds (Central Station Mulit-Family Project), Series 2004B (collectively, the "**Bonds**"), in order to finance, among other things, a portion of the costs of acquiring, constructing and equipping the Mortgaged Property (as defined below) and to pay certain costs of issuing the Bonds; and

WHEREAS, pursuant to a Financing Agreement, dated as of _____ 1, 2004, among the Issuer, the Trustee and the Borrower (the "**Financing Agreement**"), a portion of the proceeds of the Bonds will be loaned (the "**Loan**") to the Borrower to finance a portion of the costs of acquiring, constructing, and equipping the Central Station Multi-Family Housing Project, an approximately 411 unit multi-family housing development located generally at 1225 South Michigan Avenue in the City of Chicago, Illinois, and legally described on ***Exhibit A*** to this Agreement (the "**Real Estate**") (the Real Estate and the improvements on the Real Estate related to the housing development are referred to in this Agreement as the "**Mortgaged Property**"); and

WHEREAS, in connection with the Loan, the Borrower has agreed to rent or lease at least 20% of the dwelling units in the Mortgaged Property to families or individuals whose income is 50% or less of area median gross income, all for the public purpose of assisting persons of low and moderate income to afford the costs of decent, safe and sanitary housing; and

WHEREAS, the Code and the Regulations (as those terms are defined below) prescribe that the use and operation of the Mortgaged Property be restricted in certain respects in order to assure the continuing tax-exempt status of the interest on the Bonds, and in order to ensure that the Mortgaged Property will be acquired, constructed, used and operated in accordance with such requirements of the Code, the Regulations and the Act, the Trustee, the Issuer and the Borrower have determined to enter into this Agreement in order to set forth certain terms and conditions relating to the acquisition, construction, occupancy, use and operation of the Mortgaged Property.

NOW, THEREFORE, in consideration of the Loan and the mutual covenants and undertakings set forth in this Regulatory Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties covenant, agree and declare as follows:

Section 1. Definitions and Interpretations. Except as otherwise defined in this Agreement, the terms used in this Agreement, including its preambles and recitals, shall for all purposes have the meanings specified in the preceding language of this Agreement or the Trust Indenture dated as of _____ 1, 2004, between the Issuer and the Trustee, securing the Bonds (the "**Indenture**"), or the Financing Agreement, unless the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used in this Agreement shall have the following meanings:

"**Borrower**" means FC Central Station Residential, LLC, an Illinois limited liability company, or the Person or Persons who shall succeed to the ownership of all or any part of the Mortgaged Property in accordance with the provisions of the Financing Agreement.

"**Certificate of Continuing Program Compliance**" means the certificate from the Borrower in substantially the form and covering the matters set forth in ***Exhibit C*** to this Agreement.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Low and Moderate Income Tenants**" means and includes individuals or families with adjusted income, calculated in the manner prescribed in Regulation Section 1.167(k)-3(b)(3) as it shall be in effect on the date that the Bonds are issued (or, if not issued on the same date, the earliest issuance date of the Bonds), which does not exceed fifty percent (50%) of the median gross income for the area in which the Mortgaged Property is located, determined in a manner consistent with determinations of median gross income made under the leased housing program established under Section 8 of the United States Housing Act of 1937, as amended, or if that program is terminated, under that program as in effect immediately before termination. That determination shall include adjustments for family size. In no event, however, will the occupants of a unit of the Mortgaged Property be considered to be Low and Moderate Income Tenants if all the occupants are students, no one of whom is entitled to file a joint return for federal income tax purposes.

"**Person**" means natural persons, firms, partnerships, associations, corporations, trusts and public bodies.

"**Qualified Development Period**" means the period beginning on the date on which ten percent (10%) of the units in the Mortgaged Property are first occupied and ending on the latest of the date (i) which is fifteen (15) years after the date on which at least fifty percent (50%) of the residential units in the Mortgaged Property are occupied, (ii) which is the first date on which no tax-exempt private activity bond issued with respect to the Mortgaged Property is

outstanding, or (iii) on which any assistance presently provided with respect to the Mortgaged Property under Section 8 of the United States Housing Act of 1937, as amended, terminates.

"**Regulations**" means the United States Treasury Regulations promulgated with respect to the Code.

"**Tenant Income Certificate**" means a sworn and notarized certificate in substantially the form and covering the matters set forth in ***Exhibit B*** to this Agreement.

The rules of interpretation set forth in Section 102 of the Indenture shall apply equally to this Agreement. This Agreement and all of its terms and provisions shall be construed to effectuate the purposes set forth in and to sustain the validity of this Agreement.

Section 2. The Mortgaged Property to be Residential Rental Property. The Borrower represents, agrees, covenants and warrants as follows:

(a) The Mortgaged Property is being acquired and constructed for the purpose of providing a "qualified residential rental project," within the meaning of the Code. The Borrower shall own, manage and operate the Mortgaged Property as a "residential rental project" comprised of residential units and facilities functionally related and subordinate to them, in accordance with Section 142(d) of the Code and Section 1.103-8(b)(4) of the Regulations, as the same may be amended from time to time, to the extent applicable to the Bonds. Upon the completion of the construction, the Mortgaged Property will consist of approximately an approximately 411 unit multi-family housing development located generally at 1225 South Michigan Avenue in the City of Chicago, Illinois. The Mortgaged Property will consist of one building containing residential units and functionally related and subordinate facilities of a size and character commensurate with the size and character of the residential units, as provided in the Regulations. Acquisition, constructing and equipping of the residential units and the functionally related and subordinate facilities are being funded in part by the Bonds. The building, when completed, will be discrete edifices or other person-made constructions with (i) independent foundations, (ii) independent outer walls, and (iii) independent roofs, each building containing one (1) or more similarly constructed units.

(b) Each residential unit in the Mortgaged Property does and shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation.

(c) None of the residential units in the Mortgaged Property is or shall at any time be used on a transient basis and no portion of the Mortgaged Property shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court. No part of the Mortgaged Property is or will be used as an airplane, a skybox or other luxury box, a health club facility, a facility primarily used for gambling, or a store the principal business of which is the sale of alcoholic beverages for consumption off-premises. No part of the Mortgaged Property is or will at any time be owned by a cooperative housing corporation or other form of cooperative ownership.

(d) The Borrower shall not give preference in renting residential units in the Mortgaged Property to any particular class or group of persons, other than to Low and Moderate

Income Tenants as provided in this Regulatory Agreement, **[to the elderly,]** or as otherwise required by law.

(e) At no time shall the Borrower occupy a residential unit in the Mortgaged Property, *provided* that a person employed by the Borrower to assist in the management of the Mortgaged Property who has no ownership or other interest in the Borrower may occupy a residential unit.

(f) Any functionally related and subordinate facilities (*e.g.*, parking garages or other areas, swimming pools, tennis courts, etc.) which are to be included as part of the Mortgaged Property will be made available to all tenants on an equal basis. Fees will only be charged with respect to the use of those facilities if the charging of fees is customary for the use of such facilities and in any event, any fees charged will not be discriminatory or exclusionary as to the Low and Moderate Income Tenants.

Section 3. Continuous Rental.

(a) The Borrower represents, covenants, agrees and warrants that at all times during the Qualified Development Period, each unit in the Mortgaged Property shall be rented or available for rental to members of the general public on a continuous basis, except as allowed by Section 2(d) above, and that it shall not grant any commercial leases or permit commercial uses for any space in the Mortgaged Property, except the Borrower expects to contract with an independent party to operate the kitchen and otherwise upon receipt by the Trustee and the Issuer of an opinion of Bond Counsel, which opinion is acceptable to the Trustee, that the lease or use will not adversely affect the exclusion of interest on any of the Bonds from gross income of their holders for federal income tax purposes.

(b) The Borrower shall not make any change in use of any portion of the Mortgaged Property except upon approval of the Issuer or upon receipt by the Trustee and the Issuer of an opinion of Bond Counsel, acceptable to the Trustee, that the change will not adversely affect the exclusion of interest on any of the Bonds from gross income of their holders for federal income tax purposes.

Section 4. Low and Moderate Income Tenants. To the end of satisfying the requirements of Section 142(d)(2)(B) of the Code relating to individuals of low and moderate income during the Qualified Development Period, and related Regulations, the Borrower represents, covenants, agrees and warrants as follows:

(a) At all times during the Qualified Development Period, at least twenty percent (20%) of the completed residential units shall be occupied by Low and Moderate Income Tenants. For purposes of satisfying that requirement, a unit occupied by an individual or family who at the commencement of occupancy is a Low and Moderate Income Tenant shall be treated as occupied by such an individual or family during their tenancy in such unit, even though that individual or family subsequently ceases to be a Low and Moderate Income Tenant. The preceding sentence shall, however, cease to apply to any resident whose income as of the most recent determination exceeds one hundred forty percent (140%) of the fifty percent (50%)

income limitation amount if, after such determination, but before the next determination, any residential unit of comparable or smaller size in the Mortgaged Property is occupied by a new resident whose income exceeds that fifty percent (50%) limitation. A unit treated as occupied by a Low and Moderate Income Tenant shall be treated as occupied after it is vacated until reoccupied (other than for a temporary period not to exceed 31 days), at which time the character of the unit shall be redetermined.

(b) If necessary, the Borrower shall refrain from renting residential units to persons other than Low and Moderate Income Tenants in order to avoid violating the requirement that at all times during the Qualified Development Period at least forty percent (40%) of the occupied residential units in the Mortgaged Property shall be occupied by Low and Moderate Income Tenants.

(c) The Borrower shall determine annually the current income of each tenant treated as a Low and Moderate Income Tenant.

(d) The Borrower shall obtain a Tenant Income Certificate with respect to each occupant in the Mortgaged Property who is intended to be a Low or Moderate Income Tenant signed by the tenant or tenants (*i.e.*, the person or persons whose names appear on the lease). The Borrower shall obtain such a Tenant Income Certificate prior to such tenant or tenants signing a lease with respect to a unit and commencing occupancy in it and also shall obtain such a Tenant Income Certificate for each subsequent year the tenant lives in the Mortgaged Property, signed by such person or persons and obtained at such time or times, all as may be required by applicable rules, rulings, procedures, official statements, regulations or policies now or later promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code. The Borrower shall maintain on file all Tenant Income Certificates.

(e) The Borrower shall prepare and submit to the Trustee and the Issuer on or before the first day of each March, June, September and December of each year during the Qualified Development Period, a Certificate of Continuing Program Compliance in substantially the form attached to this Agreement as ***Exhibit C*** executed by Authorized Borrower Representative.

(f) The Borrower shall submit to the Secretary of the Treasury of the United States (at such time and in such manner as the Secretary shall prescribe) an annual certification as to whether the Mortgaged Property continues to meet the low and moderate income occupancy requirements set forth in the Code. Failure to comply with the requirements set forth in the preceding sentence shall not constitute a default under this Agreement, but may subject the Borrower to a penalty as provided in Section 6652(j) of the Code.

Section 5. Tenants and Tenant Leases. In addition to the requirements contained in other Sections of this Agreement, the Borrower represents, covenants, agrees and warrants as follows:

(a) All tenant lists, applications, certificates and waiting lists relating to the Mortgaged Property shall at all times be kept separate and identifiable from any other business of the Borrower which is unrelated to the Mortgaged Property and shall be maintained, as required by the Issuer or the Trustee from time to time, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Trustee. Failure to keep such lists and applications or to make them available to the Issuer or the Trustee shall be a default under this Agreement.

(b) Each tenant lease for a Low and Moderate Income Tenant shall require the tenant to submit annual Tenant Income Certificates and to provide further information as the Borrower may reasonably require concerning such a Tenant Income Certificate, and that a failure to comply with these requirements or the filing of a false Tenant Income Certificate shall be a violation of a substantial obligation of his tenancy. The provisions of this Section 5 shall apply throughout the Qualified Development Period.

Section 6. Transfer Restrictions. During the Qualified Development Period, the Borrower shall not do any of the following: sell, transfer, assign, convey, change title to or otherwise dispose of the Mortgaged Property or any interest in it (a "**Transfer**"), in whole or in part, unless: (1) the purchaser or assignee shall execute any necessary or appropriate document reasonably requested by the Trustee with respect to assuming its obligations under this Agreement and the Financing Agreement (the "**Assumption Agreement**"), which document shall be recorded in the Cook County Recorder's Office; (2) the Trustee and the Issuer shall have received an opinion of Bond Counsel, which opinion is acceptable to such recipients, to the effect that such transfer will not adversely affect the exclusion of interest on any of the Bonds from gross income of their holders for purposes of federal income taxation; (3) the Borrower shall deliver to the Trustee and the Issuer an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Borrower under this Agreement and that such obligations and this Agreement are binding on the transferee; (4) the Issuer should have consented in writing to such Transfer; and (5) such other conditions are met as are set forth in or referred to in the Financing Agreement or as the Trustee or the Issuer may reasonably impose (upon advice of Bond Counsel) as part of the Assumption Agreement to protect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 7. Tax-Exempt Status of the Bonds. The Borrower, the Issuer and the Trustee each represent, agree and warrant that to the best of their ability and knowledge:

(a) It will not take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the exclusion of the interest on the Bonds from the gross income of their holders for federal income tax purposes and, in particular, the Borrower will not permit any Person to obtain an ownership interest in the Borrower unless, upon advice of Bond Counsel, the Trustee or the Issuer concludes that the exclusion of the interest on the Bonds from gross income for federal income tax purposes is not adversely affected by such Person obtaining such ownership interest. If it should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge of them.

(b) It will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the Trustee and the Issuer, to comply fully with all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations the exemption of interest on which depends upon continuing compliance with Section 142(d) of the Code and the Regulations under that Section.

(c) It will file or record, at its expense, such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Trustee and the Issuer, in order to ensure that the requirements and restrictions of this Agreement will be binding upon all owners of the Mortgaged Property.

Section 8. Notice of Noncompliance; Corrective Action. As soon as is reasonably possible, the Borrower shall notify the Trustee and the Issuer of the existence of any situation or the occurrence of any event of which the Borrower has knowledge, the existence or occurrence of which would violate any of the provisions of this Agreement or cause the interest on the Bonds to become includable in gross income of their holders for federal income tax purposes unless promptly corrected. The Trustee shall promptly notify the Issuer of such event or situation upon receipt of notice from the Borrower. The Borrower covenants to commence appropriate corrective action within a reasonable period of time, but in no event later than thirty (30) days after such noncompliance is first discovered or should have been discovered by the exercise of reasonable diligence.

Section 9. Reliance; Compliance. The Borrower recognizes and agrees that the representations, warranties, agreements and covenants set forth in this Agreement may be relied upon by all Persons interested in the legality and validity of the Bonds and in the exclusion of the interest on the Bonds from gross income of their holders for federal income tax purposes. In performing their respective duties and obligations under this Agreement, the Trustee and the Issuer may rely upon statements and certificates of the Borrower and tenants, and upon audits of the books and records of the Borrower pertaining to the Mortgaged Property. In addition, the Trustee may consult with counsel, and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee under this Agreement in good faith and in conformity with such opinion.

Section 10. Non-discrimination. The Borrower shall not, in the selection of tenants, in employment, in the provision of services or in any other manner, discriminate against any person on the ground of race, color, national origin, religion, creed, sex, handicap, family status or marital status or by reason of the fact that there are children in a prospective tenant's family.

Section 11. Term. This Agreement shall become effective upon its execution and delivery. Unless the Trustee and the Issuer shall have received a written opinion of Bond Counsel addressed to such party to the effect that early termination of this Agreement will not adversely affect the exclusion of the interest on all of the Bonds from gross income of their holders for federal income tax purposes, this Agreement shall remain in full force and effect for a term equal to the Qualified Development Period, it being expressly agreed and understood that

the provisions of this Agreement are intended to survive the retirement of the Bonds and expiration of the Indenture and the Agreement. Notwithstanding the immediately preceding sentence, this Agreement, and all and several of the terms of it, shall terminate and be of no further force and effect in the event of (x) involuntary noncompliance with the provisions of this Agreement caused by fire, seizure, requisition, foreclosure or delivery of a deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the date of this Agreement which prevents the Trustee or the Issuer from enforcing the requirements of this Agreement, condemnation or other similar event and (y) the payment in full and retirement of the Bonds within a reasonable period after that event. However, the preceding sentence shall cease to apply and the restrictions contained in this Section shall be automatically reinstated if, at any time subsequent to the foreclosure or the delivery of a deed in lieu of foreclosure or similar event, the Borrower or any "related person" (within the meaning of Section 147 of the Code), obtains an ownership interest in the Mortgaged Property for federal income tax purposes. Upon the termination of all and several of the terms of this Agreement, the parties agree to execute, deliver and record appropriate instruments of release and discharge of the terms of this Agreement. However, the execution and delivery of such instruments shall not be a necessary prerequisite to the termination of this Agreement in accordance with its terms.

Section 12. Covenants to Run With the Mortgaged Property. The Borrower subjects the Mortgaged Property to the covenants, reservations and restrictions set forth in this Agreement. The Borrower declares its express intent that the covenants, reservations and restrictions set forth in this Agreement shall be deemed covenants running with the Real Estate and the Mortgaged Property to the extent permitted by law and shall pass to and be binding upon the successors in title to the Mortgaged Property throughout the term of this Agreement. Each and every contract, deed, mortgage, assignment, sub-lease or other instrument executed covering or conveying the Mortgaged Property or any portion of it 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 or other instrument.

Section 13. Enforcement. If the Borrower defaults in the performance or observation of any covenant, agreement or obligation of the Borrower set forth in this Agreement, and if such default remains uncured for a period of thirty (30) days after written notice of the default shall have been given to the Borrower by the Issuer or the Trustee, then the Issuer, or the Trustee, acting on behalf of the Bondholders or on behalf of the Issuer, shall declare an Event of Default to have occurred, and, at its option, may take any one or more of the following steps:

(a) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants under this Agreement or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee under this Agreement;

(b) have access to and inspect, examine and make copies of all the books and records of the Borrower pertaining to the Mortgaged Property; or

(c) take such other action at law or in equity as may appear necessary or desirable to specifically enforce, or prohibit violations of, the obligations, covenants and agreements of the Borrower under this Agreement.

The Trustee shall have the right, in accordance with this Section and the provisions of the Indenture, without the consent, approval or knowledge of the Issuer or any Person to exercise any or all of the rights or remedies under this Agreement. All reasonable fees, costs and expenses of the Trustee incurred in taking any action pursuant to this Section shall be the sole responsibility of the Borrower.

Notwithstanding the preceding paragraph, if the failure stated in the written notice cannot be corrected within such thirty (30) day period, the Trustee may consent in writing to an extension of such time period, which consent shall not be unreasonably withheld, if corrective action is instituted within such thirty (30) day period and diligently pursued to completion and if such extension does not, in the Trustee's judgment, adversely affect the interests of the holders of the Bonds.

Section 14. Bankruptcy. Neither the Borrower nor any permitted successor owner of the Mortgaged Property shall file any petition in bankruptcy or for the appointment of a receiver, or for insolvency, or for reorganization or composition, or make any assignment for the benefit of creditors or to a trustee for creditors, or permit an adjudication in bankruptcy, the taking of possession of the Mortgaged Property or any part of the Mortgaged Property under judicial process pursuant to any power of sale. However, in the case of an involuntary petition, action or proceeding for an adjudication in bankruptcy, or for the appointment of a receiver or trustee of the property of the Borrower or any other owner of the Mortgaged Property, not initiated by the Borrower or any other owner of the Mortgaged Property, the Borrower or such other owner of the Mortgaged Property shall have ninety (90) days after the service of such petition or the commencement of such action or proceeding, as the case may be, within which to obtain a dismissal of such petition, action or proceeding.

Section 15. Recording and Filing. The Borrower shall cause this Agreement and all amendments and supplements to it to be recorded and filed in the conveyance and real property records of Cook County, Illinois. The Borrower shall pay all fees and charges incurred in connection with any such recording.

Section 16. Indemnification. The Borrower shall be required and agrees to pay, indemnify and hold the Trustee, the Issuer and their respective officers, officials and employees (except for claims arising out of acts or omissions of the Trustee or the Issuer, as applicable, resulting from its gross negligence or willful misconduct) harmless from, any and all loss, damage, cost, expense, suit, judgment, action, injury or liability which they, or any of them, may suffer or incur (including, without limitation, any costs, fees and expenses, including attorneys' fees, costs and expenses) by reason of any violation of the restrictions or provisions of this Agreement.

Section 17. Agent of the Trustee. The Trustee shall have the right to appoint an agent or administrator to carry out any of its duties and obligations under this Agreement, and

shall inform the other parties to this Agreement of any such agency appointment by written notice.

Section 18. No Conflict With Other Documents. The Borrower warrants that it has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions of this Agreement, and that, in any event and except to the extent expressly provided in this Agreement, the requirements of this Agreement are paramount and controlling as to the rights and obligations in this Agreement set forth and supersede any other requirements in conflict with this Agreement.

Section 19. Interpretation. Any terms not defined in this Agreement, or defined as provided in this Agreement, shall have the same meaning as terms defined for purposes of Section 142(d) of the Code and in the Regulations.

Section 20. Amendments. This Agreement shall be amended only by a written instrument executed by the parties to it or their successors in title, and duly recorded in the real property records of Cook County, Illinois, the county in which the Mortgaged Property is located. The Borrower shall pay all fees and charges incurred in connection with any such recording.

No amendment to this Agreement concerning matters governed by the Code or the Regulations shall be effective unless there shall have been filed with the Issuer a written opinion of Bond Counsel to the effect that (a) such amendment will not cause or result in interest on the Bonds becoming includable in gross income of their holders for federal income tax purposes, and (b) compliance with the terms and provisions of the Agreement, as so amended, will be sufficient to ensure full compliance with the requirements of Section 142(d) of the Code and all then-applicable rules, rulings, policies, procedures, portions of the Regulations, or other statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations the exclusion of interest from gross income on which depends on continuing compliance with that Section 142(d).

Section 21. Notices. Any notice, demand or other communication required or permitted under this Agreement 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, return receipt requested, postage prepaid. Any such notice, demand or other communication shall be addressed to a party at its address set forth below or to such other address as the party to receive such notice may have designated to all other parties by notice in accordance with this Agreement:

If to the Borrower: _____
_____
_____

with a copy to: _____
_____
_____

If to the Issuer: City of Chicago
Department of Housing
318 South Michigan Avenue
Chicago, Illinois 60604
Attention: Commissioner
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

with copies to: City of Chicago
Department of Law
City Hall
Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

and to: City of Chicago
Department of Finance - Financial Policy
33 North LaSalle Street
Chicago, Illinois 60602
Attention: Deputy Comptroller
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

If to the Trustee: _____
_____
_____

Section 22. Binding Successors. This Agreement shall bind, and the benefits shall inure to, the respective parties to this Agreement, their legal representatives, executors, administrators, successors in office or interest, and assigns, *provided* that the Borrower may not assign this Agreement or any of its obligations under it without the prior written approval of the Issuer.

Section 23. Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of this Agreement.

Section 24. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

Section 25. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois, other than the choice of law rules of the State of Illinois and, where applicable, the laws of the United States of America.

Section 26. Limited Recourse. Notwithstanding any provisions of this Agreement to the contrary, enforcement of the provisions of this Agreement shall not result in any claim against the Mortgaged Property, Loan or Loan proceeds, any reserve or deposit required by Fannie Mae or an Alternate Credit Provider, in connection with the Loan, or the rents or other income from the Mortgaged Property. Notwithstanding any other provision of this Agreement, any monetary obligation created under this Agreement shall not be enforceable personally against the Borrower or any partner of the Borrower, their successors and assigns, or against the assets of the Borrower, its successors or assigns.

IN WITNESS WHEREOF, the Trustee, the Borrower and the Issuer have each caused this Regulatory Agreement and Declaration of Restrictive Covenants to be duly executed and attested in their respective names by their duly authorized representatives, all as of the day and year first above written.

CITY OF CHICAGO

(SEAL)

By:_____

Attest:

_____
City Clerk

FC CENTRAL STATION RESIDENTIAL, LLC,
an Illinois limited liability company

By: **FC Central Station, LLC,**
an Illinois limited liability company
Its: Member

(SEAL)

By:_____
Authorized Signatory

Attest:

_____
Authorized Signatory

[TRUSTEE],
as Trustee

(SEAL)

By:_____
Authorized Signatory

STATE OF ILLINOIS)
) **SS.**
COUNTY OF COOK)

I, _____, a Notary Public in and for the County and State aforesaid, CERTIFY that _____, personally known to me to be the _____ of [MEMBER], an Illinois 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 acknowledged that he signed and delivered the foregoing instrument as her or his own free and voluntary act and as the free and voluntary act of the corporation for the uses and purposes set forth in such instrument.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2004.

(SEAL)
My Commission Expires:

_____
Notary Public
in and for Cook County, Illinois

_____

STATE OF ILLINOIS)
) **SS.**
COUNTY OF COOK)

I, _____, a Notary Public in and for the County and State aforesaid, CERTIFY that _____, personally known to me to be the _____ of the CITY OF CHICAGO, 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 and delivered the foregoing instrument as her or his own free and voluntary act and as the free and voluntary act of the corporation for the uses and purposes set forth in such instrument.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2004.

_____
Notary Public
in and for Cook County, Illinois

(SEAL)
My Commission Expires:

_____

STATE OF ILLINOIS)
) **SS.**
COUNTY OF COOK)

I, _____, a Notary Public in and for the County and State aforesaid, CERTIFY that _____, personally known to me to be the Vice President of **[TRUSTEE]**, as Trustee, 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 and delivered the foregoing instrument as her or his own free and voluntary act and as the free and voluntary act of said Bank for the uses and purposes set forth in such instrument.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2004.

(SEAL)
My Commission Expires:

_____
Notary Public
in and for Cook County, Illinois

_____

[(Sub)Exhibit "A" referred to in this Form of Multi-Family Housing Borrower Regulatory Agreement and Declaration of Restrictive Covenants unavailable at time of printing.]

(Sub)Exhibits "B" and "C" referred to in this Form of Multi-Family Housing Borrower Regulatory Agreement and Declaration of Restrictive Covenants read as follows:

(Sub)Exhibit "B".
(To Form Of Multi-Family Housing Borrower Regulatory Agreement And Declaration Of Restrictive Covenants)

Form Of Tenant Income Certificate.

Name of Tenant (*i.e.*, person or persons whose names appear on the lease): _____

Address of Apartment: _____

Apartment Number: _____

Some or all of the cost of the Mortgaged Property in which you are to lease an apartment was financed by bonds issued for the benefit of the owner. Interest paid on those bonds is intended to be exempt from federal income tax. In order to qualify for that exemption there are certain requirements which must be met with respect to the apartment building and its tenants. To satisfy one of those requirements, it is necessary for you to provide the information requested in this Tenant Income Certificate at the time you sign your lease and annually after you become a Tenant.

I. ANTICIPATED INCOME

For each person who is now occupying or is expected to occupy your apartment unit at any time during the next twelve months, please provide the following information:

Name	Annual Salary/Wages*	Other Income**	Total Income

*State the gross amount of compensation, before any payroll deductions, including any bonuses, overtime pay, tips, commissions or fees anticipated to be received during the next twelve months.

**Other income generally includes income anticipated to be received from any source whatsoever during the next twelve months, including, but not limited to:

(a) interest and dividends;

(b) rental income;

(c) net income from a profession or operation of a business;

(d) payments in lieu of earnings, such as unemployment compensation;

(e) periodic payments (not lump-sum payments) received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits;

(f) periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts from persons not listed above; and

(g) public assistance, but if the public assistance payment includes an amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included shall consist of:

(1) the amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus

(2) the maximum amount which the public assistance agency could in fact allow the occupant for shelter and utilities.

Do not include in the amount of other income shown above the following items:

(a) casual, sporadic or irregular payments you may receive;

(b) amounts which are specifically for or in reimbursement of the cost of medical expenses;

(c) lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlements for personal or property losses;

(d) amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment; *provided* that any amounts of such scholarships, or payments to veterans not used for the above purposes which are available for subsistence are to be included in income;

(e) the special pay to a serviceman head of a family away from home and exposed to hostile fire;

(f) relocation payments made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

(g) foster child care payments;

(h) the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged the occupants of the dwelling unit;

(i) payments received pursuant to participation in the following volunteer programs under the ACTION Agency:

(1) National Volunteer Antipoverty Programs which include VISTA, Service Learning Programs and Special Volunteer Programs; and

(2) National Older American Volunteer Programs for persons aged 60 and over which include Retired Senior Volunteer Programs, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE).

II. CAPITAL ASSETS

If any of the persons listed above has any savings, stocks, bonds, real estate or other form of capital investment (except for necessary items such as furniture, automobiles, etc.), please provide the following information:

(a) the total value of all such assets presently owned by all such persons: $_____; and

(b) he amount of income expected to be derived from such assets in the 12-month period commencing this date (which should be included in "other income" shown above): $_____.

III. STUDENTS

(a) Will all of the persons listed above be (or have they been) full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes _____ No _____

(b) Is any such full-time student married and eligible to file a joint federal income tax return?

Yes _____ No _____

I, the undersigned, certify that I have read and answered fully, frankly and personally each of these questions and requests for information for all persons who now occupy or are to occupy the unit in the above Mortgaged Property. I acknowledge that all of the above information is relevant to the status under federal income tax law of the interest on bonds issued to finance the Mortgaged Property containing the unit which I now or which I intend to occupy.

I consent to the disclosure of this information to the Issuer of such bonds, the owners of such bonds and any agent acting on their behalf.

I certify under penalty of perjury that these statements are true and correct.

Executed this ____ day of _____, _____, at Chicago, Illinois.

_____
Tenant

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for the County in the State aforesaid, certify that _____, 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 he/she signed and delivered the instrument, as his/her free and voluntary act, for the uses and purposes set forth in such instrument.

GIVEN under my hand and notarial seal this ____ day of _____, 20__.

_____
Notary Public
in and for Cook County, Illinois

(SEAL)

My Commission Expires:

_____

IV. FOR COMPLETION BY BORROWER

(a) Anticipated Income Computation:

(1) Total income from Part I. $\$_____$

(2) If 10% of the amount shown on Part II(a) exceeds the amount on Part II(b), enter the amount of such excess. $\$_____$

(3) Anticipated Income ((1) + (2)) $\$_____$

(b) Insert an [X] in the bracket opposite whichever of the following statements is applicable:

[ ] (1) Because total Anticipated Income is less than $\$_____$, the apartment is occupied by Low and Moderate Income Tenants.

[ ] (2) The apartment is not occupied as provided in (1) above.

(c) The number of units in the Mortgaged Property which are presently occupied is _____.

(d) The number of units occupied by Low and Moderate Income Tenants is _____. The number of units which were previously occupied by Low and Moderate Income Tenants but have been vacated and have not been reoccupied (other than for a temporary period of no more than 31 days) is _____. The sum of the units described in this paragraph (d) is equal to _____% of the total number of occupied units from paragraph (c) above.

The undersigned certifies that he or she is the _____ of _____and that the above determinations and calculations have been completed to the best knowledge of the undersigned after due inquiry, and the undersigned does not believe or have any reason to believe that the information in the Tenant Income Certificate is inaccurate or has been given falsely.

Dated: _____ __, 20__

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* Tenants are Low and Moderate Income Tenants if (a) their income as determined by the Borrower in the most recent annual determination was not more than the applicable income limitation (as adjusted for family size), or (b) their income as so determined exceeded the applicable income limitation but did not exceed an amount equal to 140% of the applicable income limitation and their income when they first applied to rent their unit did not exceed the applicable income limitation, or (c) their income as so determined exceeded an amount equal to 140% of the applicable income limitation and all units in the Development of comparable or smaller size available for rental size the last annual tenant income determination have been rented to tenants whose income did not exceed the applicable income limitation.

(Sub)Exhibit "C".
(To Form Of Multi-Family Housing Borrower Regulatory Agreement And Declaration Of Restrictive Covenants)

Form Of Certificate Of Continuing Program Compliance.

The undersigned is the _____ of **[Borrower]** and has read and is thoroughly familiar with the provisions of the various Loan Documents associated with the Borrower's participation in the financing by the City of Chicago of the acquisition and construction of the **[Multi-Family Housing / Elderly Housing Central Station Project]**, such documents including:

1. the Regulatory Agreement and Declaration of Restrictive Covenants dated as of _____ 1, 2004, among the Borrower, the City and the Trustee;

2. the Financing Agreement, dated as of _____ 1, 2004, among the Borrower, the Issuer and the Trustee;

As of the date of this certificate, the following number of residential units in the Mortgaged Property (i) are occupied by Low and Moderate Income Tenants (as such term is defined in the Regulatory Agreement) or (ii) were previously occupied by Low and Moderate Income Tenants and have been vacant and not reoccupied except for a temporary period of no more than 31 days, as indicated:

Number of units occupied by Low and Moderate Income Tenants	_____
Number of units previously occupied by Low and Moderate income tenants (vacated and not reoccupied except for a temporary period of no more than 31 days)	_____
Total Number of Low and Moderate Income Units	_____
The total number of occupied residential units in the Mortgaged Property is _____	_____

* The number of Low and Moderate Income Tenants shown above is ___% of the total number of occupied units.

The undersigned certifies that the Borrower is not in default under any of the terms and provisions of the above documents.

Dated: _____ ___, ____

[BORROWER],
an Illinois limited liability company

(SEAL)

By:
Its: Member

By:_____
Authorized Signatory

FANNIE MAE RIDER
TO REGULATORY AGREEMENT

THIS FANNIE MAE RIDER TO REGULATORY AGREEMENT ("**Rider**") is attached to and forms a part of the REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS, dated as of _____ 1, 2004 (the "**Regulatory Agreement**"), by and among FC CENTRAL STATION RESIDENTIAL, LLC ("**Borrower**"), the CITY OF CHICAGO, (the "**Issuer**") and [TRUSTEE] (the "**Trustee**"), as Trustee.

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 Mortgaged Property**. The obligations of the Borrower and any subsequent owner of the Mortgaged Property under the Regulatory Agreement shall not be secured by or constitute a lien on, or security interest in, the Mortgaged Property. 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 (i) those applicable Federal statutes, Fannie Mae regulations and related directives and administrative requirements set forth in the Regulatory Agreement and (ii) those terms, covenants and restrictions set forth in Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 19, 20, 21, 22, 23, 24, 25 and 26 of the Regulatory Agreement (collectively, the "**Unsubordinated Provisions**"), are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Loan Documents. Upon a conveyance or other transfer of title to the Mortgaged Property by foreclosure, deed in lieu of foreclosure or comparable conversion of the Loan, the Person who acquires title to the Mortgaged Property pursuant to such foreclosure, deed in lieu of foreclosure or comparable conversion of the 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 the Unsubordinated Provisions and, from and after the date on which such Person acquires title to the Mortgaged Property, the terms, covenants and restrictions of the Regulatory Agreement, other than the Unsubordinated Provisions, shall automatically terminate and be of no force and effect; provided that the Unsubordinated Provisions shall also terminate and be of no force or effect under the circumstances set forth in the Regulatory Agreement.

5. **Obligations Personal**. The Issuer agrees that no owner of the Mortgaged Property (including Fannie Mae) subsequent to the Borrower will be liable for, assume or take title to the Mortgaged Property subject to:

(a) any failure of any prior owner of the Mortgaged Property 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 compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by any prior owner of the Mortgaged Property under the Regulatory Agreement.

The Borrower and each subsequent owner of the Mortgaged Property shall be responsible under the Regulatory Agreement for its own acts and omissions occurring during the period of its ownership of the Mortgaged Property. All such liability and obligations shall be and remain personal to such person even after such person ceases to be the owner of the Mortgaged Property.

6. **Sale or Transfer**. All restrictions on sale or transfer of the Mortgaged Property or of any interest in the Borrower, consents of the Issuer or the Trustee, transfer agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like shall not apply to any transfer of title to the Mortgaged Property to Fannie Mae or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Loan or to any subsequent transfer by Fannie Mae following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Loan. Nothing contained in the Regulatory Agreement shall affect any provision of the Security Instrument or any of the other Loan Documents 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 Mortgaged Property or of any direct or indirect interest in the Borrower, excluding transfers permitted by the Security Instrument. No covenant obligating the Borrower to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall apply to a transfer to Fannie Mae upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Loan by Fannie Mae, or to any subsequent transfer by Fannie Mae following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Loan. 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 Mortgaged Property**. In the event that the Mortgaged Property 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 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 Loan Documents, except as may be otherwise specified in the Loan Documents.

(c) Upon any default by the Borrower under the Regulatory Agreement, the Assignment shall govern the remedies and other actions which the Issuer may take on account of such default.

9. **Amendments**. Subject to the applicable provisions of the Indenture which address the circumstances whereby Fannie Mae loses its rights under the Bond Documents as a result of Wrongful Dishonor, unless the Assigned Rights (as that term is defined in the Assignment) are transferred to the Trustee pursuant to Section 5.1 of the Assignment, 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, the Credit Provider 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.

11. **Third-Party Beneficiary**. Subject to the applicable provisions of the Indenture which address the circumstances whereby Fannie Mae loses its rights under the Bond Documents as a result of Wrongful Dishonor, 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:

To the Loan Servicer:

GMAC Commercial Mortgage Corporation
200 Witmer Road
P.O. Box 809
Horsham, PA 19044
Attention: Servicing Account Manager
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

with a copy to: GMAC Commercial Mortgage Corporation
Affordable Housing Division
4195 East Thousand Oaks Boulevard
Suite 201
Westlake Village, CA 91362
Attention: Mortgage Servicing
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

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
3900 Wisconsin Avenue, NW
Drawer AM
Washington, DC 20016-2899
Attention: Director, Multifamily Asset Management
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)
RE: $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Housing Project), Series 2004A/GMAC Commercial Mortgage Corporation

with a copy to: Fannie Mae
3900 Wisconsin Avenue, NW
Drawer AM
Washington, DC 20016-2899
Attention: Vice President, Multifamily Operations
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)
RE: $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Housing Project), Series 2004A/GMAC Commercial Mortgage Corporation

ISSUER'S INITIALS: _____

BORROWER'S INITIALS: _____

TRUSTEE'S INITIALS _____

Exhibit "C-2".
(To Ordinance)

Form Of Senior Housing Borrower Regulatory Agreement And Declaration Of Restrictive Covenants.

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS

by and among

FC CENTRAL STATION SENIOR, LLC,
an Illinois limited liability company
and
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
and
[TRUSTEE],
as Trustee under the Indenture for the following Bonds:

CITY OF CHICAGO
$[BOND PRINCIPAL AMOUNT] VARIABLE RATE DEMAND MULTI-FAMILY HOUSING REVENUE BONDS (CENTRAL STATION SENIOR HOUSING PROJECT), SERIES 2004

Dated as of _____ 1, 2004

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS, dated as of _____ 1, 2004 (this "**Agreement**"), is entered into by and among FC Central Station Senior, LLC, an Illinois limited liability company, and any approved successor or assignee to its rights and obligations (the "**Borrower**"), [TRUSTEE], a national banking association duly organized, validly existing and authorized to accept the duties and obligations set out by virtue of the laws of the United States of America and having its principal corporate

trust office located in the City of Chicago, Illinois, as Trustee (such trustee or any of its successors in trust being the "**Trustee**") under the Indenture, as defined in this Agreement, and 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**") under the circumstances summarized in the following recitals.

W I T N E S S E T H:

WHEREAS, the City of Chicago (the "**Issuer**") has authorized the issuance of its Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Senior Housing Project), Series 2004 (the "**Bonds**"), in order to finance, among other things, a portion of the costs of acquiring, constructing and equipping the Mortgaged Property (as defined below) and to pay certain costs of issuing the Bonds; and

WHEREAS, pursuant to a Financing Agreement, dated as of _____ 1, 2004, among the Issuer, the Trustee and the Borrower (the "**Financing Agreement**"), a portion of the proceeds of the Bonds will be loaned (the "**Loan**") to the Borrower to finance a portion of the costs of acquiring, constructing, and equipping the Central Station Senior Housing Project, an approximately 91 unit senior housing development located generally at 1225 South Michigan Avenue in the City of Chicago, Illinois, and legally described on ***Exhibit A*** to this Agreement (the "**Real Estate**") (the Real Estate and the improvements on the Real Estate related to the housing development are referred to in this Agreement as the "**Mortgaged Property**"); and

WHEREAS, in connection with the Loan, the Borrower has agreed to rent or lease at least 40% of the dwelling units in the Mortgaged Property to families or individuals whose income is 60% or less of area median gross income, all for the public purpose of assisting persons of low and moderate income to afford the costs of decent, safe and sanitary housing; and

WHEREAS, the Code and the Regulations (as those terms are defined below) prescribe that the use and operation of the Mortgaged Property be restricted in certain respects in order to assure the continuing tax-exempt status of the interest on the Bonds, and in order to ensure that the Mortgaged Property will be acquired, constructed, used and operated in accordance with such requirements of the Code, the Regulations and the Act, the Trustee, the Issuer and the Borrower have determined to enter into this Agreement in order to set forth certain terms and conditions relating to the acquisition, construction, occupancy, use and operation of the Mortgaged Property.

NOW, THEREFORE, in consideration of the Loan and the mutual covenants and undertakings set forth in this Regulatory Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties covenant, agree and declare as follows:

Section 1. Definitions and Interpretations. Except as otherwise defined in this Agreement, the terms used in this Agreement, including its preambles and recitals, shall for all purposes have the meanings specified in the preceding language of this Agreement or the Trust Indenture dated as of _____ 1, 2004, between the Issuer and the Trustee, securing the Bonds (the "**Indenture**"), or the Financing Agreement, unless the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used in this Agreement shall have the following meanings:

"**Borrower**" means FC Central Station Senior, LLC, an Illinois limited liability company, or the Person or Persons who shall succeed to the ownership of all or any part of the Mortgaged Property in accordance with the provisions of the Financing Agreement.

"**Certificate of Continuing Program Compliance**" means the certificate from the Borrower in substantially the form and covering the matters set forth in ***Exhibit C*** to this Agreement.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Low and Moderate Income Tenants**" means and includes individuals or families with adjusted income, calculated in the manner prescribed in Regulation Section 1.167(k)-3(b)(3) as it shall be in effect on the date that the Bonds are issued (or, if not issued on the same date, the earliest issuance date of the Bonds), which does not exceed sixty percent (60%) of the median gross income for the area in which the Mortgaged Property is located, determined in a manner consistent with determinations of median gross income made under the leased housing program established under Section 8 of the United States Housing Act of 1937, as amended, or if that program is terminated, under that program as in effect immediately before termination. That determination shall include adjustments for family size. In no event, however, will the occupants of a unit of the Mortgaged Property be considered to be Low and Moderate Income Tenants if all the occupants are students, no one of whom is entitled to file a joint return for federal income tax purposes.

"**Person**" means natural persons, firms, partnerships, associations, corporations, trusts and public bodies.

"**Qualified Development Period**" means the period beginning on the date on which ten percent (10%) of the units in the Mortgaged Property are first occupied and ending on the latest of the date (i) which is fifteen (15) years after the date on which at least fifty percent (50%) of the residential units in the Mortgaged Property are occupied, (ii) which is the first date on which no tax-exempt private activity bond issued with respect to the Mortgaged Property is outstanding, or (iii) on which any assistance presently provided with respect to the Mortgaged Property under Section 8 of the United States Housing Act of 1937, as amended, terminates.

"**Regulations**" means the United States Treasury Regulations promulgated with respect to the Code.

"**Tenant Income Certificate**" means a sworn and notarized certificate in substantially the form and covering the matters set forth in ***Exhibit B*** to this Agreement.

The rules of interpretation set forth in Section 102 of the Indenture shall apply equally to this Agreement. This Agreement and all of its terms and provisions shall be construed to effectuate the purposes set forth in and to sustain the validity of this Agreement.

Section 2. The Mortgaged Property to be Residential Rental Property. The Borrower represents, agrees, covenants and warrants as follows:

(a) The Mortgaged Property is being acquired and constructed for the purpose of providing a "qualified residential rental project," within the meaning of the Code. The Borrower shall own, manage and operate the Mortgaged Property as a "residential rental project" comprised of residential units and facilities functionally related and subordinate to them, in accordance with Section 142(d) of the Code and Section 1.103-8(b)(4) of the Regulations, as the same may he amended from time to time, to the extent applicable to the Bonds. Upon the completion of the construction, the Mortgaged Property will consist of approximately an approximately _____ unit senior housing development located generally at 1225 through 1229 South Michigan Avenue in the City of Chicago, Illinois. The Mortgaged Property will consist of one building containing residential units and functionally related and subordinate facilities of a size and character commensurate with the size and character of the residential units, as provided in the Regulations. Acquisition, constructing and equipping of the residential units and the functionally related and subordinate facilities are being funded in part by the Bonds. The building, when completed, will be discrete edifices or other person-made constructions with (i) independent foundations, (ii) independent outer walls, and (iii) independent roofs, each building containing one (1) or more similarly constructed units.

(b) Each residential unit in the Mortgaged Property does and shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation.

(c) None of the residential units in the Mortgaged Property is or shall at any time be used on a transient basis and no portion of the Mortgaged Property shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court. No part of the Mortgaged Property is or will be used as an airplane, a skybox or other luxury box, a health club facility, a facility primarily used for gambling, or a store the principal business of which is the sale of alcoholic beverages for consumption off-premises. No part of the Mortgaged Property is or will at any time be owned by a cooperative housing corporation or other form of cooperative ownership.

(d) The Borrower shall not give preference in renting residential units in the Mortgaged Property to any particular class or group of persons, other than to Low and Moderate Income Tenants as provided in this Regulatory Agreement, to the elderly, or as otherwise required by law.

(e) At no time shall the Borrower occupy a residential unit in the Mortgaged Property, *provided* that a person employed by the Borrower to assist in the management of the Mortgaged Property who has no ownership or other interest in the Borrower may occupy a residential unit.

(f) Any functionally related and subordinate facilities (*e.g.*, parking garages or other areas, swimming pools, tennis courts, etc.) which are to be included as part of the Mortgaged Property will be made available to all tenants on an equal basis. Fees will only be charged with respect to the use of those facilities if the charging of fees is customary for the use of such facilities and in any event, any fees charged will not be discriminatory or exclusionary as to the Low and Moderate Income Tenants.

Section 3. Continuous Rental.

(a) The Borrower represents, covenants, agrees and warrants that at all times during the Qualified Development Period, each unit in the Mortgaged Property shall be rented or available for rental to members of the general public on a continuous basis, except as allowed by Section 2(d) above, and that it shall not grant any commercial leases or permit commercial uses for any space in the Mortgaged Property, except the Borrower expects to contract with an independent party to operate the kitchen and otherwise upon receipt by the Trustee and the Issuer of an opinion of Bond Counsel, which opinion is acceptable to the Trustee, that the lease or use will not adversely affect the exclusion of interest on any of the Bonds from gross income of their holders for federal income tax purposes.

(b) The Borrower shall not make any change in use of any portion of the Mortgaged Property except upon approval of the Issuer or upon receipt by the Trustee and the Issuer of an opinion of Bond Counsel, acceptable to the Trustee, that the change will not adversely affect the exclusion of interest on any of the Bonds from gross income of their holders for federal income tax purposes.

Section 4. Low and Moderate Income Tenants. To the end of satisfying the requirements of Section 142(d)(2)(B) of the Code relating to individuals of low and moderate income during the Qualified Development Period, and related Regulations, the Borrower represents, covenants, agrees and warrants as follows:

(a) At all times during the Qualified Development Period, at least forty percent (40%) of the completed residential units shall be occupied by Low and Moderate Income Tenants. For purposes of satisfying that requirement, a unit occupied by an individual or family who at the commencement of occupancy is a Low and Moderate Income Tenant shall be treated as occupied by such an individual or family during their tenancy in such unit, even though that individual or family subsequently ceases to be a Low and Moderate Income Tenant. The preceding sentence shall, however, cease to apply to any resident whose income as of the most recent determination exceeds one hundred forty percent (140%) of the sixty percent (60%) income limitation amount if, after such determination, but before the next determination, any residential unit of comparable or smaller size in the Mortgaged Property is occupied by a new resident whose income exceeds that sixty percent (60%) limitation. A unit treated as occupied

by a Low and Moderate Income Tenant shall be treated as occupied after it is vacated until reoccupied (other than for a temporary period not to exceed 31 days), at which time the character of the unit shall be redetermined.

(b) If necessary, the Borrower shall refrain from renting residential units to persons other than Low and Moderate Income Tenants in order to avoid violating the requirement that at all times during the Qualified Development Period at least forty percent (40%) of the occupied residential units in the Mortgaged Property shall be occupied by Low and Moderate Income Tenants.

(c) The Borrower shall determine annually the current income of each tenant treated as a Low and Moderate Income Tenant.

(d) The Borrower shall obtain a Tenant Income Certificate with respect to each occupant in the Mortgaged Property who is intended to be a Low or Moderate Income Tenant signed by the tenant or tenants (*i.e.*, the person or persons whose names appear on the lease). The Borrower shall obtain such a Tenant Income Certificate prior to such tenant or tenants signing a lease with respect to a unit and commencing occupancy in it and also shall obtain such a Tenant Income Certificate for each subsequent year the tenant lives in the Mortgaged Property, signed by such person or persons and obtained at such time or times, all as may be required by applicable rules, rulings, procedures, official statements, regulations or policies now or later promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code. The Borrower shall maintain on file all Tenant Income Certificates.

(e) The Borrower shall prepare and submit to the Trustee and the Issuer on or before the first day of each March, June, September and December of each year during the Qualified Development Period, a Certificate of Continuing Program Compliance in substantially the form attached to this Agreement as ***Exhibit C*** executed by Authorized Borrower Representative.

(f) The Borrower shall submit to the Secretary of the Treasury of the United States (at such time and in such manner as the Secretary shall prescribe) an annual certification as to whether the Mortgaged Property continues to meet the low and moderate income occupancy requirements set forth in the Code. Failure to comply with the requirements set forth in the preceding sentence shall not constitute a default under this Agreement, but may subject the Borrower to a penalty as provided in Section 6652(j) of the Code.

Section 5. Tenants and Tenant Leases. In addition to the requirements contained in other Sections of this Agreement, the Borrower represents, covenants, agrees and warrants as follows:

(a) All tenant lists, applications, certificates and waiting lists relating to the Mortgaged Property shall at all times be kept separate and identifiable from any other business of the Borrower which is unrelated to the Mortgaged Property and shall be maintained, as required by the Issuer or the Trustee from time to time, in a reasonable condition for proper audit and

subject to examination during business hours by representatives of the Trustee. Failure to keep such lists and applications or to make them available to the Issuer or the Trustee shall be a default under this Agreement.

(b) Each tenant lease for a Low and Moderate Income Tenant shall require the tenant to submit annual Tenant Income Certificates and to provide further information as the Borrower may reasonably require concerning such a Tenant Income Certificate, and that a failure to comply with these requirements or the filing of a false Tenant Income Certificate shall be a violation of a substantial obligation of his tenancy. The provisions of this Section 5 shall apply throughout the Qualified Development Period.

Section 6. Transfer Restrictions. During the Qualified Development Period, the Borrower shall not do any of the following: sell, transfer, assign, convey, change title to or otherwise dispose of the Mortgaged Property or any interest in it (a "**Transfer**"), in whole or in part, unless: (1) the purchaser or assignee shall execute any necessary or appropriate document reasonably requested by the Trustee with respect to assuming its obligations under this Agreement and the Financing Agreement (the "**Assumption Agreement**"), which document shall be recorded in the Cook County Recorder's Office; (2) the Trustee and the Issuer shall have received an opinion of Bond Counsel, which opinion is acceptable to such recipients, to the effect that such transfer will not adversely affect the exclusion of interest on any of the Bonds from gross income of their holders for purposes of federal income taxation; (3) the Borrower shall deliver to the Trustee and the Issuer an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Borrower under this Agreement and that such obligations and this Agreement are binding on the transferee; (4) the Issuer should have consented in writing to such Transfer; and (5) such other conditions are met as are set forth in or referred to in the Financing Agreement or as the Trustee or the Issuer may reasonably impose (upon advice of Bond Counsel) as part of the Assumption Agreement to protect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 7. Tax-Exempt Status of the Bonds. The Borrower, the Issuer and the Trustee each represent, agree and warrant that to the best of their ability and knowledge:

(a) It will not take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the exclusion of the interest on the Bonds from the gross income of their holders for federal income tax purposes and, in particular, the Borrower will not permit any Person to obtain an ownership interest in the Borrower unless, upon advice of Bond Counsel, the Trustee or the Issuer concludes that the exclusion of the interest on the Bonds from gross income for federal income tax purposes is not adversely affected by such Person obtaining such ownership interest. If it should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge of them.

(b) It will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the Trustee and the Issuer, to comply fully with all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue

Service pertaining to obligations the exemption of interest on which depends upon continuing compliance with Section 142(d) of the Code and the Regulations under that Section.

(c) It will file or record, at its expense, such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Trustee and the Issuer, in order to ensure that the requirements and restrictions of this Agreement will be binding upon all owners of the Mortgaged Property.

Section 8. Notice of Noncompliance; Corrective Action. As soon as is reasonably possible, the Borrower shall notify the Trustee and the Issuer of the existence of any situation or the occurrence of any event of which the Borrower has knowledge, the existence or occurrence of which would violate any of the provisions of this Agreement or cause the interest on the Bonds to become includable in gross income of their holders for federal income tax purposes unless promptly corrected. The Trustee shall promptly notify the Issuer of such event or situation upon receipt of notice from the Borrower. The Borrower covenants to commence appropriate corrective action within a reasonable period of time, but in no event later than thirty (30) days after such noncompliance is first discovered or should have been discovered by the exercise of reasonable diligence.

Section 9. Reliance; Compliance. The Borrower recognizes and agrees that the representations, warranties, agreements and covenants set forth in this Agreement may be relied upon by all Persons interested in the legality and validity of the Bonds and in the exclusion of the interest on the Bonds from gross income of their holders for federal income tax purposes. In performing their respective duties and obligations under this Agreement, the Trustee and the Issuer may rely upon statements and certificates of the Borrower and tenants, and upon audits of the books and records of the Borrower pertaining to the Mortgaged Property. In addition, the Trustee may consult with counsel, and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee under this Agreement in good faith and in conformity with such opinion.

Section 10. Non-discrimination. The Borrower shall not, in the selection of tenants, in employment, in the provision of services or in any other manner, discriminate against any person on the ground of race, color, national origin, religion, creed, sex, handicap, family status or marital status or by reason of the fact that there are children in a prospective tenant's family.

Section 11. Term. This Agreement shall become effective upon its execution and delivery. Unless the Trustee and the Issuer shall have received a written opinion of Bond Counsel addressed to such party to the effect that early termination of this Agreement will not adversely affect the exclusion of the interest on all of the Bonds from gross income of their holders for federal income tax purposes, this Agreement shall remain in full force and effect for a term equal to the Qualified Development Period, it being expressly agreed and understood that the provisions of this Agreement are intended to survive the retirement of the Bonds and expiration of the Indenture and the Agreement. Notwithstanding the immediately preceding sentence, this Agreement, and all and several of the terms of it, shall terminate and be of no further force and effect in the event of (x) involuntary noncompliance with the provisions of this

Agreement caused by fire, seizure, requisition, foreclosure or delivery of a deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the date of this Agreement which prevents the Trustee or the Issuer from enforcing the requirements of this Agreement, condemnation or other similar event and (y) the payment in full and retirement of the Bonds within a reasonable period after that event. However, the preceding sentence shall cease to apply and the restrictions contained in this Section shall be automatically reinstated if, at any time subsequent to the foreclosure or the delivery of a deed in lieu of foreclosure or similar event, the Borrower or any "related person" (within the meaning of Section 147 of the Code), obtains an ownership interest in the Mortgaged Property for federal income tax purposes. Upon the termination of all and several of the terms of this Agreement, the parties agree to execute, deliver and record appropriate instruments of release and discharge of the terms of this Agreement. However, the execution and delivery of such instruments shall not be a necessary prerequisite to the termination of this Agreement in accordance with its terms.

Section 12. Covenants to Run With the Mortgaged Property. The Borrower subjects the Mortgaged Property to the covenants, reservations and restrictions set forth in this Agreement. The Borrower declares its express intent that the covenants, reservations and restrictions set forth in this Agreement shall be deemed covenants running with the Real Estate and the Mortgaged Property to the extent permitted by law and shall pass to and be binding upon the successors in title to the Mortgaged Property throughout the term of this Agreement. Each and every contract, deed, mortgage, assignment, sub-lease or other instrument executed covering or conveying the Mortgaged Property or any portion of it 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 or other instrument.

Section 13. Enforcement. If the Borrower defaults in the performance or observation of any covenant, agreement or obligation of the Borrower set forth in this Agreement, and if such default remains uncured for a period of thirty (30) days after written notice of the default shall have been given to the Borrower by the Issuer or the Trustee, then the Issuer, or the Trustee, acting on behalf of the Bondholders or on behalf of the Issuer, shall declare an Event of Default to have occurred, and, at its option, may take any one or more of the following steps:

(a) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants under this Agreement or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee under this Agreement;

(b) have access to and inspect, examine and make copies of all the books and records of the Borrower pertaining to the Mortgaged Property; or

(c) take such other action at law or in equity as may appear necessary or desirable to specifically enforce, or prohibit violations of, the obligations, covenants and agreements of the Borrower under this Agreement.

The Trustee shall have the right, in accordance with this Section and the provisions of the Indenture, without the consent, approval or knowledge of the Issuer or any Person to exercise any or all of the rights or remedies under this Agreement. All reasonable fees, costs and expenses of the Trustee incurred in taking any action pursuant to this Section shall be the sole responsibility of the Borrower.

Notwithstanding the preceding paragraph, if the failure stated in the written notice cannot be corrected within such thirty (30) day period, the Trustee may consent in writing to an extension of such time period, which consent shall not be unreasonably withheld, if corrective action is instituted within such thirty (30) day period and diligently pursued to completion and if such extension does not, in the Trustee's judgment, adversely affect the interests of the holders of the Bonds.

Section 14. Bankruptcy. Neither the Borrower nor any permitted successor owner of the Mortgaged Property shall file any petition in bankruptcy or for the appointment of a receiver, or for insolvency, or for reorganization or composition, or make any assignment for the benefit of creditors or to a trustee for creditors, or permit an adjudication in bankruptcy, the taking of possession of the Mortgaged Property or any part of the Mortgaged Property under judicial process pursuant to any power of sale. However, in the case of an involuntary petition, action or proceeding for an adjudication in bankruptcy, or for the appointment of a receiver or trustee of the property of the Borrower or any other owner of the Mortgaged Property, not initiated by the Borrower or any other owner of the Mortgaged Property, the Borrower or such other owner of the Mortgaged Property shall have ninety (90) days after the service of such petition or the commencement of such action or proceeding, as the case may be, within which to obtain a dismissal of such petition, action or proceeding.

Section 15. Recording and Filing. The Borrower shall cause this Agreement and all amendments and supplements to it to be recorded and filed in the conveyance and real property records of Cook County, Illinois. The Borrower shall pay all fees and charges incurred in connection with any such recording.

Section 16. Indemnification. The Borrower shall be required and agrees to pay, indemnify and hold the Trustee, the Issuer and their respective officers, officials and employees (except for claims arising out of acts or omissions of the Trustee or the Issuer, as applicable, resulting from its gross negligence or willful misconduct) harmless from, any and all loss, damage, cost, expense, suit, judgment, action, injury or liability which they, or any of them, may suffer or incur (including, without limitation, any costs, fees and expenses, including attorneys' fees, costs and expenses) by reason of any violation of the restrictions or provisions of this Agreement.

Section 17. Agent of the Trustee. The Trustee shall have the right to appoint an agent or administrator to carry out any of its duties and obligations under this Agreement, and shall inform the other parties to this Agreement of any such agency appointment by written notice.

Section 18. No Conflict With Other Documents. The Borrower warrants that it has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions of this Agreement, and that, in any event and except to the extent expressly provided in this Agreement, the requirements of this Agreement are paramount and controlling as to the rights and obligations in this Agreement set forth and supersede any other requirements in conflict with this Agreement.

Section 19. Interpretation. Any terms not defined in this Agreement, or defined as provided in this Agreement, shall have the same meaning as terms defined for purposes of Section 142(d) of the Code and in the Regulations.

Section 20. Amendments. This Agreement shall be amended only by a written instrument executed by the parties to it or their successors in title, and duly recorded in the real property records of Cook County, Illinois, the county in which the Mortgaged Property is located. The Borrower shall pay all fees and charges incurred in connection with any such recording.

No amendment to this Agreement concerning matters governed by the Code or the Regulations shall be effective unless there shall have been filed with the Issuer a written opinion of Bond Counsel to the effect that (a) such amendment will not cause or result in interest on the Bonds becoming includable in gross income of their holders for federal income tax purposes, and (b) compliance with the terms and provisions of the Agreement, as so amended, will be sufficient to ensure full compliance with the requirements of Section 142(d) of the Code and all then-applicable rules, rulings, policies, procedures, portions of the Regulations, or other statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations the exclusion of interest from gross income on which depends on continuing compliance with that Section 142(d).

Section 21. Notices. Any notice, demand or other communication required or permitted under this Agreement 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, return receipt requested, postage prepaid. Any such notice, demand or other communication shall be addressed to a party at its address set forth below or to such other address as the party to receive such notice may have designated to all other parties by notice in accordance with this Agreement:

If to the Borrower: _____

_____

_____

with a copy to: [Apollo Housing Capital, LLC
600 Superior Avenue

Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

If to the Issuer:

City of Chicago
Department of Housing
318 South Michigan Avenue
Chicago, Illinois 60604
Attention: Commissioner
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

with copies to:

City of Chicago
Department of Law
City Hall
Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

and to:

City of Chicago
Department of Finance - Financial Policy
33 North LaSalle Street
Chicago, Illinois 60602
Attention: Deputy Comptroller
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

If to the Trustee:

_____
_____
_____

Section 22. Binding Successors. This Agreement shall bind, and the benefits shall inure to, the respective parties to this Agreement, their legal representatives, executors, administrators, successors in office or interest, and assigns, *provided* that the Borrower may not assign this Agreement or any of its obligations under it without the prior written approval of the Issuer.

Section 23. Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of this Agreement.

Section 24. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

Section 25. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois, other than the choice of law rules of the State of Illinois and, where applicable, the laws of the United States of America.

Section 26. Limited Recourse. Notwithstanding any provisions of this Agreement to the contrary, enforcement of the provisions of this Agreement shall not result in any claim against the Mortgaged Property, Loan or Loan proceeds, any reserve or deposit required by Fannie Mae or an Alternate Credit Provider, in connection with the Loan, or the rents or other income from the Mortgaged Property. Notwithstanding any other provision of this Agreement, any monetary obligation created under this Agreement shall not be enforceable personally against the Borrower or any partner of the Borrower, their successors and assigns, or against the assets of the Borrower, its successors or assigns.

IN WITNESS WHEREOF, the Trustee, the Borrower and the Issuer have each caused this Regulatory Agreement and Declaration of Restrictive Covenants to be duly executed and attested in their respective names by their duly authorized representatives, all as of the day and year first above written.

CITY OF CHICAGO

(SEAL)

By:_____

Attest:

_____
City Clerk

FC CENTRAL STATION SENIOR, LLC,
an Illinois limited liability company

By: **FC Central Station, LLC,**
an Illinois limited liability company
Its: Member

(SEAL)

By:_____
Authorized Signatory

Attest:

_____
Authorized Signatory

[TRUSTEE],
as Trustee

(SEAL)

By:_____
Authorized Signatory

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for the County and State aforesaid, CERTIFY that _____, personally known to me to be the _____ of [MEMBER], an Illinois 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 acknowledged that he signed and delivered the foregoing instrument as her or his own free and voluntary act and as the free and voluntary act of the corporation for the uses and purposes set forth in such instrument.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2004.

(SEAL)
My Commission Expires:

_____
Notary Public
in and for Cook County, Illinois

_____

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for the County and State aforesaid, CERTIFY that _____, personally known to me to be the _____ of the CITY OF CHICAGO, 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 and delivered the foregoing instrument as her or his own free and voluntary act and as the free and voluntary act of the corporation for the uses and purposes set forth in such instrument.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2004.

(SEAL)
My Commission Expires:

_____
Notary Public
in and for Cook County, Illinois

_____

STATE OF ILLINOIS)
) **SS.**
COUNTY OF COOK)

I, _____, a Notary Public in and for the County and State aforesaid, CERTIFY that _____, personally known to me to be the Vice President of **[TRUSTEE]**, as Trustee, 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 and delivered the foregoing instrument as her or his own free and voluntary act and as the free and voluntary act of said Bank for the uses and purposes set forth in such instrument.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2004.

(SEAL)
My Commission Expires:

_____
Notary Public
in and for Cook County, Illinois

_____

[(Sub)Exhibit "A" referred to in this Form of Senior Housing Borrower Regulatory Agreement and Declaration of Restrictive Covenants unavailable at time of printing.]

(Sub)Exhibits "B" and "C" referred to in this Form of Senior Housing Borrower Regulatory Agreement and Declaration of Restrictive Covenants read as follows:

(Sub)Exhibit "B".
(To Form Of Senior Housing Borrower Regulatory Agreement And Declaration Of Restrictive Covenants)

Form Of Tenant Income Certificate.

Name of Tenant (*i.e.*, person or persons whose names appear on the lease): _____

Address of Apartment: _____

Apartment Number: _____

Some or all of the cost of the Mortgaged Property in which you are to lease an apartment was financed by bonds issued for the benefit of the owner. Interest paid on those bonds is intended to be exempt from federal income tax. In order to qualify for that exemption there are certain requirements which must be met with respect to the apartment building and its tenants. To satisfy one of those requirements, it is necessary for you to provide the information requested in this Tenant Income Certificate at the time you sign your lease and annually after you become a Tenant.

I. ANTICIPATED INCOME

For each person who is now occupying or is expected to occupy your apartment unit at any time during the next twelve months, please provide the following information:

Name	Annual Salary/Wages*	Other Income**	Total Income

*State the gross amount of compensation, before any payroll deductions, including any bonuses, overtime pay, tips, commissions or fees anticipated to be received during the next twelve months.

**Other income generally includes income anticipated to be received from any source whatsoever during the next twelve months, including, but not limited to:

(a) interest and dividends;

(b) rental income;

(c) net income from a profession or operation of a business;

(d) payments in lieu of earnings, such as unemployment compensation;

(e) periodic payments (not lump-sum payments) received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits;

(f) periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts from persons not listed above; and

(g) public assistance, but if the public assistance payment includes an amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included shall consist of:

(1) the amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus

(2) the maximum amount which the public assistance agency could in fact allow the occupant for shelter and utilities.

Do not include in the amount of other income shown above the following items:

(a) casual, sporadic or irregular payments you may receive;

(b) amounts which are specifically for or in reimbursement of the cost of medical expenses;

(c) lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlements for personal or property losses;

(d) amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment; *provided* that any amounts of such scholarships, or payments to veterans not used for the above purposes which are available for subsistence are to be included in income;

(e) the special pay to a serviceman head of a family away from home and exposed to hostile fire;

(f) relocation payments made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

(g) foster child care payments;

(h) the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged the occupants of the dwelling unit;

(i) payments received pursuant to participation in the following volunteer programs under the ACTION Agency:

(1) National Volunteer Antipoverty Programs which include VISTA, Service Learning Programs and Special Volunteer Programs; and

(2) National Older American Volunteer Programs for persons aged 60 and over which include Retired Senior Volunteer Programs, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE).

II. CAPITAL ASSETS

If any of the persons listed above has any savings, stocks, bonds, real estate or other form of capital investment (except for necessary items such as furniture, automobiles, etc.), please provide the following information:

(a) the total value of all such assets presently owned by all such persons: $_____; and

(b) he amount of income expected to be derived from such assets in the 12-month period commencing this date (which should be included in "other income" shown above): $_____.

III. STUDENTS

(a) Will all of the persons listed above be (or have they been) full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?

Yes _____ No _____

(b) Is any such full-time student married and eligible to file a joint federal income tax return?

Yes _____ No _____

I, the undersigned, certify that I have read and answered fully, frankly and personally each of these questions and requests for information for all persons who now occupy or are to occupy the unit in the above Mortgaged Property. I acknowledge that all of the above information is relevant to the status under federal income tax law of the interest on bonds issued to finance the Mortgaged Property containing the unit which I now or which I intend to occupy.

I consent to the disclosure of this information to the Issuer of such bonds, the owners of such bonds and any agent acting on their behalf.

I certify under penalty of perjury that these statements are true and correct.

Executed this ____ day of _____, _____, at Chicago, Illinois.

_____
Tenant

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for the County in the State aforesaid, certify that _____, 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 he/she signed and delivered the instrument, as his/her free and voluntary act, for the uses and purposes set forth in such instrument.

GIVEN under my hand and notarial seal this ____ day of _____, 20__.

(SEAL)

_____
Notary Public
in and for Cook County, Illinois

My Commission Expires:

IV. FOR COMPLETION BY BORROWER

(a) Anticipated Income Computation:

(1) Total income from Part I. $_____

(2) If 10% of the amount shown on Part II(a) exceeds the amount on Part II(b), enter the amount of such excess. $_____

(3) Anticipated Income ((1) + (2)) $_____

(b) Insert an [X] in the bracket opposite whichever of the following statements is applicable:

[ ] (1) Because total Anticipated Income is less than $_____ , the apartment is occupied by Low and Moderate Income Tenants.

[ ] (2) The apartment is not occupied as provided in (1) above.

(c) The number of units in the Mortgaged Property which are presently occupied is _____.

(d) The number of units occupied by Low and Moderate Income Tenants is _____. The number of units which were previously occupied by Low and Moderate Income Tenants but have been vacated and have not been reoccupied (other than for a temporary period of no more than 31 days) is _____. The sum of the units described in this paragraph (d) is equal to _____% of the total number of occupied units from paragraph (c) above.

The undersigned certifies that he or she is the _____ of _____and that the above determinations and calculations have been completed to the best knowledge of the undersigned after due inquiry, and the undersigned does not believe or have any reason to believe that the information in the Tenant Income Certificate is inaccurate or has been given falsely.

---

* Tenants are Low and Moderate Income Tenants if (a) their income as determined by the Borrower in the most recent annual determination was not more than the applicable income limitation (as adjusted for family size), or (b) their income as so determined exceeded the applicable income limitation but did not exceed an amount equal to 140% of the applicable income limitation and their income when they first applied to rent their unit did not exceed the applicable income limitation, or (c) their income as so determined exceeded an amount equal to 140% of the applicable income limitation and all units in the Development of comparable or smaller size available for rental size the last annual tenant income determination have been rented to tenants whose income did not exceed the applicable income limitation.

Dated: _____ __, 20__

(Sub)Exhibit "C".
(To Form Of Senior Housing Borrower Regulatory Agreement And Declaration Of Restrictive Covenants)

Form Of Certificate Of Continuing Program Compliance.

The undersigned is the _____ of **[Borrower]** and has read and is thoroughly familiar with the provisions of the various Loan Documents associated with the Borrower's participation in the financing by the City of Chicago of the acquisition and construction of the **[Senior Housing / Elderly Housing Central Station Project]**, such documents including:

1. the Regulatory Agreement and Declaration of Restrictive Covenants dated as of _____ 1, 2004, among the Borrower, the City and the Trustee;

2. the Financing Agreement, dated as of _____ 1, 2004, among the Borrower, the Issuer and the Trustee;

As of the date of this certificate, the following number of residential units in the Mortgaged Property (i) are occupied by Low and Moderate Income Tenants (as such term is defined in the Regulatory Agreement) or (ii) were previously occupied by Low and Moderate Income Tenants and have been vacant and not reoccupied except for a temporary period of no more than 31 days, as indicated:

Number of units occupied by Low and Moderate Income Tenants	_____
Number of units previously occupied by Low and Moderate income tenants (vacated and not reoccupied except for a temporary period of no more than 31 days)	_____
Total Number of Low and Moderate Income Units	_____
The total number of occupied residential units in the Mortgaged Property is _____	_____

* The number of Low and Moderate Income Tenants shown above is ___% of the total number of occupied units.

The undersigned certifies that the Borrower is not in default under any of the terms and provisions of the above documents.

Dated: _____ ___ , ____

[BORROWER],
an Illinois limited liability company

(SEAL)

By:
Its: Member

By:_____
Authorized Signatory

FANNIE MAE RIDER
TO REGULATORY AGREEMENT

THIS FANNIE MAE RIDER TO REGULATORY AGREEMENT ("**Rider**") is attached to and forms a part of the REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS, dated as of _____ 1, 2004 (the "**Regulatory Agreement**"), by and among FC CENTRAL STATION SENIOR, LLC ("**Borrower**"), the CITY OF CHICAGO, (the "**Issuer**") and [TRUSTEE] (the "**Trustee**"), as Trustee.

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 Mortgaged Property**. The obligations of the Borrower and any subsequent owner of the Mortgaged Property under the Regulatory Agreement shall not be secured by or constitute a lien on, or security interest in, the Mortgaged Property. 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 (i) those applicable Federal statutes, Fannie Mae regulations and related directives and administrative requirements set forth in the Regulatory Agreement and (ii) those terms, covenants and restrictions set forth in Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 19, 20, 21, 22, 23, 24, 25 and 26 of the Regulatory Agreement (collectively, the "**Unsubordinated Provisions**"), are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Loan Documents. Upon a conveyance or other transfer of title to the Mortgaged Property by foreclosure, deed in lieu of foreclosure or comparable conversion of the Loan, the Person who acquires title to the Mortgaged Property pursuant to such foreclosure, deed in lieu of foreclosure or comparable conversion of the 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 the Unsubordinated Provisions and, from and after the date on which such Person acquires title to the Mortgaged Property, the terms, covenants and restrictions of the Regulatory Agreement, other than the Unsubordinated Provisions, shall automatically terminate and be of no force and effect; provided that the Unsubordinated Provisions shall also terminate and be of no force or effect under the circumstances set forth in the Regulatory Agreement.

5. **Obligations Personal**. The Issuer agrees that no owner of the Mortgaged Property (including Fannie Mae) subsequent to the Borrower will be liable for, assume or take title to the Mortgaged Property subject to:

(a) any failure of any prior owner of the Mortgaged Property 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 compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by any prior owner of the Mortgaged Property under the Regulatory Agreement.

The Borrower and each subsequent owner of the Mortgaged Property shall be responsible under the Regulatory Agreement for its own acts and omissions occurring during the period of its ownership of the Mortgaged Property. All such liability and obligations shall be and remain personal to such person even after such person ceases to be the owner of the Mortgaged Property.

6. **Sale or Transfer**. All restrictions on sale or transfer of the Mortgaged Property or of any interest in the Borrower, consents of the Issuer or the Trustee, transfer agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like shall not apply to any transfer of title to the Mortgaged Property to Fannie Mae or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Loan or to any subsequent transfer by Fannie Mae following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Loan. Nothing contained in the Regulatory Agreement shall affect any provision of the Security Instrument or any of the other Loan Documents 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 Mortgaged Property or of any direct or indirect interest in the Borrower, excluding transfers permitted by the Security Instrument. No covenant obligating the Borrower to obtain an agreement from any transferee to abide by all requirements and restrictions of the Regulatory Agreement shall apply to a transfer to Fannie Mae upon foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Loan by Fannie Mae, or to any subsequent transfer by Fannie Mae following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Loan. 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 Mortgaged Property**. In the event that the Mortgaged Property 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 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 Loan Documents, except as may be otherwise specified in the Loan Documents.

(c) Upon any default by the Borrower under the Regulatory Agreement, the Assignment shall govern the remedies and other actions which the Issuer may take on account of such default.

9. **Amendments**. Subject to the applicable provisions of the Indenture which address the circumstances whereby Fannie Mae loses its rights under the Bond Documents as a result of Wrongful Dishonor, unless the Assigned Rights (as that term is defined in the Assignment) are transferred to the Trustee pursuant to Section 5.1 of the Assignment, 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, the Credit Provider 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.

11. **Third-Party Beneficiary**. Subject to the applicable provisions of the Indenture which address the circumstances whereby Fannie Mae loses its rights under the Bond Documents as a result of Wrongful Dishonor, 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:

To the Loan Servicer:

GMAC Commercial Mortgage Corporation
200 Witmer Road
P.O. Box 809
Horsham, PA 19044
Attention: Servicing Account Manager
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

with a copy to:GMAC Commercial Mortgage Corporation
Affordable Housing Division
4195 East Thousand Oaks Boulevard
Suite 201
Westlake Village, CA 91362
Attention: Mortgage Servicing
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

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
3900 Wisconsin Avenue, NW
Drawer AM
Washington, DC 20016-2899
Attention: Director, Multifamily Asset Management
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)
RE: $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Housing Project), Series 2004A/GMAC Commercial Mortgage Corporation

with a copy to: Fannie Mae
3900 Wisconsin Avenue, NW
Drawer AM
Washington, DC 20016-2899
Attention: Vice President, Multifamily Operations
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)
RE: $_____ City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Housing Project), Series 2004A/GMAC Commercial Mortgage Corporation

ISSUER'S INITIALS: _____

BORROWER'S INITIALS: _____

TRUSTEE'S INITIALS: _____

Exhibit "D-1".
(To Ordinance)

Form Of Multi-Family Housing Borrower Assignment Agreement.

ASSIGNMENT AND INTERCREDITOR AGREEMENT

by and among

CITY OF CHICAGO,

and

[TRUSTEE], as Trustee,

and

acknowledged, accepted and agreed to by

FC CENTRAL STATION RESIDENTIAL, LLC,
an Illinois limited liability company

Relating to
$[Principal Amount]

City of Chicago
Variable Rate Demand Multi-Family Housing Revenue Bonds
(Central Station Multi-Family Project), Series 2004A

THIS ASSIGNMENT AND INTERCREDITOR AGREEMENT ("**Assignment**"), dated as of July 1, 2004, is among 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 ("**Issuer**"), and **[TRUSTEE]**, [Description of Trustee] ("**Trustee**"), not in its individual or corporate capacity, but solely as Trustee under the Indenture, and is acknowledged, accepted and agreed to by **FC CENTRAL STATION RESIDENTIAL, LLC**, an Illinois limited liability company ("**Borrower**").

RECITALS

A. Borrower has requested Issuer to issue its $[Principal Amount] City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004A ("**Bonds**") and lend the proceeds of the Bonds to Borrower in the form of a mortgage loan ("**Loan**").

B. Issuer is issuing and selling the Bonds under the Trust Indenture dated as of July 1, 2004 by and among the Issuer and the Trustee (the "**Indenture**") and depositing a portion of the proceeds of the Bonds with the Trustee to be used to fund the Loan.

C. The Loan is (a) evidenced by the Note and (b) secured by the Multifamily Mortgage, Assignment of Rents and Security Agreement, dated as of July 1, 2004, executed by the Borrower with respect to the Mortgaged Property (as defined below) for the benefit of Issuer and Fannie Mae, as their interests may appear and recorded with the County Recorder's Office for Cook County as Instrument No. _____ ("**Security Instrument**"). The purpose of the Loan is to finance the development by the Borrower of a certain multifamily housing apartment building within the City of Chicago as more particularly described on Exhibit A attached hereto and incorporated herein by reference ("**Mortgaged Property**").

ARTICLE I
DEFINITIONS AND INTERPRETATION

SECTION 1.1 **Incorporation of Recitals.** In addition to the recitals set out above, the Recitals to the Indenture are incorporated into and made a part of this Assignment.

SECTION 1.2 **Defined Terms.** All capitalized terms used in this Assignment have the meanings given to those terms in the Indenture or elsewhere in this Assignment unless the context or use clearly indicates a different meaning.

SECTION 1.3 **Rules of Construction.** The rules of construction set forth in Section 1.2 of the Indenture shall apply to this Assignment in their entirety, except that in applying such rules, the term "Assignment" shall be substituted for the term "Indenture".

SECTION 1.4 **Interpretation.** Each of the parties acknowledges that it and its counsel participated in the drafting and revision of this Assignment. Accordingly, the parties agree that any rule of construction which disfavors the drafting party shall not apply in the interpretation of this Assignment.

SECTION 1.5 **Effective Date.** This Assignment shall be effective on the Closing Date, immediately upon the effectiveness of the Indenture.

ARTICLE II
TRANSFER OF ASSIGNED RIGHTS

SECTION 2.1 **Assignment of Assigned Rights to Fannie Mae and the Trustee.** The Issuer irrevocably and absolutely assigns, transfers, conveys and delivers to Fannie Mae and the Trustee, but without recourse to the Issuer, all of the Issuer's right, title and interest in and to (i) the Note, the Security Instrument, each of the other Loan Documents and the Financing Agreement (collectively, **"Assigned Documents"**), (ii) all the real and personal property described in the Assigned Documents and (iii) all proceeds, products, substitutions, additions and replacements of any collateral now or hereafter mortgaged, assigned or pledged under any of the Assigned Documents; in all cases whether now existing or arising in the future; provided, however, that the Reserved Rights of the Issuer are excepted from such assignment and transfer (collectively, **"Assigned Rights"**). Each Assignee acknowledges receipt of, and accepts, and shall hold, the Assigned Rights, as its interest may appear.

SECTION 2.2 **Acknowledgement of Exclusion from Assignment.** The Borrower, the Issuer, Fannie Mae and the Trustee specifically agree that the Regulatory Agreement is not an Assigned Document; provided, however, that Fannie Mae, as a third party beneficiary, shall have the right to enforce the Regulatory Agreement in accordance with the provisions of the Regulatory Agreement.

SECTION 2.3 **Limitations on Issuer.** From and after the effective date of this Assignment, the Issuer shall not have, except with respect to the Reserved Rights, any right, power or authority to exercise any of the Assigned Rights or take any other action with respect to the Assigned Documents or the Assigned Rights, including waiving or releasing the Borrower from any default under any of the Assigned Documents, consenting to any amendment, supplement to, or restatement of any Loan Document and accelerating or otherwise enforcing payment or seeking other remedies with respect to the Loan.

SECTION 2.4 **Power of Attorney.** Subject to the Reserved Rights of the Issuer, the Issuer agrees that Fannie Mae and the Trustee, each acting alone, in its own name or in the name of the Issuer, may enforce all of the Assigned Rights and all obligations of the Borrower under the Assigned Documents (not including the Reserved Rights), without regard to whether the Issuer is in default under the Assigned Documents or under this Assignment. In order to implement the foregoing, the Issuer appoints each of Fannie Mae and the Trustee, their respective successors and assigns, as the Issuer's true and lawful attorney-in-fact with power of substitution to do any or all of the foregoing in the name, place and stead of the Issuer. This power of attorney, being coupled with an interest, is irrevocable as long as this Assignment remains in effect.

SECTION 2.5 **Disclaimer of Assumption of Obligations.** Neither Fannie Mae nor the Trustee shall be obligated by reason of this Assignment or otherwise to perform or be responsible for the performance of any of the obligations of the Issuer under the Assigned Documents.

SECTION 2.6 **Confirmation of Assignment and Transfer.** In order to confirm and evidence the assignment set out in Section 2.1, the Issuer has delivered to Fannie Mae and the Trustee and Fannie Mae and the Trustee acknowledge receipt of, a signed counterpart of each of the Assigned Documents (other than the Note, which is a single original delivered to the custody of the Trustee as provided in Section 4.1) and has executed and delivered to Fannie Mae and the Trustee Uniform Commercial Code financing statements covering the Issuer's interest in the Assigned Rights in form sufficient for filing with the Illinois Secretary of State's Office and the Cook County Recorder's Office, naming Fannie Mae and the Trustee as secured parties.

SECTION 2.7 **Further Assurances.** The Issuer agrees to cooperate, at Borrower's costs and expense, with the Borrower, Fannie Mae and the Trustee in their defenses of Fannie Mae's and the Trustee's interests in the Assigned Rights against the claims and demands of all Persons. The Issuer will at Borrower's costs and expense, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such additional and supplemental agreements, financing statements, continuation statements and other instruments and documents, do such further acts, and make such further transfers as the Trustee or Fannie Mae may reasonably request to effectuate the purpose and intent of this Assignment.

ARTICLE III
LOAN SERVICING

SECTION 3.1 **Loan Servicing in General.** So long as the Assigned Rights have not transferred to the Trustee pursuant to Section 5.1, Fannie Mae shall have the sole and exclusive right, without the consent of the Issuer, the Trustee or the Borrower, to (i) arrange for the servicing of the Assigned Rights and the Issuer's Fee, but excluding all other Reserved Rights (ii) appoint and reappoint the Loan Servicer and (iii) terminate the Loan Servicer (with or without cause), all on such terms and conditions as Fannie Mae may determine from time to time. Loan servicing shall include, but not be limited to, the power and authority to (a) take any action, make any decision, exercise any power or authority to act with respect to the Assigned Rights, (b) establish and maintain custodial and other accounts for the deposit of funds payable by the Borrower and (c) collect, apply and disburse payments of principal of, interest on and premium on the Loan and all other sums payable from time to time by the Borrower under any of the Loan Documents or the Financing Agreement, all in accordance with the applicable documents. None of the Issuer, the Trustee or the Borrower shall have any right under, or be a third party beneficiary of, the Servicing Agreement. Neither Fannie Mae, the Issuer nor the Trustee shall have any obligation to pay a servicing fee to the Construction Lender or the Loan Servicer.

SECTION 3.2 **Loan Servicing During the Construction Phase**. The Issuer, the Trustee and the Borrower acknowledge and agree that:

(a) **Loan Administration**. Fannie Mae and the Construction Lender have agreed that, subject to payment servicing by the Trustee pursuant to subsection (b), the Construction Lender shall administer the Loan from the Closing Date to, but excluding, the Conversion Date in accordance with the Construction Phase Financing Agreement.

(b) **Payment Servicing**. From the Closing Date to, and including, the Conversion Date, the Trustee shall service the Borrower's payments as set out in this subsection. The Borrower shall pay all of the following directly to the Trustee:

(1) all principal of and interest (adjusted, if necessary, as provided in Section 3.3) and any premium on the Loan (whether regularly scheduled payments, an optional prepayment or otherwise);

(2) all Third Party Fees and Fees and Expenses;

(3) all other amounts payable under any of the Loan Documents; and

(4) the Facility Fee payable by the Borrower under the Reimbursement Agreement;

in each case for remittance to the Person to whom owed. Servicing to be performed by the Trustee shall include the calculation of such amounts as are payable by the Borrower, invoicing the Borrower for such amounts, collecting such payments from the Borrower and remitting the proceeds of such collections to the Person to whom owed. The Borrower shall receive a payment credit for interest payable on the Loan or Facility Fee payable under the Reimbursement Agreement to the extent that the Trustee applies funds on deposit in the Capitalized Moneys Account or otherwise held under the Indenture, to any such amount. The Borrower shall make all such payments to the Trustee two Business Days prior to the date such amounts are otherwise payable under the applicable Borrower Document (each, a "**Servicing Payment Date**"). For the purpose of calculating the amount of interest due on the Note, the amount of Third Party Fees and Fees and Expenses due under the Financing Agreement and the Facility Fee due under the Reimbursement Agreement, the fact that the Borrower is required to make the payment on a Servicing Payment Date (rather than on the date such amounts are otherwise payable) will be ignored. The Borrower shall make all such payments by wire transfer of immediately available funds to such account as required from time to time by the Trustee. The Trustee shall invoice the Borrower for all such payments at least two Business Days in advance of the Servicing Payment Date on which such payments are due pursuant to this Section.

SECTION 3.3 **Mortgage Interest During Weekly Variable Rate**. If the interest rate on the Bonds is a Weekly Variable Rate, the rate at which interest accrues on the Loan is reset on the same day of each week. However, each Note Interest Payment Date (as that term is defined in the Note "**Note Interest Payment Date**") may fall on any day of the week. Accordingly, for some Note Interest Payment Dates, the Weekly Variable Rate in effect for the last few days of the Note Interest Period (as that term is defined in the Note "**Note Interest Period**") will not be known on the day the Trustee invoices the Borrower for payments of Note Interest. To provide for the orderly invoicing and payment of Note Interest, the Trustee will invoice the Borrower, and the Borrower will pay the amount invoiced by the Trustee, as the combination of (i) Note Interest accrued for those days of the Note Interest Period for which the Trustee knows the rate at which Note Interest accrues, plus (ii) for the remaining days of the Note Interest Period interest at two percentage points in excess of the Weekly Variable Rate in effect for the last week of the Note Interest Period for which the rate is known at the time of the invoice. If the amount invoiced by the Trustee and paid by the Borrower is greater than the Note Interest which actually accrued, the excess amount will be retained by the Trustee and applied to

the next payment of Note Interest (or, if the Conversion Date occurs or all of the Bonds have been repaid in full, returned to the Borrower). If the amount paid is less than the accrued Note Interest, the Borrower will pay such deficiency within one Business Day of receipt of a restated invoice for that Note Interest Period.

SECTION 3.4 **Loan Servicing During the Permanent Phase**. The Issuer, the Trustec and the Borrower acknowledge and agree that, subject to Section 3.1, after the Conversion Date, the Loan Servicer shall service and administer the Loan and the Financing Agreement pursuant to the Reimbursement Agreement and the Servicing Agreement.

SECTION 3.5 **Payments due on Conversion Date**. Any payment mentioned in Section 3.2(b) and due to be paid on the Conversion Date is a Construction Phase payment. The Borrower shall pay all such amounts to the Trustee. The Borrower shall make all payments due on any day after the Conversion Date to the Loan Servicer. The first payment on the Note in the Permanent Phase will be the payment due in the month following the month in which the Conversion Date occurs.

SECTION 3.6 **Payments to Fannie Mae**. On and prior to the Conversion Date, the Trustee agrees to remit the Facility Fee to Fannie Mae, either from the Capitalized Moneys Account or from the Borrower's monthly payment made in accordance with Section 3.2(b).

SECTION 3.7 **Monitoring.** The Borrower shall furnish to the Loan Servicer copies of all reports regarding the Mortgaged Property required to be filed by the Borrower pursuant to the Financing Agreement or the Regulatory Agreement. Neither the Trustee nor the Loan Servicer shall have any duty or obligation to analyze or review any such reports for determining whether or not the Borrower or the Mortgaged Property is in compliance with the requirements of the Code for maintaining the excludability from gross income, for federal income tax purposes, of the interest payable on the Bonds.

ARTICLE IV
CONTROL OF ASSIGNED RIGHTS

SECTION 4.1 **Possession of Note and Security Instrument.** The Trustee shall hold the original Note and the recorded Security Instrument until the Conversion Date or such earlier date as Fannie Mae may direct pursuant to Section 4.4 or Section 4.5. The Trustee agrees to deliver on the Conversion Date the original Note and the recorded Security Instrument to the Loan Servicer for delivery to Fannie Mae. After the Conversion Date, but subject to the provisions of Section 5.1, Fannie Mae shall hold the original Note and the recorded Security Instrument. The originals (or, where recorded, executed copies) of all other Loan Documents, shall be delivered to and held by the Loan Servicer until the Conversion Date at which time such documents shall be delivered to Fannie Mae. The Trustee acknowledges receipt of the original executed Note, endorsed to the order of Fannie Mae and the Trustee, as their interests may appear.

SECTION 4.2 **Exclusive Exercise of Assigned Rights by Fannie Mae.** Except only as provided in Section 5.1, Fannie Mae shall have and may exercise all of the Assigned Rights to the exclusion of the Trustee and in the same manner and with the same right, power and authority to act as Fannie Mae would have if Fannie Mae were the sole owner of the Loan

and were the sole holder of the Note and the Security Instrument. In exercising the Assigned Rights, Fannie Mae shall not be an agent of the Issuer or the Trustee. Neither the Issuer nor the Trustee shall be liable for any action taken or not taken by Fannie Mae in the exercise of the Assigned Rights or the Loan Servicer in the servicing of the Assigned Rights.

SECTION 4.3 **Disposition of Loan.** Unless the Assigned Rights are transferred to the Trustee pursuant to Section 5.1, the Trustee shall not, without the prior written consent of Fannie Mae, dispose of the Loan, transfer the Note or any other Loan Document or any interest in the Note or any Loan Document, other than to Fannie Mae as provided in Sections 4.4 and 4.5, a successor Trustee pursuant to the Indenture or to the Issuer pursuant to Section 10.11 of this Assignment.

SECTION 4.4 **Assignment of Loan Without Payment or Redemption of Bonds.** Fannie Mae shall have the right, with respect to the Loan, without making an Advance under the Credit Enhancement Instrument, but only upon filing with the Trustee a certification reaffirming Fannie Mae's obligations under the Credit Enhancement Instrument, to instruct the Trustee in writing to assign the Note, the Security Instrument and the other Loan Documents to Fannie Mae, in which event the Trustee shall (i) endorse the Note to Fannie Mae and assign (in recordable form) the Security Instrument, (ii) assign (in recordable form) all other Loan Documents to Fannie Mae, (iii) if such direction occurs prior to the Conversion Date, deliver the original Note and the recorded Security Instrument to the Loan Servicer for delivery to Fannie Mae and (iv) execute all such documents as are necessary to legally and validly effectuate the assignments provided for in the preceding clauses (i) and (ii). The Trustee's assignments to Fannie Mae pursuant to this Section 4.4 shall be without recourse or warranty except that the Trustee shall represent and warrant in connection therewith (A) that the Trustee has not previously endorsed or assigned any such documents or instruments and (B) that the Trustee has authority to endorse and assign such documents and instruments and such endorsements and assignment have been duly authorized. Fannie Mae shall hold the Note and the Security Instrument for the benefit of the Bondholders. If, following such assignments, the Assigned Rights are transferred to the Trustee pursuant to Section 5.1, all rights and interests assigned by the Trustee to Fannie Mae pursuant to this Section shall automatically without any further action on the part of the Trustee or Fannie Mae revert to the Trustee. Notwithstanding the foregoing, Fannie Mae agrees to take such action and to execute and deliver and to facilitate the recordation of such documents provided to Fannie Mae as may be reasonably necessary to evidence the reversion of all rights and interests originally assigned by the Trustee to Fannie Mae pursuant to this Section. No assignment pursuant to this Section shall affect Fannie Mae's obligations under the Credit Enhancement Instrument.

SECTION 4.5 **Assignment of Assigned Rights Upon Payment or Redemption of Bonds in Whole.** In the event Fannie Mae makes an Advance under the Credit Enhancement Instrument with respect to the payment or redemption of the Bonds Outstanding in whole, unless otherwise determined by Fannie Mae:

(a) all of the Trustee's right, title and interest in and to the Assigned Rights shall transfer to Fannie Mae automatically, without any further action on the part of the Trustee or Fannie Mae; and

(b) the Trustee shall (i) endorse the Note to Fannie Mae and assign (in recordable form) and deliver the Security Instrument to Fannie Mae, (ii) assign (in recordable form) all other Loan Documents and the Financing Agreement to Fannie Mae, (iii) if such Advance occurs prior to the Conversion Date, deliver the original Note and the recorded Security Instrument to the Loan Servicer for delivery to Fannie Mae and (iv) execute and deliver all such other documents as are necessary to legally and validly effectuate the assignments provided for in the preceding clauses (i) and (ii).

The Trustee's assignments to Fannie Mae pursuant to this Section shall be without recourse or warranty except that the Trustee shall represent and warrant in connection therewith (A) that the Trustee has not previously endorsed or assigned any such documents or instruments and (B) that the Trustee has authority to endorse and assign such documents and instruments.

SECTION 4.6 **Consequences of Foreclosure.** In the event that, following a default under the Loan, the (i) Mortgaged Property is acquired by either or both of the Assignees, or their nominees, as a result of a foreclosure or the acceptance of a deed in lieu of foreclosure or comparable conversion of the Loan or other enforcement provisions of the Security Instrument, (ii) the Bonds are not redeemed with funds provided under the Credit Enhancement Instrument and (iii) Fannie Mae has any obligation under the Credit Enhancement Instrument and no Wrongful Dishonor exists, the Mortgaged Property shall be conveyed to Fannie Mae or its nominee, and all decisions thereafter with respect to the Mortgaged Property (including, without limitation, all decisions with respect to the management, operation, maintenance and sale of the Mortgaged Property — and the price and terms of such sale — the payment or contesting of real estate taxes, rebuilding or restoration after damage, destruction or taking, alterations, improvements, insurance coverage, litigation and conversion to a cooperative or condominium), shall be made solely by Fannie Mae.

SECTION 4.7 **Amendments to Loan Documents.** Unless the Assigned Rights are transferred to the Trustee pursuant to Section 5.1, the provisions of this Section shall apply to any amendment, supplement to or restatement of the Loan Documents.

(a) **Right to Amend, Supplement or Restate Loan Documents.** Fannie Mae shall have the right to amend, supplement or restate the Loan Documents with the Borrower and to exchange any of the Loan Documents for new Loan Documents relating to the Mortgaged Property (collectively, "**Amended Loan Documents**"). If the execution of any Amended Loan Documents would:

(1) result in an amendment of the Credit Facility, Fannie Mae may not proceed with such execution unless Fannie Mae provides to the Trustee an Opinion of Counsel to Fannie Mae, who may be an employee of Fannie Mae, to the effect that the modified Credit Facility is a valid and binding obligation of Fannie Mae, subject to any applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and general equitable principles and other customary exceptions. The Trustee shall promptly provide to the Issuer a copy of any such Opinion of Counsel.

(2) change the payment terms of the Loan, Fannie Mae must provide the Trustee a written confirmation from the Rating Agency that the rating to be in effect with respect to

the Bonds from and after the execution of such Amended Loan Documents will not be lower than the rating then in effect for the Bonds. The Trustee shall promptly provide to the Issuer a copy of any such rating confirmation.

(3) change the outstanding principal amount, the interest rate, the maturity date, the due date for the payment of interest, the terms of mandatory prepayment or governing law or jurisdiction provisions of the Note, Fannie Mae must obtain the Trustee's prior written consent to such change.

(b) **Trustee's Consent.** Unless the Assigned Rights are transferred to the Trustee pursuant to Section 5.1:

(1) unless directed to do so in writing by Fannie Mae, the Trustee shall not consent to any proposed amendment, supplement to or restatement of, any of the Loan Documents or waive any default by the Borrower under any of the Loan Documents; and

(2) if directed to do so in writing by Fannie Mae, the Trustee shall amend, supplement or restate the Loan Documents, or waive any default by the Borrower under any of the Loan Documents;

provided, however, that no such amendment, supplement or restatement shall (i) change, without the Trustee's prior written consent, the outstanding principal amount, the interest rate, the maturity date, the due date for the payment of interest, the terms of mandatory prepayment or governing law or jurisdiction provisions of the Note; or (ii) change, without the Issuer's prior written consent, the timing or amount of the Issuer's Fee.

Fannie Mae will endeavor to provide Issuer notice of any amendment, supplement or restatement of the Loan Documents made pursuant to this Section.

SECTION 4.8 **New Borrower.** In the event Fannie Mae forecloses the Security Instrument, or accepts a deed in lieu of foreclosure or comparable conversion of the Mortgaged Property, Fannie Mae shall have the right to enter into, or cause to be executed, Amended Loan Documents or exchange the Loan Documents for Amended Loan Documents by a person other than the Borrower (**"New Borrower"**). Except in the event of a transfer of the Mortgaged Property to Fannie Mae, Fannie Mae shall not execute any Amended Loan Documents having the effect of substituting a New Borrower as the Borrower, unless Fannie Mae first provides each of the following to the Trustee:

(a) written evidence that the New Borrower has executed and recorded, as applicable, documents, acceptable to the Issuer and Fannie Mae, substantially in the forms of the Financing Agreement and the Regulatory Agreement (or executed and recorded an assumption, acceptable to the Issuer and Fannie Mae, of all of the applicable Borrower's obligations under the Financing Agreement and the Regulatory Agreement) and that the Credit Facility Documents and the Credit Facility, if required, have been modified to be applicable to the new mortgage loan;

(b) from the Rating Agency written confirmation that the rating to be in effect with respect to the Bonds from and after delivery to the Trustee of the new mortgage note and

mortgage and the modified Credit Facility Documents and modified Credit Facility will not be lower than the rating then in effect for the Bonds;

(c) an opinion of Bond Counsel to the effect that such exchange and modification, in and of itself, will not affect the excludability of the interest payable on the Bonds from gross income for federal income tax purposes;

(d) from the Issuer, the consent (if any) required by the Regulatory Agreement; and

(e) Trustee shall promptly provide the Issuer a copy of each of the items the Trustee is provided pursuant to subparts (b) or (c) above.

SECTION 4.9 **Fannie Mae Assignment.** Fannie Mae shall have the right, in its sole discretion, to assign, sell or transfer its right, title and interest in, to and under the Loan Documents, the Assigned Rights and this Assignment to any Person. Fannie Mae will endeavor to provide Issuer notice of any such assignment made pursuant to this Section.

ARTICLE V
TRANSFER OF ASSIGNED RIGHTS TO TRUSTEE

SECTION 5.1 **Transfer of Assigned Rights to Trustee.** If either (i) Fannie Mae has no further obligation under the Credit Enhancement Instrument and all obligations of the Borrower to Fannie Mae under the Credit Facility Documents and the other Borrower Documents have been satisfied in full; or (ii) a Wrongful Dishonor occurs and continues for more than five Business Days after the Issuer or the Trustee gives written notice of such Wrongful Dishonor specifying such failure and requesting that it be remedied, the Assigned Rights shall transfer automatically to the Trustee, without any further action on the part of the Trustee or Fannie Mae. Fannie Mae shall promptly transfer possession of the original Note and the recorded Security Instrument and the other Assigned Documents to the Trustee. Fannie Mae shall also take such action and execute and deliver and facilitate the filing and recordation of such documents provided to Fannie Mae as may be reasonably necessary to evidence the transfer of the Assigned Rights to the Trustee and the assignment of the Assigned Documents to the Trustee. Fannie Mae's assignments to the Trustee pursuant to this Section shall be without recourse or warranty except that Fannie Mae shall represent and warrant in connection therewith (i) that Fannie Mae has not previously endorsed or assigned any such documents or instruments and (ii) that Fannie Mae has authority to endorse and assign such documents and instruments.

SECTION 5.2 **Exercise of Assigned Rights after Transfer to Trustee.** If the Assigned Rights transfer to the Trustee pursuant to Section 5.1:

(a) the Trustee (alone or, at its election, with the Issuer) may exercise the Assigned Rights and all other rights, powers, options, privileges and remedies provided to the Trustee under this Assignment, to the exclusion of Fannie Mae;

(b) all obligations of the Borrower under the Credit Facility Documents shall continue to be secured by the Security Instrument on an equal and ratable basis with the obligations of the Borrower under the Loan Documents; and

(c) if, at such time, Fannie Mae has a lien on any Bonds pursuant to the Pledge Agreement, the Trustee shall have, in its exercise of any of the rights, powers, options, privileges and remedies provided for in this Assignment pursuant to Section 5.1, the same fiduciary obligations to Fannie Mae, as secured party, as the Trustee has to the Bondholders.

Notwithstanding the foregoing, nothing in this Assignment or in any Loan Document shall limit or control the exercise by Fannie Mae of the rights granted by the Borrower to Fannie Mae as "Lender" under the Security Instrument. Each of the Issuer, the Trustee and the Borrower recognizes and confirms the rights granted by the Borrower to Fannie Mae as "Lender" under the Security Instrument. If and for so long as Fannie Mae continues to have any further obligation under the Credit Enhancement Instrument, Fannie Mae shall be entitled to receive all notices pursuant to this Assignment, the Indenture and the Loan Documents.

ARTICLE VI
TRUSTEE

SECTION 6.1 **Certain Notices to Fannie Mae, the Loan Servicer and the Construction Lender.** The Trustee shall give the following notices in writing:

(a) The Trustee shall give prompt written notice to Fannie Mae, the Loan Servicer and the Construction Lender of the occurrence of any Event of Default known to it under the Indenture, the Credit Enhancement Instrument, the Financing Agreement, the Note, the Security Instrument or any other Transaction Document, and of any event known to it which would become such an Event of Default upon the giving of notice, the lapse of time or both, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect to such events.

(b) During any Weekly Variable Rate Period, the Trustee shall, prior to the Conversion Date, give written notice to the Construction Lender of the amount of each interest payment due on the Bonds and, on and after the Conversion Date, give notice to the Loan Servicer of the amount of each interest payment due on the Bonds. The Trustee shall give such notice as soon as practicable but not later than the last Wednesday before the Interest Payment Date of each month, or in the event such Wednesday is not a Business Day, the next Business Day.

SECTION 6.2 **Power of Attorney.** The Trustee, for itself and for any successor or replacement Trustee, irrevocably and unconditionally constitutes and appoints Fannie Mae as the Trustee's true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge and deliver any notice, document, certificate, paper, instrument or pleading and to do in the Trustee's name, place and stead, all such acts, things and deeds for and on behalf of the Trustee under this Assignment and/or any of the Assigned Documents which the Trustee could or might do or which may be necessary, desirable or convenient in Fannie Mae's sole discretion to effectuate the purposes of this Assignment and/or any Assigned Document. The power of attorney and the rights, remedies, power and authority granted by the Trustee to Fannie Mae in this Assignment are hereby declared by the Trustee to be coupled with an interest and irrevocable until the Reimbursement Agreement is no longer in full force and effect or until the Assigned Rights are transferred to the Trustee pursuant to Section 5.1, and may be exercised by Fannie Mae in the name of Fannie Mae, in the name of the Trustee or in the names of Fannie Mae and the Trustee, as Fannie Mae may at any time or from time to time determine, and the

Trustee hereby confirms and ratifies all acts and deeds taken or to be taken by Fannie Mae as attorney-in-fact.

SECTION 6.3 **Enforcement.** Notwithstanding any other provision in this Assignment to the contrary, so long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, the Trustee shall not exercise any remedy or direct any proceeding under the Indenture, the Loan Documents or the Financing Agreement other than (i) to enforce rights under the Credit Enhancement Instrument, (ii) to enforce the tax covenants in the Indenture, the Tax Certificate and the Financing Agreement provided that the Trustee does not enforce any right it may have for monetary damages, and (iii) as otherwise permitted under the Indenture or the Financing Agreement. The Trustee shall provide written notice to Fannie Mae, the Issuer and the Loan Servicer immediately upon taking any action at law or in equity to exercise any remedy or direct any proceeding under the Indenture or the Financing Agreement.

SECTION 6.4 **Bailee.** The Trustee agrees to act as bailee and agent on behalf of Fannie Mae in relation to the Borrower's pledge and grant of a security interest pursuant to Section 2.6 of the Reimbursement Agreement to the extent, if any, the Borrower retains an interest in all Funds, Accounts and Investments held by the Trustee under the Indenture.

SECTION 6.5 **Records and Books of Account.** The Trustee shall keep, or cause to be kept, proper records and books of account in which complete and accurate entries shall be made of all of its transactions relating to the Loan and the Assigned Documents, including without limitation, payments made under the Loan and all funds and accounts established by or held pursuant to the Indenture with respect to the Loan.

SECTION 6.6 **Examination of Records and Books of Account.** The Trustee agrees that all records and books of account in its possession relating to the Loan, the Assigned Documents and all records and books of account regarding the receipt and distribution of payments on the Loan and the Borrower's compliance with the terms and conditions of the Loan and the Assigned Documents, shall be open to inspection, examination and audit at any reasonable time by the Issuer, the Borrower, the Loan Servicer, Fannie Mae and the Construction Lender or by such accountants or other agents as the Issuer, the Borrower, the Loan Servicer, Fannie Mae or the Construction Lender may from time to time designate. In addition, the Issuer, the Borrower, the Loan Servicer, Fannie Mae and the Construction Lender shall have the right, at any time and from time to time, to require the Trustee to furnish such documents to the Issuer, the Borrower, the Loan Servicer, Fannie Mae and the Construction Lender, at the Borrower's expense, as the Issuer, the Borrower, the Loan Servicer, Fannie Mae or the Construction Lender, as the case may be, from time to time, deems reasonably necessary in order to determine that the provisions of the Loan have been complied with.

ARTICLE VII
INSURANCE AND CONDEMNATION

SECTION 7.1 **Insurance.** So long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, (i) Fannie Mae shall be named as the sole mortgagee on all fire, extended coverage and other hazard insurance policies required under the Loan Documents ("**Insurance Policies**"), (ii) all such proceeds shall be held and applied by Fannie Mae in accordance with the Security Instrument and the other Loan Documents, and (iii) the Borrower,

as mortgagor, shall deal solely with Fannie Mae or the Loan Servicer, as Fannie Mae shall direct, under the Loan Documents with respect to all matters related to the Insurance Policies. If the Assigned Rights transfer to the Trustee pursuant to Section 5.1, (1) the Trustee shall be named as the sole mortgagee on all Insurance Policies, (2) all such proceeds shall be held and applied by the Trustee in accordance with the Security Instrument and the other Loan Documents, and (3) the Borrower, as mortgagor, shall deal solely with the Trustee under the Loan Documents with respect to all matters related to the Insurance Policies. The Borrower agrees that Fannie Mae, the Trustee and the Issuer shall each be a named insured on all liability insurance policies required under the Loan Documents. Fannie Mae and the Trustee shall execute, acknowledge and deliver all such documents as shall be necessary to evidence or confirm the provisions of this Section. Neither Fannie Mae, the Loan Servicer, the Issuer nor the Trustee shall have any liability under this Assignment or otherwise for any application of insurance proceeds.

SECTION 7.2 **Condemnation.** So long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, (i) Fannie Mae shall be the sole payee with respect to all condemnation awards, (ii) all proceeds of any condemnation award shall be applied in any manner permitted by the Security Instrument, as directed by Fannie Mae, in its discretion, and (iii) the Borrower, as mortgagor, shall deal solely with Fannie Mae or the Loan Servicer, as Fannie Mae shall direct, under the Loan Documents. If the Assigned Rights transfer to the Trustee pursuant to Section 5.1, (1) the Trustee shall be the sole payee with respect to all condemnation awards, (2) all proceeds of any condemnation award shall be applied in any manner permitted by the Security Instrument, as directed by the Trustee, in its discretion, and (3) the Borrower, as mortgagor, shall deal solely with the Trustee under the Loan Documents. Fannie Mae and the Trustee shall execute, acknowledge and deliver all such documents as shall be necessary to evidence or confirm the provisions of this Section. Neither Fannie Mae, the Loan Servicer, the Issuer nor the Trustee shall have any liability under this Assignment or otherwise for any application of condemnation award proceeds.

ARTICLE VIII
REGULATORY AGREEMENT

SECTION 8.1 **Monitoring of Regulatory Agreement.** The Trustee shall monitor compliance with the Regulatory Agreement.

SECTION 8.2 **Termination of Regulatory Agreement.** Upon expiration or termination of the Regulatory Agreement pursuant to its terms, the Issuer, in its capacity as the Issuer, shall promptly notify Fannie Mae of the termination of the Regulatory Agreement.

SECTION 8.3 **Right To Enforce Compliance.** The Issuer, the Trustee, the Loan Servicer and Fannie Mae shall each have the right, but not the obligation, to enforce compliance by the Borrower and its successors as subsequent owners of the Mortgaged Property with the Regulatory Agreement. Notwithstanding the foregoing, the Trustee agrees that it will, subject to the provisions of the Indenture and Article IX, take such action as may be required to achieve compliance by the Borrower with the Regulatory Agreement, and shall provide notice of such action or actions to the Issuer and the Loan Servicer.

SECTION 8.4 **Notices of Violations of the Regulatory Agreement.** Promptly upon determining that a violation of the Regulatory Agreement has occurred, the Trustee shall

send written notice of such violation to Fannie Mae, the Loan Servicer and the Issuer. The Trustee's notice shall set out the nature of the violation and state whether the violation has been cured or has not been cured but is curable within a reasonable period of time, or is incurable and contain a copy of the Issuer's notice of violation to the Borrower. If the Borrower fails to cure the violation to the reasonable satisfaction of the Issuer within the time period set forth in the Issuer's notice of the violation to the Borrower (which period shall not be shorter than any applicable period set out in the Regulatory Agreement for the cure of such violation) and if, as a consequence of such failure, the Issuer declares an Event of Default under the Regulatory Agreement, the Issuer shall provide prompt written notice to Fannie Mae, the Loan Servicer and the Trustee of the Event of Default (together with a copy of any notice of the Event of Default provided to the Borrower).

SECTION 8.5 **Cure Rights.** Each of Fannie Mae, the Loan Servicer and the Trustee shall have the right, but not the obligation, to cure any default by the Borrower under the Regulatory Agreement. Such cure may be made even after the Issuer's notice of declaration of an Event of Default under the Regulatory Agreement, provided however, such cure right shall not affect any requirements of the Code and the Act. Fannie Mae shall have the additional right, but not the obligation, to cure any violation of the Regulatory Agreement by assumption of the management and operation of the Mortgaged Property, directly or through any Fannie Mae approved seller-servicer or a receiver under the Security Instrument. Any operation of the Mortgaged Property by Fannie Mae or its successors or assigns shall be in accordance with the Regulatory Agreement, but only so long as the Regulatory Agreement remains in effect.

ARTICLE IX
ISSUER'S COVENANTS

SECTION 9.1 **Limitations on Issuer.** The Issuer shall not consent to any amendment, supplement to, or restatement of any Bond Document or the Regulatory Agreement, or any other document (documents shall not include opinions or certificates executed in connection with the Bonds) executed or delivered in connection with the Bonds without the prior written consent of Fannie Mae.

SECTION 9.2 **Enforcement.** Notwithstanding any other provision in this Assignment to the contrary, so long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, neither the Issuer nor any person under its control shall exercise any remedy or direct any proceeding under the Indenture, the Financing Agreement or the Regulatory Agreement other than as set out in this Section.

(a) **Enforcement of Certain Rights and Obligations.** Subject to subsection (b), the Issuer may:

(1) Tax Covenants. Seek specific performance of the tax covenants of the Indenture, the Tax Certificate and the Financing Agreement, injunctive relief against acts which may be in violation of any of the tax covenants, and enforce the Borrower's obligation to pay amounts for credit to the Rebate Fund;

(2) Regulatory Agreement. Seek specific performance of the obligations of the Borrower or any other owner of the Mortgaged Property under the Regulatory Agreement

and injunctive relief against acts which may be in violation of the Regulatory Agreement or otherwise unlawful; provided, however, that the Issuer may enforce any right it may have under the Regulatory Agreement for monetary damages only against Excess Revenues, if any, of the Borrower, unless Fannie Mae otherwise specifically consents in writing to the use of other funds; and

(3) Reserved Rights. Take whatever action at law or in equity which appears necessary or desirable to enforce the Reserved Rights; provided, however, that the Issuer or any person under its control may only enforce any right it may have for monetary damages against Excess Revenues, if any, of the Borrower, unless Fannie Mae otherwise specifically consents in writing to the enforcement against other funds of the Borrower.

(b) **Overriding Limitations.** In no event shall the Issuer:

(1) prosecute its action pursuant to or under the Reserved Right or otherwise in connection with the Bonds or Bond Documents to a lien on the Mortgaged Property;

(2) take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due under, the Loan or of causing the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future; or

(3) interfere with the exercise by Fannie Mae of any of its rights under the Loan Documents or the Credit Facility Documents upon the occurrence of an event of default by the Borrower under the Loan Documents or the Credit Facility Documents; or

(4) take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Loan or the Bonds.

(c) **Notice of Action.** The Issuer shall provide written notice to Fannie Mae, the Trustee and the Loan Servicer within [[10]] days of taking any action at law or in equity, to exercise any remedy or direct any proceeding under the Indenture, the Financing Agreement or the Regulatory Agreement.

(d) **Definition of "Excess Revenues".** As used in this Section, the term "**Excess Revenues**" means, for any period, the net cash flow of the Borrower available for distribution to shareholders, members or partners (as the case may be) for such period, after the payment of all interest expense, the amortization of all principal of all indebtedness coming due during such period (whether by maturity, mandatory sinking fund payment, acceleration or otherwise), the payment of all fees, costs and expenses on an occasional or recurring basis in connection with the Loan or the Bonds, the payment of all operating, overhead, ownership and other expenditures of the Borrower directly or indirectly in connection with the Mortgaged Property (whether any such expenditures are current, capital or extraordinary expenditures), and the setting aside of all reserves for taxes, insurance, water and sewer charges or other similar impositions, capital expenditures, repairs and replacements and all other amounts which the Borrower is required to set aside pursuant to agreement, but excluding depreciation and amortization of intangibles.

SECTION 9.3 **Specific Performance.** The Borrower acknowledges and agrees that were money damages a remedy under the Regulatory Agreement or in connection with any of the tax covenants of the Indenture, the Tax Certificate and the Financing 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 or the tax covenants and therefore the Borrower agrees that the remedy of specific performance shall be available to the Issuer and/or the Trustee in any case.

SECTION 9.4 **Control on Right of Redemption.** Notwithstanding any inconsistent provision of the Indenture or any of the Loan Documents and so long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, the Issuer shall not exercise any right pursuant to Section 3.2 of the Indenture to redeem any or all of the Bonds without the prior written consent of Fannie Mae in each case and shall not, without the prior written consent of Fannie Mae, use the proceeds of any Advance under the Credit Enhancement Instrument to make any such redemption.

SECTION 9.5 **Consents to Maturity and Sinking Fund Schedules.** The Issuer will not establish any schedule of principal amounts of Bonds to mature or be subject to redemption through the application of Sinking Fund Payments as provided in Section 2.8(c)(5) of the Indenture without the prior written direction of the Borrower and, for so long as Fannie Mae has any obligation under the Credit Enhancement Instrument and no Wrongful Dishonor exists, without the prior written consent of Fannie Mae.

SECTION 9.6 **Remarketing Agreement; Tender Agent Agreement.** The Issuer and the Borrower agree that they will not enter into any amendment, modification, supplement or other document effecting a change in the Remarketing Agreement or Tender Agent Agreement applicable to the Bonds or enter into any new or replacement remarketing agreement or tender agent agreement with respect to the Bonds without the prior written consent of Fannie Mae.

SECTION 9.7 **Further Assurances.** The Issuer, to the extent permitted by law, shall execute, acknowledge and deliver such supplemental indentures and other instruments and documents, and perform such further acts, as the Trustee or the Credit Provider may reasonably require to perfect, and maintain perfected, the security interest in the Trust Estate or to better assure, transfer, convey, pledge, assign and confirm to the Trustee or the Credit Provider all of its respective interest in the property described in the Indenture and the revenues, receipts and other amounts pledged by the Indenture. The Issuer, at the sole expense of the Borrower, shall cooperate to the extent necessary with the Borrower, the Trustee and the Credit Provider in their defenses of the Assigned Rights and the Credit Facility against the claims and demands of all Persons.

ARTICLE X
MISCELLANEOUS

SECTION 10.1 **Exculpation.** Notwithstanding any other provision of this Assignment, any of the Assigned Documents or any of the Issuer Documents to the contrary, Fannie Mae shall not be liable under this Assignment, any of the Assigned Documents, or any of the Issuer Documents to any party hereto or thereto or any Bondholder for any action taken or omitted by Fannie Mae in good faith in connection with the Loan, the Assigned Documents, the

Issuer Documents or this Assignment. Fannie Mae shall be protected and shall incur no liability in relying upon the accuracy, acting in reliance upon the contents, and assuming the genuineness, of any notice, demand, certificate, signature, instrument or other document believed by Fannie Mae to be genuine and to have been duly executed by the appropriate signatory. In addition, Fannie Mae shall be protected and shall incur no liability in relying upon an opinion of counsel with respect to any action taken in good faith or not taken in good faith by Fannie Mae under this Assignment or any of the Assigned Documents. Fannie Mae shall be free, at all times, to establish independently to its satisfaction and in its discretion the existence or non-existence, as the case may be, of any fact the existence or non-existence of which shall be a condition to any term or provision of this Assignment or of any of the Assigned Documents. Fannie Mae's immunities and exemptions from liability shall extend to its directors, officers, employees and agents.

SECTION 10.2 **Disclaimers; Acknowledgments.** Approval by Fannie Mae of the Borrower, the Loan, the Bonds or otherwise shall not constitute a warranty or representation by Fannie Mae as to any matter. Nothing set forth in this Assignment or in the subsequent conduct of the parties shall be deemed to constitute Fannie Mae as the partner of any person for any purpose whatsoever.

SECTION 10.3 **Liability of Borrower.** Notwithstanding anything to the contrary contained in this Assignment, the personal liability of the Borrower, any general partner of the Borrower (if the Borrower is a partnership), and any Key Principal (as defined in the Security Instrument) to pay amounts due in connection with the obligations of the Borrower under this Assignment shall be limited as and to the extent provided in the Note. The foregoing limitation shall not limit or impair any right to proceed against any collateral that may be pledged to the payment of the Borrower's obligations or that may otherwise be available under any Loan Document.

SECTION 10.4 **Notices.** All notices, certificates, demands and other communications provided for in this Assignment shall be in writing and mailed (registered or certified mail, return receipt requested, and postage prepaid), hand-delivered, with signed receipt, or sent by nationally-recognized overnight courier:

To the Issuer: City of Chicago
Department of Housing
318 South Michigan Avenue
Chicago, Illinois 60604
Attention: Commissioner
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

with copies to: City of Chicago
Department of Law
City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division

Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

and to: City of Chicago
Department of Finance - Financial Policy
33 North LaSalle Street
Chicago, Illinois 60602
Attention: Deputy Comptroller
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

To the Trustee: [Trustee]
[Trustee's Address]

To the Borrower: FC Central Station Residential, LLC
c/o Forest City Enterprises, Inc.
1140 Terminal Tower, 50 Public Square
Cleveland, Ohio 44113-2203
Attention: Edward Pelavin
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

[with copies to: Apollo Housing Capital, LLC
600 Superior Avenue, Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel

and to: Applegate and Thorne-Thomsen
322 South Green Street, Suite 412
Chicago, Illinois 60607
Attention: Ben Applegate]

To Fannie Mae: Fannie Mae
3900 Wisconsin Avenue, NW
Drawer AM
Washington, DC 20016-2899
Attention: Director, Multifamily Asset Management
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)
RE: $[Principal Amount] City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004A; GMAC Commercial Mortgage Corporation

with a copy to: Fannie Mae
3900 Wisconsin Avenue, NW
Drawer AM
Washington, DC 20016-2899
Attention: Vice President, Multifamily Operations
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)
RE: $[Principal Amount] City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004A; GMAC Commercial Mortgage Corporation

To the Loan Servicer: GMAC Commercial Mortgage Corporation
200 Witmer Road
P.O. Box 809
Horsham, Pennsylvania 19044-0809
Attention: Servicing – Account Manager
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

with a copy to: GMAC Commercial Mortgage Corporation
Affordable Housing Division
4195 E. Thousand Oaks Blvd., Suite 201
Westlake Village, California 91362
Attention: Mortgage Servicing
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

To the Construction Lender: GMAC Commercial Mortgage Corporation
100 South Wacker, Suite 400
Chicago, Illinois 60606
Attention: Phillip J. Keel
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

with a copy to: Brown Raysman Millstein Felder & Steiner LLP
900 Third Avenue
New York, New York 10022
Attention: Andrew L. Kramer
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

Each party named above may designate a change of address by written notice to all of the other parties 15 days prior to the date of such change of address is to become effective. All such notices, certificates, demands and other communications shall be effective when received at the address specified as aforesaid.

SECTION 10.5 **Waivers.** (a) By any act, delay, omission or otherwise, neither Fannie Mae nor the Loan Servicer shall be deemed to have waived any of Fannie Mae's rights or remedies under this Assignment. No waiver whatever shall be valid, unless in writing signed by Fannie Mae and then only to the extent set forth in the waiver. A waiver by Fannie Mae of any default, right or remedy under this Assignment on any one occasion shall not be construed as a waiver of any other default or be a bar to any right or remedy Fannie Mae would otherwise have on any future occasion.

(b) By any act, delay, omission or otherwise, Issuer shall not be deemed to have waived any of Issuer's rights or remedies under this Assignment. No waiver whatever shall be valid, unless in writing signed by Issuer and then only to the extent set forth in the waiver. A waiver by Issuer of any default, right or remedy under this Assignment on any one occasion shall not be construed as a waiver of any other default or be a bar to any right or remedy Issuer would otherwise have on any future occasion.

SECTION 10.6 **Amendments.** No amendment to this Assignment shall be binding upon the parties to this Assignment until such amendment is reduced to writing and executed by Fannie Mae, the Issuer and the Trustee and acknowledged by the Borrower.

SECTION 10.7 **Severability.** Should one or more of the provisions of this Assignment be held to be invalid, illegal or unenforceable in any jurisdiction, such provision shall be severable from the remainder as to such jurisdiction and the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired in any jurisdiction.

SECTION 10.8 **Execution in Counterparts.** This Assignment 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 10.9 **Governing Law.** This Assignment shall be construed, and the obligations, rights and remedies of the parties hereunder shall be determined, in accordance with the laws of the State without regard to conflicts of laws principles, except to the extent that the laws of the United States of America may prevail.

SECTION 10.10 **WAIVER OF JURY TRIAL.** THE PARTIES HERETO (A) COVENANT AND AGREE NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING UNDER THIS ASSIGNMENT TRIABLE BY A JURY AND (B) WAIVE ANY RIGHT TO TRIAL BY JURY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL BY THE PARTIES, AND THIS WAIVER IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A JURY TRIAL WOULD OTHERWISE ACCRUE.

SECTION 10.11 **Termination.** This Assignment (a) shall terminate and be of no further force or effect as to Fannie Mae at such time as the Reimbursement Agreement is no

longer in full force and effect and (b) shall terminate and be of no further force and effect as to the Trustee at the earlier of (i) such time as the Bonds have been paid in full or deemed paid in full as provided in Article IX of the Indenture or (ii) by mutual written agreement of the Issuer and the Trustee after this Assignment has so terminated as to Fannie Mae, in which event the Assigned Documents shall automatically revert to the Issuer without any further action on the part of the Trustee.

SECTION 10.12 **References.** Whenever any party is referred to in this Assignment, such reference shall be deemed to include the successors and assigns of such party. If an Alternate Credit Facility (as defined in the Indenture) is issued in accordance with the provisions of the Indenture, and if Fannie Mae shall have assigned to the issuer of the Alternate Credit Facility all of its rights under this Assignment, all references in this Assignment to the "Credit Enhancement Instrument" shall mean the Alternate Credit Facility and all references in this Assignment to "Fannie Mae" shall mean the person, firm or entity which has issued the Alternate Credit Facility.

SECTION 10.13 **Additional Agreement.** In the event that the Borrower is no longer the owner of the Mortgaged Property and a new mortgagor is substituted in its place, or if the Security Instrument is replaced by a new mortgage on the Mortgaged Property, the Issuer shall, at Borrower's cost and expense, execute and deliver to Fannie Mae, and shall record, a new assignment, substantially the same as this Assignment, which shall refer to this Assignment.

SECTION 10.14 **No Merger of Interests.** There shall be no merger of the interests of any of the Bondholders and of the holder of the Assigned Rights by reason of the fact that the same Person may acquire, own or hold, directly or indirectly, such interests, unless and until such person, firm or entity and all others having an interest therein shall effect such merger in a written, duly recorded instrument.

SECTION 10.15 **Construction Phase Financing Agreement.** The Issuer, Trustee and Borrower acknowledge and agree to be bound by the terms and provisions of the Construction Phase Financing Agreement including, without limitation, Section 2.5 relating to a substitute borrower and Section 2.7 relating to certain rights of the Construction Lender under the Bond Documents and Loan Documents; provided, however, that the Issuer shall be bound by the form of the Construction Phase Financing Agreement in effect as of the Closing Date and with respect to each amendment to the Construction Phase Financing Agreement after the closing date so long as the Issuer has been provided with a copy of such amendment and such amendment, as determined by the Issuer in its discretion, is not adverse to the interests of the Issuer.

SECTION 10.16 **Termination of References.** All references in this Assignment to the Construction Lender shall be of no further force or effect and shall be disregarded for all purposes of this Assignment from and after the Conversion Date or the date that the Trustee receives written notice from Fannie Mae or the Loan Servicer that (i) the Letter of Credit is no longer in full force and effect; or (ii) the provider of the Letter of Credit has failed to honor a draw under the Letter of Credit or (iii) the Construction Lender has failed to perform its obligations under the Construction Phase Financing Agreement.

SECTION 10.17 **Third-Party Beneficiary.** The parties to this Assignment recognize and agree that the terms of this Assignment 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 this Assignment 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 this Assignment. In addition, the Issuer, the Trustee and the Borrower intend that Fannie Mae be a third-party beneficiary of this Assignment.

The parties have duly executed this Assignment as of the day and year first above written.

CITY OF CHICAGO

[TRUSTEE], [Description of Trustee], as Trustee:

By: _____
Name: _____
Title: City Comptroller

By: _____
Name: _____
Title: _____

ACKNOWLEDGED, ACCEPTED AND AGREED:

FC CENTRAL STATION RESIDENTIAL, LLC

By: FC Central Station, LLC, an Illinois limited liability company and its managing member

By: Forest City Equity Services, Inc., an Ohio corporation and its sole member

By: _____
Edward Pelavin
Executive Vice President

[ASSIGNOR'S ACKNOWLEDGMENT]

STATE OF ILLINIOS)
) ss.
COUNTY OF COOK)

On _____, 2004, before me, _____,
a Notary Public in and for said State, personally appeared _____
_____,

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

[TRUSTEE'S ACKNOWLEDGMENT]

STATE OF ILLINOIS)
)
COUNTY OF COOK)

On _____, 2004, before me, _____,
a Notary Public in and for said State, personally appeared _____
_____,

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their

signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

[BORROWER'S ACKNOWLEDGMENT]

STATE OF ILLINOIS)
)
COUNTY OF COOK)

On _____, 2004, before me, _____, a Notary Public in and for said State, personally appeared _____ _____,

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

[(Sub)Exhibit "A" referred to in this Form of Multi-Family Housing Borrower Assignment Agreement unavailable at time of printing.]

Exhibit "D-2".
(To Ordinance)

Form Of Senior Housing Borrower Assignment Agreement.

ASSIGNMENT AND INTERCREDITOR AGREEMENT

by and among

CITY OF CHICAGO,

and

[TRUSTEE], as Trustee,

and

acknowledged, accepted and agreed to by

FC CENTRAL SENIOR, LLC,
an Illinois limited liability company

Relating to
$[Principal Amount]

City of Chicago
Variable Rate Demand Multi-Family Housing Revenue Bonds
(Central Station Senior Housing Project), Series 2004

THIS ASSIGNMENT AND INTERCREDITOR AGREEMENT ("**Assignment**"), dated as of July 1, 2004, is among 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 ("**Issuer**"), and **[TRUSTEE]**, [Description of Trustee] ("**Trustee**"), not in its individual or corporate capacity, but solely as Trustee under the Indenture, and is acknowledged, accepted and agreed to by **FC CENTRAL STATION SENIOR, LLC**, an Illinois limited liability company ("**Borrower**").

RECITALS

A. Borrower has requested Issuer to issue its $[Principal Amount] City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Senior Housing Project), Series 2004 ("**Bonds**") and lend the proceeds of the Bonds to Borrower in the form of a mortgage loan ("**Loan**").

B. Issuer is issuing and selling the Bonds under the Trust Indenture dated as of July 1, 2004 by and among the Issuer and the Trustee (the "**Indenture**") and depositing a portion of the proceeds of the Bonds with the Trustee to be used to fund the Loan.

C. The Loan is (a) evidenced by the Note and (b) secured by the Multifamily Mortgage, Assignment of Rents and Security Agreement, dated as of July 1, 2004, executed by the Borrower with respect to the Mortgaged Property (as defined below) for the benefit of Issuer and Fannie Mae, as their interests may appear and recorded with the County Recorder's Office for Cook County as Instrument No. _____ ("**Security Instrument**"). The purpose of the Loan is to finance the development by the Borrower of a certain multifamily housing apartment building within the City of Chicago as more particularly described on Exhibit A attached hereto and incorporated herein by reference ("**Mortgaged Property**").

ARTICLE I
DEFINITIONS AND INTERPRETATION

SECTION 1.1 **Incorporation of Recitals.** In addition to the recitals set out above, the Recitals to the Indenture are incorporated into and made a part of this Assignment.

SECTION 1.2 **Defined Terms.** All capitalized terms used in this Assignment have the meanings given to those terms in the Indenture or elsewhere in this Assignment unless the context or use clearly indicates a different meaning.

SECTION 1.3 **Rules of Construction.** The rules of construction set forth in Section 1.2 of the Indenture shall apply to this Assignment in their entirety, except that in applying such rules, the term "Assignment" shall be substituted for the term "Indenture".

SECTION 1.4 **Interpretation.** Each of the parties acknowledges that it and its counsel participated in the drafting and revision of this Assignment. Accordingly, the parties agree that any rule of construction which disfavors the drafting party shall not apply in the interpretation of this Assignment.

SECTION 1.5 **Effective Date.** This Assignment shall be effective on the Closing Date, immediately upon the effectiveness of the Indenture.

ARTICLE II
TRANSFER OF ASSIGNED RIGHTS

SECTION 2.1 **Assignment of Assigned Rights to Fannie Mae and the Trustee.** The Issuer irrevocably and absolutely assigns, transfers, conveys and delivers to Fannie Mae and the Trustee, but without recourse to the Issuer, all of the Issuer's right, title and interest in and to (i) the Note, the Security Instrument, each of the other Loan Documents and the Financing Agreement (collectively, **"Assigned Documents"**), (ii) all the real and personal property described in the Assigned Documents and (iii) all proceeds, products, substitutions, additions and replacements of any collateral now or hereafter mortgaged, assigned or pledged under any of the Assigned Documents; in all cases whether now existing or arising in the future; provided, however, that the Reserved Rights of the Issuer are excepted from such assignment and transfer (collectively, **"Assigned Rights"**). Each Assignee acknowledges receipt of, and accepts, and shall hold, the Assigned Rights, as its interest may appear.

SECTION 2.2 **Acknowledgement of Exclusion from Assignment.** The Borrower, the Issuer, Fannie Mae and the Trustee specifically agree that the Regulatory Agreement is not an Assigned Document; provided, however, that Fannie Mae, as a third party beneficiary, shall have the right to enforce the Regulatory Agreement in accordance with the provisions of the Regulatory Agreement.

SECTION 2.3 **Limitations on Issuer.** From and after the effective date of this Assignment, the Issuer shall not have, except with respect to the Reserved Rights, any right, power or authority to exercise any of the Assigned Rights or take any other action with respect to the Assigned Documents or the Assigned Rights, including waiving or releasing the Borrower from any default under any of the Assigned Documents, consenting to any amendment, supplement to, or restatement of any Loan Document and accelerating or otherwise enforcing payment or seeking other remedies with respect to the Loan.

SECTION 2.4 **Power of Attorney.** Subject to the Reserved Rights of the Issuer, the Issuer agrees that Fannie Mae and the Trustee, each acting alone, in its own name or in the name of the Issuer, may enforce all of the Assigned Rights and all obligations of the Borrower under the Assigned Documents (not including the Reserved Rights), without regard to whether the Issuer is in default under the Assigned Documents or under this Assignment. In order to implement the foregoing, the Issuer appoints each of Fannie Mae and the Trustee, their respective successors and assigns, as the Issuer's true and lawful attorney-in-fact with power of substitution to do any or all of the foregoing in the name, place and stead of the Issuer. This power of attorney, being coupled with an interest, is irrevocable as long as this Assignment remains in effect.

SECTION 2.5 **Disclaimer of Assumption of Obligations.** Neither Fannie Mae nor the Trustee shall be obligated by reason of this Assignment or otherwise to perform or be responsible for the performance of any of the obligations of the Issuer under the Assigned Documents.

SECTION 2.6 **Confirmation of Assignment and Transfer.** In order to confirm and evidence the assignment set out in Section 2.1, the Issuer has delivered to Fannie Mae and the Trustee and Fannie Mae and the Trustee acknowledge receipt of, a signed counterpart of each of the Assigned Documents (other than the Note, which is a single original delivered to the custody of the Trustee as provided in Section 4.1) and has executed and delivered to Fannie Mae and the Trustee Uniform Commercial Code financing statements covering the Issuer's interest in the Assigned Rights in form sufficient for filing with the Illinois Secretary of State's Office and the Cook County Recorder's Office, naming Fannie Mae and the Trustee as secured parties.

SECTION 2.7 **Further Assurances.** The Issuer agrees to cooperate, at Borrower's costs and expense, with the Borrower, Fannie Mae and the Trustee in their defenses of Fannie Mae's and the Trustee's interests in the Assigned Rights against the claims and demands of all Persons. The Issuer will at Borrower's costs and expense, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such additional and supplemental agreements, financing statements, continuation statements and other instruments and documents, do such further acts, and make such further transfers as the Trustee or Fannie Mae may reasonably request to effectuate the purpose and intent of this Assignment.

ARTICLE III
LOAN SERVICING

SECTION 3.1 **Loan Servicing in General.** So long as the Assigned Rights have not transferred to the Trustee pursuant to Section 5.1, Fannie Mae shall have the sole and exclusive right, without the consent of the Issuer, the Trustee or the Borrower, to (i) arrange for the servicing of the Assigned Rights and the Issuer's Fee, but excluding all other Reserved Rights (ii) appoint and reappoint the Loan Servicer and (iii) terminate the Loan Servicer (with or without cause), all on such terms and conditions as Fannie Mae may determine from time to time. Loan servicing shall include, but not be limited to, the power and authority to (a) take any action, make any decision, exercise any power or authority to act with respect to the Assigned Rights, (b) establish and maintain custodial and other accounts for the deposit of funds payable by the Borrower and (c) collect, apply and disburse payments of principal of, interest on and premium on the Loan and all other sums payable from time to time by the Borrower under any of the Loan Documents or the Financing Agreement, all in accordance with the applicable documents. None of the Issuer, the Trustee or the Borrower shall have any right under, or be a third party beneficiary of, the Servicing Agreement. Neither Fannie Mae, the Issuer nor the Trustee shall have any obligation to pay a servicing fee to the Construction Lender or the Loan Servicer.

SECTION 3.2 **Loan Servicing During the Construction Phase**. The Issuer, the Trustee and the Borrower acknowledge and agree that:

(a) **Loan Administration**. Fannie Mae and the Construction Lender have agreed that, subject to payment servicing by the Trustee pursuant to subsection (b), the Construction Lender shall administer the Loan from the Closing Date to, but excluding, the Conversion Date in accordance with the Construction Phase Financing Agreement.

(b) **Payment Servicing**. From the Closing Date to, and including, the Conversion Date, the Trustee shall service the Borrower's payments as set out in this subsection. The Borrower shall pay all of the following directly to the Trustee:

(1) all principal of and interest (adjusted, if necessary, as provided in Section 3.3) and any premium on the Loan (whether regularly scheduled payments, an optional prepayment or otherwise);

(2) all Third Party Fees and Fees and Expenses;

(3) all other amounts payable under any of the Loan Documents; and

(4) the Facility Fee payable by the Borrower under the Reimbursement Agreement;

in each case for remittance to the Person to whom owed. Servicing to be performed by the Trustee shall include the calculation of such amounts as are payable by the Borrower, invoicing the Borrower for such amounts, collecting such payments from the Borrower and remitting the proceeds of such collections to the Person to whom owed. The Borrower shall receive a payment credit for interest payable on the Loan or Facility Fee payable under the Reimbursement Agreement to the extent that the Trustee applies funds on deposit in the Capitalized Moneys Account or otherwise held under the Indenture, to any such amount. The Borrower shall make all such payments to the Trustee two Business Days prior to the date such amounts are otherwise payable under the applicable Borrower Document (each, a "**Servicing Payment Date**"). For the purpose of calculating the amount of interest due on the Note, the amount of Third Party Fees and Fees and Expenses due under the Financing Agreement and the Facility Fee due under the Reimbursement Agreement, the fact that the Borrower is required to make the payment on a Servicing Payment Date (rather than on the date such amounts are otherwise payable) will be ignored. The Borrower shall make all such payments by wire transfer of immediately available funds to such account as required from time to time by the Trustee. The Trustee shall invoice the Borrower for all such payments at least two Business Days in advance of the Servicing Payment Date on which such payments are due pursuant to this Section.

SECTION 3.3 **Mortgage Interest During Weekly Variable Rate**. If the interest rate on the Bonds is a Weekly Variable Rate, the rate at which interest accrues on the Loan is reset on the same day of each week. However, each Note Interest Payment Date (as that term is defined in the Note "**Note Interest Payment Date**") may fall on any day of the week. Accordingly, for some Note Interest Payment Dates, the Weekly Variable Rate in effect for the last few days of the Note Interest Period (as that term is defined in the Note "**Note Interest Period**") will not be known on the day the Trustee invoices the Borrower for payments of Note Interest. To provide for the orderly invoicing and payment of Note Interest, the Trustee will invoice the Borrower, and the Borrower will pay the amount invoiced by the Trustee, as the combination of (i) Note Interest accrued for those days of the Note Interest Period for which the Trustee knows the rate at which Note Interest accrues, plus (ii) for the remaining days of the Note Interest Period interest at two percentage points in excess of the Weekly Variable Rate in effect for the last week of the Note Interest Period for which the rate is known at the time of the invoice. If the amount invoiced by the Trustee and paid by the Borrower is greater than the Note Interest which actually accrued, the excess amount will be retained by the Trustee and applied to

the next payment of Note Interest (or, if the Conversion Date occurs or all of the Bonds have been repaid in full, returned to the Borrower). If the amount paid is less than the accrued Note Interest, the Borrower will pay such deficiency within one Business Day of receipt of a restated invoice for that Note Interest Period.

SECTION 3.4 **Loan Servicing During the Permanent Phase**. The Issuer, the Trustee and the Borrower acknowledge and agree that, subject to Section 3.1, after the Conversion Date, the Loan Servicer shall service and administer the Loan and the Financing Agreement pursuant to the Reimbursement Agreement and the Servicing Agreement.

SECTION 3.5 **Payments due on Conversion Date**. Any payment mentioned in Section 3.2(b) and due to be paid on the Conversion Date is a Construction Phase payment. The Borrower shall pay all such amounts to the Trustee. The Borrower shall make all payments due on any day after the Conversion Date to the Loan Servicer. The first payment on the Note in the Permanent Phase will be the payment due in the month following the month in which the Conversion Date occurs.

SECTION 3.6 **Payments to Fannie Mae**. On and prior to the Conversion Date, the Trustee agrees to remit the Facility Fee to Fannie Mae, either from the Capitalized Moneys Account or from the Borrower's monthly payment made in accordance with Section 3.2(b).

SECTION 3.7 **Monitoring.** The Borrower shall furnish to the Loan Servicer copies of all reports regarding the Mortgaged Property required to be filed by the Borrower pursuant to the Financing Agreement or the Regulatory Agreement. Neither the Trustee nor the Loan Servicer shall have any duty or obligation to analyze or review any such reports for determining whether or not the Borrower or the Mortgaged Property is in compliance with the requirements of the Code for maintaining the excludability from gross income, for federal income tax purposes, of the interest payable on the Bonds.

ARTICLE IV
CONTROL OF ASSIGNED RIGHTS

SECTION 4.1 **Possession of Note and Security Instrument.** The Trustee shall hold the original Note and the recorded Security Instrument until the Conversion Date or such earlier date as Fannie Mae may direct pursuant to Section 4.4 or Section 4.5. The Trustee agrees to deliver on the Conversion Date the original Note and the recorded Security Instrument to the Loan Servicer for delivery to Fannie Mae. After the Conversion Date, but subject to the provisions of Section 5.1, Fannie Mae shall hold the original Note and the recorded Security Instrument. The originals (or, where recorded, executed copies) of all other Loan Documents, shall be delivered to and held by the Loan Servicer until the Conversion Date at which time such documents shall be delivered to Fannie Mae. The Trustee acknowledges receipt of the original executed Note, endorsed to the order of Fannie Mae and the Trustee, as their interests may appear.

SECTION 4.2 **Exclusive Exercise of Assigned Rights by Fannie Mae.** Except only as provided in Section 5.1, Fannie Mae shall have and may exercise all of the Assigned Rights to the exclusion of the Trustee and in the same manner and with the same right, power and authority to act as Fannie Mae would have if Fannie Mae were the sole owner of the Loan

and were the sole holder of the Note and the Security Instrument. In exercising the Assigned Rights, Fannie Mae shall not be an agent of the Issuer or the Trustee. Neither the Issuer nor the Trustee shall be liable for any action taken or not taken by Fannie Mae in the exercise of the Assigned Rights or the Loan Servicer in the servicing of the Assigned Rights.

SECTION 4.3 **Disposition of Loan.** Unless the Assigned Rights are transferred to the Trustee pursuant to Section 5.1, the Trustee shall not, without the prior written consent of Fannie Mae, dispose of the Loan, transfer the Note or any other Loan Document or any interest in the Note or any Loan Document, other than to Fannie Mae as provided in Sections 4.4 and 4.5, a successor Trustee pursuant to the Indenture or to the Issuer pursuant to Section 10.11 of this Assignment.

SECTION 4.4 **Assignment of Loan Without Payment or Redemption of Bonds.** Fannie Mae shall have the right, with respect to the Loan, without making an Advance under the Credit Enhancement Instrument, but only upon filing with the Trustee a certification reaffirming Fannie Mae's obligations under the Credit Enhancement Instrument, to instruct the Trustee in writing to assign the Note, the Security Instrument and the other Loan Documents to Fannie Mae, in which event the Trustee shall (i) endorse the Note to Fannie Mae and assign (in recordable form) the Security Instrument, (ii) assign (in recordable form) all other Loan Documents to Fannie Mae, (iii) if such direction occurs prior to the Conversion Date, deliver the original Note and the recorded Security Instrument to the Loan Servicer for delivery to Fannie Mae and (iv) execute all such documents as are necessary to legally and validly effectuate the assignments provided for in the preceding clauses (i) and (ii). The Trustee's assignments to Fannie Mae pursuant to this Section 4.4 shall be without recourse or warranty except that the Trustee shall represent and warrant in connection therewith (A) that the Trustee has not previously endorsed or assigned any such documents or instruments and (B) that the Trustee has authority to endorse and assign such documents and instruments and such endorsements and assignment have been duly authorized. Fannie Mae shall hold the Note and the Security Instrument for the benefit of the Bondholders. If, following such assignments, the Assigned Rights are transferred to the Trustee pursuant to Section 5.1, all rights and interests assigned by the Trustee to Fannie Mae pursuant to this Section shall automatically without any further action on the part of the Trustee or Fannie Mae revert to the Trustee. Notwithstanding the foregoing, Fannie Mae agrees to take such action and to execute and deliver and to facilitate the recordation of such documents provided to Fannie Mae as may be reasonably necessary to evidence the reversion of all rights and interests originally assigned by the Trustee to Fannie Mae pursuant to this Section. No assignment pursuant to this Section shall affect Fannie Mae's obligations under the Credit Enhancement Instrument.

SECTION 4.5 **Assignment of Assigned Rights Upon Payment or Redemption of Bonds in Whole.** In the event Fannie Mae makes an Advance under the Credit Enhancement Instrument with respect to the payment or redemption of the Bonds Outstanding in whole, unless otherwise determined by Fannie Mae:

(a) all of the Trustee's right, title and interest in and to the Assigned Rights shall transfer to Fannie Mae automatically, without any further action on the part of the Trustee or Fannie Mae; and

(b) the Trustee shall (i) endorse the Note to Fannie Mae and assign (in recordable form) and deliver the Security Instrument to Fannie Mae, (ii) assign (in recordable form) all other Loan Documents and the Financing Agreement to Fannie Mae, (iii) if such Advance occurs prior to the Conversion Date, deliver the original Note and the recorded Security Instrument to the Loan Servicer for delivery to Fannie Mae and (iv) execute and deliver all such other documents as are necessary to legally and validly effectuate the assignments provided for in the preceding clauses (i) and (ii).

The Trustee's assignments to Fannie Mae pursuant to this Section shall be without recourse or warranty except that the Trustee shall represent and warrant in connection therewith (A) that the Trustee has not previously endorsed or assigned any such documents or instruments and (B) that the Trustee has authority to endorse and assign such documents and instruments.

SECTION 4.6 **Consequences of Foreclosure.** In the event that, following a default under the Loan, the (i) Mortgaged Property is acquired by either or both of the Assignees, or their nominees, as a result of a foreclosure or the acceptance of a deed in lieu of foreclosure or comparable conversion of the Loan or other enforcement provisions of the Security Instrument, (ii) the Bonds are not redeemed with funds provided under the Credit Enhancement Instrument and (iii) Fannie Mae has any obligation under the Credit Enhancement Instrument and no Wrongful Dishonor exists, the Mortgaged Property shall be conveyed to Fannie Mae or its nominee, and all decisions thereafter with respect to the Mortgaged Property (including, without limitation, all decisions with respect to the management, operation, maintenance and sale of the Mortgaged Property — and the price and terms of such sale — the payment or contesting of real estate taxes, rebuilding or restoration after damage, destruction or taking, alterations, improvements, insurance coverage, litigation and conversion to a cooperative or condominium), shall be made solely by Fannie Mae.

SECTION 4.7 **Amendments to Loan Documents.** Unless the Assigned Rights are transferred to the Trustee pursuant to Section 5.1, the provisions of this Section shall apply to any amendment, supplement to or restatement of the Loan Documents.

(a) **Right to Amend, Supplement or Restate Loan Documents.** Fannie Mae shall have the right to amend, supplement or restate the Loan Documents with the Borrower and to exchange any of the Loan Documents for new Loan Documents relating to the Mortgaged Property (collectively, "**Amended Loan Documents**"). If the execution of any Amended Loan Documents would:

(1) result in an amendment of the Credit Facility, Fannie Mae may not proceed with such execution unless Fannie Mae provides to the Trustee an Opinion of Counsel to Fannie Mae, who may be an employee of Fannie Mae, to the effect that the modified Credit Facility is a valid and binding obligation of Fannie Mae, subject to any applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally, and general equitable principles and other customary exceptions. The Trustee shall promptly provide to the Issuer a copy of any such Opinion of Counsel.

(2) change the payment terms of the Loan, Fannie Mae must provide the Trustee a written confirmation from the Rating Agency that the rating to be in effect with respect to

the Bonds from and after the execution of such Amended Loan Documents will not be lower than the rating then in effect for the Bonds. The Trustee shall promptly provide to the Issuer a copy of any such rating confirmation.

(3) change the outstanding principal amount, the interest rate, the maturity date, the due date for the payment of interest, the terms of mandatory prepayment or governing law or jurisdiction provisions of the Note, Fannie Mae must obtain the Trustee's prior written consent to such change.

(b) **Trustee's Consent.** Unless the Assigned Rights are transferred to the Trustee pursuant to Section 5.1:

(1) unless directed to do so in writing by Fannie Mae, the Trustee shall not consent to any proposed amendment, supplement to or restatement of, any of the Loan Documents or waive any default by the Borrower under any of the Loan Documents; and

(2) if directed to do so in writing by Fannie Mae, the Trustee shall amend, supplement or restate the Loan Documents, or waive any default by the Borrower under any of the Loan Documents;

provided, however, that no such amendment, supplement or restatement shall (i) change, without the Trustee's prior written consent, the outstanding principal amount, the interest rate, the maturity date, the due date for the payment of interest, the terms of mandatory prepayment or governing law or jurisdiction provisions of the Note; or (ii) change, without the Issuer's prior written consent, the timing or amount of the Issuer's Fee.

Fannie Mae will endeavor to provide Issuer notice of any amendment, supplement or restatement of the Loan Documents made pursuant to this Section.

SECTION 4.8 **New Borrower.** In the event Fannie Mae forecloses the Security Instrument, or accepts a deed in lieu of foreclosure or comparable conversion of the Mortgaged Property, Fannie Mae shall have the right to enter into, or cause to be executed, Amended Loan Documents or exchange the Loan Documents for Amended Loan Documents by a person other than the Borrower ("**New Borrower**"). Except in the event of a transfer of the Mortgaged Property to Fannie Mae, Fannie Mae shall not execute any Amended Loan Documents having the effect of substituting a New Borrower as the Borrower, unless Fannie Mae first provides each of the following to the Trustee:

(a) written evidence that the New Borrower has executed and recorded, as applicable, documents, acceptable to the Issuer and Fannie Mae, substantially in the forms of the Financing Agreement and the Regulatory Agreement (or executed and recorded an assumption, acceptable to the Issuer and Fannie Mae, of all of the applicable Borrower's obligations under the Financing Agreement and the Regulatory Agreement) and that the Credit Facility Documents and the Credit Facility, if required, have been modified to be applicable to the new mortgage loan;

(b) from the Rating Agency written confirmation that the rating to be in effect with respect to the Bonds from and after delivery to the Trustee of the new mortgage note and

mortgage and the modified Credit Facility Documents and modified Credit Facility will not be lower than the rating then in effect for the Bonds;

(c) an opinion of Bond Counsel to the effect that such exchange and modification, in and of itself, will not affect the excludability of the interest payable on the Bonds from gross income for federal income tax purposes;

(d) from the Issuer, the consent (if any) required by the Regulatory Agreement; and

(e) Trustee shall promptly provide the Issuer a copy of each of the items the Trustee is provided pursuant to subparts (b) or (c) above.

SECTION 4.9 **Fannie Mae Assignment.** Fannie Mae shall have the right, in its sole discretion, to assign, sell or transfer its right, title and interest in, to and under the Loan Documents, the Assigned Rights and this Assignment to any Person. Fannie Mae will endeavor to provide Issuer notice of any such assignment made pursuant to this Section.

ARTICLE V
TRANSFER OF ASSIGNED RIGHTS TO TRUSTEE

SECTION 5.1 **Transfer of Assigned Rights to Trustee.** If either (i) Fannie Mae has no further obligation under the Credit Enhancement Instrument and all obligations of the Borrower to Fannie Mae under the Credit Facility Documents and the other Borrower Documents have been satisfied in full; or (ii) a Wrongful Dishonor occurs and continues for more than five Business Days after the Issuer or the Trustee gives written notice of such Wrongful Dishonor specifying such failure and requesting that it be remedied, the Assigned Rights shall transfer automatically to the Trustee, without any further action on the part of the Trustee or Fannie Mae. Fannie Mae shall promptly transfer possession of the original Note and the recorded Security Instrument and the other Assigned Documents to the Trustee. Fannie Mae shall also take such action and execute and deliver and facilitate the filing and recordation of such documents provided to Fannie Mae as may be reasonably necessary to evidence the transfer of the Assigned Rights to the Trustee and the assignment of the Assigned Documents to the Trustee. Fannie Mae's assignments to the Trustee pursuant to this Section shall be without recourse or warranty except that Fannie Mae shall represent and warrant in connection therewith (i) that Fannie Mae has not previously endorsed or assigned any such documents or instruments and (ii) that Fannie Mae has authority to endorse and assign such documents and instruments.

SECTION 5.2 **Exercise of Assigned Rights after Transfer to Trustee.** If the Assigned Rights transfer to the Trustee pursuant to Section 5.1:

(a) the Trustee (alone or, at its election, with the Issuer) may exercise the Assigned Rights and all other rights, powers, options, privileges and remedies provided to the Trustee under this Assignment, to the exclusion of Fannie Mae;

(b) all obligations of the Borrower under the Credit Facility Documents shall continue to be secured by the Security Instrument on an equal and ratable basis with the obligations of the Borrower under the Loan Documents; and

(c) if, at such time, Fannie Mae has a lien on any Bonds pursuant to the Pledge Agreement, the Trustee shall have, in its exercise of any of the rights, powers, options, privileges and remedies provided for in this Assignment pursuant to Section 5.1, the same fiduciary obligations to Fannie Mae, as secured party, as the Trustee has to the Bondholders.

Notwithstanding the foregoing, nothing in this Assignment or in any Loan Document shall limit or control the exercise by Fannie Mae of the rights granted by the Borrower to Fannie Mae as "Lender" under the Security Instrument. Each of the Issuer, the Trustee and the Borrower recognizes and confirms the rights granted by the Borrower to Fannie Mae as "Lender" under the Security Instrument. If and for so long as Fannie Mae continues to have any further obligation under the Credit Enhancement Instrument, Fannie Mae shall be entitled to receive all notices pursuant to this Assignment, the Indenture and the Loan Documents.

ARTICLE VI
TRUSTEE

SECTION 6.1 **Certain Notices to Fannie Mae, the Loan Servicer and the Construction Lender.** The Trustee shall give the following notices in writing:

(a) The Trustee shall give prompt written notice to Fannie Mae, the Loan Servicer and the Construction Lender of the occurrence of any Event of Default known to it under the Indenture, the Credit Enhancement Instrument, the Financing Agreement, the Note, the Security Instrument or any other Transaction Document, and of any event known to it which would become such an Event of Default upon the giving of notice, the lapse of time or both, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect to such events.

(b) During any Weekly Variable Rate Period, the Trustee shall, prior to the Conversion Date, give written notice to the Construction Lender of the amount of each interest payment due on the Bonds and, on and after the Conversion Date, give notice to the Loan Servicer of the amount of each interest payment due on the Bonds. The Trustee shall give such notice as soon as practicable but not later than the last Wednesday before the Interest Payment Date of each month, or in the event such Wednesday is not a Business Day, the next Business Day.

SECTION 6.2 **Power of Attorney.** The Trustee, for itself and for any successor or replacement Trustee, irrevocably and unconditionally constitutes and appoints Fannie Mae as the Trustee's true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge and deliver any notice, document, certificate, paper, instrument or pleading and to do in the Trustee's name, place and stead, all such acts, things and deeds for and on behalf of the Trustee under this Assignment and/or any of the Assigned Documents which the Trustee could or might do or which may be necessary, desirable or convenient in Fannie Mae's sole discretion to effectuate the purposes of this Assignment and/or any Assigned Document. The power of attorney and the rights, remedies, power and authority granted by the Trustee to Fannie Mae in this Assignment are hereby declared by the Trustee to be coupled with an interest and irrevocable until the Reimbursement Agreement is no longer in full force and effect or until the Assigned Rights are transferred to the Trustee pursuant to Section 5.1, and may be exercised by Fannie Mae in the name of Fannie Mae, in the name of the Trustee or in the names of Fannie Mae and the Trustee, as Fannie Mae may at any time or from time to time determine, and the

Trustee hereby confirms and ratifies all acts and deeds taken or to be taken by Fannie Mae as attorney-in-fact.

SECTION 6.3 **Enforcement**. Notwithstanding any other provision in this Assignment to the contrary, so long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, the Trustee shall not exercise any remedy or direct any proceeding under the Indenture, the Loan Documents or the Financing Agreement other than (i) to enforce rights under the Credit Enhancement Instrument, (ii) to enforce the tax covenants in the Indenture, the Tax Certificate and the Financing Agreement provided that the Trustee does not enforce any right it may have for monetary damages, and (iii) as otherwise permitted under the Indenture or the Financing Agreement. The Trustee shall provide written notice to Fannie Mae, the Issuer and the Loan Servicer immediately upon taking any action at law or in equity to exercise any remedy or direct any proceeding under the Indenture or the Financing Agreement.

SECTION 6.4 **Bailee**. The Trustee agrees to act as bailee and agent on behalf of Fannie Mae in relation to the Borrower's pledge and grant of a security interest pursuant to Section 2.6 of the Reimbursement Agreement to the extent, if any, the Borrower retains an interest in all Funds, Accounts and Investments held by the Trustee under the Indenture.

SECTION 6.5 **Records and Books of Account**. The Trustee shall keep, or cause to be kept, proper records and books of account in which complete and accurate entries shall be made of all of its transactions relating to the Loan and the Assigned Documents, including without limitation, payments made under the Loan and all funds and accounts established by or held pursuant to the Indenture with respect to the Loan.

SECTION 6.6 **Examination of Records and Books of Account**. The Trustee agrees that all records and books of account in its possession relating to the Loan, the Assigned Documents and all records and books of account regarding the receipt and distribution of payments on the Loan and the Borrower's compliance with the terms and conditions of the Loan and the Assigned Documents, shall be open to inspection, examination and audit at any reasonable time by the Issuer, the Borrower, the Loan Servicer, Fannie Mae and the Construction Lender or by such accountants or other agents as the Issuer, the Borrower, the Loan Servicer, Fannie Mae or the Construction Lender may from time to time designate. In addition, the Issuer, the Borrower, the Loan Servicer, Fannie Mae and the Construction Lender shall have the right, at any time and from time to time, to require the Trustee to furnish such documents to the Issuer, the Borrower, the Loan Servicer, Fannie Mae and the Construction Lender, at the Borrower's expense, as the Issuer, the Borrower, the Loan Servicer, Fannie Mae or the Construction Lender, as the case may be, from time to time, deems reasonably necessary in order to determine that the provisions of the Loan have been complied with.

ARTICLE VII
INSURANCE AND CONDEMNATION

SECTION 7.1 **Insurance**. So long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, (i) Fannie Mae shall be named as the sole mortgagee on all fire, extended coverage and other hazard insurance policies required under the Loan Documents ("**Insurance Policies**"), (ii) all such proceeds shall be held and applied by Fannie Mae in accordance with the Security Instrument and the other Loan Documents, and (iii) the Borrower,

as mortgagor, shall deal solely with Fannie Mae or the Loan Servicer, as Fannie Mae shall direct, under the Loan Documents with respect to all matters related to the Insurance Policies. If the Assigned Rights transfer to the Trustee pursuant to Section 5.1, (1) the Trustee shall be named as the sole mortgagee on all Insurance Policies, (2) all such proceeds shall be held and applied by the Trustee in accordance with the Security Instrument and the other Loan Documents, and (3) the Borrower, as mortgagor, shall deal solely with the Trustee under the Loan Documents with respect to all matters related to the Insurance Policies. The Borrower agrees that Fannie Mae, the Trustee and the Issuer shall each be a named insured on all liability insurance policies required under the Loan Documents. Fannie Mae and the Trustee shall execute, acknowledge and deliver all such documents as shall be necessary to evidence or confirm the provisions of this Section. Neither Fannie Mae, the Loan Servicer, the Issuer nor the Trustee shall have any liability under this Assignment or otherwise for any application of insurance proceeds.

SECTION 7.2 **Condemnation.** So long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, (i) Fannie Mae shall be the sole payee with respect to all condemnation awards, (ii) all proceeds of any condemnation award shall be applied in any manner permitted by the Security Instrument, as directed by Fannie Mae, in its discretion, and (iii) the Borrower, as mortgagor, shall deal solely with Fannie Mae or the Loan Servicer, as Fannie Mae shall direct, under the Loan Documents. If the Assigned Rights transfer to the Trustee pursuant to Section 5.1, (1) the Trustee shall be the sole payee with respect to all condemnation awards, (2) all proceeds of any condemnation award shall be applied in any manner permitted by the Security Instrument, as directed by the Trustee, in its discretion, and (3) the Borrower, as mortgagor, shall deal solely with the Trustee under the Loan Documents. Fannie Mae and the Trustee shall execute, acknowledge and deliver all such documents as shall be necessary to evidence or confirm the provisions of this Section. Neither Fannie Mae, the Loan Servicer, the Issuer nor the Trustee shall have any liability under this Assignment or otherwise for any application of condemnation award proceeds.

ARTICLE VIII
REGULATORY AGREEMENT

SECTION 8.1 **Monitoring of Regulatory Agreement.** The Trustee shall monitor compliance with the Regulatory Agreement.

SECTION 8.2 **Termination of Regulatory Agreement**. Upon expiration or termination of the Regulatory Agreement pursuant to its terms, the Issuer, in its capacity as the Issuer, shall promptly notify Fannie Mae of the termination of the Regulatory Agreement.

SECTION 8.3 **Right To Enforce Compliance.** The Issuer, the Trustee, the Loan Servicer and Fannie Mae shall each have the right, but not the obligation, to enforce compliance by the Borrower and its successors as subsequent owners of the Mortgaged Property with the Regulatory Agreement. Notwithstanding the foregoing, the Trustee agrees that it will, subject to the provisions of the Indenture and Article IX, take such action as may be required to achieve compliance by the Borrower with the Regulatory Agreement, and shall provide notice of such action or actions to the Issuer and the Loan Servicer.

SECTION 8.4 **Notices of Violations of the Regulatory Agreement.** Promptly upon determining that a violation of the Regulatory Agreement has occurred, the Trustee shall

send written notice of such violation to Fannie Mae, the Loan Servicer and the Issuer. The Trustee's notice shall set out the nature of the violation and state whether the violation has been cured or has not been cured but is curable within a reasonable period of time, or is incurable and contain a copy of the Issuer's notice of violation to the Borrower. If the Borrower fails to cure the violation to the reasonable satisfaction of the Issuer within the time period set forth in the Issuer's notice of the violation to the Borrower (which period shall not be shorter than any applicable period set out in the Regulatory Agreement for the cure of such violation) and if, as a consequence of such failure, the Issuer declares an Event of Default under the Regulatory Agreement, the Issuer shall provide prompt written notice to Fannie Mae, the Loan Servicer and the Trustee of the Event of Default (together with a copy of any notice of the Event of Default provided to the Borrower).

SECTION 8.5 **Cure Rights.** Each of Fannie Mae, the Loan Servicer and the Trustee shall have the right, but not the obligation, to cure any default by the Borrower under the Regulatory Agreement. Such cure may be made even after the Issuer's notice of declaration of an Event of Default under the Regulatory Agreement, provided however, such cure right shall not affect any requirements of the Code and the Act. Fannie Mae shall have the additional right, but not the obligation, to cure any violation of the Regulatory Agreement by assumption of the management and operation of the Mortgaged Property, directly or through any Fannie Mae approved seller-servicer or a receiver under the Security Instrument. Any operation of the Mortgaged Property by Fannie Mae or its successors or assigns shall be in accordance with the Regulatory Agreement, but only so long as the Regulatory Agreement remains in effect.

ARTICLE IX
ISSUER'S COVENANTS

SECTION 9.1 **Limitations on Issuer.** The Issuer shall not consent to any amendment, supplement to, or restatement of any Bond Document or the Regulatory Agreement, or any other document (documents shall not include opinions or certificates executed in connection with the Bonds) executed or delivered in connection with the Bonds without the prior written consent of Fannie Mae.

SECTION 9.2 **Enforcement.** Notwithstanding any other provision in this Assignment to the contrary, so long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, neither the Issuer nor any person under its control shall exercise any remedy or direct any proceeding under the Indenture, the Financing Agreement or the Regulatory Agreement other than as set out in this Section.

(a) **Enforcement of Certain Rights and Obligations.** Subject to subsection (b), the Issuer may:

(1) Tax Covenants. Seek specific performance of the tax covenants of the Indenture, the Tax Certificate and the Financing Agreement, injunctive relief against acts which may be in violation of any of the tax covenants, and enforce the Borrower's obligation to pay amounts for credit to the Rebate Fund;

(2) Regulatory Agreement. Seek specific performance of the obligations of the Borrower or any other owner of the Mortgaged Property under the Regulatory Agreement

and injunctive relief against acts which may be in violation of the Regulatory Agreement or otherwise unlawful; provided, however, that the Issuer may enforce any right it may have under the Regulatory Agreement for monetary damages only against Excess Revenues, if any, of the Borrower, unless Fannie Mae otherwise specifically consents in writing to the use of other funds; and

(3) Reserved Rights. Take whatever action at law or in equity which appears necessary or desirable to enforce the Reserved Rights; provided, however, that the Issuer or any person under its control may only enforce any right it may have for monetary damages against Excess Revenues, if any, of the Borrower, unless Fannie Mae otherwise specifically consents in writing to the enforcement against other funds of the Borrower.

(b) **Overriding Limitations.** In no event shall the Issuer:

(1) prosecute its action pursuant to or under the Reserved Right or otherwise in connection with the Bonds or Bond Documents to a lien on the Mortgaged Property;

(2) take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal of, interest on, or other amounts due under, the Loan or of causing the Borrower to file a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Borrower under any applicable liquidation, insolvency, bankruptcy, rehabilitation, composition, reorganization, conservation or other similar law in effect now or in the future; or

(3) interfere with the exercise by Fannie Mae of any of its rights under the Loan Documents or the Credit Facility Documents upon the occurrence of an event of default by the Borrower under the Loan Documents or the Credit Facility Documents; or

(4) take any action to accelerate or otherwise enforce payment or seek other remedies with respect to the Loan or the Bonds.

(c) **Notice of Action.** The Issuer shall provide written notice to Fannie Mae, the Trustee and the Loan Servicer within [[10]] days of taking any action at law or in equity, to exercise any remedy or direct any proceeding under the Indenture, the Financing Agreement or the Regulatory Agreement.

(d) **Definition of "Excess Revenues".** As used in this Section, the term "**Excess Revenues**" means, for any period, the net cash flow of the Borrower available for distribution to shareholders, members or partners (as the case may be) for such period, after the payment of all interest expense, the amortization of all principal of all indebtedness coming due during such period (whether by maturity, mandatory sinking fund payment, acceleration or otherwise), the payment of all fees, costs and expenses on an occasional or recurring basis in connection with the Loan or the Bonds, the payment of all operating, overhead, ownership and other expenditures of the Borrower directly or indirectly in connection with the Mortgaged Property (whether any such expenditures are current, capital or extraordinary expenditures), and the setting aside of all reserves for taxes, insurance, water and sewer charges or other similar impositions, capital expenditures, repairs and replacements and all other amounts which the Borrower is required to set aside pursuant to agreement, but excluding depreciation and amortization of intangibles.

SECTION 9.3 **Specific Performance.** The Borrower acknowledges and agrees that were money damages a remedy under the Regulatory Agreement or in connection with any of the tax covenants of the Indenture, the Tax Certificate and the Financing 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 or the tax covenants and therefore the Borrower agrees that the remedy of specific performance shall be available to the Issuer and/or the Trustee in any case.

SECTION 9.4 **Control on Right of Redemption.** Notwithstanding any inconsistent provision of the Indenture or any of the Loan Documents and so long as no transfer of the Assigned Rights pursuant to Section 5.1 has occurred, the Issuer shall not exercise any right pursuant to Section 3.2 of the Indenture to redeem any or all of the Bonds without the prior written consent of Fannie Mae in each case and shall not, without the prior written consent of Fannie Mae, use the proceeds of any Advance under the Credit Enhancement Instrument to make any such redemption.

SECTION 9.5 **Consents to Maturity and Sinking Fund Schedules.** The Issuer will not establish any schedule of principal amounts of Bonds to mature or be subject to redemption through the application of Sinking Fund Payments as provided in Section 2.8(c)(5) of the Indenture without the prior written direction of the Borrower and, for so long as Fannie Mae has any obligation under the Credit Enhancement Instrument and no Wrongful Dishonor exists, without the prior written consent of Fannie Mae.

SECTION 9.6 **Remarketing Agreement; Tender Agent Agreement.** The Issuer and the Borrower agree that they will not enter into any amendment, modification, supplement or other document effecting a change in the Remarketing Agreement or Tender Agent Agreement applicable to the Bonds or enter into any new or replacement remarketing agreement or tender agent agreement with respect to the Bonds without the prior written consent of Fannie Mae.

SECTION 9.7 **Further Assurances.** The Issuer, to the extent permitted by law, shall execute, acknowledge and deliver such supplemental indentures and other instruments and documents, and perform such further acts, as the Trustee or the Credit Provider may reasonably require to perfect, and maintain perfected, the security interest in the Trust Estate or to better assure, transfer, convey, pledge, assign and confirm to the Trustee or the Credit Provider all of its respective interest in the property described in the Indenture and the revenues, receipts and other amounts pledged by the Indenture. The Issuer, at the sole expense of the Borrower, shall cooperate to the extent necessary with the Borrower, the Trustee and the Credit Provider in their defenses of the Assigned Rights and the Credit Facility against the claims and demands of all Persons.

ARTICLE X
MISCELLANEOUS

SECTION 10.1 **Exculpation.** Notwithstanding any other provision of this Assignment, any of the Assigned Documents or any of the Issuer Documents to the contrary, Fannie Mae shall not be liable under this Assignment, any of the Assigned Documents, or any of the Issuer Documents to any party hereto or thereto or any Bondholder for any action taken or omitted by Fannie Mae in good faith in connection with the Loan, the Assigned Documents, the

Issuer Documents or this Assignment. Fannie Mae shall be protected and shall incur no liability in relying upon the accuracy, acting in reliance upon the contents, and assuming the genuineness, of any notice, demand, certificate, signature, instrument or other document believed by Fannie Mae to be genuine and to have been duly executed by the appropriate signatory. In addition, Fannie Mae shall be protected and shall incur no liability in relying upon an opinion of counsel with respect to any action taken in good faith or not taken in good faith by Fannie Mae under this Assignment or any of the Assigned Documents. Fannie Mae shall be free, at all times, to establish independently to its satisfaction and in its discretion the existence or non-existence, as the case may be, of any fact the existence or non-existence of which shall be a condition to any term or provision of this Assignment or of any of the Assigned Documents. Fannie Mae's immunities and exemptions from liability shall extend to its directors, officers, employees and agents.

SECTION 10.2 **Disclaimers; Acknowledgments.** Approval by Fannie Mae of the Borrower, the Loan, the Bonds or otherwise shall not constitute a warranty or representation by Fannie Mae as to any matter. Nothing set forth in this Assignment or in the subsequent conduct of the parties shall be deemed to constitute Fannie Mae as the partner of any person for any purpose whatsoever.

SECTION 10.3 **Liability of Borrower.** Notwithstanding anything to the contrary contained in this Assignment, the personal liability of the Borrower, any general partner of the Borrower (if the Borrower is a partnership), and any Key Principal (as defined in the Security Instrument) to pay amounts due in connection with the obligations of the Borrower under this Assignment shall be limited as and to the extent provided in the Note. The foregoing limitation shall not limit or impair any right to proceed against any collateral that may be pledged to the payment of the Borrower's obligations or that may otherwise be available under any Loan Document.

SECTION 10.4 **Notices.** All notices, certificates, demands and other communications provided for in this Assignment shall be in writing and mailed (registered or certified mail, return receipt requested, and postage prepaid), hand-delivered, with signed receipt, or sent by nationally-recognized overnight courier:

To the Issuer: City of Chicago
Department of Housing
318 South Michigan Avenue
Chicago, Illinois 60604
Attention: Commissioner
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

with copies to: City of Chicago
Department of Law
City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division

Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

and to: City of Chicago
Department of Finance - Financial Policy
33 North LaSalle Street
Chicago, Illinois 60602
Attention: Deputy Comptroller
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

To the Trustee: [Trustee]
[Trustee's Address]

To the Borrower: FC Central Station Senior, LLC
c/o Forest City Enterprises, Inc.
1140 Terminal Tower, 50 Public Square
Cleveland, Ohio 44113-2203
Attention: Edward Pelavin
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

[with copies to: Apollo Housing Capital, LLC
600 Superior Avenue, Suite 2300
Cleveland, Ohio 44114
Attention: President and General Counsel

and to: Applegate and Thorne-Thomsen
322 South Green Street, Suite 412
Chicago, Illinois 60607
Attention: Ben Applegate]

To Fannie Mae: Fannie Mae
3900 Wisconsin Avenue, NW
Drawer AM
Washington, DC 20016-2899
Attention: Director, Multifamily Asset Management
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)
RE: $[Principal Amount] City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Senior Housing Project), Series 2004; GMAC Commercial Mortgage Corporation

with a copy to: Fannie Mae
3900 Wisconsin Avenue, NW
Drawer AM
Washington, DC 20016-2899
Attention: Vice President, Multifamily Operations
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)
RE: $[Principal Amount] City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Senior Housing Project), Series 2004; GMAC Commercial Mortgage Corporation

To the Loan Servicer: GMAC Commercial Mortgage Corporation
200 Witmer Road
P.O. Box 809
Horsham, Pennsylvania 19044-0809
Attention: Servicing – Account Manager
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

with a copy to: GMAC Commercial Mortgage Corporation
Affordable Housing Division
4195 E. Thousand Oaks Blvd., Suite 201
Westlake Village, California 91362
Attention: Mortgage Servicing
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

To the Construction Lender: GMAC Commercial Mortgage Corporation
100 South Wacker, Suite 400
Chicago, Illinois 60606
Attention: Phillip J. Keel
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

with a copy to: Brown Raysman Millstein Felder & Steiner LLP
900 Third Avenue
New York, New York 10022
Attention: Andrew L. Kramer
Telephone: (Omitted for printing purposes)
Facsimile: (Omitted for printing purposes)

Each party named above may designate a change of address by written notice to all of the other parties 15 days prior to the date of such change of address is to become effective. All such notices, certificates, demands and other communications shall be effective when received at the address specified as aforesaid.

SECTION 10.5 **Waivers.** (a) By any act, delay, omission or otherwise, neither Fannie Mae nor the Loan Servicer shall be deemed to have waived any of Fannie Mae's rights or remedies under this Assignment. No waiver whatever shall be valid, unless in writing signed by Fannie Mae and then only to the extent set forth in the waiver. A waiver by Fannie Mae of any default, right or remedy under this Assignment on any one occasion shall not be construed as a waiver of any other default or be a bar to any right or remedy Fannie Mae would otherwise have on any future occasion.

(b) By any act, delay, omission or otherwise, Issuer shall not be deemed to have waived any of Issuer's rights or remedies under this Assignment. No waiver whatever shall be valid, unless in writing signed by Issuer and then only to the extent set forth in the waiver. A waiver by Issuer of any default, right or remedy under this Assignment on any one occasion shall not be construed as a waiver of any other default or be a bar to any right or remedy Issuer would otherwise have on any future occasion.

SECTION 10.6 **Amendments.** No amendment to this Assignment shall be binding upon the parties to this Assignment until such amendment is reduced to writing and executed by Fannie Mae, the Issuer and the Trustee and acknowledged by the Borrower.

SECTION 10.7 **Severability.** Should one or more of the provisions of this Assignment be held to be invalid, illegal or unenforceable in any jurisdiction, such provision shall be severable from the remainder as to such jurisdiction and the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired in any jurisdiction.

SECTION 10.8 **Execution in Counterparts.** This Assignment 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 10.9 **Governing Law.** This Assignment shall be construed, and the obligations, rights and remedies of the parties hereunder shall be determined, in accordance with the laws of the State without regard to conflicts of laws principles, except to the extent that the laws of the United States of America may prevail.

SECTION 10.10 **WAIVER OF JURY TRIAL.** THE PARTIES HERETO (A) COVENANT AND AGREE NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING UNDER THIS ASSIGNMENT TRIABLE BY A JURY AND (B) WAIVE ANY RIGHT TO TRIAL BY JURY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL BY THE PARTIES, AND THIS WAIVER IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A JURY TRIAL WOULD OTHERWISE ACCRUE.

SECTION 10.11 **Termination.** This Assignment (a) shall terminate and be of no further force or effect as to Fannie Mae at such time as the Reimbursement Agreement is no

longer in full force and effect and (b) shall terminate and be of no further force and effect as to the Trustee at the earlier of (i) such time as the Bonds have been paid in full or deemed paid in full as provided in Article IX of the Indenture or (ii) by mutual written agreement of the Issuer and the Trustee after this Assignment has so terminated as to Fannie Mae, in which event the Assigned Documents shall automatically revert to the Issuer without any further action on the part of the Trustee.

SECTION 10.12 **References.** Whenever any party is referred to in this Assignment, such reference shall be deemed to include the successors and assigns of such party. If an Alternate Credit Facility (as defined in the Indenture) is issued in accordance with the provisions of the Indenture, and if Fannie Mae shall have assigned to the issuer of the Alternate Credit Facility all of its rights under this Assignment, all references in this Assignment to the "Credit Enhancement Instrument" shall mean the Alternate Credit Facility and all references in this Assignment to "Fannie Mae" shall mean the person, firm or entity which has issued the Alternate Credit Facility.

SECTION 10.13 **Additional Agreement.** In the event that the Borrower is no longer the owner of the Mortgaged Property and a new mortgagor is substituted in its place, or if the Security Instrument is replaced by a new mortgage on the Mortgaged Property, the Issuer shall, at Borrower's cost and expense, execute and deliver to Fannie Mae, and shall record, a new assignment, substantially the same as this Assignment, which shall refer to this Assignment.

SECTION 10.14 **No Merger of Interests.** There shall be no merger of the interests of any of the Bondholders and of the holder of the Assigned Rights by reason of the fact that the same Person may acquire, own or hold, directly or indirectly, such interests, unless and until such person, firm or entity and all others having an interest therein shall effect such merger in a written, duly recorded instrument.

SECTION 10.15 **Construction Phase Financing Agreement.** The Issuer, Trustee and Borrower acknowledge and agree to be bound by the terms and provisions of the Construction Phase Financing Agreement including, without limitation, Section 2.5 relating to a substitute borrower and Section 2.7 relating to certain rights of the Construction Lender under the Bond Documents and Loan Documents; provided, however, that the Issuer shall be bound by the form of the Construction Phase Financing Agreement in effect as of the Closing Date and with respect to each amendment to the Construction Phase Financing Agreement after the closing date so long as the Issuer has been provided with a copy of such amendment and such amendment, as determined by the Issuer in its discretion, is not adverse to the interests of the Issuer.

SECTION 10.16 **Termination of References.** All references in this Assignment to the Construction Lender shall be of no further force or effect and shall be disregarded for all purposes of this Assignment from and after the Conversion Date or the date that the Trustee receives written notice from Fannie Mae or the Loan Servicer that (i) the Letter of Credit is no longer in full force and effect; or (ii) the provider of the Letter of Credit has failed to honor a draw under the Letter of Credit or (iii) the Construction Lender has failed to perform its obligations under the Construction Phase Financing Agreement.

SECTION 10.17 **Third-Party Beneficiary**. The parties to this Assignment recognize and agree that the terms of this Assignment 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 this Assignment 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 this Assignment. In addition, the Issuer, the Trustee and the Borrower intend that Fannie Mae be a third-party beneficiary of this Assignment.

The parties have duly executed this Assignment as of the day and year first above written.

CITY OF CHICAGO

By: _____
Name: _____
Title: City Comptroller

[TRUSTEE], [Description of Trustee], as Trustee:

By: _____
Name: _____
Title: _____

ACKNOWLEDGED, ACCEPTED AND AGREED:

FC CENTRAL STATION SENIOR, LLC

By: FC Central Station, LLC, an Illinois limited liability company and its managing member

By: Forest City Equity Services, Inc., an Ohio corporation and its sole member

By: _____
Edward Pelavin
Executive Vice President

[ASSIGNOR'S ACKNOWLEDGMENT]

STATE OF ILLINIOS)
) ss.
COUNTY OF COOK)

On _____, 2004, before me, _____,
a Notary Public in and for said State, personally appeared _____
_____,

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

[TRUSTEE'S ACKNOWLEDGMENT]

STATE OF ILLINOIS)
)
COUNTY OF COOK)

On _____, 2004, before me, _____,
a Notary Public in and for said State, personally appeared _____
_____,

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their

signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

[BORROWER'S ACKNOWLEDGMENT]

STATE OF ILLINOIS)
)
COUNTY OF COOK)

On _____, 2004, before me, _____, a Notary Public in and for said State, personally appeared _____.

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

[(Sub)Exhibit "A" referred to in this Form of Senior Housing Borrower Assignment Agreement unavailable at time of printing.]

Exhibit "E".
(To Ordinance)

Form Of Redevelopment Agreement.

FC CENTRAL STATION REDEVELOPMENT AGREEMENT

AMONG

THE CITY OF CHICAGO,

FC CENTRAL STATION RESIDENTIAL, LLC,

FC CENTRAL STATION SENIOR, LLC

AND

FOREST CITY CENTRAL STATION, INC.

This FC Central Station Redevelopment Agreement (this "Agreement") is made as of this _____ day of _____, 2004, among the City of Chicago, an Illinois municipal corporation (the "City"), acting by and through its Department of Planning and Development ("DPD"), FC Central Station Residential, LLC, an Illinois limited liability company (the "Multi-Family Building Developer"), FC Central Station Senior, LLC, an Illinois limited liability company (the "Senior Building Developer"), each acting by and through the undersigned FC Central Station Properties, LLC, an Illinois limited liability company (the "Managing Member"), as the manager and member of each of the Multi-Family Building Developer and the Senior Building Developer, and Forest City Central Station, Inc., an Ohio corporation and a member of the Managing Member ("Forest City") (the Multi-Family Building Developer, the Senior Building Developer and Forest City shall be known collectively herein as the "Developer').

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on November 28, 1990: (1) "Approval of Tax Increment Redevelopment Plan and Redevelopment Project for Central Station Area Redevelopment Tax Increment Financing Project" (the "Central Station Redevelopment Plan"); (2) "Designation of Central Station Area as Redevelopment Project Area Pursuant to Tax Increment Allocation Redevelopment Act"; and (3) "Adoption of Tax Increment Financing for Central Station Area Redevelopment Project" (the "Central Station TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "Central Station TIF Ordinances"). The redevelopment project area referred to above shall be referred to herein as the "Central Station Redevelopment Area". The Central Station Redevelopment Area is described on Exhibit A-1 attached hereto.

To induce redevelopment pursuant to the Act, the City Council adopted the following ordinances on August 3, 1994: (1) "Approval and Adoption of Tax Increment Redevelopment Project and Plan for Near South Redevelopment Project Area" (the "Near South Redevelopment Plan"); (2) "Designation of Near South Redevelopment Project Area as Tax Increment Financing District"; and (3) "Adoption of Tax Increment Financing for Near South Redevelopment Project Area" (the "Near South TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "Near South TIF Ordinances"). The redevelopment project area referred to above shall be referred to herein as the "Near South Redevelopment Area". The Near South Redevelopment Area (including the Central Station Redevelopment Area) is described on Exhibit A-2 attached hereto.

The Near South TIF Ordinances expanded the Central Station Redevelopment Area into and renamed the Central Station Redevelopment Area as the Near South Redevelopment Area. Therefore: (1) the Near South TIF Ordinances include the Central Station TIF Ordinances and shall be collectively referred to herein as the "TIF Ordinances"; (2) the Near South TIF Adoption Ordinance shall include the Central Station TIF Adoption Ordinance and shall be collectively referred to herein as the "TIF Adoption Ordinance"; (3) the Near South Redevelopment Plan includes the Central Station Redevelopment Plan and shall be collectively referred to herein as the "Redevelopment Plan"; and (4) the Near South Redevelopment Area includes the Central Station Redevelopment Area and shall be collectively referred to herein as the "Redevelopment Area", which is legally described on Exhibit A hereto.

D. The Project: The Developer has purchased (the "Acquisition") certain property located within the Redevelopment Area at 1255 South Michigan Avenue, Chicago, Illinois 60605 and legally described on Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.01 hereof, shall commence and complete construction of two residential rental housing and retail (including commercial) buildings of approximately [87,000] and [515,000] gross square feet (respectively, the "Senior Building" and the "Multi-Family Building"), as well as a parking garage of approximately [172,000] square feet (the "Garage") (the Garage, together with the Senior Building

and the Multi-Family Building, the "Facility"), thereon. The Senior Building shall include 91 residential units and the Multi-Family Building shall include 411 residential units, which shall be let by the Developer subject to Section 8.20 hereof. The Multi-Family Building Developer owns the Property. The Senior Building Developer has entered into a long-term lease with the Multi-Family Building Developer (the "Lease") for the use of that portion of the Property on which the Senior Building will be located in order to construct, own and operate the Senior Building. 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 Redevelopment Plan attached hereto as Exhibit D.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, the proceeds of the City Note (defined below) to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement and the City Note.

G. TIF Bonds: (1) Pursuant to an ordinance also adopted by the City Council on November 18, 1998 (the "1999 TIF Bond Ordinance"), the City issued certain Tax Increment Allocation Bonds (Near South Redevelopment Project), $42,500,000 Series 1999A Bonds and $7,500,000 Series 1999B Bonds (Taxable) (collectively, the "1999 TIF Bonds") as a means of financing, among other things, certain Redevelopment Area redevelopment project costs (as defined in the Act) incurred pursuant to the Redevelopment Plan. (2) Pursuant to an ordinance also adopted by the City Council on March 28, 2001 (the "2001 TIF Bond Ordinance") (collectively, with the 1999 TIF Bond Ordinance, the "TIF Bond Ordinance"), the City issued certain Junior Lien Tax Increment Allocation Bonds (Near South Redevelopment Project), $39,011,761.50 Series 2001A Bonds and $7,230,000 Series 2001B Bonds (Taxable) (collectively, the "2001 TIF Bonds") (collectively, with the 1999 TIF Bonds, the "TIF Bonds") as a means of financing, among other things, certain Redevelopment Area redevelopment project costs (as defined in the Act) incurred pursuant to the Redevelopment Plan.

H. Additional City Financing: It is contemplated that the City will also provide additional financing for the Project by issuing its (i) Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004A, in an amount of not to exceed $90,000,000 (the "Multi-Family Housing Bonds"), (ii) Multi-Family Housing Revenue Bonds (Central Station Multi-Family Project), Series 2004B, in an amount of not to exceed $10,000,000 (the "Multi-Family Borrower Bonds", and, together with the Multi-Family Housing Bonds, the "Multi-Family Bonds"), and (iii) Variable Rate Demand Multi-Family Housing Revenue Bonds (Central Station Senior Housing Project), Series 2004, in an amount of not to exceed $10,000,000 (the "Senior Housing Bonds", and, together with the Multi-Family Bonds, the "Housing Bonds") and lending a portion of the proceeds thereof to the Developer. The City will loan of [a portion of] the proceeds of the Housing Bonds to the Developer (the "City Loan").

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

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

"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 the Developer.

"Approved Site Plan Drawings" shall mean the plans prepared by the Developer's Architect dated April 10, 2003.

"Available Excess Incremental Taxes" shall mean an amount equal to the Incremental Taxes attributable to the taxes levied on the Central Station Redevelopment Area after the Base Year (as defined below), subject to the Priorities set forth in Section 4.03(b)(ii) hereof, and determined by the following formula: [{Incremental Taxes generated by and paid from the Central Station Redevelopment Area for the collection year for which Developer is entitled to payment pursuant to the terms of Section 4.03(b)(iii)} **MINUS** {the total Incremental Taxes generated by and paid from the Central Station Redevelopment Area for the calendar collection year 2003}]. The calendar collection year 2003 shall be known as the "Base Year". The certified Equalized Assessed Valuation for the Central Station Redevelopment Area as of December 31, 2003 for the calendar tax year 2002 and the calendar collection year 2003 (that is, the Base Year) was $[19,561,247].

"Building Permit Drawings" shall mean the drawings for the Project approved by the City's Department of Buildings in connection with the issuance of a building permit for the Project.

"Certificate" shall mean the Certificate of Completion of Construction described in Section 7.01 hereof.

"Certificate of Expenditure" shall mean any Certificate of Expenditure referenced in the City Note pursuant to which the principal amount of the City Note will be established.

"Change Order" shall mean any amendment or modification to the Building Permit Drawings,

Approved Site Plan Drawings or the Project Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

"City Council" shall have the meaning set forth in the Recitals hereof.

"City Funds" shall mean the funds paid to Forest City pursuant to the City Note.

"City Note" shall mean the United States of America, State of Illinois, County of Cook City of Chicago Tax Increment Allocation Revenue Note (Near South Redevelopment Project), Taxable Series [A], to be in the form attached hereto as Exhibit M, in the maximum principal amount of $14,000,000, issued by the City to Forest City on or as of the date hereof. The City Note shall bear interest at an annual variable rate not to exceed nine percent per annum and calculated as set forth in Section 4.03(b)(iv) 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.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit E, to be entered into between the Developer and the General Contractor providing for construction of the Project.

"Corporation Counsel" shall mean the City's Department of Law.

"Developer's Architect" shall mean Solomon Cardwell Buenz & Associates, Inc..

"Developer's Fee" shall mean a fee not to exceed $3,000,000.00 payable to the Multi-Family Building Developer in connection with the City Loan and in respect to the Developer's construction of the Project.

"Department of Housing" or "DOH" shall mean the City's Department of Housing.

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

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal

Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago.

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing) irrevocably (or as may otherwise be set forth in the operating agreement for the Senior Building Developer) 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).

"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 Title Company (or an affiliate of the Title Company), the Developer and the Developer's Lender(s), substantially in the form of Exhibit F attached hereto.

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

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

"Fannie Mae" shall mean a corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. § 1716, et seq.

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

"Fund" shall mean the 1990 Central Station Tax Increment Redevelopment Area Special Tax Allocation Fund initially established for the Central Station Redevelopment Area and now encompassing the entire Redevelopment Area into which the Incremental Taxes will be deposited.

"General Contractor" shall mean James McHugh Construction Company, the general contractor(s) hired by the Developer pursuant to Section 6.01.

"GMAC" shall mean GMAC Commercial Mortgage Corporation.

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

"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 Fund established to pay

Redevelopment Project Costs and obligations incurred in the payment thereof.

"LaSalle" shall mean LaSalle Bank National Association.

"Lender" shall mean, collectively, LaSalle and GMAC.

"Lender Financing" shall mean funds borrowed by the Developer from Lenders and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.

"Lender's Architect" shall mean GTG Consultants.

"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.

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

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

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

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

"Prime Rate" shall mean, on any day, a fluctuating rate per annum equal to the prime rate of interest as published in the "Money Rates" section of the Wall Street Journal.

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

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

"Project Budget" shall mean the budget attached hereto as Exhibit H, showing the total cost of the Project by line item, furnished by the 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.

"Regulations" means the United States Treasury Regulations promulgated with respect to the Code.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit L, to be delivered by the Developer to DPD pursuant to Section 4.04 of this Agreement.

"Rent-Up Reserve" shall mean an amount equal to 5% of the Project Budget reserved for the Project for the purpose of future tenant improvements, which such amount shall not be required to be spent by the Developer prior to the Substantial Completion Date or the payment of any City Funds under the City Note.

"Substantial Completion" shall mean that construction of the Project has been substantially completed for its intended use as certified by the Developer's Architect, subject to the approval of the Lender's Architect.

"Substantial Completion Date" shall mean the date the Project is substantially completed for its intended use and certified by the Developer's Architect as having achieved Substantial Completion (subject to the approval of the Lender's Architect).

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

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the date on which the Redevelopment Area is no longer in effect (through and including December 31, 2014).

"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-Funded Improvements" shall mean those improvements of, and costs and expenditures related to 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 Chicago Title Insurance Company.

"Title Policy" shall mean 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.

"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.

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Project, the Developer shall, pursuant to the Approved Site Plan Drawings and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than thirty (30) days after the Closing Date (the "Construction Commencement Date"); and (ii) achieve Substantial Completion within [twenty-eight] months of the Construction Commencement Date; provided that Substantial Completion may be extended in the event of a Force Majeure (as described in Section 18.17 hereof).

3.02 Building Permit Drawings and Approved Site Plan Drawings. The Developer has delivered the Building Permit Drawings and Approved Site Plan Drawings to DPD and DPD has approved same. After such initial approval, subsequent proposed changes to the Building Permit Drawings or Approved Site Plan Drawings shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof. The Building Permit Drawings and Approved Site Plan Drawings shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Department of Buildings, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than $122,048,000[1], including, without limitation, the Rent-Up Reserve. The 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 (b) the Project Budget is true, correct and complete in all material respects. The 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. (a) Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project must be submitted by the Developer to the Construction Division of DOH (318 South Michigan, 2nd Floor, Chicago, Illinois 60604, Attention: Deputy Commissioner) 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 the Developer to DOH for DOH's prior written approval: (a) a change to the exterior of the Facility, or (b) a change in the number, size or placement of the affordable housing units in the Facility that are subject to the requirements of Section 8.20 below. Within 30 days of submittal thereof by the Developer, DOH's Construction Division shall either approve such a Change Order or provide the Developer written notice of its reasons for not approving the Change Order. The Developer may then resubmit the Change Order, revised to the satisfaction of DOH pursuant to DOH's written notice, and DOH shall approve the Change Order within 30 days of resubmission. 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 in this Section 3.04).

(b) The Developer must provide DPD with copies of all DOH-approved Change Orders (and documentation substantiating the need and identifying the source of funding therefor) relating to material changes to the Project concurrently with the progress reports described in Section 3.07 hereof.

3.05 DPD Approval. DPD has approved the Approved Site Plan Drawings. This approval of the Approved Site Plan Drawings and any other approval granted by DPD hereunder is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City officer or department, including but not limited to the City Comptroller and DOH, 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, the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project until the Developer has obtained all necessary permits and approvals and

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[1]Preliminary, subject to change.

complied with all bonding requirements contained in Section 6.03 hereof and under the applicable documents pertaining to the City Loan.

3.07 Progress Reports and Survey Updates. The Developer shall provide DOH and DPD 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). The Developer shall provide three (3) copies of an updated Survey to DOH and DPD upon the request of DOH, 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 the Developer's architect) approved by DPD shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to DPD, prior to requests for disbursement for costs related to the Project hereunder. For purposes hereof, DPD approves the use of Lender's Architect as the independent agent/architect responsible for performing the inspections and providing the certifications required by this Section 3.08.

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

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

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

3.12 Permit Fees. In connection with the Project, the Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago, except as such fees are waived by the City pursuant to the ordinance adopted by the City Council authorizing, among other things, the City's execution of this Agreement.

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be $122,048,000[2], to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to Sections 4.03(b) and 4.06)	$ 13,048,000
Lender Financing and/or Estimated City Funds (subject to Section 4.03)	$ 14,000,000
Housing Bond Proceeds	$ 95,000,000
ESTIMATED TOTAL	$ 122,048,000[3]

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

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the 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 Section 4.03(b)), contingent upon receipt by the City of documentation reasonably satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

(b) Sources of City Funds. (i) Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to issue the City Note to Forest City on the Closing Date. The principal amount of the City Note on the Closing Date shall be in an amount equal to the costs of the TIF-Funded Improvements which have been incurred by the Developer as of the Closing Date (that is, the amount of the Prior TIF-Eligible Expenditures as defined in Section 4.05 below and set forth on Exhibit I hereto, subject to the Developer's submission to DPD of a Requisition Form with respect to the Prior TIF-Eligible Expenditures and DPD's issuance to the Developer of a Certificate of Expenditure with respect to the Prior TIF-Eligible Expenditures) and are to be reimbursed by the City through payments of principal and interest on the City Note, subject to the provisions hereof; provided, however, that (1) the maximum principal amount of the City Note shall be an amount not to exceed the lesser of $14,000,000 or 11.5% of the actual total Project costs (the "City Note Maximum Principal Amount"); and (2) payments under the City Note are subject to the amount of Incremental Taxes deposited into the Fund being sufficient for such payments. The City's obligation to make payments

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[2]Preliminary, subject to change.

[3]Preliminary, subject to change.

on the City Note shall be limited to the aggregate amount of Available Excess Incremental Taxes. No payment shall be made under the City Note until the City has issued a Certificate of Completion pursuant to Section 7.01 below. The City hereby approves the Developer's assignment of the City Note to LaSalle in connection with the Lender Financing. The Developer shall not otherwise assign the City Note or the right to receive payments thereunder without the prior written consent of the City.

(ii) The Developer's right to receive payments under the City Note shall be subordinate to the following, in order of priority: (1) payments made by the City under the TIF Bonds ("TIF Bond Payments"); (2) payments made by the City to the Board of Education of the City of Chicago under that certain Tax Increment Allocation Revenue Note (Near South Redevelopment Project), Series 200_A dated as of _____, 200_ and given by the City to the Board of Education of the City of Chicago (the "William Jones Academic High School Note"); and (3) the City's annual retention of 7.5% of the Incremental Taxes annually deposited into the Fund for payment of costs incurred by the City in the administration of the Redevelopment Area (the "Administrative Retention") (the TIF Bond Payments, the William Jones Academic High School Note and the Administrative Retention shall be known collectively as the "Priorities"), but only with respect to and to the extent that the amounts of the Priorities are subject to the amount of Available Excess Incremental Taxes and that the payment of the Priorities is subject to the availability of Incremental Taxes in the Fund. The City Note shall be issued on a parity basis with all other notes [previously or] hereafter issued by the City ("Other Notes") to other owners and developers ("Other Note Holders") of other properties located within the Redevelopment Area ("Other Properties"), but only with respect to and to the extent that the amounts of such Other Notes are subject to the amount of Available Excess Incremental Taxes and that the payment of such Other Notes is subject to the availability of Incremental Taxes in the Fund. (The William Jones Academic High School Note shall not be one of the Other Notes, nor shall any other note previously or hereafter issued by the City to any other owner or developer of other property located within the Redevelopment Area who is exempt from paying ad valorem taxes with respect to such property located within the Redevelopment Area.) The payment or payments made on any Other Note in any year shall not exceed 95% of the Incremental Taxes deposited in the Fund that year that are attributable to the Other Property located within the Redevelopment Area owned by the Other Note Holder. In the event that the Incremental Taxes generated in a particular year by the properties in the Redevelopment Area are insufficient, after payment of the Priorities, to fulfill the City's payment obligations under the City Note and the Other Notes, such Incremental Taxes as are available shall be divided up among the City Note and the Other Notes in proportion to the Incremental Taxes generated by the Property and the Other Properties, respectively, for the subject year compared to the total amount of Incremental Taxes generated by the Property and the Other Properties for the subject year. For example, if the Property generates $8 in Incremental Taxes (relative to the Base Year as defined above) and all the Other Properties generate $2 in Incremental Taxes, then 80% of the available Incremental Taxes in the Fund will support payments on the City Note.

(iii) Payments on the City Note shall be made out of the Incremental Taxes in the Fund beginning in the year two years prior to the year in which the City issues the Certificate of Completion pursuant to Section 7.01 hereof (but in any event no earlier than 2005). For example,

if the City issues the Certificate of Completion in 2007, then payments on the City Note shall be made out of the Incremental Taxes collected and deposited in the Fund in 2005 and thereafter. Such payments being made in the first year shall also be subject to the availability of the Incremental Taxes as the City shall be under no obligation to use Incremental Taxes in the Fund until the City actually issues the Certificate of Completion pursuant to Section 7.01 hereof.

(iv) The City Note shall bear interest at a variable rate, initially _____ percent (___%) per annum, not to exceed nine percent (9%) per annum (the "City Note Interest Rate") (nine percent (9%) per annum shall be known herein as the "Maximum Rate"), with the exact rate to be determined by the City Comptroller as follows: the City Note Interest Rate shall be equal to the rate of interest born by the promissory note or other instrument given by the Developer to LaSalle to evidence LaSalle's Lender Financing (the "LaSalle Note"). The rate of interest borne by the LaSalle Note (the "LaSalle Note Interest Rate") shall be variable over time. The City Note Interest Rate shall be equal to the LaSalle Note Interest Rate, except that the City Note Interest Rate shall not exceed the Maximum Rate. If at any time during the Term of this Agreement the LaSalle Note Interest Rate shall exceed the Maximum Rate, then the City Note Interest Rate shall be the Maximum Rate until such time, if any, as the LaSalle Note Interest Rate shall be less than the Maximum Rate, in which case the City Note Interest Rate shall again be equal to the LaSalle Note Interest Rate.

(v) Interest on the City Note at the City Note Interest Rate shall not begin to accrue until the date on which LaSalle first disburses any of the proceeds of LaSalle's Lender Financing to the Developer (the "LaSalle First Disbursement Date"). During each calendar year of the Term of this Agreement in which the Developer submits one or more Requisition Form hereunder, the first such Requisition Form submitted by the Developer during that calendar year of the Term of this Agreement (except for the first Requisition Form submitted by the Developer as of the Closing Date) shall also include a calculation (the "Interest Calculation") of the interest earned on the City Note during the previous calendar year of the Term of this Agreement (the "Interest"). The Developer shall support the Interest Calculation with sufficient documentation. The Interest Calculation shall be subject to the City's review and approval. If the City approves the Interest Calculation, then the City shall include the amount of the Interest in the Certificate of Expenditure it issues in response to the subject Requisition Form (except for the first Certificate of Expenditure issued by the City as of the Closing Date). If the City does not approve the Interest Calculation, then the procedures set forth in Section 4.04(c) below shall govern the resolution of the amount of the Interest in question. The final Requisition Form submitted by the Developer shall include an Interest Calculation of the Interest earned on the City Note since the date of the last-submitted Requisition Form including an Interest Calculation up though the date of the final Requisition Form.

(vi) The City may, at its option, prepay the City Note without any prepayment penalty.

4.04 Construction Escrow and City Loan; Requisition Form. (a) DPD must receive copies of any draw requests and related documents submitted to the Title Company for disbursements of the Lender Financing under the Escrow Agreement. The Construction and Monitoring Divisions of DOH must receive (i) advance written notice of all "pre-draw" meetings among the Developer, the Title Company and/or the Lender (and have the opportunity to attend such meetings); and (ii) copies

of any draw requests and related documents submitted to the Title Company for disbursements of the Lender Financing under the Escrow Agreement.

(b) Within 30 days after the Developer's submission to the City of (i) a Requisition Form (in the form attached hereto as Exhibit L) requesting the issuance of a Certificate of Expenditure by the City, (ii) LaSalle's written approval of a draw request (to be issued on a quarterly basis), and (iii) the necessary supporting documentation referenced in Section 4.04(a) above, the City shall issue a Certificate of Expenditure, in substantially the form included in the form of the City Note attached hereto as Exhibit M, or provide the Developer written notice of its reasons for not issuing a Certificate of Expenditure. The Developer shall not submit a Requisition Form more than four times per calendar year during the Term of this Agreement (or as otherwise permitted by DPD). Notwithstanding any of the foregoing, concurrently with the Closing Date, contingent upon the Developer's prior submission of a first Requisition Form and DPD's review and approval thereof, the City shall issue the first Certificate of Expenditure.

(c) Upon Substantial Completion of the Project and issuance of a Certificate of Completion by DPD in accordance with Section 7.01 hereof, the Developer shall provide DPD with a Requisition Form in the form attached as Exhibit L, along with the documentation described therein requesting the issuance of a Certificate of Expenditure and the disbursement of City Funds. DPD shall issue a Certificate of Expenditure and disburse the requested City Funds within 60 days of submission, or provide the Developer written notice of any deficiencies in the Requisition Form or accompanying documentation. The Developer may then resubmit the Requisition Form and accompanying documentation, revised to the satisfaction of DPD pursuant to DPD's written notice, and DPD shall issue a Certificate of Expenditure and disburse the requested City Funds within 60 days of resubmission.

4.05 Treatment of Prior Expenditures. Only those expenditures made by the Developer with respect to the Project between January 1, 2002 and the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Project Budget, shall be considered either (a) previously incurred costs of TIF-Funded Improvements ("Prior TIF-Eligible Expenditures") or (b) previously contributed Equity or Lender Financing hereunder ("Prior Equity/Lender Financing Expenditures") (together with "Prior TIF-Eligible Expenditures", the "Prior Expenditures"). DPD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit I hereto sets forth the prior expenditures approved by DPD as of the date hereof as Prior Expenditures. Prior Equity/Lender Financing Expenditures, that is prior expenditures made for items other than TIF-Funded Improvements, shall not be reimbursed to the Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to Section 4.01 hereof.

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

4.07 Preconditions of Disbursement; Execution of Certificate of Expenditure. Prior to each execution of a Certificate of Expenditure by the City, the Developer shall submit a Requisition Form and supporting documentation regarding the applicable expenditures to DPD which shall be satisfactory to DPD in its sole discretion. Delivery by the Developer to DPD of any Requisition Form (which such Requisition Form shall constitute a request for execution by the City of a Certificate of Expenditure hereunder) shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such Requisition Form, that:

(a) the total amount of the request represents 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 Requisition Form have been paid to the parties entitled to such payment;

(c) the Developer has approved all work and materials for the current Requisition Form, and such work and materials conform in all material respects to the Approved Site Plan Drawings;

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

(e) except as permitted by Section 8.15(b) hereof, the Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens;

(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 the Developer pursuant to this Agreement. The Developer hereby agrees that, if the Project is not In Balance, the Developer shall, within 10 days after a written request by the City, deposit with LaSalle or LaSalle's escrow agent (and provide written evidence of such deposit to the City) 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 reasonable discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above

are true and correct, and any execution of a Certificate of Expenditure by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of the submission of a Requisition Form and execution of a Certificate of Expenditure, 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 4.09 and Section15.02(b) hereof.

4.09 Sale or Refinancing of the Project.

(a) Definitions. For purposes of this Section 4.09:

(i) the "Sale of the Project" shall mean (aa) the sale, exchange or other disposition of the Project, the Facility, and/or the Property by the Developer to an unrelated buyer for cash, property or assumption of indebtedness, or (bb) the sale, exchange or other disposition of a controlling ownership interest in the Multi-Family Building Developer and/or the Senior Building Developer by the Managing Member to an unrelated buyer for cash, property or assumption of indebtedness (except as may be contemplated by the operating agreement of the Senior Building Developer); notwithstanding the foregoing, neither (1) the sale, exchange or other disposition of a controlling ownership interest in the Senior Building Developer by the Managing Member to Apollo Housing Capital, LLC (or any related or affiliated entity) (the "Tax Credit Investor") for cash, property or assumption of indebtedness[4], nor (2) the succession of LaSalle, a mortgagee or any other party to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage or LaSalle's Lender Financing, whether by foreclosure or deed in lieu of foreclosure or otherwise, shall constitute the Sale of the Project;

(ii) the "Refinancing of the Project" shall mean the refinancing by the Developer of the Lender Financing secured by that certain Construction Phase Mortgage, Assignment of Rents and Security Agreement from Developer to GMAC dated as of the [date hereof] and recorded subsequent hereto in the Office of the Recorder of Deeds of Cook County, Illinois on the Property (the "GMAC Mortgage"), and those certain First Multifamily Mortgage, Assignment of Rents and Security Agreements from Developer to the Issuer and Fannie Mae dated as of the [date hereof] and recorded subsequent hereto in the Office of the Recorder of Deeds of Cook County, Illinois on the Property;

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[4]Such sale, exchange or other disposition shall include a transfer by the Tax Credit Investor or an affiliate thereof of its interests in the Senior Building Developer to a limited partnership or a limited liability company of which the Tax Credit Investor or an affiliate thereof is the general partner or the managing member.

notwithstanding the foregoing, the conversion of a portion of the Multi-Family Housing Bonds into "Specially-Converted Bonds" (as such term is defined in the Trust Indenture between the City and _____, as trustee, with respect to the Multi-Family Housing Bonds) and any refinancing of the mortgage securing the Specially-Converted Bonds shall not constitute the Refinancing of the Project;

(iii) the "Assumed Value" shall be $8,000,000;

(iv) the "Pre-development Expenses" shall mean Prior Expenditures made or incurred by the Developer between January 1, 2002 and the date on which the Project generates positive cash flow, as such date is determined by the Developer in accordance with customary assumptions and methodology, subject to the City's approval;

(v) the "Internal Rate of Return" or "IRR" shall mean the Developer's internal rate of return from the ownership, operation and Sale of the Project or Refinancing of the Project, determined in accordance with customary assumptions and methodology, through the date of the closing of the Sale of the Project or the Refinancing of the Project, and taking into account the receipt of the Net Sale Proceeds or Available Proceeds; for purposes of calculating the Internal Rate of Return, the Property shall be treated as if it had been contributed at its Assumed Value, and the Pre-development Expenses shall be treated as a cost of the Project; the Internal Rate of Return shall be calculated by a certified accountant retained by the Developer, which calculation shall be presented in writing to the City, along with appropriate supporting documentation, and subject to the City's approval;

(vi) the "Net Sale Proceeds" shall mean the gross cash proceeds or the fair market value of any property received from the Sale of the Project, less any reasonable and actual expenses incurred in connection with such sale, and less the balance of any principal and accrued interest on indebtedness of the Developer not assumed or taken subject to by the buyer of the Project;

(vii) the "Available Proceeds" shall mean the gross cash proceeds available from the Refinancing of the Project, less any reasonable and actual expenses incurred in connection with such Refinancing of the Project, and less the payment of any principal and accrued interest on indebtedness of the Developer being refinanced;

(viii) the "22% IRR Minimum Proceeds" shall mean that minimum amount of Net Sale Proceeds or Available Proceeds, as applicable, necessary for the Developer to realize a minimum Internal Rate of Return of 22% upon the Sale of the Project or the Refinancing of the Project;

(ix) the "25% IRR Minimum Proceeds" shall mean that minimum amount of Net Sale Proceeds or Available Proceeds, as applicable, necessary for the Developer to realize a minimum Internal Rate of Return of 25% upon the Sale of the Project or the Refinancing of the Project;

(x) the "25% IRR Minimum Proceeds Differential" shall mean the difference between the 25% IRR Minimum Proceeds and the 22% IRR Minimum Proceeds;

(x) the "22% IRR Excess Proceeds" shall mean the amount of Net Sales Proceeds or Available Proceeds, as applicable, that exceeds the 22% IRR Minimum Proceeds;

(xi) the "25% IRR Excess Proceeds" shall mean the amount of Net Sales Proceeds or Available Proceeds, as applicable, that exceeds the 25% IRR Minimum Proceeds;

(xii) the "22% IRR Repayment Amount" shall mean the amount of 23.5% of the 22% IRR Excess Proceeds; and

(xiii) the "25% IRR Repayment Amount" shall mean the amount of (aa) 23.5% of the 25% IRR Minimum Proceeds Differential, plus (bb) 40% of the 25% IRR Excess Proceeds.

(b) Repayment of City Funds. In the event of the Sale of the Project or the Refinancing of the Project during the Term of this Agreement, on the closing date of the Sale of the Project or the Refinancing of the Project, as applicable, the Developer shall repay the previously disbursed City Funds to the City as follows:

(i) if the Developer's Internal Rate of Return is 22% or greater but less than 25%, then the Developer shall repay the previously disbursed City Funds in the amount of the 22% IRR Repayment Amount (provided, however, that if the 22% IRR Repayment Amount exceeds the amount of the previously disbursed City Funds, then the Developer shall repay only the amount of the previously disbursed City Funds to the City); or

(ii) if the Developer's Internal Rate of Return is 25% or greater, then the Developer shall repay the previously disbursed City Funds in the amount of in the amount of the 25% IRR Repayment Amount (provided, however, that if the 25% IRR Repayment Amount exceeds the amount of the previously disbursed City Funds, then the Developer shall repay only the amount of the previously disbursed City Funds to the City).

If the Developer's Internal Rate of Return upon the Sale of the Project or the Refinancing of the Project is less than 22%, then the Developer shall not be obligated to repay any portion of the previously disbursed City Funds to the City.

SECTION 5. CONDITIONS PRECEDENT

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

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

5.02 Building Permit Drawings and Approved Site Plan Drawings. The Developer has submitted to DPD, and DPD has approved, the Building Permit Drawings and the Approved Site Plan Drawings in accordance with the provisions of Section 3.02 hereof.

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

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

5.05 Acquisition and Title. On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the 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 G 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. The 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. The Developer, at its own expense, has provided the City with searches under the names of the Multi-Family Building Developer, the Senior Building Developer, and the Managing Member as follows:

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

showing no liens against the Multi-Family Building Developer, the Senior Building Developer, the Managing Member, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

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

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

5.09 Opinion of the Developer's Counsel. On the Closing Date, the Developer has furnished the City with an opinion of counsel, substantially in the form attached hereto as Exhibit J, with such changes as required by or acceptable to Corporation Counsel. If the Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions set forth in Exhibit J hereto, such opinions were obtained by the Developer from its general corporate counsel.

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

5.11 Financial Statements. The Developer has provided Financial Statements to DPD for its most recent fiscal year, and audited or unaudited interim financial statements.

5.12 Documentation. The Developer has provided documentation to the City, satisfactory in form and substance to the City, with respect to current employment matters.

5.13 Environmental. The 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.] The 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. The Developer has provided a copy of its Articles or 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 the Developer is qualified to do business; a secretary's certificate or equivalent certification in such form and substance as the Corporation Counsel may require; the operating agreement of the Developer; and such other corporate documentation as the City has requested. The Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

5.15 Litigation. The Developer has provided to Corporation Counsel and DPD, a description of all pending or, to the Developer's knowledge, threatened litigation or administrative proceedings

involving the Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

5.16 Lease. The Developer has provided the City with a copy of the Lease.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. The City has approved the Developer's selection of James McHugh Construction Company as the General Contractor pursuant to a competitive bidding process. The Developer shall submit copies of the Construction Contract to DPD in accordance with Section 6.02 below. Photocopies of any subcontracts relating to the TIF-Funded Improvements shall be provided to DPD each calendar quarter during the construction of the Project. The 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 all requisite permits have been obtained.

6.02 Construction Contract. Prior to the execution thereof, the 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 and shall not be unreasonable withheld or delayed. If, however, DOH approves the proposed Construction Contract prior to its submission by the Developer to DPD, DPD shall be deemed to have approved the Construction Contract. Within ten (10) business days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to 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 the commencement of any portion of the Project which includes work on the public way, the 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 attached as Exhibit P hereto. The City shall be named as obligee or co-obligee on any such bonds. The Developer shall also require that the General Contractor provide (i) a performance and payment bond in the full amount of the Construction Contract, underwritten by a surety satisfactory to the City and the Corporation Counsel, and naming the City as co-obligee on such bond, or (ii) a letter of credit in an amount not less than 15 percent of the full amount of the Construction Contract or an amount satisfactory to the City, from a bank satisfactory to the City and the Corporation Counsel, and naming the City as a payee on such letter of credit, if and as required by DOH in connection with the City Loan.

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

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (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 fifteen (15) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction. Upon (a) Substantial Completion of the construction of the Project in accordance with the terms of this Agreement, (b) issuance of a temporary Certificate of Occupancy by the City for all floors of the Multi-Family Building and the Senior Building to be occupied by residents, and (c) the Developer's written request, DPD shall, within forty-five (45) days of the City's receipt of the Developer's aforementioned request, issue either (i) a 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, or (ii) 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 the Developer must take in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures. Upon Substantial Completion, the Developer must provide DPD and DOH with an independent cost accounting for the Project, separately identifying the costs of construction of the Multi-Family Building and the Senior Building.

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

Those covenants specifically described at Sections 8.02, 8.13, 8.19, and 8.20 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

If the City does not provide any of the City Funds, the covenants referenced in the preceding paragraph and all other terms, conditions and restrictions described in this Agreement shall be automatically released and shall not encumber the Property.

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

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

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements (if any) 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, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

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

7.04 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide the Developer, within 30 days of the Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

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

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

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

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary 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 the Developer is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the 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 the Developer is contesting in good faith pursuant to Section 8.15 hereof).

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

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

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

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

(j) prior to the issuance of a Certificate, the 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 the 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 the Developer's financial condition;

(k) the 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;

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

(m) the copy of the Lease which the Developer has provided to the City is complete, true and accurate in all respects.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Building Permit Drawings and Approved Site Plan Drawings as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the TIF Bond Ordinance, the Building Permit Drawings, Approved Site Plan Drawings, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. 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. The Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan.

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

8.05 Other TIF Bonds. The 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 additional 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 "Other TIF Bonds"); provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project and shall not affect the Developer's right to receive payments under the City Note or increase the Priorities (as described in Section 4.03(b)) or have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Other 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; provided, however, City shall provide notice to Lender of any proposed amendments.

8.06 [Omitted]

8.07 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The 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 on a monthly basis. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DPD which shall outline, to DPD's satisfaction, the manner in which the Developer shall correct any shortfall.

8.08 Employment Profile. The 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. The Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions. With the exception of the Developer's Fee payable to Multi-Family Building Developer, unless DPD has given its prior written consent with respect thereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement (except with respect to the Acquisition to the extent that the costs of the Acquisition constitute Prior TIF-Eligible Expenditures). The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer and reimbursement to the Developer for such costs using City Funds, or otherwise), upon 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, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the 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 the Developer's business, the Property or any other property in the Redevelopment Area.

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

8.13 Financial Statements. The Developer, its successors and assigns shall obtain and provide to DPD Financial Statements for (a) the Multi-Family Building Developer's fiscal year ended January 31, 200[_] and each January 31 thereafter (or for the applicable successor or assign's fiscal year), (b) the Senior Building Developer's fiscal year ended December 31, 200[_] and each December 31 thereafter (or for the applicable successor or assign's fiscal year), and (c) Forest City's fiscal year ended January 31, 200[_] and each January 31 thereafter (or for the applicable successor or assign's fiscal year) for the Term of the Agreement . In addition, the 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. The covenants set forth in this Section shall run with the land and be binding upon any transferee.

8.14 Insurance. The 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, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to 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. The Developer has the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); 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. The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify DPD of any and all events or actions which may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

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

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, 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 the Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. The Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. The 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 the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DPD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

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

8.20 Affordable Housing Covenant. The Developer agrees and covenants with the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, the provisions of (i) that certain Regulatory Agreement and Declaration of Restrictive Covenants executed by the Multi-Family Building Developer, Seaway National Bank of Chicago, as Trustee of the Housing Bonds ("Seaway"), and the City as of the date hereof (the "Multi-Family Building Regulatory Agreement"), and (ii) that certain Regulatory Agreement and Declaration of Restrictive Covenants executed by the Senior Building Developer, Seaway, and the City as of the date hereof (the "Senior Building Regulatory Agreement") (the Multi-Family Building Regulatory Agreement, together with the Senior Building Regulatory Agreement, the "Regulatory Agreement"), to the extent that the provisions of the Regulatory Agreement are more restrictive and/or onerous than this Section 8.20, shall govern the terms of the Developer's obligation to provide affordable housing. Following

foreclosure, if any, and from the date of such foreclosure through the thirtieth anniversary of the earlier of: (1) the date of issuance of a [temporary] Certificate of Occupancy for the Multi-Family Building, and (2) the date of issuance of a [temporary] Certificate of Occupancy for the Senior Building, pursuant to the Affordability Guidelines (as such term is defined in Section 8.20(d)(i) below), the following provisions (a) through (f) of this Section 8.20 shall govern the terms of the obligation to provide affordable housing under this Agreement:

(a) (i) Except for retail (including commercial) space on the first floor thereof, the Senior Building shall be operated and maintained solely as residential rental housing; and (ii) except for retail (including commercial) space on the first floor thereof, the Multi-Family Building shall be operated and maintained solely as residential rental housing.

(b) (i) All of the units in the Senior Building shall be available for occupancy to and be occupied solely by one or more senior citizens qualifying as Low Income Families (as defined below) upon initial occupancy; and (ii) 20% of the units in the Multi-Family Building shall be available for occupancy to and be occupied solely by one or more individuals qualifying as Low Income Families (as defined below) upon initial occupancy.

(c) (i) All of the units in the Senior Building shall have monthly rents payable by the tenant 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 Code, as amended ("Section 42(g)(2)")); and (ii) 20% of the units in the Multi-Family Building shall have monthly rents payable by the tenant 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)); provided, however, that for any unit occupied by a Family (as defined below) that no longer qualifies as a Low Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.

(d) As used in this Section 8.20, the following terms have the following meanings:

(i) "Affordability Guidelines" shall mean those certain affordability guidelines adopted by the City pursuant to an ordinance approved by the City Council on July 31, 2002 and Section 74.4-3(q)(11)(F) of the Act;

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

(iii) notwithstanding anything to the contrary contained or incorporated in the Affordability Guidelines, "Low Income Families" shall mean Families whose annual income does not exceed sixty percent (60%) of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to

time by the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition.

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

(f) The City and the Developer may enter into a separate agreement to implement the provisions of this Section 8.20.

(g) Pursuant to the Senior Building Regulatory Agreement, among other things:

(i) "Low and Moderate Income Tenants" means and includes individuals or families with adjusted income, calculated in the manner prescribed in Regulation Section 1.167(k)-3(b)(3) as it shall be in effect on the date that the Senior Housing Bonds are issued (or, if not issued on the same date, the earliest issuance date of the Senior Housing Bonds), which does not exceed sixty percent (60%) of the median gross income for the area in which the Property is located, determined in a manner consistent with determinations of median gross income made under the leased housing program established under Section 8 of the United States Housing Act of 1937, as amended, or if that program is terminated, under that program as in effect immediately before termination. That determination shall include adjustments for family size. In no event, however, will the occupants of a unit of the Property be considered to be Low and Moderate Income Tenants if all the occupants are students, no one of whom is entitled to file a joint return for federal income tax purposes;

(ii) "Qualified Development Period" means the period beginning on the date on which ten percent (10%) of the units in the Property are first occupied and ending on the latest of the date (i) which is fifteen (15) years after the date on which at least fifty percent (50%) of the residential units in the Mortgaged Property are occupied, (ii) which is the first date on which no tax-exempt private activity bond issued with respect to the Property is outstanding, or (iii) on which any assistance presently provided with respect to the Property under Section 8 of the United States Housing Act of 1937, as amended, terminates; and

(iii) at all times during the Qualified Development Period, at least forty percent (40%) of the completed residential units shall be occupied by Low and Moderate Income Tenants. For purposes of satisfying that requirement, a unit occupied by an individual or family who at the commencement of occupancy is a Low and Moderate Income Tenant shall be treated as occupied by such an individual or family during their tenancy in such unit, even though that individual or family subsequently ceases to be a Low and Moderate Income Tenant. The preceding sentence shall, however, cease to apply to any resident whose income as of the most recent determination exceeds one hundred forty percent (140%) of the sixty percent (60%) income limitation amount if, after such determination, but before the next determination, any residential unit of comparable or smaller size in the Property is occupied by a new resident whose income exceeds that sixty percent (60%) limitation. A unit treated

as occupied by a Low and Moderate Income Tenant shall be treated as occupied after it is vacated until reoccupied (other than for a temporary period not to exceed 31 days), at which time the character of the unit shall be redetermined.

(h) Pursuant to the Multi-Family Building Regulatory Agreement, among other things:

(i) "Low and Moderate Income Tenants" means and includes individuals or families with adjusted income, calculated in the manner prescribed in Regulation Section 1.167(k)-3(b)(3) as it shall be in effect on the date that the Multi-Family Bonds are issued (or, if not issued on the same date, the earliest issuance date of the Multi-Family Bonds), which does not exceed fifty percent (50%) of the median gross income for the area in which the Property is located, determined in a manner consistent with determinations of median gross income made under the leased housing program established under Section 8 of the United States Housing Act of 1937, as amended, or if that program is terminated, under that program as in effect immediately before termination. That determination shall include adjustments for family size. In no event, however, will the occupants of a unit of the Multi-Family Building be considered to be Low and Moderate Income Tenants if all the occupants are students, no one of whom is entitled to file a joint return for federal income tax purposes;

(ii) "Qualified Development Period" means the period beginning on the date on which ten percent (10%) of the units in the Multi-Family Building are first occupied and ending on the latest of the date (i) which is fifteen (15) years after the date on which at least fifty percent (50%) of the residential units in the Multi-Family Building are occupied, (ii) which is the first date on which no tax-exempt private activity bond issued with respect to the Multi-Family Building is outstanding, or (iii) on which any assistance presently provided with respect to the Multi-Family Building under Section 8 of the United States Housing Act of 1937, as amended, terminates; and

(iii) at all times during the Qualified Development Period, at least twenty percent (20%) of the completed residential units in the Multi-Family Building shall be occupied by Low and Moderate Income Tenants. For purposes of satisfying that requirement, a unit occupied by an individual or family who at the commencement of occupancy is a Low and Moderate Income Tenant shall be treated as occupied by such an individual or family during their tenancy in such unit, even though that individual or family subsequently ceases to be a Low and Moderate Income Tenant. The preceding sentence shall, however, cease to apply to any resident whose income as of the most recent determination exceeds one hundred forty percent (140%) of the fifty percent (50%) income limitation amount if, after such determination, but before the next determination, any residential unit of comparable or smaller size in the Multi-Family Building is occupied by a new resident whose income exceeds that fifty percent (50%) limitation. A unit treated as occupied by a Low and Moderate Income Tenant shall be treated as occupied after it is vacated until reoccupied (other than for a temporary period not to exceed 31 days), at which time the character of the unit shall be redetermined.

8.21 [Omitted]

8.22 Public Benefits Program. The Developer agrees to contribute the sum of $100,000.00 to After School Matters, Inc. c/o Mayor Daley's KidStart Initiative, due and payable on the Closing Date.

8.23 [Omitted]

8.24 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement. If, however, the City does not provide any of the City Funds to Developer, the covenants referenced herein and all other terms, conditions and restrictions described in this Agreement shall be automatically released and shall no longer encumber the Property.

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status,

marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

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

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

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

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

10.02 City Resident Construction Worker Employment Requirement. The Developer agrees for itself and its successors and assigns, and 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 Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set

forth in the Project Budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor and/or the subcontractors to prosecution. **Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.**

In the event the Developer shall fail to pay any sum required pursuant to this Section, 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 make such payment within ten (10) days of its receipt of a written notice from the City specifying that it has failed to make such payment.

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

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

10.03 The Developer's 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 Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (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 25 percent by MBEs.

ii. At least 5 percent by WBEs.

b. For purposes of this Section 10.03 only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "contract" 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 Section 10.03. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

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

e. Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the 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 Section 10.03 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

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

h. As of the Closing Date, it is the understanding and intention of the parties hereto that the foregoing provisions of this Section 10.03 shall govern the Developer's MBE/WBE commitment hereunder, regardless of any subsequent amendments to or repeal of all or any portion of Section 2-92-420 et seq. of the Municipal Code of Chicago. This provision shall not limit the applicability in future during the Term of this Agreement of any federal, state or local laws, statutes, ordinances, rules, regulations, executive orders or codes or the decision of any court of competent jurisdiction.

SECTION 11. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Building Permit Drawings, Approved Site Plan Drawings and all amendments thereto, [the Bond Ordinance] and the Redevelopment Plan.

Without limiting any other provisions hereof, 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 as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of the Developer: (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 the Developer, or any person directly or indirectly controlling, controlled by or

under common control with the 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 the 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 the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

The Developer shall provide and maintain, or cause to be provided, at the Developer's own expense, during the Term of the Agreement (or as otherwise specified below), the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement and Throughout the Term of the Agreement

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Contractor shall provide 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 bases.

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or transit property, Contractor shall provide, or cause to be provided with respect to the operations that the Contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy has 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) Builders Risk Insurance

When the Contractor undertakes any construction, including improvements, betterments, and/or repairs, the Contractor shall 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 permanent facility. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable. The City of Chicago shall be named as an additional insured and loss payee. The City acknowledges that the Lender (and other parties) may also be named as an additional insured and loss payee.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions shall be maintained with limits of not less than $1,000,000. Coverage shall include contractual liability. 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.

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

When any remediation work is performed which may cause a pollution exposure, contractor's Pollution Liability shall be provided with limits of not less than $1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, 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 one (1) year. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(c) Term of the Agreement

(i) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Property. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(d) Other Requirements

The Developer will furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The 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 the Developer shall not be deemed to be a waiver by the City. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance shall not relieve the 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 terminate this Agreement until proper evidence of insurance is provided.

The insurance shall 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 and all deductibles or self insured retentions on referenced insurance coverages shall be borne by the Developer.

The Developer agrees that insurers shall waive rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The Developer expressly understands and agrees that any coverages and limits furnished by the Developer shall in no way limit the Developer's liabilities and responsibilities specified within the Agreement documents or by law.

The Developer expressly understands and agrees that the Developer's insurance is primary and any insurance or self insurance programs maintained by the City of Chicago shall not contribute with insurance provided by the Developer under the Agreement.

The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

The Developer shall require the General Contractor, and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the General Contractor, or subcontractors. All General Contractors and subcontractors shall be subject to the same requirements (Section (d)) of Developer unless otherwise specified herein.

If the Developer, General Contractor or any subcontractor desires additional coverages, the Developer, General Contractor and any subcontractor shall be responsible for the acquisition and cost of such additional protection.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as any such change does not increase 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 Indemnities shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of:

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

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

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

(iv) the 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 Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. The Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor

the Project. All such books, records and other documents, including but not limited to the Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense. The Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by the Developer with respect to the Project.

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

SECTION 15. DEFAULT AND REMEDIES

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

(a) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under this Agreement or any related agreement, including, without limitation, the Regulatory Agreement;

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

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

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

(g) the entry of any judgment or order against the Developer 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 the Developer or the death of any natural person who owns a material interest in the Developer; or

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

(k) prior to the issuance of the Certificate, and without the prior written consent of the City, (i) the sale or transfer of any of the ownership interests of the Developer (except as may be contemplated by the operating agreement of the Senior Building Developer, and except for the sale, exchange or other disposition of a controlling ownership interest in the Senior Building Developer by the Managing Member to the Tax Credit Investor for cash, property or assumption of indebtedness, which such sale, exchange or other disposition shall include a transfer by the Tax Credit Investor or an affiliate thereof of its interests in the Senior Building Developer to a limited partnership or a limited liability company of which the Tax Credit Investor or an affiliate thereof is the general partner or the managing member), (ii) the sale, transfer or lease of all or substantially all of the Developer's property, (iii) the entering into by the Developer of any transaction outside the ordinary course of business of the Developer, (iv) the assumption or guaranteeing by the Developer of the obligations of another person, or (v) the entering into by the Developer of a transaction that would cause a material and detrimental change in the financial condition of the Developer; or

(l) the failure of the Developer to repay the required and applicable portion of the City Funds to the City pursuant to Section 4.09 hereof.

For purposes of Sections 15.01(i) and 15.01(j) hereof, a person with a material interest in the Developer shall be one owning in excess of ten (10%) of the Developer's membership interests.

15.02 Remedies. (a) Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein; provided, however, that City may pursue and secure money damages only for an Event of Default under Sections 4.09, 8.20, and 10 hereof. The City acknowledges that any judgment lien for money damages hereunder that it may record against the Property or otherwise seek to enforce against the Developer (a "Judgement Lien") shall be subordinate to (i) the lien on the Property of the GMAC Mortgage (as such term is defined in Section 4.09(a)(ii) hereof), (ii) the lien on the Property of the mortgage (or mortgages) given by the Developer to Fannie Mae, (iii) any lien(s) on or security interest(s) in the Property or any other collateral given by the Developer to LaSalle to secure LaSalle's Lender Financing, and (iv) any lien(s) on or security interest(s) in the Property or any other collateral given by the Developer to any other party to secure that party's provision of financing or similar assistance to the Developer for the Project as of the date hereof (or otherwise prior to the recording or attachment of the Judgment Lien). (b) In addition, but not by way of limitation, in the event that the Developer fails to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer pursuant to Section 8.20 above, then the Developer shall reimburse the City in the full amount of City Funds disbursed hereunder.

15.03 Curative Period. In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, 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.

At the time the City gives notice to the Developer of the Developer's failure to perform a covenant, the City shall also give written notice of such failure to LaSalle, GMAC, Fannie Mae, the Tax Credit Investor and any Secured Party. Notice to LaSalle, GMAC, Fannie Mae and the Tax Credit Investor shall be sent pursuant to Section 17 hereof. For purposes of this provision, a "Secured Party" shall mean a party which (a) holds an Existing Mortgage or a Permitted Mortgage (as those terms are defined in Section 16 below) and (b) has previously notified the City in writing of the appropriate party to whom and place where notice of the Developer's failure to perform should be sent on that Secured Party's behalf. The City shall afford LaSalle, GMAC, Fannie Mae, the Tax Credit Investor and/or any such Secured Party (but not the Developer) a 120 day cure period

(commencing upon the expiration of the applicable cure period afforded to the Developer) to cure the Developer's failure to perform as set forth above. The City, however, shall not be deemed to have failed to perform any of its obligations hereunder if it fails or is unable to so notify LaSalle, GMAC, Fannie Mae, the Tax Credit Investor or any Secured Party. The City shall accept cure from LaSalle, GMAC, Fannie Mae, the Tax Credit Investor or any Secured Party and, upon such cure, shall not exercise its remedies under Section 15.02 hereof.

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

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

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only

by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to the 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.

If to the City:	City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, IL 60602 Attention: Commissioner
With Copies To:	City of Chicago Department of Law Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602
If to the Developer:	FC Central Station Residential, LLC FC Central Station Senior, LLC FC Central Station Properties, LLC c/o Forest City Capital Corporation Terminal Tower 50 Public Square, Suite 1170 Cleveland, OH 44113-2267 Attention: Ronald Ratner
With Copies To:	Forest City Capital Corporation Terminal Tower 50 Public Square, Suite 1170 Cleveland, OH 44113-2267 Attention: John Wallenmeyer
and	Forest City Capital Corporation Terminal Tower 50 Public Square, Suite 1170 Cleveland, OH 44113-2267

	Attention: David Gordon
and	Central Station Development Corporation 1211 South Michigan Avenue Chicago, IL 60605
and	Foley & Lardner 321 North Clark Street, Suite 2800 Chicago, IL 60610-4764 Attention: Christopher N. Knight
and the Tax Credit Investor	Apollo Housing Capital, LLC 600 Superior Avenue, Suite 2300 Cleveland, OH 44114 Attention: President and General Counsel
and	Applegate & Thorne-Thomsen 322 South Green Street, Suite 400 Chicago, IL 60607 Attention: Ben Applegate
and Fannie Mae	Fannie Mae 3900 Wisconsin Avenue, NW Drawer AM Washington, DC 20016-2899 Attention: Director, Multi-Family Asset Management
and	O'Melveny & Myers LLP 400 South Hope Street Los Angeles, CA 90071 Attention: Masood Sohaili
and GMAC	GMAC Commercial Mortgage Corp. 100 South Wacker Drive Suite 400 Chicago, IL 60606 Attention: Frank J. Guzauskas
and	GMAC Commercial Mortgage Corporation 4195 East Thousand Oaks Boulevard Suite 201 Westlake Village, CA 91362 Attention: Servicing Department

and	GMAC Commercial Mortgage Corporation 200 Witmer Road P.O. Box 809 Horsham, PA 19044 Attention: Servicing - Account Manager
and	Brown Raysman Millstein Felder & Steiner 900 Third Avenue New York, NY 10022-4728 Attention: Andrew L. Kramer
and LaSalle	LaSalle Bank National Association 135 South LaSalle Street Suite 1225 Chicago, IL 60603 Attention: Marilyn C. Maloney
and	Jenner & Block LLP One IBM Plaza Chicago, IL 60611 Attention: Donald S. Horvath

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

SECTION 18. MISCELLANEOUS

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

any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by the Developer by more than [ninety (90)] days.

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

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

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

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

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

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

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

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

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

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

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

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

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

18.15 Assignment. The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City, except that the Developer may collaterally assign its interest in this Agreement to: (1) LaSalle pursuant to a Collateral Assignment and Security Agreement by and among the Developer, LaSalle and the City in substantially the form attached hereto as Exhibit Q (the "LaSalle Assignment"), and (2) the Tax Credit Investor, which assignment shall be subject and subordinate to the LaSalle Assignment. Any successor in interest to the Developer under this Agreement (other than LaSalle, whose obligations shall be governed by the LaSalle Assignment) 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 8.24 (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

18.17 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, war, terrorism, 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.

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

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

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

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

18.22 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.

18.23 Time Is of the Essence. The parties hereto shall perform their respective obligations hereunder within the time limits required hereunder, except as otherwise provided for herein, including but not limited to Section 18.17 hereof. **Further, the parties hereto acknowledge that TIME IS OF THE ESSENCE and that the failure of either party to comply with the time limits set forth herein may result in economic or other losses to the other party hereto.**

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.

CITY OF CHICAGO

By:_____
Commissioner
Department of Planning and Development

FC CENTRAL STATION RESIDENTIAL, LLC

By: FC Central Station Properties, LLC
Its: Manager and Member

By: Forest City Equity Services, Inc.
Its: Manager and Member

By: _____
Name: _____
Title: _____

FC CENTRAL STATION SENIOR, LLC

By: FC Central Station Properties, LLC
Its: Manager and Member

By: Forest City Equity Services, Inc.
Its: Manager and Member

By: _____
Name: _____
Title: _____

FOREST CITY CENTRAL STATION, INC.

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss
COUNTY OF _____)

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 Forest City Equity Services, Inc., an Ohio corporation ("Forest City Equity"), the manager and member of FC Central Station Properties, LLC, an Illinois limited liability company (the "Managing Member"), the manager and member of FC Central Station Residential, LLC, an Illinois limited liability company (the "Multi-Family Building 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 directors of Forest City Equity, as his/her free and voluntary act and as the free and voluntary act of Forest City Equity, of the Managing Member and of the Multi-Family Building 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 _____)
) ss
COUNTY OF _____)

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 Forest City Equity Services, Inc., an Ohio corporation ("Forest City Equity"), the manager and member of FC Central Station Properties, LLC, an Illinois limited liability company (the "Managing Member"), the manager and member of FC Central Station Senior, LLC, an Illinois limited liability company (the "Senior Building 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 directors of Forest City Equity, as his/her free and voluntary act and as the free and voluntary act of Forest City Equity, of the Managing Member and of the Senior Building 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 _____)
) ss
COUNTY OF _____)

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 Forest City Central Station, Inc., an Ohio corporation ("Forest 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 directors of Forest City,

as his/her free and voluntary act and as the free and voluntary act of Forest City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of _____, ____.

_____
Notary Public

(SEAL)

My Commission Expires_____

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)Exhibits "A", "A-1", "A-2", "D", "D-1", "D-2", "E", "F", "K", "N", "O" and "P" referred to in this Form of Redevelopment Agreement unavailable at time of printing.]

(Sub)Exhibits "B", "C", "G", "H-1", "H-2", "I", "J", "L", "M" and "Q" referred to in this Form of Redevelopment Agreement read as follows:

(Sub)Exhibit "B".
(To Form Of Redevelopment Agreement)

Property.

Legal Description:

Lot 3 in Geiger's Subdivision, being a subdivision of part of fractional Section 22, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, Recorded March 31, 2004, as Document 0409119118 in Cook County, Illinois.

Permanent Index Numbers:

17-22-102-009 (part of)

17-22-102-010 (part of)

17-22-102-011 (part of)

17-22-102-012 (part of)

17-22-102-013 (part of)

17-22-102-014 (part of)

17-22-102-015 (part of)

17-22-102-016 (part of)

17-22-102-017 (part of)

17-22-102-019 (part of)

17-22-102-020 (part of).

Address(es) Commonly Known As:

1255 South Michigan Avenue
Chicago, Illinois 60605.

(Sub)Exhibit "C".
(To Form Of Redevelopment Agreement)

Tax Increment Financing-Funded Improvements.

Costs of Studies, Surveys, and Plans	$ 400,000
Property Assembly Costs and Site Prep	8,060,000*
Construction of Affordable Housing Units	12,829,500
Total T.I.F.-Funded Improvements:	$21,289,500**

---

* Only Four Million Dollars ($4,000,000) of this amount may be used to value the Note at closing, the remaining Four Million Dollars ($4,000,000) may only be used if, at project completion, the Developed has not reached Fourteen Million Dollars ($14,000,000) in T.I.F.-Eligible costs.

** In no event shall the City reimburse the Developer in excess of the lesser of (a) Fourteen Million Dollars ($14,000,000), or (b) eleven and one-half precent (11.5%) of the Project Costs, as set out in the final Project Budget.

Note: Notwithstanding the above total of T.I.F.-Funded Improvements, the assistance to be provided by the City is limited to an amount not to exceed Fourteen Million Dollars ($14,000,000) or eleven and five-tenths percent (11.5%) of the actual total Project costs.

Disbursements for expenditures related to T.I.F.-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 D.P.D., being prohibited; provided, however, that such transfers among line items, in an amount not to exceed Twenty-five Thousand Dollars ($25,000) or One Hundred Thousand Dollars ($100,000) in the aggregate, may be made without the prior written consent of D.P.D.

(Sub)Exhibit "G".
(To Form Of 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 the 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 "H-1".
(To Form Of Redevelopment Agreement)

Project Budget.

Acquisition:	
Land	$8,000,000
Air Rights	60,000
Total Acquisition Costs:	$8,060,000

Hard Costs:	
Building Construction (Tower)	$63,500,000
Building Construction (Senior Building)	12,959,000
Parking Garage	8,501,000
Contingency	4,377,000
Miscellaneous Costs	2,575,000
Total Hard Costs:	$91,912,000
Soft Costs:	
Professional Services	$3,927,000
Title, Taxes, Insurance	720,000
Financing Costs	9,598,000
Marketing and Leasing	350,000
Developer's Fee	3,000,000
Rent-Up Reserve	4,481,000
Total Soft Costs:	$22,076,000
TOTAL PROJECT COSTS:	$122,048,000

(Sub)Exhibit "H-2".
(To Form Of Redevelopment Agreement)

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

Hard Costs:	
Building Construction (Tower)	$48,142,343
Building Construction (Senior Building)	9,628,461
Parking Garage	6,418,933
Contingency	4,377,000
TOTAL HARD COSTS:	$68,566,737
M.B.E./W.B.E. Project Budget	$68,566,737
M.B.E. Total $68,566,737*25%=	$17,141,684
W.B.E. Total $68,566,737*5%=	3,428,336

*[Whether future contracts equal this value or not, the Developer is obligated to expend the required M.B.E./W.B.E. dollar value.]

(Sub)Exhibit "I".
(To Form Of Redevelopment Agreement)

Prior Expenditures.

Prior T.I.F.-Eligible Expenditures:

Acquisition of the Property: $4,000,000

Note: If, upon completion of the construction of the Project, the actual aggregate dollar amount of the T.I.F.-Funded Improvements listed on (Sub)Exhibit C hereto (including the Prior T.I.F.-Eligible Expenditures set forth above) is less than the lesser of Fourteen Million Dollars ($14,000,000) or eleven and five-tenths percent (11.5%) of the actual total Project costs (the amount of such deficiency shall be known as the "T.I.F.-Funded Improvements Deficiency"), then the dollar amount attributable to the costs of the Acquisition of the Property by the Developer as a Prior T.I.F.-Eligible Expenditure may be increased by the lesser of (1) Four Million Dollars ($4,000,000) or (2) the T.I.F.-Funded Improvements Deficiency.

Prior Equity/Lender Financing Expenditures: [to be completed]

[(Sub)Exhibit "C" referred to in these Prior Expenditures printed on page 26321 of this *Journal.*]

(Sub)Exhibit "J".
(To Form Of Redevelopment Agreement)

Opinion Of Developer's Counsel.

City of Chicago
121 North LaSalle Street, Suite 600
Chicago, Illinois 60602
Attention: Corporation Counsel

Re: FC Central Station Redevelopment Agreement
1211 South Michigan Avenue, Chicago, Illinois

Ladies and Gentlemen:

We have acted as special counsel to FC Central Station Residential, L.L.C., an Illinois limited liability company (the "Multi-Family Building Developer"), and FC Central Station Senior, L.L.C., an Illinois limited liability company (the "Senior Building Developer" and collectively referred to hereinafter with the Multi-Family Developer as the "Developer") and FC Central Station Properties, L.L.C., an Illinois limited liability company (the "Managing Member") as the manager and member of each of the Multi-Family Building Developer and the Senior Building Developer and Forest City Central Station, Inc., an Ohio corporation ("Owner") as an owner of the Managing Member, in connection with the redevelopment of certain facilities on land located in the Near South Redevelopment Project Area (the "Project"). All initially capitalized terms used but not defined herein shall have the meanings respectively ascribed to them in the Redevelopment Agreement (defined below).

In our capacity as special counsel, we have examined the following agreements, instruments and documents, hereinafter referred to as the "Documents":

FC Central Station Redevelopment Agreement (the "Redevelopment Agreement") dated of even date herewith and executed by the Developer and the City of Chicago (the "City").

Ground Lease of even date herewith between Multi-Family Building Developer and Senior Building Developer.

In addition to the foregoing, we have examined:

(a) a certified copy of the Articles of Organization of each of the Developer and Managing Member dated _____ certified by the Illinois Secretary of State on _____;

(b) a copy of the operating agreement of each of the Developer and Managing Member certified by the _____ of each of the Developer and Managing Member as true and correct as of _____, and attached to the Certificate;

(c) a Good Standing Certificate of each of the Developer and Managing Member dated _____ issued by the Secretary of State of Illinois;

(d) a certified copy of the Articles of Incorporation of Owner dated _____ issued by _____;

(e) a certified copy of the Bylaws of Owner dated _____ issued by _____;

(f) a Good Standing Certificate of Owner dated _____ issued by the Secretary of State of Ohio;

(g) the [resolution/consent] of the [_____] of Developer, Managing Member and Owner ("Resolution") authorizing the Project and related matters, which Resolution is attached to a _____ Certificate ("Certificate") dated _____ by the _____ of the Developer, Managing Member and Owner and attached as (Sub)Exhibit A;

(h) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

Items (a) through (e) above are hereinafter collectively referred to as the "Organizational Documents".

For purposes of this opinion, we have assumed that:

(a) The execution and delivery of all Documents and other materials reviewed by us, and the entry into and performance of the transactions contemplated by the Documents, by all parties other than Developer, Managing Member and Owner, have been duly authorized by all necessary actions; the Documents constitute the valid and binding obligations of all parties other than Developer, Managing Member and Owner.

(b) All natural persons who are signatories to the Documents were legally competent at the time of execution; all signatures on the Documents and other documents reviewed by us on behalf of parties other than Developer, Managing Member and Owner are genuine; the copies of all documents submitted to us are accurate and complete and conform to originals; all material terms and conditions of the relationship between the City and Developer, Managing Member and Owner are correctly and completely reflected in the Documents.

Based on the foregoing, but subject to the assumptions, qualifications and limitations set forth herein, we are of the opinion that:

1. Each of Developer and Managing Member is an Illinois limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois and has full power and authority to own the Property and to carry on its business as presently conducted.

2. Owner is an Ohio corporation duly organized, validly existing and in good standing under the laws of the State of Ohio and has full power and authority to carry on its business as presently conducted.

3. Each of Developer, Managing Member and Owner has all requisite authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. The execution, delivery and performance of the Documents by Developer, Managing Member and Owner will not conflict with, or result in a breach of, either Developer's, Managing Member's or Owner's Organizational Documents. The execution, delivery and performance (provided each of Developer, Managing Member and Owner performs in accordance with the terms and conditions of the Documents) of the Documents by Developer, Managing Member and Owner will not result in a breach or any other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which either Developer or Managing Member or Owner is a party or by which Developer, Managing Member, Owner or their assets are bound. To the best of our knowledge after diligent inquiry, the execution, delivery and performance of the Documents by Developer, Managing Member and Owner will not (i) constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which Developer, Managing Member or Owner is a party or by which its Property is bound or (ii) result in the creation of any lien, charge or encumbrance on any property or assets of the Developer, Managing Member or Owner, except as contemplated by the Documents.

4. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of the Developer, Managing Member and Owner.

5. Each of the Documents to which Developer, Managing Member or Owner is a party has been duly executed and delivered by a duly authorized signatory of the Developer, Managing Member or Owner, as applicable, and each such Document constitutes the legal, valid and binding obligation of the Developer, Managing Member or Owner, enforceable in accordance with its terms.

6. (Sub)Exhibit B attached hereto (i) identifies all membership interests in the Developer and Managing Member and (ii) identifies the owners of all membership interests in the Developer and Managing Member and the percentage membership interest in the Developer and Managing Member owned by each such owner. To the best of our knowledge after diligent inquiry, except as set forth on (Sub)Exhibit B, there are no options, rights of commitments of purchase, conversion or other rights or restrictions with respect to any of the membership interests of the Developer and Managing Member. Each membership interest is duly authorized and validly issued.

7. To the best of our knowledge after diligent inquiry, there are no judgments outstanding against the Developer, Managing Member or Owner or legal or administrative proceedings pending or threatened before any court or governmental agency against Developer, Managing Member or Owner or affecting the Project or seeking to restrain or enjoin the performance by the Developer or Managing Member or Owner of the Agreement. To the best of our knowledge after diligent inquiry, neither Developer nor Managing Member nor Owner is in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on the Developer, Managing Member or Owner or their respective business.

8. To the best of our knowledge after diligent inquiry, there is no default by the Developer, Managing Member or Owner or any other party under any material contract, lease, agreement, instrument or commitment to which the Developer, Managing Member or Owner is a party or by which the company or its properties is bound.

9. To the best of our knowledge after diligent inquiry, all of the assets of the Developer, Managing Member and Owner are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

10. No authorizations, approvals or consents of any person or entity, or filings or registrations with or notices to, any governmental or regulatory authority or agency or any political subdivision thereof or any court are necessary for the execution and delivery and performance by Developer, Managing Member and Owner of the Documents or for the validity or enforceability thereof, except for recording or filing of the Documents, as appropriate.

11. To our knowledge, neither Developer nor Managing Member nor Owner has issued any rights or any form, type or nature whatsoever to acquire any membership interest in Developer or Managing Member or shareholder interest in Owner.

12. To the best of our knowledge after diligent inquiry, each of Developer, Managing Member and Owner owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

13. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law

contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

Our opinions are qualified as follows:

A. Whenever we indicate that our opinion with respect to the existence or absence of facts is based on "our knowledge", the words "our knowledge" signify that, in the course of our representation of Developer, no facts have come to our attention that would give us knowledge or notice that any such opinions or other matters are not accurate or that any of the Documents are not accurate and complete. Except as otherwise stated in the opinion, we have undertaken no investigation or verification of such matters. Further, the words "our knowledge" and similar language as used in the opinion are intended to be limited to the knowledge of the attorneys within our firm who have been directly involved in representing Developer, Managing Member and Owner in connection with the Project or who we reasonably believe have knowledge of the affairs of Developer, Managing Member and Owner.

B. Our opinion paragraph 4 above is subject to the following:

(i) your ability to enforce the Documents may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws now or hereafter in effect relating to or affecting creditors' rights generally;

(ii) enforcement of your rights and remedies may be limited by general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law, and in this regard we have assumed that you will exercise your rights and remedies under the Documents and in good faith and in circumstances and a manner which are commercially reasonable;

(iii) Certain provisions of the Documents may be rendered unenforceable or limited by applicable laws and judicial decisions but such laws and judicial decisions do not render the Documents invalid as a whole, and there exist in the Documents or pursuant to applicable law legally adequate remedies for the realization of the principal benefits and security intended to be provided by the Documents; without limiting the foregoing, we bring to your attention that 735 ILCS 5/15-1602(b) (1998) grants a mortgagor the right, which in certain circumstances is exercisable not more than once in any five (5) year period, to cure the default of a loan secured by real estate within certain time periods specified in such statute.

C. If, and to the extent, any of the Documents are construed to provide for the payment of interest on interest, such provisions may be unenforceable under *Bowman v. Neely*, 137 Ill. 443 (1891) and other cases to the same effect. While such cases have not been overruled and it is possible that a court would follow such precedent, we believe that such cases are unlikely to be held applicable today in commercial real estate transactions, but render no opinion with respect to such issue.

D. We express no opinion as to matters of title or priority or perfection of liens or security interests with regard to real and personal property. We understand that, with respect to the real and personal property security interests intended to be created by the Documents and the priority of the liens thereof, you will rely on a title insurance policy and such Uniform Commercial Code and other searches as you deem adequate, and, accordingly, we express no opinion to such matters.

E. We have not reviewed and do not opine as to: (i) compliance by the Project with applicable zoning, health, safety, building, environmental, land-use or subdivision laws, ordinances, codes, rules or regulations, (ii) E.R.I.S.A. laws, rules and regulations, or (iii) federal or state taxation, banking, securities or "blue sky" laws, rules or regulations.

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois.

This opinion has been rendered for the sole benefit of the addressee hereof, and no other person or entity is entitled to rely hereon.

Very truly yours,

Foley & Lardner

[(Sub)Exhibits "A" and "B" referred to in this Opinion of Developer's Counsel unavailable at time of printing.]

(Sub)Exhibit "L".
(To Form Of Redevelopment Agreement)

Requisition Form.

State of Illinois)
)SS.
County of Cook)

The affiants, _____, _____ of FC Central Station Properties, L.L.C., an Illinois limited liability company, the manager and member of FC Central Station Residential, L.L.C., an Illinois limited liability company, _____, _____ of FC Central Station Properties, L.L.C., an Illinois limited liability company, the manager and member of FC Central Station Senior, L.L.C., an Illinois limited liability company, and _____, _____ of Forest City Central Station, Inc. , an Ohio corporation (collectively, the "Developer"), hereby certify that with respect to that certain FC Central Station Redevelopment Agreement between the Developer and the City of Chicago dated _____ ___, 200__ (the "Agreement"):

A. Expenditures for the Project, in the total amount of $_____, have been made for the items listed on Schedule 1 attached hereto.

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

$_____

C. The Developer requests reimbursement for the following cost of T.I.F.-Funded Improvements for the items listed on Schedule 2 attached hereto:

$_____

[The Developer also requests disbursement of the following amount of Interest earned on the City Note from _____ through _____ as set forth in the Interest Calculation attached as Schedule 3 hereto:

$_____]

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 herein has the meanings given such terms in the Agreement.

FC Central Station Residential, L.L.C.

By: FC Central Station Properties, L.L.C.

Its: Manager and Member

By: _____

Name: _____

Title: _____

Subscribed and sworn before me this ____ day of _____, _____.

_____

My commission expires: _____

FC Central Station Senior, L.L.C.

By: FC Central Station Properties, L.L.C.

Its: Manager and Member

By: _____

Name: _____

Title: _____

Subscribed and sworn before me this ____
day of _____, _____.

_____

My commissioner expires: _____

Forest City Central Station, Inc.

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

Schedules 1, 2 and 3 referred to in this Requisition Form read as follows:

Schedule 1.

Expenditures.

_____

_____

_____

Schedule 2.

Requested Reimbursement.

_____

_____

_____

Schedule 3.

Interest Calculation.

(Sub)Exhibit "M".
(To Form Of Redevelopment Agreement)

Form Of Note.

Registered Number	Maximum Amount
R-1	$14,000,000

United States Of America

State Of Illinois

County Of Cook

City Of Chicago

Tax Increment Allocation Revenue Note (Near South Redevelopment Project), Taxable Series [A].

Registered Owner: Forest City Central Station, Inc.

Interest Rate: A variable rate, initially ____ % per annum, not to exceed 9% per annum, with the exact rate to be determined pursuant to Section 4.03(b)(iv) of the hereinafter defined Redevelopment Agreement

Maturity Date: _____ _____, 20___

Know All Persons By These Presents, That the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner, FC Central Station Residential, L.L.C., or FC Central Station Senior, L.L.C. to pay costs of the Project (as hereafter defined) in accordance with the ordinance hereinafter referred to up to the principal amount of Fourteen Million Dollars ($14,000,000) and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a three hundred sixty (360) day year and the actual number of days elapsed within any portion of a month in which interest is due as follows:

[Insert Interest Rate Provision From LaSalle Note]. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid. Principal of and interest on this Note from the Incremental Taxes (as defined in the hereinafter defined Redevelopment Agreement) is due [February 1] of each year until the earlier of Maturity or until this Note is paid in full. Payments shall first be applied to interest. The principal of and interest on this Note are payable in lawful money of the United States of America and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth (15th) day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to Fourteen Million Dollars ($14,000,000) for the purpose of paying the costs of certain eligible redevelopment project costs incurred by the Registered Owner (the "Project"), which were [acquired], [constructed] and [installed] in connection with the development of an approximately [_____ acre/_____ square foot] site/building in the Near South Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax

Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, et seq.) (the "T.I.F. Act"), the Local Government Debt Reform Act (30 ILCS 350/1, et seq.) and an ordinance adopted by the City Council of the City on _____, 2004 (the "Ordinance"), in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the T.I.F. Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. This Note Is A Special Limited Obligation Of The City, And Is Payable Solely From Incremental Taxes, And Shall Be A Valid Claim Of The Registered Owner Hereof Only Against Said Sources. This Note Shall Not Be Deemed To Constitute An Indebtedness Or A Loan Against The General Taxing Powers Or Credit Of The City, Within The Meaning Of Any Constitutional Or Statutory Provision. The Registered Owner Of This Note Shall Not Have The Right To Compel Any Exercise Of The Taxing Power Of The City, The State Of Illinois Or Any Political Subdivision Thereof To Pay The Principal Or Interest Of This Note. The principal of this Note is subject to redemption on any date, as a whole or in part, at a redemption price of one hundred percent (100%) of the principal amount thereof being redeemed, plus accrued interest thereon. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

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

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth (15^{th}) day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

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

Pursuant to the FC Central Station Redevelopment Agreement dated as of _____ ____, 2004 among the City, the Registered Owner, FC Central Station Residential, L.L.C., and FC Central Station Senior, L.L.C. (the "Redevelopment Agreement"), the Registered Owner, FC Central Station Residential, L.L.C. and FC Central Station Senior, L.L.C. have agreed to [acquire] and [construct] the Project and to advance funds for the [construction of certain facilities] related to the Project on behalf of the City. The cost of such acquisition and construction in the amount of Fourteen Million Dollars ($14,000,000) shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend payments of principal and of interest on this Note upon the occurrence of certain conditions. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred. Such rights shall survive any transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary; unless transferred in accordance with the provisions hereof.

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

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

In Witness Whereof, The City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of _____, _____.

_____

Mayor

[Seal]

Attest:

_____
City Clerk

Certificate
of
Authentication

Registrar and Paying Agent:

Comptroller of the
City of Chicago,
Cook County, Illinois

This Note is described in the within mentioned ordinance and is the Tax Increment Allocation Revenue Note (Near South Redevelopment Project), Taxable Series [A], of the City of Chicago, Cook County Illinois

_____
Comptroller

Date: _____

Principal Payment Record.

Date Of Payment	Principal Payment	Principal Balance Due
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Assignment)

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

Dated:

Registered Owner.

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

Signature Guaranteed:

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

Consented to by:

City of Chicago
Department of Planning and Development

By: _____

Its: _____

Certification Of Expenditure.

(Closing Date)

To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
$14,000,000 Tax Increment Allocation Revenue Note
(Near South Redevelopment Project, Taxable Series [A])
(the "Redevelopment Note")

This Certification is submitted to you, Registered Owner of the Redevelopment Note, pursuant to the Ordinance of the City authorizing the execution of the Redevelopment Note adopted by the City Council of the City on _____, 2004 (the "Ordinance"). All terms used herein shall have the same meaning as when used in the Ordinance.

The City hereby certifies that $_____ is advanced as principal under, or has been added to the principal balance of, the Redevelopment Note as of the date hereof. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs defined in the Ordinance and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the Redevelopment Note is $_____, including the amount of this Certificate and less any payment made on the Redevelopment Note as of the date hereof, and the amount of interest accrued on the principal balance of the Redevelopment Note as of the date hereof is $_____.

In Witness Whereof, The City has caused this Certification to be signed on its behalf as of (Closing Date).

City of Chicago

By: _____
Commissioner,
Department of Planning
and Development

Authenticated by:

_____

Registrar

(Sub)Exhibit "Q".
(To Form Of Redevelopment Agreement)

Collateral Assignment Of Redevelopment Agreement.

This Collateral Assignment of Redevelopment Agreement (this "Assignment") is made and delivered as of this ____ day of _____, 2004 by FC Central Station Residential, L.L.C., an Illinois limited liability company ("Multi-Family Building Developer"), and FC Central Station Senior, L.L.C., an Illinois limited liability company ("Senior Building Developer"), and Forest City Central Station, Inc., an Ohio corporation ("F.C.C.S."; F.C.C.S.; Multi-Family Building Developer and Senior Building Developer are hereinafter referred to together as the "Developer"), to and for the benefit of LaSalle Bank National Association, a national banking association, its successors and assigns ("Secured Party").

Recitals.

A. Secured Party has agreed to make a certain loan (the "Loan") to Developer in the face principal amount not to exceed Fourteen Million and no/100 Dollars ($14,000,000.00) in accordance with the terms, provisions and conditions of that certain Bridge Loan Agreement between Developer and Secured Party of even date herewith (as amended from time to time, the "Loan Agreement"). The Loan is evidenced by a certain Promissory Note (as amended from time to time, the "Note") of even date herewith made by Developer and payable to the order of Secured Party in the principal sum of the Loan.

B. The Note is secured, inter alia, by (i) a Collateral Assignment of Membership Interests of even date herewith made by FC Central Station Properties, L.L.C., an Illinois limited liability company in favor of Secured Party (as amended from time to time "Assignment of Membership Interests"), collaterally assigning the membership interests of Developer to Secured Party, (ii) a Collateral Assignment and Security Agreement (T.I.F. Notes), made by Developer in favor of Secured Party, collaterally assigning Developer's right, title and interest in and to the City Note (as

hereinafter defined) to Secured Party (the "Assignment of T.I.F. Note"), and (iii) certain additional collateral as more particularly described in the Loan Agreement (the Loan Agreement, the Note, the Assignment of T.I.F. Note, the Assignment of Membership Interests, this Assignment and all of the other documents and instruments evidencing, securing or otherwise executed in connection with the Loan, as amended from time to time are hereinafter collectively referred to as the "Loan Documents"). All capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Loan Agreement.

C. Developer and the City of Chicago (the "City") are parties to that certain FC Central Station Redevelopment Agreement dated as of _____, 2004 (as the same may hereafter be amended or modified, the "Redevelopment Agreement").

D. Pursuant to the terms and conditions of the Redevelopment Agreement, the City has agreed to provide up to Fourteen Million and no/100 Dollars ($14,000,000.00) to pay for certain improvements at the Project, which obligations are evidenced by that certain United States of America, State of Illinois, County of Cook, City of Chicago, Tax Increment Allocation Revenue Note (Near South Redevelopment Project) Taxable Series [A] issued by the City and made payable to the order of the Developer (the "City Note").

E. Secured Party requires as a condition precedent to its making the Loan that Developer enter into this Assignment, and Developer wishes to grant to Secured Party a security interest, lien, encumbrance and charge upon the collateral more particularly hereinafter described.

Now, Therefore, In consideration of the making of the Loan and as an inducement to Secured Party to do so, and for and in consideration of the mutual promises, covenants and agreements hereinafter set forth, Developer and Secured Party agree as follows:

1. Creation Of Security Interest. Developer hereby grants to Secured Party a security interest in, and does hereby collaterally assign, pledge, mortgage, convey and set over unto Secured Party, any and all of Developer's right, title and interest in, to and under the following (collectively, "Collateral"):

(a) the Redevelopment Agreement; and

(b) all permits, certificates, licenses, approvals, contracts, entitlements and authorizations, however characterized, that Developer has, may have, or may subsequently directly or indirectly enter into, obtain or acquire in connection with the Redevelopment Agreement.

2. Developer's Liabilities. This Assignment is made and given as collateral security for the prompt payment when due of any and all indebtedness,

obligations and liabilities of Developer to Secured Party, and evidenced by or secured by or otherwise provided in the Loan Agreement, the Note, the Assignment of T.I.F. Note, the Assignment of Membership Interests and/or any of the other Loan Documents, all of which have been made by Developer with or for the benefit of Secured Party, whether such indebtedness, obligations or liabilities are now existing or hereafter created, direct or indirect, absolute or contingent, joint or several, due or to become due, howsoever created, evidenced or arising and howsoever acquired by Secured Party, and any and all renewals, extensions or refinancings thereof (all of the foregoing are hereinafter collectively referred to as "Liabilities"). Upon full payment, performance and observance by Developer of all Liabilities, this Assignment and the lien or charge created hereby or resulting herefrom shall automatically cease to exist.

3. Payment Of Amounts Received From The City. Developer hereby irrevocably directs the City to distribute directly to Secured Party any sums which become payable under the Redevelopment Agreement and/or the City Note. Secured Party shall apply any and all cash Collateral it receives in respect of the Redevelopment Agreement in the manner set forth in the Loan Documents.

4. Representations, Warranties And Covenants Of Developer. Developer represents, warrants and covenants to Secured Party that:

(a) Developer shall not sell, transfer, assign, pledge, encumber or mortgage all or any portion of the Collateral or any interest therein without the prior written consent of Secured Party, which may be granted or withheld in Secured Party's sole discretion, or permit anything to be done that may materially impair the value of any of the Collateral or the security intended to be afforded by this Assignment. Developer shall not amend, modify or terminate any of the documents or instruments constituting part of the Collateral (or agree to do any of the foregoing) without the prior written consent of Secured Party.

(b) Developer shall sign and execute alone or with Secured Party any financing statement or other document or procure any documents and pay any connected costs, expenses and fees, including court costs and reasonable attorneys' fees, necessary to protect the security interest under this Assignment against the rights, interests or claims of third parties.

(c) Developer shall reimburse Secured Party for all reasonable costs, expenses and fees, including court costs and reasonable attorneys' fees, incurred for any action taken by Secured Party to remedy an Event of Default (as such term is hereinafter defined) of Developer under this Assignment, including without limitation, expenses incurred pursuant to paragraphs 7(c), 7(d) and 7(e) below, together with interest on all said amounts at an annual rate equal to the Default Rate from and after the date which is ten days after Secured Party demands reimbursement until the date reimbursed by Developer.

(d) Developer will punctually and promptly perform all covenants, agreements and conditions required to be performed by it under this Assignment, the Loan Agreement, the Note and the other Loan Documents.

(e) Developer will punctually perform all covenants, agreements, and conditions required to be performed by it under all of the documents, instruments, agreements and contracts constituting the Collateral, including, but not limited to, completing the Project (as defined in the Loan Agreement) within the time periods set forth in the Redevelopment Agreement in order to enable Secured Party to obtain the benefits of the Collateral.

(f) Developer represents and warrants that (i) Developer has provided to Secured Party a true and correct copy of the Redevelopment Agreement; (ii) the Redevelopment Agreement is in full force and effect; and (iii) Developer is not in default under the Redevelopment Agreement, and to the best of Developer's knowledge, the City is not in default thereunder and no event has occurred which with the giving of notice or the passage of time would constitute a default thereunder.

(g) Developer represents, warrants and covenants to Secured Party that it is the sole owner of all right, title and interest under all of the documents, instruments, agreements and contracts constituting the Collateral, and agrees that so long as any of the Liabilities remain unpaid, Developer shall remain liable for all costs, fees and expenses which may be or become due and payable under the Redevelopment Agreement and for all responsibilities of the ownership of the Project.

(h) Developer agrees to use its best efforts to enforce performance by the other party (including, without limitation, the City) to each document, instrument, agreement or contract constituting the Collateral of each and every material obligation, covenant, condition and agreement to be performed by such other party.

(i) Developer has not performed or failed to perform any act which might prevent Developer from performing its obligations hereunder or which might prevent Secured Party from enforcing its fights pursuant to the terms and provisions hereof.

(j) Until the Liabilities are paid in full, Debtor agrees promptly to deliver to Secured Party true, complete and correct copies of each agreement or contract comprising the Collateral, and any amendments or modifications to any thereof.

5. Limitation Of Secured Party's Liability. Notwithstanding anything to the contrary contained in any of the Collateral, the interest of Developer therein is assigned and transferred to Secured Party by way of collateral security only, the

Secured Party by its acceptance hereof shall not be deemed to have assumed or become liable for any of the obligations or liabilities of Developer under the Collateral, whether provided for by the terms thereof, arising by operation of law or otherwise. Developer hereby acknowledges that Developer shall remain liable for the due performance of Developer's obligations under the documents, instruments, agreements and contracts constituting the Collateral to the same extent as though this Assignment had not been made. It is expressly intended, understood and agreed that this Assignment, the Loan Agreement, the Note and the other Loan Documents are made and entered into for the sole protection and benefit of Secured Party and Developer, and their respective successors and assigns (but in the case of assigns of Developer, only to the extent permitted hereunder), and no other person or persons shall have any right of action hereunder or rights to the proceeds of the Loan at any time; that no third (3rd) party shall under any circumstances be entitled to any equitable lien on the undisbursed proceeds of the Loan at any time. The relationship between Secured Party and Developer is solely that of a lender and borrower, and nothing contained herein shall in any manner be construed as making the parties hereto partners or joint venturers or creating any other relationship other than lender and borrower.

6. Events Of Default. An "Event of Default" shall occur under this Assignment upon the occurrence of (a) a breach by Developer of any of the covenants, agreements, representations, warranties or other provisions hereof that is not cured within the applicable grace or cure period, if any, set forth in the Loan Agreement, or (b) any other Event of Default described in the Loan Agreement, the Note or any of the other Loan Documents. An Event of Default under this Assignment shall constitute an Event of Default under the Loan Agreement, the Note and the other Loan Documents.

7. Remedies. At any time upon or following the occurrence of any one (1) or more Events of Default hereunder, Secured Party shall without any further notice or any demand to Developer: (a) be entitled to declare all indebtedness secured hereby and by the Note and the other Loan Documents to be immediately due and payable; (b) exercise any and all rights and remedies provided hereunder or under the other Loan Documents, as well as all remedies available at law and in equity, including, but not limited to the remedies of a Secured Party under the Uniform Commercial Code or any other applicable law; (c) cure any default in such manner and to such extent as Secured Party may deem reasonably necessary to protect the security hereof, including without limitation, the right to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Secured Party, and also the right to perform and discharge each and every obligation, covenant and agreement of Developer under any of the documents, instruments, agreements and contracts constituting the Collateral, and in connection therewith, to pay necessary costs and expenses, employ counsel and incur and pay attorneys' fees and expenses; (d) at Secured Party's option, succeed to all of Developer's right, title, and interest in, to, and under the

Collateral; and/or (e) either in person or by agent, with or without bringing any action or proceedings, or by a receiver to be appointed by a court at any time hereafter, enforce any of the documents, instruments, agreements or contracts constituting the Collateral for its own benefit. In the event that Secured Party elects to pursue a remedy of public or private sale of the Collateral, Developer agrees that ten (10) days prior notice by Secured Party of the time and place of any public sale or of the time after which a private sale may take place is reasonable notification to Developer of such matters.

8. Waiver And Indemnity. Developer hereby agrees that no liability shall be asserted or enforced by Developer against Secured Party in its exercise of the powers and rights herein granted, all such liability being hereby expressly waived and released by Developer. Developer hereby agrees to indemnify, defend and hold Secured Party harmless from and against any and all liability, expense, cost or damage which Secured Party may incur by reason of act or omission of either Developer under any of the documents, instruments, or agreements constituting the Collateral. Notwithstanding anything contained herein to the contrary, the waiver and indemnification contained in this paragraph 8 shall not apply to any instance in which Secured Party has committed gross negligence or wilful misconduct.

9. Notices. All notices and demands which are required or permitted to be given or served hereunder shall be deemed sufficiently served when delivered or mailed in the manner and to the persons described in the Loan Agreement.

10. Acknowledgement. Developer hereby consents and agrees to the terms of the Acknowledgement and Agreement by and between Secured Party and the City attached hereto and made a part hereof.

11. Miscellaneous. This Assignment and all rights and liabilities hereunder and in and to any and all Collateral shall inure to the benefit of Secured Party and its successors and assigns, and shall be binding upon Developer and its members, successors and permitted assigns. This Assignment and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the State of Illinois. All provisions of this Assignment shall be deemed valid and enforceable to the extent permitted by law. Any provision or provisions of this Assignment which are held unenforceable, invalid or contrary to law by a court of competent jurisdiction, shall be of no force or effect, and in such event each and all of the remaining provisions of this Assignment shall subsist and remain and be fully effective according to the terms of this Assignment as though such invalid, unenforceable or unlawful provision or provision had not been included in this Assignment. Time is of the essence of this Assignment, the headings of paragraphs in this Assignment are for convenience only and shall not be construed in any way to limit or define the content, scope or intent of the provisions hereof.

12. Waiver Of Right To Trial By Jury. To The Fullest Extent Permitted By Applicable Law, Developer And Secured Party, By Its Acceptance Of This Assignment, Knowingly And Voluntarily Mutually (A) Waive The Right To Trial By Jury In Any Civil Action, Claim, Counterclaim, Cross-Claim, Third-Party Claim, Dispute, Demand, Suit Or Proceeding Arising Out Of Or In Any Way Connected With This Assignment, The Loan Agreement, The Note, Any Of The Other Loan Documents, or the Loan Evidenced or Secured Thereby, Or Any Renewal, Extension Or Modification Thereof, Or Any Conduct Of Any Party Relating Thereto, And (B) Agree That Any Such Action, Claim, Suit Or Proceeding Shall Be Tried Before A Judge And Not Before A Jury. Borrower Agrees That It Will Not Assert Any Claim Against Lender Or Any Other Person Indemnified Under This Agreement On Any Theory Of Liability For Special, Indirect, Consequential, Incidental Or Punitive Damages.

In Witness Whereof, Developer has caused this Assignment to be executed as of the date first above written.

FC Central Station Residential, L.L.C.,
an Illinois limited liability company

By: _____

Name: _____

Title: _____

FC Central Station Senior, L.L.C.,
an Illinois limited liability company

By: _____

Name: _____

Title: _____

Forest City Central Station, Inc.,
an Ohio corporation

By: _____

Name: _____

Title: _____

Acknowledgement And Agreement.

This Acknowledgement and Agreement (this "Agreement") is made as of the ____ day of _____, 2004, between LaSalle Bank National Association, a national banking association (the "Lender"), and the City of Chicago, an Illinois municipal corporation, acting by and through its Department of Planning and Development (the "City").

Recitals.

A. Lender has made a bridge loan (the "Loan") to FC Central Station Residential, L.L.C., an Illinois limited liability company ("Multi-Family Building Developer"), FC Central Station Senior Residential, L.L.C., an Illinois limited liability company ("Senior Building Developer"), and Forest City Central Station, Inc., an Ohio corporation ("F.C.C.S."; F.C.C.S.; Multi-Family Building Developer and Senior Building Developer are hereinafter referred to together as the "Developer"), in the amount of Fourteen Million Dollars ($14,000,000) pursuant to a Bridge Loan Agreement of even date herewith between the Lender and Developer (the "Loan Agreement").

B. The Loan is evidenced by a promissory note of even date herewith in the maximum principal amount of Fourteen Million Dollars ($14,000,000) (the "Note").

C. The Loan is secured by, inter alia, a Collateral Assignment of FC Central Station Redevelopment Agreement of even date herewith (the "Assignment of Redevelopment Agreement"), to be recorded with the Recorder of Deeds of Cook County, Illinois (the "Recorder") encumbering the land legally described on Exhibit A attached hereto (the "Land") and the improvements thereon. Initially capitalized terms used but not expressly defined in this Agreement have the respective meanings given them in the Assignment of Redevelopment Agreement.

D. City and Developer have entered into that certain FC Central Station Redevelopment Agreement dated as of _____, 2004 (the "Redevelopment Agreement") with respect to the Project (as defined in the Redevelopment Agreement). Pursuant to the Redevelopment Agreement, the City has agreed to provide Developer with up to Fourteen Million Dollars ($14,000,000) (the "T.I.F. Financing") to reimburse Developer for certain costs of the Project through its issuance of a limited obligation promissory note (the "City Note").

E. Lender and City desire to enter into this Agreement to set forth certain agreements between the parties.

Agreements.

In consideration of the foregoing Recitals which by this reference are made a part of this Agreement, and as an inducement to Lender to make the Loan, and the City to provide the T.I.F. Financing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto represent, warrant and agree as follows:

1. Closing Date Warranties Of Lender And City. City represents and warrants that, as of the date hereof (i) the Redevelopment Agreement and the City Note are in full force and effect subject to the terms and conditions set forth therein; (ii) to the City's knowledge, no default currently exists by Developer under the Redevelopment Agreement and no event has occurred which with the passage of time or the giving of notice would constitute such a default; and (iii) to the City's knowledge, the City does not now have or hold any claim or defense against Developer which might be set off or credited against future payments due and owing by the City under the City Note or which might otherwise excuse the City's performance under the Redevelopment Agreement or the City Note. Lender represents and warrants that true, correct and complete copies of the Loan Agreement, the Note and the Assignment of Redevelopment Agreement have heretofore been delivered to City.

2. Notices To City. Lender shall send to City a copy of each written notice of default given by Lender to Developer pursuant to the Loan Documents to the addresses and in the manner set forth in the Redevelopment Agreement; provided, however, that the Lender's failure to provide to City with a copy of a notice of default shall not entitle the City to terminate this Agreement and shall not relieve the City from its obligations hereunder.

3. Covenants Of City. City shall not, without the prior written consent of Lender:

(a) commence, or join with any creditor (other than Lender), in commencing, any bankruptcy, reorganization or insolvency proceedings with respect to Developer, prior to the lapse of one hundred twenty (120) days from Lender's receipt of notice from City of City's intent to take such action;

(b) amend or modify or consent to any modification or amendment of the Redevelopment Agreement; provided, however, that the foregoing shall not apply to Section 8.05 of the Redevelopment Agreement with respect to the issuance of Other T.I.F. Bonds (as defined in Section 8.05 of the Redevelopment Agreement) by the City; or

(c) terminate the Redevelopment Agreement or the City Note, except for a termination as a result of a default by Developer under the Redevelopment Agreement which is not cured within the time period set forth in Paragraph 4(d) below.

4. Enforcement Of Remedies. The City shall not (a) seek to appoint a receiver for (i) the Project, (ii) any part thereof, or (iii) Developer; (b) seek to obtain possession of the Project; (c) seek any accounting from Lender in respect to the proceeds of the Project; or (d) commence or seek to enforce any remedy under the Redevelopment Agreement (but expressly excluding the City's rights to (i) suspend payments with respect to the City Note, and (ii) seek equitable and injunctive relief with respect to the enforcement of the covenants identified in Sections 7.02 of the Redevelopment Agreement as running with the land), unless (x) a default by Developer has occurred under the Redevelopment Agreement and has not been cured within any applicable grace or cure period set forth therein (an "Uncured Default"), (y) the City has given Lender written notice of the Uncured Default, and (z) one hundred twenty (120) days have elapsed from the date of Lender's receipt of such notice without such Uncured Default being cured; provided that if such Uncured Default is not readily curable within such one hundred twenty (120) day period (as determined by the City, in its reasonable discretion), Lender shall have such additional time as Lender may reasonably need to obtain possession and control of the Project and to cure such Uncured Default so long as Lender is diligently pursuing a cure. The foregoing limitation shall not be construed to prevent the City from joining in any foreclosure, receivership or enforcement action filed in any court of law by the Lender.

5. Notices Of Default. The City hereby agrees to give Lender, at the addresses and in the manner set forth in the Redevelopment Agreement, contemporaneously with the giving thereof to Developer, copies of any notices given to Developer pursuant to Sections 15.01, 15.02 or 15.03 of the Redevelopment Agreement regarding any default or event which following the passage of time and failure to cure, could result in the occurrence of a default under the Redevelopment Agreement.

6. Subrogation. Until such time as the Liabilities have been paid in full, the City waives and releases any and all rights of subrogation which it has against the Project and which subrogation would result in the City obtaining a priority equal or superior to the priority of the Loan Documents for any funds which the City may advance either to cure defaults under security instruments or pay items encumbering the Project.

7. Permitted Actions By Lender. Lender may, at any time from time to time, in its sole discretion, but with notice to the City, take any or all of the following actions: (a) retain or obtain a security interest in any property to secure any of the Liabilities; (b) retain or obtain the primary or secondary obligation of Developer with respect to any of the Liabilities; (c) extend or renew the Loan for one (1) or more periods of time (whether or not longer than the original period), alter or modify any of the Liabilities, or release or compromise any obligation of any nature of Developer with respect to any of the Liabilities; (d) release its security interest in, or surrender, release or permit any substitution or exchange for all or any part of, the property securing any of the Liabilities, or extend or renew the Loan for one (1) or more periods of time (whether or not longer than the original period) or release, compromise, alter or modify any obligation of any nature of Developer with respect to any such property; and (e) take any such action with respect to any collateral for the Liabilities which it may be entitled to take under the Loan Documents, pursuant to applicable law or otherwise.

8. Assignment. Lender may, at any time and from time to time, without the consent of, but with the notice to, the City, assign or transfer any or all of the Liabilities or any interest therein; and notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, such Liabilities shall be and remain Liabilities for the purpose of this Agreement, and every immediate and successive assignee or transferee in the Liabilities, be entitled to the benefits of this Agreement to the same extent as if such assignee or transferee were Lender; provided, however, that unless Lender shall otherwise consent in writing, Lender shall have the unimpaired right, prior and superior to that of any such assignee or transferee, to enforce this Agreement for the benefit of Lender as to those of the Liabilities which Lender has not assigned or transferred. Lender shall provide City prior notice of any such assignment or transfer. This paragraph 8 shall not apply, however, to an assignment that in substance effects a refinancing of the Liabilities.

9. Acknowledgement. (a) The City hereby acknowledges that, pursuant to the Assignment of Redevelopment Agreement, Developer has collaterally assigned to the Lender all of Developer's rights under the Redevelopment Agreement. Pursuant to Sections 16 and 18.15 of the Redevelopment Agreement, the City hereby consents to such collateral assignment and agrees to attorn to and recognize Lender as the successor in interest to the Developer for all purposes under the Redevelopment Agreement so long as Lender complies with Sections 16 and 18.15 of the Redevelopment Agreement; provided, however that,

notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if Lender accepts an assignment of the Developer's interest under the Redevelopment Agreement, Lender shall have no liability under the Redevelopment Agreement for any Event of Default (as defined in the Redevelopment Agreement) of the Developer that accrued prior to the time Lender succeeded to the interest of the Developer under the Redevelopment Agreement, in which case Developer shall be solely responsible. Notwithstanding the foregoing, in the case of a non-monetary Event of Default by Developer under the Redevelopment Agreement (excluding an Event of Default that cannot be cured, such as a bankruptcy Event of Default involving Developer), Lender shall be obligated to cure such Event of Default that may exist as of the date Lender accepts assignment of the Redevelopment Agreement.

(b) The City hereby acknowledges, and, until such time as it is advised in writing by Lender that all of the Liabilities have been fully satisfied, agrees to comply with, the irrevocable direction by Developer in paragraph 3 of the Assignment of Redevelopment Agreement to distribute directly to Lender any sums which become payable under the Redevelopment Agreement and/or the City Note.

10. Non-Recourse Provision. Notwithstanding any other provision of this Agreement or the Redevelopment Agreement to the contrary, if Lender, any designee of Lender, or any of their respective affiliates or the direct or indirect owners of such affiliates (hereinafter referred to individually or collectively as "Successor") succeeds (whether by operation of law or otherwise) to the interests of Developer under the Redevelopment Agreement, no such Successor shall have any personal liability for the payment or performance of the obligations of the Developer under the Redevelopment Agreement, and the City's sole recourse for the satisfaction and performance of such obligations shall be to enforce its rights and remedies against the interest of the Successor in and to the Project (as defined in the Redevelopment Agreement). Upon the occurrence of an Event of Default under the Redevelopment Agreement, the City will not seek any deficiency or personal judgment against any Successor.

11. Estoppel Certificate. The City agrees that, from time to time upon not less than ten (10) business days prior request by Lender, the City shall execute and deliver to Lender a written certificate certifying: (i) that the Redevelopment Agreement is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that the Redevelopment Agreement as modified is in full force and effect); (ii) that the City is not in default under the Redevelopment Agreement, or, if the City believes it is in default, the nature thereof in detail; (iii) to the City's knowledge, that Developer is not in default under the Redevelopment Agreement, or, if the City believes Developer is in default, the nature thereof in detail; (iv) that the City has no offsets or defenses to the performance of its obligations under the Redevelopment Agreement (or if the City believes there are any offsets or defenses, a full and complete explanation thereof); and (vi) such additional matters as may be reasonably requested by

Lender.

12. Successors And Assigns. This Agreement shall be binding upon the parties hereto and their respective successors and assigns whether immediate or remote.

13. Counterparts. This Agreement may be executed by the parties hereto in one (1) or more counterparts, each of which when so executed shall be an original. When taken together, such counterparts shall constitute but one and the same document.

In Witness Whereof, The parties hereto have caused this Agreement to be executed on or as of the day and year first above written.

Lender

LaSalle National Bank Association, as national banking association

By: _____

Its: _____

City

The City Of Chicago, an Illinois municipal corporation

By: _____

Its: _____

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 FC Central Station Properties, L.L.C., an Illinois limited liability company (the "Managing Member"), the manager and member of FC Central Station Residential, L.L.C., an Illinois limited liability company (the "Multi-Family Building 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 members of the Managing Member, as his/her free and voluntary act and as the free and voluntary act of the Managing Member and of the Multi-Family Building 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 _____ of FC Central Station Properties, L.L.C. an Illinois limited liability company (the "Managing Member"), the manager and member of FC Central Station Senior, L.L.C., an Illinois limited liability company (the "Senior Building Developer"), and personally known to me to be the same person whose name is subscribed to the forgoing 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 members of the Managing Member, as his/her free and voluntary act and as the free and voluntary act of the Managing Member and of the Senior Building 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 ___ 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 LaSalle Bank National Association (the "LaSalle"), and personally known to me to be the same person whose name is subscribed to the forgoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instruments pursuant to the authority given to him/her by LaSalle, as his/her free and voluntary act and as the free and voluntary act of LaSalle, for the uses and purposes therein set forth.

Given under my hand and official seal this ___ day of _____, _____.

_____
Notary Public

My commission expires_____

[Seal]

Exhibit "F".
(To Ordinance)

Fee Waivers.

Department Of Construction And Permits.

Waiver of Plan Review, Permit and Inspection Fees:

A. Building Permit:

Zoning.

Construction/Architectural/Structural.

Internal Plumbing.

H.V.A.C.

Water for Construction.

Smoke Abatement.

B. Electrical Permit:

Service and Wiring.

C. Elevator Permit (if applicable).

D. Wrecking Permit (if applicable).

E. Fencing Permit (if applicable).

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

Department Of Water Management.

Tap Fees.

Cut and Seal Fees.

(Fees to purchase B-boxes and remote read-outs are not waived.)

Permit (connection) and Inspection Fees.

Sealing Permit Fees.

Department Of Transportation.

Street Opening Fees.

Driveway Permit Fees.

Use of Public Way Fees.

AUTHORIZATION FOR EXECUTION OF SECOND AMENDMENTS TO TAX INCREMENT NEIGHBORHOOD INVESTMENT PROGRAM AGREEMENTS WITH ALBANY PARK COMMUNITY CENTER, INC. FOR LAWRENCE/KEDZIE REDEVELOPMENT PROJECT AREA.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing entering into and executing a second amendment to the Lawrence/Kedzie T.I.F. Neighborhood Improvement Program regarding an agreement with the Albany Park Community Center, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Beavers 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 February 16, 2000 and published at pages 24803 -- 24898 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 "Lawrence/Kedzie Plan") for the Lawrence/Kedzie Redevelopment Project Area (the "Lawrence/Kedzie 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 February 16, 2000 and published at pages 24900 -- 24908 of the *Journal* of such date, the Lawrence/Kedzie Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance (the "Lawrence/Kedzie T.I.F. Ordinance") adopted by the City Council on February 16, 2000 and published at pages 24909 -- 24917 of the *Journal* of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain Lawrence/Kedzie Area redevelopment project costs (as defined in the Act) incurred pursuant to the Lawrence/Kedzie Plan; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on July 19, 2000 and published at pages 37758 -- 37788 of the *Journal* of such date, the City, through its Department of Housing ("D.O.H."), established a T.I.F. Neighborhood Investment Program (the "Lawrence/Kedzie Program) to fund Improvements to single-family residential properties in the Lawrence/Kedzie Area, and had entered into an agreement on September 20, 2000 with Albany Park Community Center, Inc., an Illinois not-for-profit corporation ("A.P.C.C."), pursuant to which A.P.C.C. agreed to perform certain administrative services for the Lawrence/Kedzie Program; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on January 16, 2002, and published at pages 76847 -- 76903 of the *Journal* of such date, D.O.H. provided additional funding to extend the Lawrence/Kedzie Program, and had entered into, with A.P.C.C., a new T.I.F. Neighborhood Investment Program Agreement for single-family housing ("Single-Family N.I.P. Agreement") and a new T.I.F. Neighborhood Investment Program Agreement for multi-family housing ("Multi-Family N.I.P. Agreement"), both dated March 6, 2002 (collectively, the "Agreements"), pursuant to both of which A.P.C.C. agreed to perform certain administrative services for the extended Lawrence/Kedzie Program; and

WHEREAS, Pursuant to an ordinance adopted by The City Council on July 9, 2003, and published at pages 3393 -- 3404 of the *Journal* of such date, D.O.H. provided additional funding to extend the Lawrence/Kedzie Program again, and had entered into, with A.P.C.C., a First Amendment to the Single-Family N.I.P. Agreement and a First Amendment to the Multi-Family N.I.P., Agreement, both dated September 24, 2003, pursuant to both of which A.P.C.C. agreed to perform certain administrative services for the extended Lawrence/Kedzie Program; and

WHEREAS, D.O.H. now desires to extend the Lawrence/Kedzie Program yet again by providing up to One Million Dollars ($1,000,000) in additional funding for it and by entering into second amendments to the Agreements with A.P.C.C.; and

WHEREAS, The City's obligation to provide funds for the extended Lawrence/Kedzie Program under the Agreements, as amended will be met through (i) incremental taxes deposited in the Special Tax Allocation Fund of the Lawrence/Kedzie Area, or (ii) any other funds legally available to the City for this purpose; 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. A.P.C.C. is hereby designated to continue to administer the Lawrence/Kedzie Program, as such program has been extended thereby, subject to the supervision of D.O.H.

SECTION 3. The Commissioner of D.O.H. (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 second amendments to the Agreements between the City and A.P.C.C. substantially in the forms attached hereto as Exhibits A and B and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Agreements, with such changes, deletions and insertions as shall be approved by the persons executing the Agreements.

SECTION 4. If any provisions 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. To the extent that any ordinance, resolution, rule, order or provisions 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 6. This ordinance shall be effective as of the date of its passage.

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

Exhibit "A".

Second Amendment To The Neighborhood Investment Program Agreement For Single-Family Housing.

This second amendment to the Neighborhood Investment Program Agreement for Single-Family Housing ("Second Amendment") is made as of this _____ day of _____, 2004 by and between the City of Chicago, a municipal corporation and home rule unit of local government existing under the 1970 Constitution of the State of Illinois (the "City"), acting through its Department of Housing ("D.O.H."), and Albany Park Community Center, Inc., an Illinois not-for-profit corporation ("A.P.C.C.").

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 and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

Whereas, To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on February 16, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Lawrence/Kedzie Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Lawrence/Kedzie 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 Lawrence/Kedzie Redevelopment Project Area" (the "Lawrence/Kedzie Financing Ordinance"). The Redevelopment Project Area referred to above is referred to herein as the "L./K. T.I.F. Area" and the Redevelopment Plan referred to above is referred to herein as the "L./K. Plan"; and

Whereas, The City, through its Department of Housing ("D.O.H."), established a T.I.F. Neighborhood Investment Program to fund improvements to single-family residential properties in the Lawrence/Kedzie Area (the "Lawrence/Kedzie Program")

and entered into an agreement on September 20, 2000 with A.P.C.C. ("Prior Agreement") pursuant to which A.P.C.C. performed certain administrative services for the Lawrence/Kedzie Program; and

Whereas, The City found that the Lawrence/Kedzie Program was successful and expanded the scope of the Lawrence/Kedzie Program by continuing to fund improvements for single-family residential properties pursuant to a Neighborhood Investment Program Agreement for Single-Family Housing (the "Agreement") dated March 6, 2002 between the City and A.P.C.C. pursuant to which A.P.C.C. agreed to perform and continues to perform certain administrative services for the expanded Lawrence/Kedzie Program; and

Whereas, The City found that the Lawrence/Kedzie Program continued to be successful and further expanded the scope of the Lawrence/Kedzie Program by continuing to fund improvements for single-family residential properties pursuant to a first amendment to the Neighborhood Investment Program Agreement for Single-Family Housing (the "First Amendment") dated September 24, 2003 between the City and A.P.C.C. pursuant to which A.P.C.C. agreed to perform and continues to perform certain administrative services for the expanded Lawrence/Kedzie Program; and

Whereas, The City now desires to further expand the scope of the Lawrence/Kedzie Program by providing for up to Seven Hundred Thousand Dollars ($700,000) in additional funds to continue to fund improvements for single-family residential properties; and

Whereas, The City and A.P.C.C. now desire to amend the Agreement, as amended by the First Amendment, to provide the additional funding and to provide that A.P.C.C. will continue to provide administrative services under the further expanded Lawrence/Kedzie Program; and

Whereas, The City's obligation to provide funds under the Agreement, as amended, will be met through (i) incremental taxes deposited in the Special Tax Allocation Fund of the L./K. T.I.F. Area, or (ii) any other funds legally available to the City for this purpose; and

Whereas, By an ordinance adopted by the City Council of the City on June _____, 2004, the City has approved the execution and delivery of this Second Amendment; and

Now, Therefore, In consideration of the mutual promises and covenants set forth below, the parties hereto agree as follows:

Article I.

Incorporation And Recitals.

The recitals set forth above are incorporated by reference as if fully set forth herein.

Article II.

Reaffirmation Of Representations, Warranties And Covenants.

A.P.C.C. reaffirms each and every representation, warranty and covenant made in Article III of the Agreement, as amended by the First Amendment. A.P.C.C. reaffirms that it has insurance in force that conforms to the requirements of Section 4.9 of the Agreement.

Article III.

Amendments To Agreement.

The Agreement, as amended by the First Amendment, is further amended as follows:

(a) Substitute the following for the existing text of Section 4.2(a):

The total amount of program funds shall be up to Two Million Two Hundred Thousand Dollars ($2,200,000). A.P.C.C. shall provide written notice to the City when the aggregate amount of Program Funds committed or paid hereunder, including grants and administrative costs paid to or for the account of A.P.C.C. pursuant to Section 6.5, equals Two Million Dollars ($2,000,000). Program Funds are deemed committed for purposes of this section when A.P.C.C. has determined the amount of Program Funds to be the subject of a Grant and sent notice of final approval of an application pursuant to Section 4.3(e) hereof to an Eligible Homeowner. Notwithstanding the foregoing, A.P.C.C. understands and agrees that incremental taxes deposited in the Special Tax Allocation Fund for the L./K. T.I.F. Area established pursuant to the Lawrence/Kedzie Financing

Ordinance are pledged to pay the loan, and, therefore, the availability of Program Funds under this Agreement, and the City's obligation to provide program funds under this Agreement, is expressly conditioned upon the availability of unencumbered incremental taxes in the Special Tax Allocation Fund for the L./K. T.I.F. Area. No Grants shall be made or committed to be made by A.P.C.C. hereunder when such commitment would result in the aggregate amount of Grants, together with all administrative costs related to such Grants paid to A.P.C.C. pursuant to Section 6.5 hereof, exceeding the available program funds in such amount as the City may determine from time to time. No Grants shall be made or committed to be made by A.P.C.C. hereunder after the date of receipt of the notice from the City described in Section 6.2 hereof regarding the termination of this Agreement.

(b) Substitute the following for the existing final sentence of Section 4.4(c):

A.P.C.C. shall not provide program funds to any eligible homeowner in an amount in excess of the applicable maximum program assistance; provided, that for not more than ten (10) Eligible Homeowners, the maximum amount so provided may exceed the maximum program assistance by not more than Two Thousand Five Hundred Dollars ($2,500), at the discretion of A.P.C.C., and upon evidence being presented to A.P.C.C. (which evidence shall be forwarded by A.P.C.C. to D.O.H.) that the costs for roofing or porch repairs for such Eligible Homeowners warrants the additional assistance; and further provided, that the maximum amount so provided may be adjusted by mutual agreement of D.O.H. and A.P.C.C. based on the availability of Program Funds and the projected need of a particular community.

(c) Substitute the following for the existing first (1st) sentence of Section 6.1:

Duration of the Agreement. This Agreement shall commence on the date of execution and delivery hereof and shall terminate two (2) years from the date of execution of this Second Amendment.

Article IV.

No Other Amendments To Agreement.

Except as set forth herein, and except as amended by the First Amendment, the Agreement is not amended.

Article V.

Obligation To Provide Documents.

A.P.C.C. shall execute and deliver to D.O.H. such documents as may be required by the Corporation Counsel of the City, including, but not limited to, the City's current form of Economic Disclosure Statement.

In Witness Whereof, The City and A.P.C.C. have executed this Second Amendment as of the date first set forth above.

City of Chicago

By: _____
Commissioner,
Department of Housing

Albany Park Community Center, Inc.

By: _____

Its: _____

Exhibit "B".

Second Amendment To The Neighborhood Investment Program Agreement For Multi-Family Housing.

This second amendment ("Second Amendment") to the Neighborhood Investment Program Agreement for Multi-Family Housing is made as of this _____ day of _____, 2004 by and between the City of Chicago, a municipal corporation and home rule unit of local government existing under the 1970 Constitution of the State of Illinois (the "City"), acting through its Department of

Housing ("D.O.H."), and Albany Park Community Center, Inc., an Illinois not-for-profit corporation ("A.P.C.C.").

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 and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

Whereas, To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on February 16, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Lawrence/Kedzie Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Lawrence/Kedzie 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 Lawrence/Kedzie Redevelopment Project Area" (the "Lawrence/Kedzie Financing Ordinance"). The Redevelopment Project Area referred to above is referred to herein as the "L./K. T.I.F. Area" and the Redevelopment Plan referred to above is referred to herein as the "L./K. Plan"; and

Whereas, The City, through its Department of Housing ("D.O.H."), established a T.I.F. Neighborhood Investment Program to fund improvements to single-family residential properties in the Lawrence/Kedzie Area (the "Lawrence/Kedzie Program") and entered into an agreement on September 20, 2000 with A.P.C.C. ("Prior Single-Family Agreement") pursuant to which A.P.C.C. performed certain administrative services for the Lawrence/Kedzie Program; and

Whereas, The City found that the Lawrence/Kedzie Program was successful and expanded the scope of the Lawrence/Kedzie Program by continuing to fund improvements for single-family residential properties pursuant to a subsequent single-family agreement with A.P.C.C., and also by funding multi-family residential properties pursuant to a Neighborhood Investment Program Agreement for Multi-Family Housing (the "Agreement") dated March 6, 2002 between the City and A.P.C.C. pursuant to which A.P.C.C. agreed to perform and continues to perform certain administrative services for the expanded Lawrence/Kedzie Program; and

Whereas, The City found that the Lawrence/Kedzie Program continued to be successful and further expanded the scope of the Lawrence/Kedzie Program by continuing to fund improvements for multi-family residential properties pursuant to a first amendment to the Neighborhood Investment Program Agreement for Multi-Family Housing (the "First Amendment") dated September 24, 2003 between the City and A.P.C.C. pursuant to which A.P.C.C. agreed to perform and continues to perform certain administrative services for the expanded Lawrence/Kedzie Program; and

Whereas, The City now desires to further expand the scope of the Lawrence/Kedzie Program by extending the duration of the Agreement and by providing up to Three Hundred Thousand Dollars ($300,000) of additional funding to fund improvements for multi-family residential properties; and

Whereas, The City and A.P.C.C. now desire to amend the Agreement, as amended by the First Amendment, to provide the additional funding and to provide that A.P.C.C. will continue to provide administrative services under the further expanded Lawrence/Kedzie Program; and

Whereas, The City's obligation to provide funds under the Agreement, as amended, will be met through (i) incremental taxes deposited in the Special Tax Allocation Fund of the L./K. T.I.F. Area, or (ii) any other funds legally available to the City for this purpose; and

Whereas, By an ordinance adopted by the City Council of the City on June _____, 2004, the City has approved the execution and delivery of this Second Amendment;

Now, Therefore, In consideration of the mutual promises and covenants set forth below, the parties hereto agree as follows:

Article 1.

Incorporation And Recitals.

The recitals set forth above are incorporated by reference as if fully set forth herein.

Article II.

Reaffirmation Of Representations, Warranties And Covenants.

A.P.C.C. reaffirms each and every representation, warranty and covenant made in Article III of the Agreement, as amended by the First Amendment. A.P.C.C. reaffirms that it has insurance in force that conforms to the requirements of Section 4.11 of the Agreement.

Article III.

Amendments To Agreement.

The Agreement, as amended by the First Amendment, is further amended as follows:

Substitute the following for the existing text of Section 4.2(a):

The total amount of Program Funds shall be up to Eight Hundred Thousand Dollars ($800,000). A.P.C.C. shall provide written notice to the City when the aggregate amount of Program Funds committed or paid hereunder, including grants and administrative costs paid to or for the account of A.P.C.C. pursuant to Section 6.5, equals Seven Hundred Thousand Dollars ($700,000). Program Funds are deemed committed for purposes of this section when A.P.C.C. has determined the amount of Program Funds to be the subject of a Grant and sent notice of final approval of an application pursuant to Section 4.3(d) hereof to an Eligible Owner. Notwithstanding the foregoing, A.P.C.C. understands and agrees that incremental taxes deposited in the Special Tax Allocation Fund for the L./K. T.I.F. Area established pursuant to the Lawrence/Kedzie Financing Ordinance are pledged to pay the Loan, and, therefore, the availability of Program Funds under this Agreement, and the City's obligation to provide Program Funds under this Agreement, is expressly conditioned upon the availability of unencumbered incremental taxes in such Special Tax Allocation Fund. Accordingly, no Grants shall be made or committed to be made by A.P.C.C. hereunder when such commitment would result in the aggregate amount of Grants, together with all administrative costs related to such Grants paid to A.P.C.C. pursuant to Section 6.5 hereof, exceeding the available Program Funds in such amount as the City may determine from time to time. No Grants shall be made or committed to be made by A.P.C.C. hereunder when such commitment occurs after the date of receipt of the notice from the City described in Section 6.2 hereof regarding the termination of this Agreement.

Article IV.

No Other Amendments To Agreement.

Except as set forth herein, and except as modified by the First Amendment, the Agreement is not amended.

Article V.

Obligation To Provide Documents.

A.P.C.C. shall execute and deliver to D.O.H. such documents as may be required by the Corporation Counsel of the City, including, but not limited to, the City's current form of Economic Disclosure Statement and an opinion of counsel in substantially the form set forth in the Agreement.

In Witness Whereof, The City and A.P.C.C. have executed this Second Amendment as of the date first set forth above.

City of Chicago

By: _____
Commissioner,
Department of Housing

Albany Park Community Center, Inc.

By: _____

Its: _____

AUTHORIZATION FOR CLASS L TAX INCENTIVE DESIGNATION FOR CHICAGO BOARD OF TRADE BUILDING AT 141 WEST JACKSON BOULEVARD.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing a Class L tax incentive classification for the Chicago Board of Trade Building located at 141 West Jackson Boulevard, 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 viva voce vote of the members of the Committee.

Alderman Burke abstained from voting pursuant to Rule 14 of the City Council's Rules of Order and Procedure.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

Alderman Burke invoked Rule 14 of the City Council's Rules of Order and Procedure, disclosing that he had represented parties to this ordinance in previous and unrelated matters.

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, The Cook County Board of Commissioners has enacted the Real Property Assessment Classification Ordinance, as amended (the "Classification Ordinance"), which establishes the Class L property tax classification to encourage the preservation and rehabilitation of certain historically and architecturally significant buildings, which will enhance the general character of real estate in the county and contribute to the economic well-being of the county by increasing the level of economic activity, increasing employment opportunities and contributing to the long-term growth of the real property tax base; and

WHEREAS, Board of Trade of the City of Chicago, Inc., a Delaware not-for-profit corporation (the "Owner"), owns the historic building known as the Chicago Board of Trade Building (the "Building") located at 141 West Jackson Boulevard in Chicago, Illinois, as more precisely described on Exhibit 1 attached hereto and hereby made a part hereof (the land and the Building being herein referred to as the "Project Real Estate"); and

WHEREAS, On March 31, 2004, an ordinance (the "Landmark Modification Ordinance") was introduced to the City Council of the City (the "City Council") modifying the designation of the Building as a Chicago landmark pursuant to the criteria established in Section 2-120-620 of the Municipal Code of Chicago so that such designation as a Chicago landmark will meet the definition of a landmark pursuant to Section 1 of the Classification Ordinance; and

WHEREAS, The Owner proposes to substantially rehabilitate the Building for continued use as a commercial office building (the "Project"), as described in the attachments to Exhibit 2, thereby preserving the historic building, increasing employment opportunities in the area and contributing to the long-term growth of the real property tax base; and

WHEREAS, The Owner has applied to the Office of the Assessor of Cook County, Illinois (the "Assessor") for designation of the Project Real Estate as a Class L classification eligible for certain real estate tax incentives pursuant to the Classification Ordinance; and

WHEREAS, Section 2 of the Classification Ordinance requires that, in connection with the filing of Class L eligibility application with the Assessor, an applicant must obtain from the unit of local government in which the real estate is located, an ordinance or resolution which expressly states that the local government: 1) has determined that the incentive provided by Class L is necessary for the substantial rehabilitation (as defined in Section 1 of the Classification Ordinance) of the

property; 2) supports and consents to the granting of the incentive; and 3) has reviewed and accepted its Preservation Commission's (as defined in Section 1 of the Classification Ordinance) written recommendation of the project for the Class L incentive, specifying the project budget and proposed scope of the work and specifying that the project meets or exceeds the Standards of the United States Department of the Interior for Rehabilitation, Preservation, Restoration and Reconstruction of historic properties; and

WHEREAS, The City is a Certified Local Government as defined in Section 1 of the Classification Ordinance and has established the City of Chicago Commission on Chicago Landmarks (the "Landmarks Commission") and such Landmarks Commission is a Preservation Commission as defined in Section 1 of the Classification Ordinance; and

WHEREAS, On March 4, 2004, the Landmarks Commission issued a written recommendation of the Project to the City Council which recommended that, subject to the City Council's approval of the Landmark Modification Ordinance, the Project be approved by the Assessor for the Class L incentive, a copy of which is attached hereto as Exhibit 2 and hereby made a part hereof; and

WHEREAS, The Department of Planning and Development of the City ("D.P.D.") has reviewed the proposed Project, has determined that it meets the necessary eligibility requirements for Class L designation and hereby recommends to the City Council that the City expressly determine by ordinance that: 1) the incentive provided by Class L is necessary for the substantial rehabilitation of the Project Real Estate; 2) the City supports and consents to the granting of the incentive; and 3) the City has reviewed and accepted the Landmarks Commission's written recommendation of the Project for the Class L incentive, specifying the Project budget and proposed scope of the work, and specifying that the Project meets or exceeds the Standards of the United States Department of the Interior for Rehabilitation, Preservation, Restoration and Reconstruction of historic properties; now, therefore,

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

SECTION 1. The above recitals are hereby expressly incorporated as if fully set forth herein.

SECTION 2. The City hereby determines that the incentive provided by Class L is necessary for the substantial rehabilitation of the Project Real Estate.

SECTION 3. The City hereby expressly supports and consents to the granting of the Class L incentive with respect to the Project Real Estate, subject to Section 6 of this ordinance.

SECTION 4. The City has reviewed and hereby accepts the Landmarks Commission's written recommendation of the Project for the Class L incentive, which specifies the Project budget and proposed scope of the work and which specifies that the Project meets or exceeds the Standards of the United States Department of the Interior for Rehabilitation, Preservation, Restoration and Reconstruction of historic properties, a copy of which is attached hereto as Exhibit 2 and made a part hereof.

SECTION 5. The Commissioner of D.P.D. (the "Commissioner"), or a designee of the Commissioner, 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 the Owner with the Assessor for Class L designation of the Project Real Estate.

SECTION 6. The Commissioner, or a designee of the Commissioner, is hereby authorized to enter into and execute such instruments, and perform any and all acts as shall be necessary or advisable in connection with granting of the Class L incentive for the Project, and with the implementation of the intent of this ordinance. The Commissioner is hereby authorized to negotiate any and all terms and provisions in connection with the Project which do not substantially modify the terms of the attachments to Exhibit 2 hereof.

SECTION 7. Prior to the completion of the Project, the Owner is hereby prohibited from requesting or being provided with waivers of any City permit fees in connection with the Project or Project Real Estate that may be permissible under Section 2-120-815 of the Municipal Code of Chicago. In addition, the Owner shall erect a sign of size, content and style approved by the Commissioner in a conspicuous location on the Project Real Estate during the construction and development of the Project, indicating that the Class L tax incentive is being used in connection with the Project and that the Building is a Chicago landmark. The City shall have the right to include the name, photographs, artistic renderings of the Project and other pertinent information regarding the Owner, the Project Real Estate and the Project in the City's promotional literature and communications.

SECTION 8. To the extent that any ordinance, resolution, 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 be controlling. If any section, paragraph, clause or provision 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 from and after its passage.

Exhibits 1 and 2 referred to in this ordinance read as follows:

Exhibit 1.
(To Ordinance)

Description Of The Property.

Legal Description:

Lot 1 in Board of Trade Addition to Chicago, Section 16, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Address Commonly Known As:

141 West Jackson Boulevard
Chicago, Illinois 60604.

Permanent Index Number:

17-16-230-003-0000.

Exhibit 2.
(To Ordinance)

City Of Chicago
Commission On Chicago Landmarks

March 4, 2004

Recommendation To The City Council That A Class L Real Estate Tax Incentive Be Approved For The Chicago Board Of Trade Building 141 West Jackson Boulevard.

To the Mayor and Members of the City Council of the City of Chicago:

Whereas, The Commission on Chicago Landmarks (the "Commission") has reviewed an application for the proposed rehabilitation of the Chicago Board of

Trade Building, an office building located at 141 West Jackson Boulevard (the "Building" and its rehabilitation, the "Project"), pursuant to the Cook County Real Property Assessment Classification Ordinance, as amended (the "County Ordinance"), and its requirements governing the Class L real estate tax incentive (the "Class L"); and

Whereas, Portions of the Chicago Board of Trade Building were designated as a Chicago landmark by the City Council of the City of Chicago (the "City Council") pursuant to an ordinance adopted on May 4, 1977 (the "1977 Ordinance"); and

Whereas, The Board of Trade of the City of Chicago, Inc., the owner of the Building, desires to expand landmark recognition beyond the designation granted under the 1977 Ordinance so that the Building may be eligible to qualify for the Class L property tax incentive; and

Whereas, On the date hereof under a separate action, the Commission has recommended to the City Council that the 1977 Ordinance be modified, among other things, to designate the entire Building as a Chicago landmark, pursuant to the provisions of § 2-120-580, et seq. of the Municipal Code of Chicago (the "Proposed Modification"); now, therefore,

The Commission on Chicago Landmarks hereby:

1. finds, based on the Project's budget and proposed scope of work, incorporated herein and attached as (Sub)Exhibits A and B, respectively, that the Project meets or exceeds the Standards of the United States Department of the Interior for the Rehabilitation, Preservation, Restoration and Reconstruction of historic properties, as applicable; and

2. finds, conditioned upon City Council's adoption of the Proposed Modification, that the Project meets the eligibility criteria for the Class L incentive specified in the County Ordinance; and

3. recommends, conditioned upon City Council's adoption of the Proposed Modification, that the Project be approved for the Class L incentive.

This recommendation was adopted 7-0 on March 4, 2004.

(Signed): David Mosena
Chairman

(Sub)Exhibits "A" and "B" referred to in this Commission on Chicago Landmarks Recommendation read as follows:

(Sub)Exhibit "A".
(To Commission On Chicago Landmarks Recommendation)

Chicago Board Of Trade Building
141 West Jackson Boulevard.

Project Budget.

Hard Costs:

Facade repair	$4,500,000		$4,500,000
Elevator cab renovation	800,000		800,000
Corridor renovations -- 33rd and 40th floors	330,000		330,000
Corridor renovations -- 38, 36, 30, 25, 23, 21	480,000		480,000
New H.V.A.C. units-43, 42, 39, 38, 36, 30, 28	560,000		560,000
North Building fan shaft and wheel replacement	75,000		75,000
Asbestos abatement (limited to tenant improvement work)	100,000		100,000
Tenant improvements -- 2004 and 2005	3,235,258	$3,656,331	6,891,589

North Building lobby renovation	$ 1,500,000		$ 1,500,000
Power wash north facade	750,000		750,000
Consistent lighting of top of south tower	50,000		50,000
Hard Cost contingency [1]	599,643	$ 259,857	859,500
Subtotal	$12,979,901	$3,916,188	$16,896,089
Soft Costs:			
Leasing commissions -- 2004 and 2005	$ 1,310,000		$ 1,310,000
Soft costs [2]	3,520,018	$ 704,004	4,224,022
Soft cost contingency [3]	190,081	21,120	211,201
Sub-Total	$ 5,020,099	$ 725,124	$ 5,745,223
TOTAL	$18,000,000	$4,641,312	$22,641,312

Notes for Class "L" Budget:

(1) Represents thirteen percent (13%) of hard costs excluding tenant improvements and facade repair, which already have contingency included in the line item.

(2) Represents twenty-seven percent (27%) of total hard cost line items.

(3) Represents five percent (5%) of soft costs, excluding leasing commissions.

(Sub)Exhibit "B".
(To Commission On Chicago Landmarks Recommendation)

Scope Of The Work.

General.

All work affecting the significant historical and architectural features (as defined in the Proposed Modification) shall be done in accordance with the following:

-- The City of Chicago's building permit review procedures and the Landmarks Ordinance, §§ 2-120-580, et seq. of the Municipal Code of Chicago.

-- The review and approval of the Commission.

-- The Secretary of the Interior's Standards for the Rehabilitation of Historic Buildings (the "Standards") and the Guidelines for Alterations to Historic Buildings and New Construction, adopted by the Commission on March 4,1992.

-- The Chicago Downtown Lighting Master Plan, 1997 (the "Lighting Plan").

-- Historic photographs, architectural drawings and any other available archival documentation of the building to be investigated and assembled by the property owner.

Required Approvals.

All work must be submitted to the Commission staff for prior review and approval. The Commission staff may require as part of its review, as appropriate, material samples, paint colors and finishes, shop drawings, specifications, mock-ups, test patches and control samples.

Required Work.

-- Masonry Cladding. Work shall include masonry repair and replacement along all building elevations, including but not limited to, dutchman repairs; parapet wall and windowhead repairs; installation of structural angles and anchors; grinding and pointing of joints; installation of window

sealants; repair of concrete fireproofing; and resetting of ground floor granite panels. Damaged masonry units shall be repaired or replaced in-kind, as approved by the Commission. The work shall address, as applicable, any additional areas of masonry deterioration or failure identified in the course of the Project or as part of the annual inspection required under the exterior wall ordinance.

-- Building Cleaning. The following portions of the building exterior shall be cleaned using an appropriate masonry cleaning method: the entire north elevation along Jackson Boulevard, starting on the ground and ending below the pyramidal roof and including the inside returns of the two (2) projecting twenty-two (22) story wings along Jackson Boulevard. Masonry surfaces shall be cleaned using the least aggressive cleaning method, e.g., low pressure water or mild chemical cleaning, and shall be conducted only after conducting test patches and obtaining approval from the Commission.

-- Exterior Lighting. Existing exterior lighting on the south elevation of the tower shall be modified to provide a more uniform and balanced effect in accordance with the Lighting Plan. The work shall be accomplished in a manner that is reasonably acceptable to the Commission and that does not exceed the amount allocated in the Project Budget attached herein as (Sub)Exhibit A.

-- Interior Work. Includes the following:

    -- elevator cabs: renovation of cab interiors and doors to make them more historically appropriate and A.D.A.-accessible;

    -- corridors: renovation of corridors on selected multi-tenant floors;

    -- mechanical systems: new H.V.A.C. units on selected multi-tenant floors and replacement of the fan shaft and wheel;

    -- tenant improvements: renovation of approximately one hundred seven thousand eight hundred (107,800) square feet, including removal of asbestos-containing materials;

    -- interior lobby: ceiling restoration and appropriately designed accent lighting for the interior lobby shall be provided in accordance with the Standards and shall be subject to the Commission's review and approval.

DESIGNATION OF JACOBS REAL ESTATE, INC. AS PROJECT DEVELOPER AND AUTHORIZATION FOR EXECUTION OF REDEVELOPMENT AGREEMENT FOR PROPERTY WITHIN GALEWOOD/ARMITAGE REDEVELOPMENT PROJECT AREA.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing entering into and executing a redevelopment agreement with Jacobs Real Estate, Inc., 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 viva voce vote of the members of the Committee.

Alderman Burke abstained from voting pursuant to Rule 14 of the City Council's Rules of Order and Procedure.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

Alderman Burke invoked Rule 14 of the City Council's Rules of Order and Procedure, disclosing that he had represented parties to this ordinance in previous and unrelated matters.

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 July 7, 1999 and published at pages 6234 -- 6323 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 Galewood/Armitage Industrial 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 July 7, 1999 and published at pages 6324 -- 6331 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 "T.I.F. Ordinance") adopted by the City Council on July 7, 1999 and published at pages 6331 -- 6340 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, Jacobs Real Estate, Inc., an Illinois corporation (the "Company"), has acquired a three and six-tenths (3.6) acre site (the "Site") located within the Area and shall lease the property to Jacobs Imports, Inc., an Illinois corporation ("Jacobs Imports"), Jacobs Twin Buick, Inc., an Illinois corporation ("Jacobs Buick"), and Jacobs Twin Ford, Inc., an Illinois corporation ("Jacobs Ford", Jacobs Imports and Jacobs Buick are affiliates of the Company and are collectively referred to herein as the "Operator") for use as vehicle storage and maintenance operations and will redevelop the Site as follows: (i) an approximately ten thousand (10,000) square foot area located at the north part of the Site (the "Facility") shall be excavated and replaced with gravel, suitable for vehicle storage and maintenance operations; (ii) a fence shall be installed along the eastern border of the property, and the existing fencing along the western border of the property shall be repaired and replaced (the Facility and related improvements are collectively referred to herein as the "Project"); and

WHEREAS, The Company 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 Company and the City, including but not limited to the acquisition of the Site, construction of the Project and the creation of the jobs, to be financed in part by Incremental Taxes, if any, deposited in the Galewood/Armitage Industrial Redevelopment Project Area Tax Allocation Fund (as defined in the T.I.F. Ordinance) pursuant to Section 5/11-74.4-8(b) of the Act; and

WHEREAS, Pursuant to Resolution 04-CDC-23 adopted by the Community Development Commission of the City of Chicago (the "Commission") on March 9, 2004, the Commission authorized the City's Department of Planning and Development ("D.P.D.") to publish notice pursuant to Section 5/11-74.4(c) of the Act of its intention to negotiate a redevelopment agreement with the Company for the Project and to request alternative proposals for redevelopment of the Site or a portion thereof; and

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

WHEREAS, Since no other responsive proposals were received by D.P.D. for the redevelopment of the Site or a portion thereof within thirty (30) days after such publication, pursuant to Resolution 04-CDC-23, the Commission has recommended that the Company be designated as the developer for the Project and that D.P.D. be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Company 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 Company 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 D.P.D. (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 redevelopment agreement between the Company and the City in substantially in 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.

Exhibit "A".
(To Ordinance)

Jacobs Real Estate, Inc.
Redevelopment Agreement
By And Between
The City Of Chicago
And
Jacobs Real Estate, Inc.
And
Jacobs Imports, Inc.
And
Jacobs Twin Buick, Inc.
And
Jacobs Twin Ford, Inc.

This Jacobs Real Estate, Inc. 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 Jacobs Real Estate, Inc., an Illinois corporation (the "Owner") and Jacobs Imports, Inc., an Illinois corporation ("Jacobs Imports"), Jacobs Twin Buick, Inc., an Illinois corporation ("Jacobs Buick"), Jacobs Twin Ford, Inc., an Illinois corporation ("Jacobs Ford," Jacobs Imports and Jacobs Buick are affiliates of the Owner and are collectively referred to herein as the "Operator"). The Owner and the Operator are referred to herein collectively as the "Developer".

RECITALS

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

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on July 7, 1999: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Galewood/Armitage Industrial Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Galewood/Armitage Industrial 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 Galewood/Armitage Industrial 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: On December 3, 2002, the Owner purchased certain property (the "Acquisition") located within the Redevelopment Area at 2148-2200 North Natchez, Chicago, Illinois 60707 and legally described on Exhibit B hereto (the "Property"). Jacobs Imports, Jacobs Buick, and Jacobs Ford are automobile dealerships all located at 6750 West Grand Avenue in Chicago, Illinois 60607. The Operator will lease the Property from the Owner for vehicle storage and maintenance operations. Within the time frames set forth in Section 3.01 hereof, the Owner shall commence and complete construction of an approximately ten thousand (10,000) square foot area located at the north part of the Property (the "Facility") thereon. The Facility will be excavated and replaced with gravel, suitable for vehicle storage. The project will also include the installation of a fence along the eastern border of the Property and the repair and replacement of existing fencing along the western border of the Property. The Facility and related improvements are collectively referred to herein as the "Project."

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project (the "Redevelopment Plan") attached hereto as Exhibit D.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes, hereinafter defined, to pay for or reimburse the Developer for 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

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

SECTION 2. DEFINITIONS

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

"Acceptable Purchaser" shall mean any natural person, partnership, corporation, limited liability company and any other form of business or legal entity, at the time of acquisition of all or any portion of the Property, that will use or lease the Property for industrial use. However, no entity or person shall be acceptable as a purchaser of any portion of the Property if it is (i) in violation of any City ordinances or other city legal requirements, (ii) involved in litigation adverse to the City, (iii) unable or unwilling to accept an assignment of any unperformed obligations of the Developer and/or Operator or any other lessee, if applicable, under this Agreement, or (iv) unwilling to complete the then-current Economic Disclosure Statement ("EDS") or completes an EDS that discloses information which is grounds for the City's withholding its consent for such purchaser.

"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 the Developer.

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

"City Council" shall have the meaning set forth in the Recitals hereof.

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

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit D, to be entered into between the Developer and the General Contractor providing for site preparation for the Project.

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

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

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

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof.

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

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

"Galewood/Armitage 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.

"General Contractor" shall mean the general contractor(s) hired by the Developer pursuant to Section 6.01.

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

"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 Galewood/Armitage TIF Fund, established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Lender" shall mean Bank One, N.A., or its successor.

"Lender Financing" shall mean funds borrowed by the 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 Purchasing Department, or otherwise certified by the City's Purchasing Department as a minority-owned business enterprise.

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

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

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

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

"Prior Expenditures" 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 G, showing the total cost of the Project by line item, furnished by the 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.

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

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the 10th anniversary of the Closing Date.

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

"TIF-Funded Improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the

City has agreed to 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 Chicago Title Insurance, a Missouri corporation.

"Title Policy" shall mean 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.

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

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

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, subject to the provisions of Section 18.17 hereof: (i) commence construction no later than December 31, 2004; and (ii) complete construction no later than December 31, 2005. The Operator shall conduct business operations therein no later than December 31, 2005.

3.02 Scope Drawings and Plans and Specifications [Intentionally Omitted.]

3.03 Project Budget. The Developer has furnished to DPD, and DPD has approved, a Project Budget showing total costs for the Project in an amount not less than One Million Six Hundred Fifty-Seven Thousand Three Hundred Dollars ($1,657,300). The Developer hereby certifies to the City that (a) the City Funds together with Lender Financing and Equity shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects.

3.04 Change Orders [Intentionally Omitted.]

3.05 DPD Approval. [Intentionally Omitted]

3.06 Other Approvals. Any DPD approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence

construction of the Project until the Developer has obtained all necessary permits and approvals and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.07 Progress Reports. The Developer shall provide DPD with written annual progress reports detailing the status of the Project, including a revised completion date, if necessary and information (required by Section 10.03(d)) regarding compliance with job retention and creation requirements, and MBE/WBE commitments.

3.08 Inspecting Agent or Architect. [Intentionally Omitted]

3.09 Barricades. Prior to commencing any construction requiring barricades, the Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. 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. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications.

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

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be One Million Six Hundred Fifty-Seven Thousand Three Hundred Dollars ($1,657,300), to be applied in the manner set forth in the Project Budget, which the Developer will initially fund from the following sources:

Lender Financing	$ 1,000,000
Equity	$ 657,300
ESTIMATED TOTAL	$ 1,657,300

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 the 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)), 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 the Developer for the TIF-Funded Improvements:

Source of City Funds	Maximum Amount
Incremental Taxes	$300,000

4.04 Purchase of Property and Subsequent Mortgage. The Property was purchased on December 3, 2002 for a purchase price of One Million Five Hundred Seventy-Six Thousand Dollars ($1,576,000). On September 22, 2003, the Owner entered into a mortgage agreement (the "Mortgage") by and between the Owner and the Lender, secured by the Property, in the amount of One Million Dollars ($1,000,000). The Lender shall enter into a subordination agreement (the "Subordination Agreement") with the City, using the form in Exhibit J.

4.05 Treatment of Prior Expenditures and Purchase of Property. Only those expenditures made by the 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 H hereto sets forth the prior expenditures approved by DPD as of the date hereof as Prior Expenditures. A portion of the purchase price of the Property, as noted in Section 4.04, shall be reimbursed to the Developer from City Funds on the Closing Date as the only TIF-Funded Improvement, directly rather than through an escrow.

4.06 Cost Overruns. [Intentionally Omitted.]

4.07 Preconditions of Disbursement. Prior to disbursement at Closing, the Developer shall submit documentation regarding the status of the Project to DPD, which shall be satisfactory to DPD in its sole discretion. Delivery by the Developer to DPD of such documentation hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such report, that:

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

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

(c) 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

The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer.

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 shall be reimbursed to the Developer on the Closing Date, but subject to conditions as provided in Section 8.06 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. The 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 [Intentionally Omitted]

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

5.04 Financing. The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. Any liens against the Property in existence at the Closing Date, such as the Mortgage in Section 4.04, have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form

acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. On the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the 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 F 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. The 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. The Developer, at its own expense, has provided the City with searches under the Developer's name, as follows:

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

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

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

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

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

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

5.11 Financial Statements. [Intentionally Omitted].

5.12 Documentation. The Developer has provided documentation to DPD, satisfactory in form and substance to DPD, with respect to current employment matters, job creation, MBE/WBE Compliance or other evidence required by DPD.

5.13 Environmental. The Developer has provided DPD with copies of that certain phase I environmental audit completed with respect to the Property. The Developer has provided the City with a letter from the environmental engineer who completed such audit, authorizing the City to rely on such audits.

5.14 Corporate Documents; Economic Disclosure Statement. Each of the Owner and the Operator has provided a copy of its Articles or Certificate of Incorporation containing the original certification of the Secretary of State of Illinois; certificates of good standing from the Secretary of State of Illinois and all other states in which the Owner and the Operator are qualified to do business; a secretary's certificate for each corporation in such form and substance as the Corporation Counsel may require; by-laws of each corporation; and such other corporate documentation as the City has requested. The Owner and the Operator have each provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

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

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, the 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. The 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. The 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 Project shall be provided to DPD within five (5) business days of the execution thereof. The 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 all requisite permits, as required by DPD, have been obtained.

6.02 Construction Contract. Prior to the execution thereof, the 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 the Developer, the General Contractor and any other parties thereto, the 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 the commencement of any portion of the Project which includes work on the public way, the 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 attached as Exhibit P hereto. The City shall be named as obligee or co-obligee on any such bonds.

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

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 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 Project 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 construction 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 in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. DPD shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the construction of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been

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

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

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

(a) the right to terminate this Agreement; and

(b) the right to seek reimbursement of the City Funds from the Owner.

7.04 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 8. COVENANTS/REPRESENTATIONS/ WARRANTIES OF THE DEVELOPER AND THE OPERATOR.

8.01 General. The Developer represents, warrants and covenants the following, as of the date of this Agreement and during the Term of the Agreement:

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

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

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary corporate action for each entity, 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 the Developer is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the Developer 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, as disclosed in the Project Budget and non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof);

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

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

(g) the Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project;

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

(i) prior to the issuance of a Certificate, the 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 thereto) except in the ordinary course of business; (3) enter into any transaction outside the ordinary course of the 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 the Developer's financial condition;

(j) the 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 the Mortgage, as disclosed in the Project Budget; and

(k) the Developer has made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an

inducement for the City to enter into the Agreement or any City Contract with the Developer in violation of Chapter 2-156-120 of the Municipal Code of the City.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, as provided in 3.03 hereof, and the Owner's receipt of all required building permits and governmental approvals, the Owner shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Owner. 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. The Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan.

8.04 Use of City Funds. City Funds disbursed to the Developer shall be used by the Developer solely to reimburse the Developer for its payment for the TIF-Funded Improvements, as provided in this Agreement.

8.05 Other Bonds [Intentionally Omitted.]

8.06 Job Creation and Retention; Covenant to Remain in the City The Operator, an Affiliate or any other lessee of the Property, or an Acceptable Purchaser will use its best efforts to create and retain not less than 16 full-time equivalent permanent jobs at the Facility within 12 months of the completion of the Project through the 5th anniversary of the Closing Date.

The Owner hereby covenants and agrees:

(a) to maintain the Property's industrial use for the Term of the Agreement

(b) not to transfer the Property prior to the 5th anniversary of the Closing Date, unless such transfer is to an Affiliate and/or an Acceptable Purchaser.

If the Developer and/or an Affiliate or any other lessee of the Property or an Acceptable Purchaser do not comply with the requirements listed above in this Sections 8.06 (a) and 8.06(b), the Developer and/or an Acceptable Purchaser will be subject to the remedies listed in Section 15.02(a).

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

8.07 Employment Opportunity. The 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. The 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. The Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions. Unless DPD has given its prior written consent with respect thereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, for any reason.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the 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 the Developer's business, the Property or any other property in the Redevelopment Area.

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

8.13 Financial Statements. [Intentionally Omitted.]

8.14 Insurance. The 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, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon

in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to 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. The Developer has the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); 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. The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify DPD of any and all events or actions which may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

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

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. The Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. The Developer's right to challenge real estate taxes applicable to the Property is not limited; provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DPD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DPD's sole option,

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

(ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to 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 the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise DPD thereof in writing, at which time DPD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DPD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DPD deems advisable. All sums so paid by DPD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DPD by the Developer. Notwithstanding anything contained herein to the

contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Developer to submit to the City audited Financial Statements at the Developer's own expense.

8.20 Affordable Housing Covenants [Intentionally Omitted.]

8.21 Participation in City Beautification Efforts [Intentionally Omitted.]

8.22 Public Benefits Program [Intentionally Omitted.]

8.23 Job Readiness Program [Intentionally Omitted.]

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time

(the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

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

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

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

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

10.02 City Resident Construction Worker Employment Requirement. The Developer agrees for itself and its successors and assigns, and 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 Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated

above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor and/or the subcontractors to prosecution.

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

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

10.03 The Developer's 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 Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (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 25 percent by MBEs.
ii. At least 5 percent by WBEs.

(b) For purposes of this Section 10.03 only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "contract" 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 Section 10.03. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBEs or WBEs in its activities and operations other than the Project.

(d) The Developer shall deliver annual reports to DPD during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include inter alia the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DPD in determining the Developer's compliance with this MBE/WBE commitment. 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 Section 14 of this Agreement, on five (5) business days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the 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 Section 10.03 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

(g) Prior to the commencement of the Project, the Developer, 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 10.03. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the monitoring staff of DPD, 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 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. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

SECTION 11. ENVIRONMENTAL MATTERS

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

Without limiting any other provisions hereof, the Owner 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 the Owner: (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 the Developer, or any person directly or indirectly controlling, controlled by or under common control with the 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 the 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 the Developer or any of its Affiliates under any Environmental Laws relating to the Property.

SECTION 12. INSURANCE

The Developer shall provide and maintain, or cause to be provided, at the Developer's own expense, during the Term of the Agreement (or as otherwise specified below), the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to Execution and Delivery of this Agreement and Throughout the Term of the Agreement

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(b) Construction

(i) Workers Compensation and Employers Liability Insurance

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

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

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

(iii) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Contractor shall provide 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 bases.

(iv) Railroad Protective Liability Insurance

When any work is to be done adjacent to or on railroad or transit property, Contractor shall provide, or cause to be provided with respect to the operations that the Contractor performs, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy has 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) Builders Risk Insurance

When the Contractor undertakes any construction, including improvements, betterments, and/or repairs, the Contractor shall 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 permanent facility. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable. The City of Chicago shall be named as an additional insured and loss payee.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions shall be maintained with limits of not less than $1,000,000. Coverage shall include contractual liability. 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.

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

When any remediation work is performed which may cause a pollution exposure, contractor's Pollution Liability shall be provided with limits of not less than $1,000,000 insuring bodily injury, property damage and environmental remediation, cleanup costs and disposal. When policies are renewed, 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 one (1) year. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(c) Term of the Agreement

(i) Prior to the execution and delivery of this Agreement and during construction of the Project, All Risk Property Insurance in the amount of the full replacement value of the Property. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Property. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City of Chicago is to be named an additional insured on a primary, non-contributory basis.

(d) Other Requirements

The Developer will furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The 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 the Developer shall not be deemed to be a waiver by the City. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance shall not relieve the 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 terminate this Agreement until proper evidence of insurance is provided.

The insurance shall 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 and all deductibles or self insured retentions on referenced insurance coverages shall be borne by the Developer.

The Developer agrees that insurers shall waive rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The Developer expressly understands and agrees that any coverages and limits furnished by the Developer shall in no way limit the Developer's liabilities and responsibilities specified within the Agreement documents or by law.

The Developer expressly understands and agrees that the Developer's insurance is primary and any insurance or self insurance programs maintained by the City of Chicago shall not contribute with insurance provided by the Developer under the Agreement.

The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

The Developer shall require the General Contractor, and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the General Contractor, or subcontractors. All General Contractors and subcontractors shall be subject to the same requirements (Section (d)) of Developer unless otherwise specified herein.

If the Developer, General Contractor or any subcontractor desires additional coverages, the Developer, General Contractor and any subcontractor shall be responsible for the acquisition and cost of such additional protection.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as any such change does not increase these requirements.

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. The 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 Indemnities shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of:

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

(ii) the Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with Project improvements; or

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

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

provided, however, that the 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, the Developer shall contribute the maximum portion that is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

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

SECTION 15. DEFAULT AND REMEDIES

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

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

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

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

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

(g) the entry of any judgment or order against the Developer 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 the Owner;

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

(k) prior to the expiration of the Term of the Agreement, the sale or transfer of 51% or more of the ownership interests of the Owner, except between shareholders of the Owner and shares that may be sold or transferred to family members of such shareholders, without the prior written consent of the City, which shall not be unreasonably withheld, delayed, or conditioned.

For purposes of Sections 15.01(i) and 15.01(j) hereof, a person with a material interest in the Owner shall be one owning in excess of ten (10%) of the Owner's issued and outstanding shares of stock.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements.

(a) 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, the remedy found in Section 15.02(b), injunctive relief, or the specific performance of the agreements contained herein.

(b) For any year that the Developer or an Affiliate fails to comply with Section 8.06(a) or Section 8.06(b), the Developer shall reimburse the City during that year, in the amount of ten percent (10%) of the City Funds advanced to the Developer by the City. Such payment shall be made each year that the Developer is not in compliance with (i) Section 8.06(a) until the 10th anniversary of the Closing Date or (ii) Section 8.06(b) until the 5th anniversary of the Closing Date.

15.03 Curative Period. In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, 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, provided, further, that there shall be no cure period under this Section 15.03 with respect to the Developer's failure to comply with the job creation/operation requirements of Section 8.06 hereof."

SECTION 16. MORTGAGING OF THE PROJECT

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

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

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to the 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.

If to the City:

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

With Copies To:

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

If to the Developer:

Jacobs Real Estate, Inc.
c/o Jacobs Twin Ford, Inc.
6750 West Grand Avenue
Chicago, Illinois 60707

Jacobs Imports, Inc.
6750 West Grand Avenue
Chicago, Illinois 60707

Jacobs Twin Buick, Inc.
6750 West Grand Avenue
Chicago, Illinois 60707

Jacobs Twin Ford, Inc.
6750 West Grand Avenue
Chicago, Illinois 60707

With Copies To:

Lawrence M. Freedman, Esq.
77 West Washington Street, Suite 1211
Chicago, Illinois 60602

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

SECTION 18. MISCELLANEOUS

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

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

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

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

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

between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

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

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

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

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

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

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

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

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

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

18.15 Assignment. Except as otherwise provided herein, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City, which will not be unreasonably withheld, delayed, or conditioned. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to

abide by all remaining executory terms of this Agreement, including but not limited to 8.24 (Survival of Covenants) hereof, for the Term of the Agreement. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

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

18.17 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, 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.

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

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

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

18.21 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether

or not there is a lawsuit, including attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgement collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

18.22 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.

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.

Jacobs Real Estate, Inc.

By: _____

Its: _____

Jacobs Imports, Inc.

By: _____

Its: _____

Jacobs Twin Ford, Inc.

By: _____

Its: _____

Jacobs Twin Buick, Inc.

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 the Owner, as his/her free and voluntary act and as the free and voluntary act of the Owner, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___ day of _____, ____.

_____
Notary Public

(SEAL)

My Commission Expires_____

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 "Operator"), 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 the Operator, as his/her 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 _____, ____.

_____
Notary Public

(SEAL)

My Commission Expires_____

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 "Operator"), 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 the Owner, as his/her free and voluntary act and as the free and voluntary act of the Owner, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___th day of _____, ____.

_____
Notary Public

My Commission Expires_____

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 "Operator"), 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 the Owner, as his/her free and voluntary act and as the free and voluntary act of the Owner, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this ___th day of _____, ____.

_____
Notary Public

My Commission Expires_____

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)Exhibits "E" and "P" referred to in this Redevelopment Agreement with Jacobs Real Estate, Inc. unavailable at time of printing.]

(Sub)Exhibits "A", "B", "C", "D", "F", "G-1", "G-2", "H", "I" and "J" referred to in this Redevelopment Agreement with Jacobs Real Estate, Inc. read as follows:

(Sub)Exhibit "A".
(To Jacobs Real Estate, Inc.
Redevelopment Agreement)

Redevelopment Area Legal Description.

That part of Sections 31, 32 and 33, Township 40 North, Range 13, East of the Third Principal Meridian, described as follows:

beginning at the intersection of the westerly right-of-way line of North Oak Park Avenue and the northeasterly right-of-way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence southeasterly on said northeasterly right-of-way line to the east line of the west half of the northeast quarter of said Section 31; thence north, along said east line of the west half of Section 31, to the westerly right-of-way line of a north/south railroad right-of-way of said Chicago, Milwaukee, St. Paul and Pacific Railroad; thence northerly on said westerly right-of-way to the southwesterly right-of-way line of Grand Avenue; thence southeasterly on said southwesterly right-of-way line to the easterly right-of-way line of Natchez Avenue; thence southerly on said easterly right-of-way line to the northerly line of Lot 7 in Block 5 of Grand Heights Subdivision, being a subdivision in the east half of the east half of the northeast quarter of said Section 31, Township 40 North, Range 13 East of the Third Principal Meridian; thence easterly on said northerly line to the westerly line of a north/south alley adjoining the easterly line of said Lot 7; thence southerly on said westerly alley line to the northerly line of Lot 4, Block 5 extended westerly; thence easterly on the westerly extension and the northerly line to the westerly right-of-way line of Nagle Avenue; thence southerly on said westerly right-of-way line to the southerly line of the northerly 46.00 feet of Lot 18, Block 4 in said Grand Heights Subdivision; thence easterly on said southerly line to the westerly right-of-way line of a north/south alley adjoining the easterly line of said Lot 18; thence northerly on said westerly alley line to the westerly extension of the northerly line of Lot 15, Block 4 in said Grand Heights Subdivision; thence easterly on said northerly line of Lot 15 to the westerly right-of-way line of Narragansett Avenue; thence northerly on said westerly right-of-way line to the

northerly right-of-way line of Dickens Avenue extended westerly; thence easterly on said northerly right-of-way line extended westerly, the northerly right-of-way line and the northerly line extended easterly to the easterly right-of-way line of Melvina Avenue; thence southerly on said easterly right-of-way line to the northerly right-of-way line of Dickens Avenue; thence easterly on said northerly right-of-way line to the westerly right-of-way line of North Moody Avenue; thence northerly on said westerly right-of-way line to the westerly extension of the northerly line of Lot 24, Block 9 in Grand Avenue Estates Subdivision, being a subdivision of part of the west half of the east half of the northwest quarter of Section 32, Township 40, Range 13; thence easterly on said northerly line to the easterly right-of-way line of a north/south alley in said Block 9; thence southerly on said easterly right-of-way line to said northerly right-of-way line of West Dickens Avenue; thence easterly on said northerly right-of-way line to the westerly right-of-way line of North Meade Avenue; thence northerly on said westerly right-of-way line to the westerly extension of the northerly line of Lot 39 in Block 4 in Grand Avenue Estates, being a subdivision of (except the south 466 feet) of the east half of the northwest quarter of Section 32, Township 40, Range 13; thence easterly on said northerly line extension and the northerly line of said Lot 39 to the westerly right-of-way line of a north/south alley in said Block 4; thence northerly on said westerly alley line to the westerly extension of the northerly line of Lot 50, in said Block 4; thence easterly on said northerly line extended and the northerly line to the easterly right-of-way line of McVicker Avenue; thence southerly on said easterly right-of-way line to the northerly line of Lot 34, in Block 3 in said Grand Avenue Estates; thence easterly on said northerly line to the westerly right-of-way line of a north/south alley in said Block 3; thence northerly on said westerly alley line to the westerly extension of the northerly line of Lot 45, in said Block 3; thence easterly on the westerly extension and the northerly line to the easterly right-of-way of Austin Avenue; thence southerly on said easterly line to said northerly right-of-way line of Dickens Avenue; thence easterly on said northerly right-of-way line to the westerly right-of-way line of a north/south alley in Block 3 of Central Avenue Subdivision, being a subdivision in the east half of the northeast quarter of said Section 32, Township 40 North, Range 13 East, lying south of Grand Avenue; thence northerly on said westerly alley line to the northeasterly right-of-way line of a northwest/southeast alley; thence southeasterly on said northeasterly right-of-way line to the easterly right-of-way line of Major Avenue; thence southerly on

said easterly right-of-way line to the northerly line of Lot 22, Block 2 in said Central Avenue Subdivision; thence easterly on said northerly line to the easterly right-of-way line of a north/south alley adjoining the easterly line of said Lot 22; thence southerly on said easterly right-of-way line to the northerly right-of-way line of Armitage Avenue; thence easterly on said northerly line of Armitage Avenue to the westerly right-of-way line of Parkside Avenue; thence northerly on said westerly right-of-way line to the northerly line of Lot 22, Block 1, extended westerly, in said Central Avenue Subdivision; thence easterly on said northerly line extended westerly, the northerly line and the northerly line extended easterly to the easterly right-of-way line of a north/south alley in said Block 1; thence southerly on said easterly alley line to said northerly right-of-way line of Armitage Avenue; thence easterly on said northerly right-of-way line to the westerly right-of-way line of Central Avenue; thence northerly on said westerly right-of-way line to the southerly right-of-way line of Fullerton Avenue; thence easterly on said southerly right-of-way line to the easterly right-of-way line of Long Avenue; thence southerly on said easterly line to the northeasterly right-of-way line of Grand Avenue; thence southeasterly along said northeasterly right-of-way line to its intersection with a line that is perpendicular to the north line of the west half of the southeast quarter of said Section 33, said perpendicular line originating from an angle point in the southerly right-of-way line of Grand Avenue, said angle point being 125 feet northwest of the west line of Leclaire Avenue as measured along said southerly line of Grand Avenue (said west line of Leclaire Avenue being in the southeast quarter of said Section 33); thence south, along said perpendicular line to said angle point in the southerly right-of-way line of Grand Avenue; thence southeasterly, along the southwesterly right-of-way line of Grand Avenue to the northerly right-of-way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence easterly along said northerly right-of-way line to the west right-of-way line of Cicero Avenue; thence south, along said west line to the southerly line of said Chicago, Milwaukee, St. Paul and Pacific Railroad; thence westerly, along said southerly line to the southwesterly line of Lot 21 in Block 4 of Lyford and Mann's Addition to Cragin of County Clerks Division of the east three-quarters of Section 33, Township 40, Range 13; thence southeasterly on said southwesterly line to the northerly extension of the easterly line of Lot 31 in Block 1 of W. W. Marcy's Resubdivision of Block 1 (except that part taken for Grand Avenue) of Block 2, all of Block 3 and Lots 26 -- 41 of Block 4; thence southerly on said easterly line

to the northerly line of an east/west alley in said Block 1; thence westerly on said northerly line to the northerly extension of the westerly line of a north/south alley in said Block 1; thence southerly on said northerly extension to the southerly line of said east/west alley in said Block 1; thence westerly on said southerly line to the easterly line of Lot 14 in said Block 1 of W.W. Marcy's Resubdivision; thence southerly on said easterly line and the easterly line extended southerly to the southerly right-of-way line of Bloomingdale Avenue; thence westerly on said southerly line to the easterly right-of-way line of North LeClaire Avenue; thence northerly on said easterly line to the said southerly right-of-way line of Chicago, Milwaukee, St. Paul and Pacific Railroad; thence westerly on said southerly line to the easterly right-of-way line of North Laramie Avenue; thence southerly on said easterly line to the southerly right-of-way line of an east/west alley in Dan Booths Subdivision on the south twelve and three-quarter acres of the northeast quarter of the southwest quarter of said Section 33, Township 40, Range 13; thence westerly on said southerly alley line to the westerly right-of-way line of Long Avenue; thence northerly on said westerly line to the southerly right-of-way line of an east/west alley in Block 1 in Mills & Sons North Avenue and Central Avenue Subdivision in the southwest quarter of Section 33, Township 40 North, Range 13 East and in Mills & Sons Subdivision of Lot 11 in Block 2 and Block 3, in Mills & Sons Subdivision; thence westerly on said southerly alley line to the easterly line of Central Avenue; thence southerly on said easterly line to the southerly right-of-way line of Bloomingdale Avenue; thence westerly on said southerly right-of-way line to the westerly right-of-way line of Monitor Avenue; thence northerly on said westerly line to the northerly right-of-way line of an east/west alley in Block 1 in Mills and Sons Subdivision Number 4 (except the west 53 feet and except the north 665 feet) part of Bloomingdale Avenue and with vacated Blocks 6, 7, 18 of Peck's Addition to the southeast quarter; thence westerly on said northerly line to the easterly row line of Austin Avenue; thence southerly on said easterly line to the southerly line of Cortland Street; thence westerly on said southerly line to the easterly right-of-way line of McVicker Avenue; thence southerly on said easterly line to the said southerly line of Bloomingdale Avenue; thence westerly on said southerly line to the westerly right-of-way line of Merrimac Avenue; thence northerly on said westerly line to said southerly line of Cortland Street; thence westerly on said southerly line to the westerly right-of-way line of Nashville Avenue; thence northerly on said westerly line to the westerly extension of the

northerly line of Lot 10 in A. Gale's Subdivision of the southeast quarter of Section 31 and the southwest quarter of Section 32, Township 40 North, Range 13, East of the Third Principal Meridian; thence easterly on said extension and northerly line of said Lot 10, 208.00 feet; thence northerly, on a curve, tangent to a line that is 208.00 feet east of and parallel to the west line of the northeast quarter of the southeast quarter of said Section 31, convex easterly, having a radius of 348.55 feet, an arc distance of 85.78 feet, to a point of tangency; thence northerly, along said tangent, 44.74 feet; thence northwesterly, along a curve, convex southerly, having a radius of 769.02 feet, a distance of 8.30 feet; thence northwardly along the arc of a circle, convex to the east and having a radius of 272.94 feet, a distance of 14.75 feet to a point of tangent which is 175.47 feet, measured perpendicularly east from The west line of the southeast quarter of the northeast quarter aforesaid; thence northwardly along a straight line, a distance of 24.27 feet to a point of curve which is 169.56 feet, measured perpendicularly, east from the west line of the southeast quarter of the northeast quarter aforesaid; thence northwestwardly along the arc of a circle, convex to the northeast and having a radius of 272.94 feet, a distance of 97.63 feet to a point of compound curve which is 129.54 feet, measured perpendicularly, east from the west line of the southeast quarter of the northeast quarter aforesaid; thence north westwardly along the arc of a circle, convex to the northeast and having a radius of 558.69 feet, a distance of 98.06 feet to a point of tangent which is 67.10 feet, measured perpendicularly, east from the west line of the southeast quarter of the northeast quarter aforesaid; thence north westwardly along a straight line, a distance of 26.85 feet to a point of curve which is 48.24 feet, measured perpendicularly, east from the west line of the southeast quarter of northeast quarter aforesaid; thence north westwardly along the arc of a circle, convex to the northeast and having a radius of 558.69 feet, to point on said west line of the southeast quarter of the northeast quarter; thence north to the southwesterly right-of-way line of the Chicago, Milwaukee, St. Paul and Pacific Railroad; thence northwesterly on said southwesterly line to the westerly right-of-way line of Oak Park Avenue; thence northerly on said westerly right-of-way to the point of beginning, all in Cook County, Illinois.

(Sub)Exhibit "B".
(To Jacobs Real Estate, Inc.
Redevelopment Agreement)

Property.

That part of Lots 3 and 4 in the West Grand Avenue Industrial District, being

owners division of part of the west half of the east half of the northeast quarter of Section 31, Township 40 North, Range 13 East of the Third Principal Meridian, described as follows:

beginning at a point in the east line of Lot 4 aforesaid, 366.82 feet south of the northeast quarter corner thereof; thence south 00 degrees, 00 minutes, 35 seconds east along said east line 549.37 feet to the southeast corner of Lot 4; thence north 62 degrees, 46 minutes, 06 seconds west along said south line of Lots 3 and 4, 667.44 feet to the westerly line of said Lot 3; thence northerly along said westerly line being an arc of a circle convex westerly and having a radius of 350.26 feet for an arc distance of 79.66 feet to a point of tangency (the chord of said arc having a being of north 08 degrees, 27 minutes, 09 seconds west and a distance of 79.49 feet); thence north 01 degrees, 56 minutes, 24 seconds west along said westerly line of Lot 3 and being tangent with the last described arc for a distance of 53.43 feet to a point of curve; thence northerly along said westerly line being an arc of a circle convex easterly and having a radius of 368.26 feet for a distance of 38.99 feet to a point of tangency (the chord of said arc having a bearing of north 04 degrees, 58 minutes, 24 seconds west and a distance of 38.98 feet); thence north 08 degrees, 00 minutes, 24 seconds west along the west line of lot 3 aforesaid, 73.58 feet; thence north 89, degrees, 55 minutes, 56 seconds east 620.49 feet to the point of beginning (except therefrom that part of Lots 3 and 4 described as follows:

beginning at a point in the east lot of Lot 4 aforesaid, 403.82 feet south of the northeast quarter corner thereof; thence south 00 degrees, 00 minutes, 35 seconds east along said east line 512.87 feet to the southeast corner of Lot 4; thence north 62 degrees, 46 minutes, 06 seconds west along said south line of Lots 3 and 4, 168.71 feet to a line 150.0 feet west of and parallel with the east line of said Lot 4; thence north 00 degrees, 00 minutes, 35 seconds west along said parallel line 435.49 feet; thence north 89 degrees, 55 minutes, 56 seconds east 150.0 feet to the point of beginning, in Cook County, Illinois.

(Sub)Exhibit "C".
(To Jacobs Real Estate, Inc.
Redevelopment Agreement)

T.I.F.-Funded Improvements.

Land Acquisition	$1,576,000

(Sub)Exhibit "D".
(To Jacobs Real Estate, Inc.
Redevelopment Agreement)

City Of Chicago

Galewood/Armitage Industrial Redevelopment Project
Area Tax Increment Finance Program

Redevelopment Plan And Project
March, 1999.

I. Introduction

The Galewood/Armitage Industrial Redevelopment Project Area (hereafter referred to as the "Redevelopment Project Area") is located on the northwest side of the City of Chicago ("City"), approximately eight miles north and west of the central business district. The Redevelopment Project Area is comprised of approximately 464.7 acres and includes 38 (full and partial) blocks. The boundaries of the Redevelopment Project Area are Grand Avenue, Dickens Avenue and Fullerton Avenue on the north, Cortland Street and Bloomington Avenue on the south, the eastern alley of Cicero Avenue on the east, and Nashville Avenue and the Metra Railway on the west. The boundaries are shown on Redevelopment Plan Map 1, Project Boundary.

The Redevelopment Project Area is well-suited to industrial, institutional, and commercial development. The nearest expressway to the Redevelopment Project Area is the Eisenhower Expressway (I-290), which accesses Lake Shore Drive, the Dan Ryan Expressway (I-94), the Stevenson Expressway (I-55) and the Kennedy Expressway (I-94).

The Redevelopment Project Area is served by numerous public transportation systems, making the site accessible to the local work force. The Chicago Transit Authority ("CTA") bus lines that directly service the Redevelopment Project Area are the #57 Laramie Avenue, # 65 Grand Avenue, # 73 Armitage Avenue, #74 Fullerton Avenue, #85 Central Avenue, #86 Narragansett/ Ridgeland Avenues and the #91 Austin Avenue. The Metra Railway has stops within the Redevelopment Project Area at the Hanson Park and Galewood/Armitage Stations.

The Redevelopment Project Area is characterized by numerous deteriorated and obsolete industrial buildings, a significant number of vacant parcels, and a general lack of maintenance of properties. Much of the Redevelopment Project Area consists of:

- deteriorated buildings and site improvements
- underutilized buildings
- obsolescence
- vacant rail yard and parcels
- other blighting characteristics

The purpose of the Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project ("Plan") is to create a mechanism to allow for the planning and financing of developments containing industrial, commercial, institutional and community facilities.

This Plan summarizes the analyses and findings of the consultants' work, which, unless otherwise noted, is the responsibility of Louik/Schneider & Associates, Inc., Macondo Corp., and The Lambert Group. The City of Chicago is entitled to rely on the findings and conclusions of this Plan in designating the Redevelopment Project Area as a redevelopment project area under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq.(1996 State Bar Edition), as amended (the "Act"). Louik/Schneider & Associates, Inc. has prepared this Plan and the related eligibility study with the understanding that the City would rely: 1) on the findings and conclusions of the Plan and the related eligibility study in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Plan, and 2) on the fact that Louik/Schneider & Associates, Inc. has obtained the necessary information so that the Plan and the related eligibility study will comply with the Act.

A. Area History

The Redevelopment Project Area is a slightly expanded version of the Armitage Industrial Corridor detailed in the "Corridors Of Industrial Opportunity: A Plan for Industry in Chicago's West Side" prepared by the City's Department of Planning and Development in December 1991, and revised in March 1992.

According to the "Corridors" document, this corridor of manufacturing activity originated in the 1870s surrounding the Galewood Yard, a former spur of the Milwaukee Road Railroad. It was originally known as the Galewood Industrial District and was a center for metals manufacturing. Expansion in the 1920s and 1930s resulted in a diversity of the corridor's industrial base with the addition of firms like Mars Candy Company. Some companies have relocated or closed; Archer Daniels Midland and Zenith Electronics are two examples. The rail yard is now vacant.

The corridor contains three related areas of industrial activity. South of the Metra tracks between Narragansett and Laramie Avenues is an area consisting of vacant rail yard and large manufacturing facilities. North of the railroad tracks between Austin and Laramie Avenues is a mixture of smaller industrial and commercial users. West of Narragansett is less dense, with larger manufacturers and vacant land.

The industrial area is surrounded by commercial areas on major streets and residential areas. The residential community areas of Montclaire, Austin and Belmont Cragin contain middle income residential areas. The majority of the housing stock is older and single family.

B. Tax Increment Allocation Redevelopment Act

An analysis of conditions within the Redevelopment Project Area indicates that it is appropriate for designation as a Redevelopment Project Area under the Act. The Redevelopment Project Area is characterized by conditions which warrant its designation as a "Blighted Area" within the definitions set forth in the Act.

The Act provides a means for municipalities, after the approval of a "Redevelopment Plan and Project," to redevelop blighted and conservation areas by pledging the increase in tax revenues generated by public and private redevelopment to pay eligible costs required to stimulate private investment in new redevelopment and rehabilitation, or to reimburse private developers for eligible costs incurred in connection with any redevelopment. Municipalities may issue obligations to be repaid from the stream of real property tax increment revenues generated within the tax increment financing district.

The property tax increment revenue is calculated by determining the difference between the initial equalized assessed value ("EAV"), or the Certified Base EAV, for all taxable real estate located within the Redevelopment Project Area and the current year EAV. The EAV is the assessed value of the property multiplied by the state multiplier. Any increase in EAV is then multiplied by the current tax rate, which determines the incremental real property tax.

This Plan has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private action in the Redevelopment Project Area. In addition to describing the objectives of redevelopment, the Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the "Redevelopment Project."

This Plan also specifically describes the Redevelopment Project Area. This area meets the eligibility requirements of the Act (see Exhibit 4 - *Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program - Eligibility Study*). After approval of the Plan, the City Council may then formally designate the Redevelopment Project Area.

The purpose of this Plan is to ensure that new development occurs:

1. On a coordinated, rather than a piecemeal basis, to ensure that the land use, vehicular access, parking, service and urban design systems will meet modern-day principles and standards;

2. On a reasonable, comprehensive and integrated basis to ensure that blighted area factors are eliminated; and

3. Within a reasonable and defined time period.

Revitalization of the Redevelopment Project Area is a large and complex undertaking and presents challenges and opportunities commensurate to its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government.

Regardless of when the Plan and Redevelopment Project is adopted, it will include land uses that have already been approved by the Chicago Plan Commission.

There has been no major private investment in the Redevelopment Project Area for at least the last five years. The adoption of the Plan will make possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area, an area which cannot reasonably be anticipated to be developed without the adoption of this Plan. Public investments will create the appropriate environment to attract the level of private investment required for rebuilding the Redevelopment Project Area.

Successful implementation of the Redevelopment Project requires that the City take advantage of the real estate tax increment revenues attributed to the Redevelopment Project Area as provided in accordance with the Act.

II. Redevelopment Project Area and Legal Description

The Redevelopment Project Area is located on the Northwest side of the City, approximately eight miles north and west of the central business district. The Redevelopment Project Area comprises approximately 464.7 acres and includes 38 (full and partial) blocks. The Redevelopment Project Area is generally bounded by Grand Avenue, Dickens Avenue and Fullerton Avenue on the north, Cortland Street and Bloomington Avenue on the south, the eastern alley of Cicero Avenue on the east, and Nashville Avenue and the Metra Railway on the west. The boundaries of the Redevelopment Project Area are shown on Map 1, Boundary Map, and the existing land uses are identified on Redevelopment Plan Map 2, Existing Land Use. The Redevelopment Project Area includes only those contiguous parcels of real property that are expected to be substantially benefited by the Plan.

The legal description of the Redevelopment Project Area is attached to this plan as Exhibit 1 - Legal Description.

III. Redevelopment Project Area Plan ,Goals and Objectives

A. General Land Use Plan

The Land Use Plan (see Map 3) identifies the proposed land uses that will be in effect upon adoption of this Plan. Primary land use categories in the Redevelopment Project Area include industrial, commercial, and institutional uses. Street rights-of-way are subject to modification as specific redevelopment projects are undertaken. The Plan is consistent with the "Corridors of Industrial Opportunity A Plan for Industry in Chicago's West Side," prepared by the City's

Department of Planning and Development in December 1991 and revised in March 1992. Detailed information on current conditions and land use is presented in the following subarea descriptions.

This Plan and the proposed projects described herein must be approved by Chicago Plan Commission prior to its adoption by the City Council.

The Redevelopment Plan proposes that the Redevelopment Project Area be redeveloped primarily for industrial use. Commercial development is proposed in two sections along Grand Avenue west of Narragansett Avenue and west of Laramie Avenue (See Map 3). The existing conditions/assessment provides detailed information on the Redevelopment Project.

B. EXISTING CONDITIONS/ASSESSMENTS

The following section describes the existing conditions of the Redevelopment Project Area. This section is divided between the major north south streets of the Redevelopment Project Area. It also includes information on the area immediately surrounding the Redevelopment Project Area.

NASHVILLE AVENUE (6600 WEST) TO NARRAGANSETT AVENUE (6400 WEST)

This section of the Redevelopment Project Area, located north of Cortland Street between Nashville and Narragansett Avenues (Block 425), is zoned M1-1 (Restricted Manufacturing Districts) and is occupied by several single and two-story industrial structures. This area should remain in industrial use. Existing buildings should continue to be maintained and modernized and/or expanded as warranted by user needs. Existing front and side yard landscaping should be maintained and enhanced so as to provide effective buffering for the residential area to the south.

The area, extending from the Metra tracks north to Grand Avenue, between the railroad spur and Natchez Avenue (Block 205), is zoned M2-2 and contains industrial and commercial uses as well as vacant land. The industrial complex located on the southwest corner of Grand and Natchez Avenues is underutilized, obsolete and not well-maintained and should be considered for commercial reuse. Immediately south is a self-storage facility. Further south, along the west side of Natchez Avenue in the vicinity of Palmer Street, there is a large vacant parcel which should be considered for mixed-use commercial and industrial expansion. Still further south is an active industrial complex.

Land along the north side of McLean Avenue between Natchez and Narragansett Avenues (southern portion of Blocks 212 and 213) is zoned B1-1 (Local Retail District) and is used for parking lots. The current use of these parking lots should be analyzed for future need and utilization. If such analysis finds that it is not needed for parking, some of this land should be considered for redevelopment consistent with the adjacent area.

NARRAGANSETT AVENUE (6400 WEST) TO AUSTIN AVENUE (6000 WEST)
At one time, the industrial anchor of this section of the Redevelopment Project Area was the large Zenith complex, which was closed in the 80's. This section also contains Amundsen Park and Burbank Elementary School. Residential areas exist to the north and south of the section. The major north-south streets are Narragansett Avenue, which crosses the Metra tracks at grade, and Austin Avenue, which runs under the tracks in a block long underpass. Grand Avenue, located 1/4 mile to the north, is the major east-west street.

The former Zenith complex is located along the west side of Austin between Dickens Avenues and Cortland Street (Blocks 126, 127 and eastern portion of 300). This complex is currently being reused as an industrial incubator facility with multiple tenants and is known as the "Metroplex Industrial Park." The entire site is zoned M1-2 (Restricted Manufacturing Districts).

Just north of the Zenith/Metroplex complex's north building, along the north side of Dickens Avenue (southern portion of Blocks 120, 121, 122 and 123) are a number of former Zenith parking lots. The area is approximately two acres and is zoned B1-1 (Local Retail District). Most of these lots are currently neglected and/or underutilized and may no longer be needed for parking. A determination should be made as to the current parking need and utilization in this section. If not needed for parking, this land be considered for redevelopment consistent with the existing area and could constitute a development Opportunity Area #1. If it is determined that these areas should be retained for parking, they should be refurbished and should include appropriate landscaping as a buffer from the adjacent areas.

At Narragansett and Dickens Avenues (Block 124) is a large relatively new industrial structure and east of that, is a new self-storage facility. This area is Zoned M1-1 (Restricted Manufacturing Districts) and should remain in its current use.

Further east along Dickens is the Burbank Elementary School (Block 125). The school site is barren looking and should be improved with landscaping along the site perimeter. Just east of the school site is a zone R-1 (Single-Family Residence District) vacant parcel that is approximately 2 acres in size, which might be used for school proposes or industrial expansion Opportunity Area #2.

The portion of the Redevelopment Project Area, north of Cortland Street between Narragansett and Mobile Avenues (western portion of Block 300) contains several occupied single-story industrial buildings. They should continue to be maintained and modernized and/or expanded as warranted by user needs. This area is zoned M1-1 (Restricted Manufacturing Districts). Approximately three to four acres of vacant land is available, just south of the Metra tracks, for industrial expansion or new development. Cortland Street, at this location, functions as an industrial service street and should be considered for improvement, to better handle truck traffic and provide additional employee curbside parking. In addition, buffering for the residential area to the south is needed. Existing front yard landscaping, along the north side of Cortland Street, should be enhanced so as to provide more effective buffering for the residential area across the street.

The Metra commuter station along the east side of Narragansett Avenue should be improved and could be expanded to include commuter parking on the vacant land south of the tracks.

Amundsen Park (Blocks 304 and 305) is a well established and attractive community feature which should be maintained and enhanced to serve the needs of area residents as well as employees of the adjacent industries. This area is zoned R-2 (Single–Family Residence District).

AUSTIN AVENUE (6000 WEST) TO LARAMIE AVENUE (5200 WEST)
This section of the Redevelopment Project Area contains the expansive vacated Galewood Rail Yard and Hanson Park. Some dynamic industries as well as some vacant industrial buildings are also scattered throughout this section of the Redevelopment Project Area. The major north-south streets are Austin Avenue, which runs under the Metra rail tracks, Central Avenue which crosses the rail lines and the former Galewood Yard on a long viaduct structure and Laramie Avenue which runs under the Metra tracks. This section of the Redevelopment Project Area is served by Metra's Hanson Park commuter station in the vicinity of Armitage Avenue and Parkside.

The rail yard is an elongated site, which extends all the way from Austin Avenue under Central Avenue to Laramie Avenue. This site occupies the northern portion of Block 400 and Block 300. The total vacated yard site covers approximately 70 acres and constitutes a major opportunity area for new industrial development (Opportunity Area #3). At the eastern end of the yards, there is another contiguous four acre parcel of vacant land and buildings that formerly housed an ADM grain elevator complex. This former ADM site should be aggregated with the rail yard opportunity area. At the western end of the yards, there is an additional eight acre parcel which abuts the Zenith/Metroplex complex and is currently used for parking for that facility. However, for development purposes, the yard site is seriously handicapped by very limited vehicular accessibility.

The area east of Austin Avenue, between Dickens Avenue and the Metra tracks (Block 225), contains several older vintage industrial structures that occupy virtually the entire site area. This section is zoned M1-2 (Restricted Manufacturing Districts). The existing buildings are still utilized for industrial type uses but may need to be modernized and/or rehabilitated. The frontages of these buildings are in need of improvement in order to be compatible with the adjacent residential area. Diagonal parking along the south side of Dickens Avenue should be expanded.

The area between Central and Mango Avenue north of Armitage Avenue (Blocks 224, 226, 227, 228 and 229) is characterized by a number of small, older multi-story industrial structures, some houses and a somewhat archaic/disjointed street pattern. The City of Chicago 29th and 30th Ward Department of Streets and Sanitation Yard is located on the southwest corner of Central and Grand Avenues. Existing industrial structures should be maintained, improved, renovated and expanded where appropriate. Incompatible uses should be phased out over time. Streets

should be improved to facilitate truck access, circulation and employee parking opportunities. Diagonal parking should be instituted on some streets. The railroad right-of-way south of Armitage Avenue needs to be landscaped, and the street should also include diagonal parking along the railroad side. To provide better service to the employees of industries in the area, the Hanson Park Metra station should be enhanced.

Between Monitor and Central Avenues and north of Bloomingdale Avenue (southern portion of Block 400), contains some nicely renovated and active industrial structures as well as some vacant and dilapidated structures. The area is zoned M1-2 (Restricted Manufacturing Districts). Dilapidated structures in this area should be renovated or demolished. Improved security structures and facilities should be provided along the perimeter of the industrial area. The present Central Avenue viaduct is in poor condition and in need of major rehabilitation. This could provide an opportunity for extending vehicular access into the rail yard area. Since the viaduct no longer has to clear the full width of the rail yard, it may be feasible to shorten the structure and move its southern terminus a block further north. This would make room for building an at-grade gateway/intersection point adjacent to the southern edge of the yard and thereby provide vehicular access into both sides of the rail yard property.

With the obvious exception of Hanson Park and the adjacent public facilities, the Plan proposes that the remainder of this section be retained or redeveloped primarily for industrial use. However, some existing commercial uses along Grand Avenue should be retained.

Between Long and Laramie Avenues and north of the alley north of Bloomingdale Avenue, is an active enclave of small industrial buildings, zoned M1-1 (Restricted Manufacturing Districts). The adjacent area south of the alley is residential. Vehicular accessibility is a problem because all access to the industrial buildings is through the residential area via Bloomingdale Avenue.

To provide improved vehicular accessibility as well as separation from the residential area, it would be desirable to build a new east-west industrial street along the south edge of the vacated Galewood Yard site. This street would be west of Laramie Avenue, and go from Long Avenue to Central Avenue. Local north-south streets including Latrobe, Lockwood, and Lorel Avenues, could be connected to the new east-west street and cul-de-sac at the alley north of Bloomingdale Avenue. This would provide much improved access for existing and future industrial establishments and keep the industrial traffic out of the adjacent residential area.

Hanson Park (northern portion of Block 100) contains a multi-use stadium as well as Prosser High School and Hanson Park Elementary School. The Hanson Park Fieldhouse and the Hanson Stadium are two historic structures identified by the Chicago Historic Resources Survey in the Redevelopment Project Area. The Fieldhouse has been identified in the Illinois State Survey of Historic Resources. Hanson Stadium is "one of the few remaining pre-1940s stadiums" according to the Chicago Historic Resource Survey. Hanson Park is a large park that is in need of improvement and upgrade. The park needs enhancement and its perimeter should be planted with trees so as to establish an attractive and unified park/school/stadium campus.

Park and school parking requirements should be evaluated and correlated so that shared-use parking areas can be established or designated to serve all of these functions.

Chicago Police Area 5 Headquarters and a Cook County Court Branch are located just south of Hanson Park at Grand and Central Avenues. This is a large municipal complex that will remain for the foreseeable future.

East of the Police/Court complex, along the south side of Grand Avenue, is a large vacant industrial complex. The vacant industrial buildings are highly visible and their neglected condition presents an image problem for the area. The rehabilitation, redevelopment and occupancy of these buildings should be a high priority.

South of Grand Avenue between Long and Laramie Avenues, (Blocks 115, 116 and 117) is occupied by a mixture of commercial and industrial structures and a few dispersed houses. This area is zoned M1-2 (Restricted Manufacturing Districts). Existing businesses and industries should remain in this area and where appropriate, renovate and expand. Over time, incompatible uses should be phased out to make room for industrial business expansion and related use. Grand Avenue and some of the connecting local streets to the south should be improved to industrial standards.

LARAMIE AVENUE (5200 WEST) TO THE ALLEY EAST OF CICERO AVENUE (4850 WEST)
This section of the Redevelopment Project Area is characterized by a mixture of industrial and commercial buildings, houses, vacant structures and vacant land. Primary north-south streets are Laramie Avenue and Cicero Avenue. The primary east-west street is Grand Avenue. All of these streets run in underpasses under the Metra tracks.

The area, between the Metra tracks and Grand Avenue (Blocks 400, 404,405 and 406), contains a number of viable small industrial facilities, commercial establishments, and some older houses. The existing industrial facilities should be maintained and/or improved, renovated or expanded as warranted by user needs. Over time, incompatible uses should be phased out and redeveloped for industrial use. Viable existing commercial establishments along Grand Avenue should be retained and expanded.

The area, bounded by the Metra tracks, LeClaire, Lamon and Bloomingdale Avenues (Blocks 406 and 409), is occupied by several industrial and/or warehouse type structures. Most of these buildings appear to be occupied, but some are vacant and not well maintained. This area should remain in industrial use. Existing buildings should be modernized and/or renovated and obsolete buildings should be demolished to make room for expansion or new development. Improved security structures and facilities should be provided along the perimeter of this industrial area. Bloomingdale Avenue, which functions as an industrial service street at this location, should be considered for improvement so as to better handle truck traffic and provide buffering for the residential area to the south.

The Bloomington/Laramie TIF District is located south of the Metra tracks between Laramie and LeClaire Avenues, adjacent to this Redevelopment Project Area (see Boundary Map 1).

C. OBJECTIVES/STRATEGIES

Comprehensive goals and objectives are included in this Plan to guide the decisions and activities that will be undertaken to facilitate the redevelopment of the Redevelopment Project Area. Many of them can be achieved through the effective use of local, state and federal mechanisms.

For the Redevelopment Project Area, specific redevelopment objectives/strategies, addressing public and private initiatives have been identified.

SPECIFIC REDEVELOPMENT OBJECTIVES/STRATEGIES: PRIVATE ACTIONS

1. Continue to maintain, improve and upgrade existing industrial and commercial properties.

2. Develop an early warning/intervention network to assist firms in the Redevelopment Project Area with problems or needs that could result in failure, relocation or curtailment of operations.

3. Facilitate development of attractive and unified identity and informational signage throughout the Redevelopment Project Area.

4. Encourage the improvement and/or renovation of existing structures and the development of vacant and/or underutilized parcels for new industrial related uses or the expansion of viable existing industries.

5. Encourage industrial site landscaping, screening and cosmetic building facade improvements to provide buffering for adjacent residential areas.

6. Encourage and support the retention of viable existing industrial industries.

7. Support the marketing and promotion of available vacant properties.

8. Encourage creation of a physical environment that is conducive to the operation and development of industries and supporting uses.

9. Encourage the retention of viable, compatible commercial uses along Grand Avenue by promoting their presence and utilization.

SPECIFIC REDEVELOPMENT OBJECTIVES/STRATEGIES: PUBLIC IMPROVEMENTS AND INCENTIVES

1. Encourage and support the retention of existing viable industries through the use of governmental tools and assistance programs.

2. Encourage and facilitate the improvement, renovation and/or expansion of viable existing industries.

3. Utilize the Tax Reactivation Program to acquire tax-delinquent vacant or dilapidated properties and make these properties available for industrial development and/or expansion.

4. Assist private owners in the demolition of existing buildings that are obsolete and/or unsuitable for rehabilitation.

5. Assist in creating financing programs and mechanisms that encourage and facilitate the marketing, improvement and/or renovation and reuse of vacant industrial buildings.

6. Improve the primary arterial streets linking the Redevelopment Project Area to the regional highway and expressway system.

7. To the extent practical, revise local street alignment to separate industrial and residential traffic.

8. Vacate unnecessary streets, alleys and other rights-of-way to increase land area available for private development.

9. Improve roadways and/or infrastructure that is substandard or in poor condition.

10. Install appropriate landscape and/or streetscape improvements to enhance the appearance of public parks, schools and streets.

11. Facilitate industrial signage and building facade improvements and/or renovation.

12. Establish identifiable gateways using signage, landscaping and other mediums at appropriate locations.

13. Facilitate the identification and remediation of potential environmental contaminants.

14. Improve local industrial service streets to make them better suited for truck traffic, increase curbside parking space for employees and provide improved buffering for adjacent residential areas.

15. Improve the appearance of the Chicago Board of Education Burbank Elementary School site by adding landscaping.

16. Ensure that the expansive vacant rail yard area and other adjacent vacant parcels are reserved for industrial use by application of appropriate governmental land use controls.

17. Reconstruction of the Central Avenue viaduct to provide a gateway and vehicular access into the Galewood Yard site.

18. Improve local industrial service streets to make them better suited for truck traffic, increase curbside parking space for employees and provide improved buffering for adjacent residential areas.

19. Over time, phase out existing incompatible uses and facilitate conversion of these sites for industrial-related use.

20. Encourage and support the retention of viable existing industrial industries.

21. Improve the overall appearance and utility of Hanson Park with landscaping and creation of a park/school campus.

22. Facilitate the identification and remediation of potential environmental contaminants

23. Encourage the continued retention and maintenance of parks and public facilities within and adjacent to the Redevelopment Project Area.

D. Design Objectives

Although overall goals and redevelopment objectives are important in the process of redeveloping such an area, the inclusion of design guidelines is necessary to ensure that redevelopment activities result in an attractive environment. The following design objectives give a generalized and directive approach to the development of specific redevelopment projects.

1. Encourage coordinated development of parcels and structures to achieve attractive and efficient building design, unified off-street parking, and appropriate access to nearby arterial streets.

2. Achieve development that is integrated functionally and aesthetically with the surrounding area.

3. Ensure a safe and functional traffic circulation pattern, adequate ingress and egress, and capacity in the Redevelopment Project Area.

4. Encourage high standards of building and streetscape design to ensure the high quality appearance of buildings, rights-of-way and open spaces.

5. Ensure that necessary security, screening, and buffering devices are attractively designed and are compatible with the overall design of the Redevelopment Project Area.

6. Encourage a variety of streetscape amenities which include such items as sidewalk planters, flower boxes, plazas, a variety of tree species and wrought-iron fences where appropriate.

7. Maintain the integrity of the historically significant structures, such as those found in Hanson Park, within the Redevelopment Project Area.

IV. Blighted Area Conditions Existing in the Redevelopment Project Area

The Act states that a "Blighted Area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning, is detrimental to the public safety, health, morals or welfare or, if vacant, the sound growth of the taxing districts is impaired by, (1) a combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused rail yards, rail tracks or railroad rights-of-way or (5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1,1982, and the area has not been developed for that designated purpose. All factors must indicate that the area on the whole has not been subject to growth and development through investments by private enterprise and will not be developed without action by the City.

Based upon surveys, site inspections, research and analysis by Louik/Schneider & Associates, Inc. and Macondo Corp., the Redevelopment Project Area qualifies as an improved Blighted Area and a vacant Blighted Area as defined by the Act. A separate report, entitled "City of Chicago Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Eligibility Study" dated March 1999 ("Eligibility Study"), is attached as Exhibit 4 to this Plan and describes in detail the surveys and analyses undertaken and the basis for the finding that the Redevelopment Project Area qualifies as an improved Blighted Area and a vacant Blighted Area.

The Redevelopment Project Area is characterized by the presence two of the vacant Blighted Area eligibility factors and ten (10) of the improved Blighted Area eligibility factors as listed in the Act. Summarized below are the findings of the Eligibility Study.

A. SUMMARY OF ELIGIBILITY FACTORS

The Redevelopment Project Area (also referred to as the "Study Area" in the Eligibility Study) consists of 38 (full and partial) blocks and 373 parcels. There are 148 buildings in the Redevelopment Project Area.

The Redevelopment Project Area qualified in two ways. The Galewood Rail Yard portion (12 parcels) of the Redevelopment Project Area is defined as the "vacant portion of the Redevelopment Project Area" and these parcels are qualified as a vacant blighted area. The remaining 361 parcels of the Redevelopment Project Area are defined as the "improved portion of the Redevelopment Project Area" and are qualified as an improved blighted area.

Of the 38 blocks in the Redevelopment Project Area, two blocks are qualified as part of the vacant portion of the Blighted Area. Although two of the blocks are qualified as the vacant portion of the Redevelopment Project Area, there are parcels within those blocks that will also be counted as the improved portion of the blighted area. Therefore, 38 blocks/361 parcels are qualified as the improved portion of the blighted area and two blocks/12 parcels are qualified as the vacant portion of the blighted area.

VACANT PORTION OF THE REDEVELOPMENT PROJECT AREA

The vacant portion of the Redevelopment Project Area contains two blocks representing 12 parcels. The vacant area is the former Galewood Rail Yards bounded by the railroad on the north, Cortland Avenue on the south, Laramie Avenue on the east and Austin Avenue on the west.

The Act requires that one of the seven eligibility factors must be met for a finding as a vacant blighted area. The Redevelopment Project Area exceeds the necessary requirements of the Act, by meeting two of the eligibility factors for a vacant blighted area. The following section examines each of the blighted area eligibility factors.

1. THE AREA CONSISTS OF UNUSED RAIL YARDS, RAIL TRACKS OR RAILROAD RIGHTS-OF-WAY

All of the parcels included in the vacant portion of the Redevelopment Project Area were part of the former Galewood Rail Yards. The railroad was owned and operated by Chicago Milwaukee Corporation until 1980. The Galewood Rail Yards contain unused rail yard and rail tracks.

2. A COMBINATION OF TWO OR MORE OF THE FOLLOWING FACTORS: OBSOLETE PLATTING OF THE VACANT LAND; DIVERSITY OF OWNERSHIP OF SUCH LAND; TAX AND SPECIAL ASSESSMENT DELINQUENCIES ON SUCH LAND FLOODING ON ALL OR PART OF SUCH VACANT LAND; DETERIORATION OF STRUCTURES OR SITE IMPROVEMENTS IN NEIGHBORING AREAS ADJACENT TO THE VACANT LAND.

A. DETERIORATION OF STRUCTURES OR SITE IMPROVEMENTS IN NEIGHBORING AREAS ADJACENT TO THE VACANT LAND

There are three severely dilapidated structures on the same blocks as the vacant parcels. In the adjacent improved portion of the Redevelopment Project Area, 94% of the buildings are deteriorated. An unused rail line runs through three parcels in the vacant portion.

B. OBSOLETE PLATTING OF VACANT LAND

The majority of the parcels in the vacant portion of the Redevelopment Project Area exhibit obsolete platting. Eight of these parcels are of too small and narrow in size for contemporary industrial development. Not only does the size of these parcels constitute a problem, but the location of the parcels. The parcels have limited, if any street access to the parcels. Except for the parcels located along Central Avenue, the parcels are inaccessible to the street. The parcels are only accessible through other adjacent parcels. Therefore, obsolete platting is a factor within this vacant portion of the Redevelopment Project Area.

The vacant portion of the Redevelopment Project Area exhibits two of the seven factors which would allow for a finding of a vacant Blighted Area as defined in the Act (only one factor is required by the Act).

IMPROVED PORTION OF THE REDEVELOPMENT PROJECT AREA

The improved portion of the Redevelopment Project Area is represented by 148 buildings, 38 blocks and contains 361 parcels. Throughout the Redevelopment Project Area, 10 of the 14 blighted area eligibility criteria are present, six to a major extent and four to a minor extent. The ten blighting factors that have been identified in the Redevelopment Project Area are as follows:

MAJOR EXTENT

- age
- obsolescence
- deterioration
- excessive land coverage
- deleterious land use or layout
- depreciation of physical maintenance

MINOR EXTENT

- dilapidation
- excessive vacancies
- lack of ventilation, light or sanitary facilities
- structures below minimum code

A summary of the eligibility factors findings follows:

MAJOR EXTENT

1. AGE
Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures, which are at least 35 years old. In the Redevelopment Project Area, age is ***present to a major extent*** in 133 of the 148(89.9%) buildings and in 29 of the 38 (76.3%) blocks.

2. OBSOLESCENCE
Obsolescence, both functional and economic, includes vacant and dilapidated structures and industrial buildings that are difficult to reuse by today's standards. In the Redevelopment Project Area, obsolescence is ***present to a major extent*** in 131 of the 148 (88.5%) buildings, 342 of the 361 (94.7%) parcels and 31 of the 38 blocks (81.6%).

3. DETERIORATION
Deterioration is present in structures with physical deficiencies or site improvements requiring major treatment or repair. In the Redevelopment Project Area, deterioration is ***present to a major extent*** in 139 of the 148(93.9%) buildings, in 245 of the 361 (67.9%) parcels, and in 34 of the 38 (89.5%) blocks.

4. EXCESSIVE LAND COVERAGE
Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. In the Redevelopment Project Area, excessive land coverage is ***present to a major extent*** in 95 of the 148 (64.2%) buildings and in 26 of the 38 (68.4%) blocks.

5. DELETERIOUS LAND USE OR LAYOUT
Deleterious land uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses which may be considered noxious, offensive or environmentally unsuitable. In the Redevelopment Project Area, deleterious land use and layout is ***present to a major extent*** in 351 of the 361 (97.2%) parcels, and in 31 of the 38 (81.6%) blocks.

6. DEPRECIATION OF PHYSICAL MAINTENANCE
Depreciation of physical maintenance refers to the effects of deferred maintenance and the lack of maintenance of buildings, parking areas and public improvements, including alleys, walks, streets and utility structures. In the Redevelopment Project Area, depreciation of physical maintenance is ***present to a major extent*** in 133 of the 148 (89.9%) buildings, 351 of the 361 (97.2%) parcels, and in 37 of the 38 (97.4%) blocks.

Minor

1. DILAPIDATION
Dilapidation refers to an advanced state of disrepair of buildings and improvements. In the Redevelopment Project Area, dilapidation is ***present to a minor extent*** in 11 of the 148 (7.4%) buildings and 10 of the 38 (26.3%) blocks.

2. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS

Structures below minimum code standards are ***present to a minor extent*** in 70 of the 148 (47.3%) buildings and in 21 of the 38 (55.3%) blocks in the Redevelopment Project Area. The structures below minimum code standard factors were reviewed for a five-year time period. As of November of 1998, ten of the buildings in the Redevelopment Project Area had building code violations.

3. EXCESSIVE VACANCIES

Excessive vacancy refers to buildings or sites, of which a large portion are unoccupied or underutilized and which exert an adverse influence on the area because of the frequency, duration or extent of vacancy. In the Redevelopment Project Area, excessive vacancies are ***present to a minor extent*** in 10 of the 148 (6.8%) buildings and in 3 of the 38 (7.9%) blocks.

4. LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES

Lack of ventilation, light or sanitary facilities refers to substandard conditions which adversely affect the health and welfare of building occupants, e.g., residents, employees or visitors. Lack of ventilation, light or sanitary facilities are ***present to a minor extent*** in 58 of the 148 (39.2%) buildings and in 16 of the 38 (42.1%) blocks.

B. ELIGIBILITY FINDINGS CONCLUSION

The number, degree and distribution of factors as documented in this report warrant the designation of the Redevelopment Project Area as a Blighted Area as set forth in the Act. Specifically:

- Of the seven blighting factors set forth in the Act for vacant land, of which only one is required for a finding of blight, ***two are present in the vacant portion of the Redevelopment Project Area.***

- Of the 14 blighting factors set forth in the Act for improved land, of which five are required for a finding of blight, ***ten are present*** (six to a major extent and four to a minor extent) ***in the improved portion of the Redevelopment Project Area.***

- The Blighted Area factors that are present are reasonably distributed throughout the Redevelopment Project Area.

The eligibility findings indicate that the Redevelopment Project Area contains factors which qualify it as a Blighted Area in need of revitalization and that designation as a redevelopment project area will contribute to the long-term well being of the City. The Blighted Area eligibility factors are reasonably distributed throughout the Redevelopment Project Area.

Additional research indicates that the Redevelopment Project Area on the whole (i) has not been subject to growth and development through investment by private enterprise and (ii) would not reasonably be anticipated to be developed without the adoption of the Plan. Specifically:

- Exhibit 2 - Building Permit Requests contains a summary of the building permit requests for new construction and major renovation submitted to the City of Chicago. There were a total of 26 building permits requested from January 1993 - November of 1998 for $1,862,212. Of the 26 permits, one permit was issued for $1,000,000. The remaining 25 permits were issued for 22 buildings in the Redevelopment Project Area.

- Additionally, there were 10 demolition permits issued for the Redevelopment Project Area from 1993 - 1998. Based on building permit requests for new construction, it appears that no new structures have replaced the demolished structures.

- The Redevelopment Project Area is primarily comprised of industrial uses. The EAV for all property in the City increased from $28,661,954,119 in 1993 to $35,893,677,135 in 1997, a total of 25.23% or an average of 6.31% per year. Over the last four years, from 1993 to 1997, the Redevelopment Project Area has experienced an overall EAV increase of 12.07% from $43,013,837 in 1993 to $48,204,480 in 1997, an average increase of 3.02% per year.

The analysis above was based upon data assembled by Louik/Schneider & Associates, Inc. Based upon the findings of the Eligibility Study for the Redevelopment Project Area, the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Plan.

V. Galewood/Armitage Industrial Redevelopment Project

A. Redevelopment Project

The purpose of this Plan is to create a planning and programming mechanism that also provides the financial vehicle to allow for the redevelopment of properties within the Redevelopment Project Area. The Plan contains specific redevelopment objectives addressing both private actions and public improvements, which are to assist in the overall redevelopment of the Redevelopment Project Area. Implementation of the Plan will be undertaken on a phased basis and will help to eliminate those existing conditions, which make the Redevelopment Project Area susceptible to blight.

The Plan proposes the development of new industrial facilities that takes advantage of the Redevelopment Project Area's Opportunity Areas. The industrial facilities and ancillary services will cover almost all of the vacant land within the Redevelopment Project Area. The Redevelopment Project Area will allow for the development of approximately 2,200,000 square feet of new industrial facilities located on 74 acres of land.

This Plan will make approximately 74 acres of land available for new industrial facilities development in the following Opportunity Areas (see Map 4 - Opportunity Areas):

Opportunity Area	Acres
#1	2
#2	2
#3	70

In addition, the Plan encourages the expansion of existing industry within the Redevelopment Project Area and commercial development along arterial streets in the Redevelopment Project Area. The proposed Redevelopment Project Area will require planning and programming of improvements.

The Plan for the Galewood/Armitage Industrial Redevelopment Project Area incorporates the use of tax increment funds to stimulate and stabilize not only the Redevelopment Project Area, but also the properties in the surrounding area through the planning and programming of public and private improvements. The underlying strategy of the Plan is to use tax increment financing to reinforce and encourage further private investment. The City may enter into redevelopment agreements, which will generally provide for the City to provide funding for activities permitted by the Act. The funds for these improvements will come from the incremental increase in tax revenues generated from the Redevelopment Project Area, or the City's issuance of bonds to be repaid from the incremental increase. A developer or user will undertake the responsibility for the required site improvements and will further be required to build any agreed upon improvements required for the project. Under a redevelopment agreement, a developer may also be reimbursed from incremental tax revenues (to the extent permitted by the Act) for all or a portion of the costs of required site improvements.

B. ESTIMATED REDEVELOPMENT PROJECT ACTIVITIES AND COSTS

The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to tax increment financing, and by undertaking certain activities and incurring certain costs. Such activities may include some or all of the following:

1. ANALYSIS, ADMINISTRATION, STUDIES, LEGAL, ETC. Funds may be used by the City to provide for activities including the long-term management of the Redevelopment Project as well as the costs of establishing the program and designing its components. Funds may be used by the City to provide for costs of studies, surveys, development of plans and specifications, implementation and administration of the plan, including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, environmental or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected.

2. SITE ASSEMBLY To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the

Tax Reactivation Program and may be for the purpose of (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan.

3. **Rehabilitation Costs.** The costs for rehabilitation, reconstruction or repair or remodeling of existing public or private buildings or fixtures including, but not limited to, provision of facade improvements for the purpose of improving the facades of privately held properties may be funded.

4. **Provision of Public Improvements and Facilities.** Adequate public improvements and facilities may be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:

   a. Provision for streets, public rights-of-way and public transit facilities
   b. Provision of utilities necessary to serve the redevelopment
   c. Public landscaping
   d. Public landscape/buffer improvements, street lighting and general beautification improvements
   e. Public parking facilities
   f. Public schools
   g. Public open space

5. **Job Training and Related Educational Programs.** Funds may be used by the City for programs to be created for Chicago residents so that they may take advantage of the employment opportunities in the Redevelopment Project Area.

6. **Financing Costs.** Financing costs may be funded, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto.

7. **Capital Costs.** All or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Project, to the extent the City by written agreement accepts and approves such costs, may be funded.

8. **PROVISION FOR RELOCATION COSTS.** Relocation assistance may be provided in order to facilitate redevelopment of portions of the Redevelopment Project Area, and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the City may be provided with relocation advisory and financial assistance as determined by the City.

9. **PAYMENT IN LIEU OF TAXES AS DEFINED IN THE ACT.**

10. **COSTS OF JOB TRAINING.** Funds may be provided for costs of job training, advanced vocational education, or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs a) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by companies located in a redevelopment project area; and b) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of The Public Community College Act (as defined in the Act) and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code (as defined in the Act).

11. **INTEREST COSTS.** Funds may be provided to developers or redevelopers for a portion of interest costs incurred in the construction of a redevelopment project. Interest costs incurred by a developer or redeveloper related to the construction, renovation or rehabilitation of a redevelopment project may be funded provided that:

    a) Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
    b) Such payments in any one-year may not exceed 30 percent of the annual interest costs incurred by the developer or the redeveloper with regard to the redevelopment project during that year;
    c) If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph then the amounts due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
    d) The total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total of costs paid or incurred by the developer or redeveloper for the redevelopment project plus redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act.

12. NEW CONSTRUCTION COSTS. Incremental property tax revenues **may not** be used by the City for the construction of new privately-owned buildings.

13. REDEVELOPMENT AGREEMENTS - The City may enter into redevelopment agreements with private developers or redevelopers, which may include but not be limited to, terms of sale, lease or conveyance of land, requirements for site improvements, public improvements, job training and interest subsidies. In the event that the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

    The City requires that developers who receive TIF assistance for market rate housing set aside at a minimum, 20% of the units to meet affordability criteria established by the City's Department of Housing. Generally, this means that the affordable for-sale units should be priced at a level that they may be purchased by persons earning no more than 120% of the area median income, and affordable rental units should be affordable to persons earning no more than 80% of the median income.

To undertake these activities, redevelopment project costs will be incurred. "Redevelopment Project Costs" (hereafter defined as the "Redevelopment Project Costs") mean the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Plan pursuant to the Act.

The estimated Redevelopment Project Costs are shown in Table 1. The total Redevelopment Project Costs provide an upper limit on expenditures (exclusive of capitalized interest, issuance costs, interest and other financing costs). Within this limit, adjustments may be made in line items without amendment to this Plan. The Redevelopment Project Costs represent estimated amounts and do not represent actual City commitments or expenditures.

Table 1 - (Estimated Redevelopment Project Costs) represents those eligible project costs pursuant to the Act. These upper limit expenditures are potential costs to be expended over the maximum 23-year life of the Redevelopment Project Area. These funds are subject to the amount of projects and incremental tax revenues generated and the City's willingness to fund proposed projects on a project-by-project basis.

TABLE 1 - ESTIMATED REDEVELOPMENT PROJECT COSTS

Program/ Action/Improvements	Estimated Costs*
Professional Services: studies, surveys, plans & specs., admin. Costs relating to redevelopment plan: architectural, engineering, legal, marketing, financial, planning or other services	$ 2,500,000
Property Assembly: land acquisition, demolition, site preparation	$ 38,000,000
Rehabilitation costs of public or private building and fixtures	$ 6,300,000
Public Works or Improvements (1)	$29,000,000
Relocation	$ 750,000
Job Training	$ 5,200,000
Interest Costs	$ 2,000,000
TOTAL REDEVELOPMENT COSTS (2)	**$83,750,000.00**

*Exclusive of capitalized interest, issuance costs and other financing costs.

(1) This category may also include reimbursing capital costs of taxing districts impacted by the redevelopment of the Redevelopment Project Area.

(2) All costs are 1999 dollars. In addition to the above stated costs, each issue of any bonds issued to finance a phase of the Redevelopment Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations. Adjustments to the estimated line item costs above are expected and may be made by the City without amendment to the Plan. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs.

C. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

Funds necessary to pay for Redevelopment Project Costs are to be derived principally from tax increment revenues and proceeds of municipal obligations, which are secured principally by tax increment revenues created under the Act. There may be other sources of funds that the City may elect to use to pay for Redevelopment Project Costs or other obligations issued to pay for such costs. These sources include, but are not limited to, state and federal grants, developer contributions and land disposition proceeds generated from the Redevelopment Project Area. The tax increment revenue that may be used to secure municipal obligations or pay for eligible Redevelopment Project Costs shall be the incremental real property tax revenue. Incremental real property tax revenue is attributable to the increase in the current EAV of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the certified EAV base of each such property in the Redevelopment Project Area. Without the adoption of the Plan and the use of such tax incremental revenues, the Redevelopment Project Area would not reasonably be anticipated to be developed.

If the Redevelopment Project Area is contiguous to, or separated only by a public right-of-way from, one or more redevelopment project areas created under the Act, the City may utilize revenues received under the Act from the Redevelopment Project Area to pay eligible

redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or other redevelopment project areas separated only by a public right-of-way, and vice versa. In addition, if the Redevelopment Project Area is contiguous to, or separated only by a public right-of-way, from one or more redevelopment project areas created under the Industrial Jobs Recovery Law (the "Law"), 65 ILCS 5/11-74.6-1, et seq. (1996 State Bar Edition), as amended (an "IJRL Project Area"), the City may utilize revenues received from such IJRL Project Area(s) to pay eligible redevelopment project costs or obligations issued to pay such costs in the Redevelopment Project Area, and vice versa. Such revenues may be transferred outright from or loaned by the IJRL Project Area to the Redevelopment Project Area, and vice versa. The amount of revenue from the Redevelopment Project Area made available to support any contiguous redevelopment project areas, or those redevelopment project areas separated only by a public right-of-way, when added to all amounts used to pay eligible redevelopment project costs within the Redevelopment Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan. This paragraph is intended to give the City the full benefit of the "portability" provisions set forth in the Act.

D. ISSUANCE OF OBLIGATIONS

To finance Redevelopment Project Costs, the City may issue general obligation bonds or obligations secured by the anticipated tax increment revenue generated within the Redevelopment Project Area, or the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers to secure such obligations. In addition, the City may pledge toward payment of such obligations any part or any combination of the following: 1) net revenues of all or part of any redevelopment project; 2) taxes levied and collected on any or all property in the City; 3) a mortgage on part or all of the Redevelopment Project Area.

All obligations issued by the City pursuant to this Plan and the Act shall be retired within 23 years (by the year 2022) from the adoption of the ordinance approving the Redevelopment Project Area. Also, the final maturity date of any such obligations, which are issued, may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Plan. The amounts payable in any year as principal and interest on all obligations issued by the City pursuant to the Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

Tax increment revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and Redevelopment Project Costs, and, to the extent that real property tax increment is not used for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

E. Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

After verification by the County Clerk of Cook County, this amount will serve as the Certified Base EAV from which all incremental property taxes in the Redevelopment Project Area will be calculated by the County. The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Redevelopment Project Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Redevelopment Project Area. The 1997 EAV of all taxable parcels in the Redevelopment project Area is approximately $48,204,480. This total EAV amount, by PIN, is summarized in Table 2 – 1997 Equalized Assessed Valuation. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Redevelopment Project Area will be calculated by Cook County. If the 1998 EAV shall become available prior to the date of the adoption of the Redevelopment Plan by the City Council, the City may update the Redevelopment Plan by replacing the 1997 EAV with the 1998 EAV without further City Council action.

F. Anticipated Equalized Assessed Valuation

By the year 2010, when it is estimated that the Redevelopment Project, based on currently known information, will be completed and fully assessed, the estimated EAV of real property within the Redevelopment Project Area is estimated at between $90,000,000 and $110,000,000. These estimates are based on several key assumptions, including: 1) all currently projected development will be completed by 2009; 2) the market value of the anticipated developments will increase following completion of the redevelopment activities described in the Redevelopment Project; 3) the most recent State Multiplier of 2.1489 as applied to 1997 assessed values will remain unchanged; 4) for the duration of the Redevelopment Project Area, the tax rate for the entire area is assumed to be the same and will remain unchanged from the 1997 level; and 5) growth from reassessments of existing properties in the Redevelopment Project Area will be at a rate of 2.5% per year with a reassessment every three years. Although development in the Redevelopment Project Area may occur after 2009 it is not possible to estimate with accuracy the effect of such future development on the EAV for the Redevelopment Project Area. In addition, as described in Section N of the Plan, "Phasing and Scheduling of Redevelopment," public improvements and the expenditure of Redevelopment Project Costs may be necessary in furtherance of the Plan throughout the 23-year period that the Plan is in effect.

G. Lack of Growth and Development Through Investment by Private Enterprise

As described in Section IV - Blighted Area Conditions, the Redevelopment Project Area as a whole is adversely impacted by the presence of numerous factors, and these factors are reasonably distributed throughout the Redevelopment Project Area. The Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise. Continued existence of the factors referenced above and the lack of new

development projects initiated or completed within the Redevelopment Project Area evidence the lack of private investment.

The lack of growth and investment by the private sector is supported by the trend in the EAV of all the property in the Redevelopment Project Area. The EAV for all property in the City increased from $28,661,954,119 in 1993 to $35,893,677,135 in 1997, a total of 25.23% or an average of 6.31% per year. Over the last four years, from 1993 to 1997, the Redevelopment Project Area has experienced an overall EAV *increase* of 12.07% from $43,013,837 in 1993 to $48,204,480 in 1997, an average *increase* of 3.02% per year.

A summary of the building permit requests for new construction and major renovation in the Redevelopment Project Area is found in Exhibit 2 - Building Permit Requests. Building permit requests for new construction and renovation for the Redevelopment Project Area from January 1993 – November 1998 totaled $1,862,212.

It is clear from the study of this Redevelopment Project Area that private investment in revitalization and redevelopment has not occurred to overcome the Blighted Area conditions that currently exist. The Redevelopment Project Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Plan.

H. Financial Impact of the Redevelopment Project

Without the adoption of this Plan and tax increment financing, the Redevelopment Project Area is not reasonably expected to be redeveloped by private enterprise. There is a real prospect that the Blighted Area conditions will continue and are likely to spread, and the surrounding area will become less attractive for the maintenance and improvement of existing buildings and sites. The possible erosion of the assessed value of property, which would result from the lack of a concerted effort by the City to stimulate revitalization and redevelopment, could lead to a reduction of real estate tax revenue to all taxing districts. If successful, the implementation of the Plan may enhance the values of properties within and adjacent to the Redevelopment Project Area.

Subsections A, B, & C of Section V of this Plan describe the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged with various developments taking place over a period of years. If the Redevelopment Project is successful, various new private projects will be undertaken that will assist in alleviating the blighting conditions which caused the Redevelopment Project Area to qualify as a Blighted Area under the Act, creating new jobs and promoting development in the Redevelopment Project Area.

The Redevelopment Project is expected to have minor financial impacts on the taxing districts affected by the Plan. During the period when tax increment financing is utilized in furtherance of this Plan, real estate tax increment revenues (from the increases in EAV over and above the Certified Base EAV established at the time of adoption of this Plan) will be used to pay eligible redevelopment project costs for the Redevelopment Project Area. Incremental revenues will not

be available to these taxing districts during this period. When the Redevelopment Project Area is no longer in place, the real estate tax revenues will be distributed to all taxing districts levying taxes against property located in the Redevelopment Project Area.

I. Demand on Taxing District Services

The following major taxing districts presently levy taxes on properties located within the Redevelopment Project Area: City of Chicago; Chicago Board of Education District 299; Chicago School Finance Authority; Chicago Park District; Chicago Community College District 508; Metropolitan Water Reclamation District of Greater Chicago; County of Cook; and Cook County Forest Preserve District.

The proposed Plan and Redevelopment Project involves the rehabilitation of existing industrial and commercial buildings and the construction of new industrial and commercial developments. Future development is unlikely to have a significant impact on the schools (see Map 5). A coordinated planning effort will be developed with the Chicago Board of Education as development occurs within the Redevelopment Project Area. Therefore, as discussed below, the financial burden of the Redevelopment Plan and Project on taxing districts is expected to be minimal.

In 1994, the Act was amended to require an assessment of any financial impact of the Redevelopment Project Area on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the areas and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

In addition to the major taxing districts summarized above, the City of Chicago Library Fund has taxing jurisdiction over part or all of the Redevelopment Project Area. The City of Chicago Library Fund (formerly a separate taxing district from the City) no longer extends taxing levies but continues to exist for the purpose of receiving delinquent taxes.

Impact of the Redevelopment Project

The replacement of vacant and underutilized properties with industrial development may increase the demand for services and/or capital improvements to be provided by the Chicago Board of Education, the Metropolitan Water Reclamation District, the Chicago Park District and the City. The estimated nature of these increased demands for services on these taxing districts are described below.

Chicago Board of Education. The replacement of vacant and underutilized properties should not substantially increase for the educational services and the number of schools provided by the Chicago Board of Education.

Metropolitan Water Reclamation District of Greater Chicago. The replacement of vacant and underutilized properties should not substantially increase the demand for the

services and/or capital improvements provided by the Metropolitan Water Reclamation District.

Chicago Park District. The replacement of vacant and underutilized industrial properties will not increase the need for additional parks. The City intends to monitor development with the cooperation of the Chicago Park District to ensure that any increase in the demand for services will be adequately addressed.

City of Chicago. The replacement of vacant and underutilized industrial properties may increase the demand for services and programs provided by the City, including police protection, fire protection, sanitary collection, recycling, etc. It is expected that any increase in demand for the City services and programs maintained and operated by the City, can be adequately addressed by the appropriate City departments.

J. Program To Address Financial And Service Impacts

As described in detail in prior sections of this Plan, the complete scale and amount of development in the Redevelopment Project Area cannot be predicted with complete certainty and the demand for services provided by the affected taxing districts cannot be quantified. As a result, the City has not developed, at present, a specific plan to address the impact of the Redevelopment Project on taxing districts.

As indicated in Section V, subsection C and Table 1, Estimated Redevelopment Project Costs, the City may provide public improvements and facilities to service the Redevelopment Project Area. Potential public improvements and facilities provided by the City may mitigate some of the additional service and capital demands placed on taxing districts as a result of the implementation of this Redevelopment Project.

The City intends to monitor development in the Redevelopment Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

K. Provision For Amending Action Plan

The Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

L. Fair Employment Practices, Affirmative Action Plan and Prevailing Wage Agreement

The City is committed to and will affirmatively implement the following principles with respect to the Redevelopment Project Area.

1. The assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Project, including but not limited to hiring, training,

transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed, or ancestry.

2. Redevelopers must meet City's standards for participation of 25% Minority Business Enterprise and 5% Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in Redevelopment Agreements.

3. This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

4. Redevelopers must meet City standards for the prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

M. PHASING AND SCHEDULING OF REDEVELOPMENT

A phased implementation strategy will be used to achieve a timely and orderly redevelopment of the Redevelopment Project Area. It is expected that over the 23 years that this Plan is in effect for the Redevelopment Project Area, numerous public/private improvements and developments can be expected to take place. The specific time frame and financial investment will be staged in a timely manner. Development within the Redevelopment Project Area intended to be used for industrial and other uses, will be staged consistently with the funding and construction of infrastructure improvements, and private sector interest in new industrial facilities. City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers. The estimated completion date of the Redevelopment Project shall be no later than 23 years from the adoption of the ordinance by the City Council approving the Redevelopment Project Area.

[(Sub)Exhibit 1 referred to in this Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project constitutes (Sub)Exhibit "A" to the Jacobs Real Estate, Inc. Redevelopment Agreement and is printed on pages 26425 through 26429 of this *Journal*.]

[Table 2 and (Sub)Exhibits 2 and 3 referred to in this Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project printed on pages 26477 through 26487 of this *Journal*.]

(Sub)Exhibit 4 referred to in this Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project reads as follows:

(Sub)Exhibit 4.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan And Project)

City Of Chicago

Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program

Eligibility Study.

March, 1999.

I. Introduction

Louik/Schneider and Associates, Inc. has been retained by the City of Chicago to conduct an independent initial study and survey of the proposed redevelopment area known as the Galewood/Armitage Industrial, Chicago, Illinois (the "Study Area"). The purpose of the study is to determine whether the 38 blocks in the Study Area qualify for designation as a "Blighted Area" for the purpose of establishing a tax increment financing district, pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (1996 State Bar Edition), as amended (the "Act"). This report summarizes the analyses and findings of the consultants' work, which is the responsibility of Louik/Schneider and Associates, Inc., Macondo Corp. and The Lambert Group. Louik/Schneider and Associates, Inc. has prepared this report with the understanding that the City would rely on: 1) the findings and conclusions of this report in proceeding with the designation of the Study Area as a redevelopment project area under the Act, and 2) the fact that Louik/Schneider and Associates, Inc. has obtained the necessary information to conclude that the Study Area can be designated as a redevelopment project area in compliance with the Act.

Following this introduction, Section II presents background information of the Study Area including the area location, description of current conditions, and site history. Section III explains the Building Condition Assessment and documents the qualifications of the Study Area as a Blighted Area under the Act. Section IV, Summary and Conclusions, presents the findings.

This report was prepared by Louik/Schneider and Associates, Inc. with input and information provided by Macondo Corp. and The Lambert Group. Macondo Corp. conducted building condition surveys and assessments for each parcel and building within the Study Area.

II. Background Information

A. Location

The Galewood/Armitage Industrial Study Area (hereafter referred to as the "Study Area") is located on the northwest side of the City, approximately eight miles from the central business district. The Study Area is approximately 464.7 acres and includes 38 (full and partial) blocks. The boundaries of the Study Area are Grand Avenue, Dickens Avenue and Fullerton Avenue on the north; Cortland and Bloomington Avenue on the south; the eastern alley of Cicero Avenue on the east; and Nashville Avenue as well as the Metra Railway on the west. The boundaries are shown on Plan Map 1, Project Boundary in the Appendix.

B. Description of Current Conditions

In the 38 blocks of the Study Area, there are 373 parcels. Much of the Study Area is in need of redevelopment, rehabilitation, and revitalization and is characterized by:

- deteriorated and dilapidated buildings and site improvements
- current and past obsolescence
- vacant rail yard
- vacant parcels and buildings
- other blighting characteristics

Additionally, a lack of growth and investment by the private sector is evidenced by 1) the lack of building permit requests for the Study Area in terms of both number and dollar amounts, and 2) the overall increase of equalized assessed valuation ("EAV") of the property in the Study Area during the period from 1993 to 1997. Specifically:

- Exhibit 2 - Building Permit Requests, contains a summary of the building permit requests for new construction and major renovation from the City for the Study Area. There were a total of 26 building permit requested from 1993 - November of 1998 totaling $1,862,212 for this Study Area. Of the 26 permits, one permit was issued for $1,000,000. The remaining 25 permits were issued for 22 buildings in the Study Area.

- Additionally, there were 10 demolition permits issued for the Study Area from 1993-1998. Based on building permit requests for new construction, it appears that no new structures have replaced the demolished structures

- The Study Area is comprised primarily of industrial uses with approximately 70 acres of vacant land and some commercial uses along major arterial streets. The EAV for all property in the City increased from $28,661,954,119 in 1993 to $35,893,677,135 in 1997, a total of 25.23% or an average of 6.31% per year. Over the last five years, from 1993 to 1997, the Study Area has experienced an overall increase of 12.07%, from $43,013,837 in 1993 to $48,204,480 in 1997, an average increase of 3.02% per year.

It is clear from the review of this information regarding the Study Area that private investment in revitalization and redevelopment has not occurred to overcome the blighted area conditions that currently exist. The Study Area is not reasonably expected to be developed without the efforts and leadership of the City, including the approval of this Plan and Redevelopment Project.

III. QUALIFICATION AS A BLIGHTED AREA

A. ILLINOIS TAX INCREMENT ALLOCATION REDEVELOPMENT ACT

The Act authorizes Illinois municipalities to redevelop locally designated deteriorated areas through tax increment financing. In order for an area to qualify as a tax increment financing district, it must first be designated as a Blighted Area, a Conservation Area (or a combination of the two) or an Industrial Park Conservation Area. At 6 ILCS 5/11-7.4-3(a) (1996 State Bar Edition) as amended, the Act defines a "blighted area" as follows:

(a)"Blighted Area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning, is detrimental to the public safety, health, morals or welfare or, if vacant, the sound growth of the taxing districts is impaired by, (1) a combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused rail yards, rail tracks or railroad rights-of-way or (5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of this subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1,1982, and the area has not been developed for that designated purpose.

The Act also requires at 65 ILCS 5/11-74.4-3(n)(1) that a municipality find that: "the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan."

On the basis of these requirements, the Study Area is eligible for designation as a vacant and improved Blighted Area within the requirements of the Act.

B. SURVEY, ANALYSIS, AND DISTRIBUTION OF ELIGIBILITY FACTORS

Exterior surveys were conducted on all of the 373 parcels located within the Study Area. An analysis was made of each of the Blighted Area eligibility factors contained in the Act to determine its presence in the Study Area. This exterior survey examined not only the condition and use of buildings but also included conditions of streets, sidewalks, curbs, gutters, lighting, vacant land, underutilized land, parking facilities, landscaping, fences and walls, and general maintenance. In addition, an analysis was conducted of existing site coverage and parking, land uses, zoning and their relationship to the surrounding area.

The Study Area qualified in two (2) ways. The Galewood Rail Yard portion (12 parcels) of the Study Area is defined as the "vacant portion of the Study Area" and these parcels are qualified as a vacant Blighted Area. The remaining 361 parcels of the Study Area are defined as the "improved portion of the Study Area" and are qualified as an improved Blighted Area.

Of the 38 blocks in the Study Area, two blocks are qualified as part of the vacant portion of the Blighted Area. Although two of the blocks are qualified as vacant portion of the Study Area, there are parcels within those blocks that will also be counted as the improved portion of the Blighted Area. Therefore, 38 blocks/361 parcels are qualified as the improved portion of the Blighted Area and two blocks/12 parcels are qualified as the vacant portion of the Blighted Area.

A parcel-by-parcel analysis of the 38 blocks was conducted to identify the eligibility factors (see Exhibit 3 - Distribution of Criteria Matrix). If there is more than one building on a parcel and only one of the buildings exhibits an eligibility factor, that factor is only counted for the appropriate building. However, the parcel will be counted as having the factor as present. The factors are present to a varying degree. The following three levels are identified:

- ***Not present*** - indicates that either the condition does not exist or that no evidence could be found or documented during the survey or analysis.
- ***Present to a minor extent*** - indicates that the condition does exist, but its distribution or impact was limited.
- ***Present to a major extent***- indicates that the condition does exist and is present throughout the Study Area and is at a level to influence the Study Area and adjacent and nearby parcels of property.

C. Building Evaluation Procedure

This section will describe how the buildings within the Study Area were evaluated.

During the field survey, all components of and improvements to the subject buildings were examined to determine whether they were in sound condition or had minor, major, or critical defects. These examinations were completed to determine whether conditions existed to evidence the presence of any of the following related factors: dilapidation, deterioration, or depreciation of physical maintenance.

Building components and improvements examined were of two types:

Primary Structural Components
These include the basic elements of any building or improvement including foundation walls, load bearing walls and columns, roof, and roof structure.

Secondary Components
These are components generally added to the primary structural components and are necessary parts of the building and improvements, including porches and steps, windows and window units, doors and door units, facade, chimneys, and gutters and downspouts.

Each primary and secondary component and improvement was evaluated separately as a basis for determining the overall condition of the building and surrounding area. This evaluation considered the relative importance of specific components within the building and the effect that deficiencies in components and improvements have on the remainder of the building.

Once the buildings were evaluated, they were classified as shown in the following section.

Building Component and Improvement Classifications
The following describes the four categories used in classifying building components and improvements and the criteria used in evaluating structures:

1. **Sound**
   Building components and improvements, which contain no defects, are adequately maintained, and require no treatment outside of normal ongoing maintenance.

2. **Requiring Minor Repair -- Depreciation of Physical Maintenance**
   Building components and improvements which contain defects (loose or missing material or holes and cracks over a limited area) which often may be corrected through the course of normal maintenance. Minor defects have no real effect on either primary or secondary components and improvements, and the correction of such defects may be accomplished by the owner or occupants, such as pointing masonry joints over a limited area or replacement of less complicated components and improvements. Minor defects are not considered in rating a building as structurally substandard.

3. REQUIRING MAJOR REPAIR -- DETERIORATION
Building components and improvements which contain major defects over a widespread area and would be difficult to correct through normal maintenance. Buildings and improvements in this category would require replacement or rebuilding of components and improvements by people skilled in the building trades.

4. CRITICAL – DILAPIDATED
Building components and improvements which contain major defects (bowing, sagging, or settling to any or all exterior components, for example) causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area so extensive, that the cost of repair would be excessive.

D. VACANT BLIGHTED AREA ELIGIBILITY FACTORS

The vacant portion of the Study Area contains two blocks representing 12 parcels. The vacant area is the former Galewood Rail Yards bounded by the railroad on the north, Cortland Avenue on the south, Laramie Avenue on the east and Austin Avenue on the west.

The Act requires that one of the seven eligibility factors must be met for a finding as a vacant blighted area. The Study Area exceeds the necessary requirements of the Act, by meeting two of the eligibility factors for a vacant blighted area. The following section examines each of the blighted area eligibility factors.

1. THE AREA CONSISTS OF UNUSED RAIL YARDS, RAIL TRACKS OR RAILROAD RIGHTS-OF-WAY

All of the parcels included in the vacant portion of the Study Area were part of the former Galewood Rail Yards. The railroad was owned and operated by Chicago Milwaukee Corporation until 1980. The Galewood Rail Yards contain unused rail yard and rail tracks.

2. A COMBINATION OF TWO OR MORE OF THE FOLLOWING FACTORS: OBSOLETE PLATTING OF THE VACANT LAND; DIVERSITY OF OWNERSHIP OF SUCH LAND; TAX AND SPECIAL ASSESSMENT DELINQUENCIES ON SUCH LAND; FLOODING ON ALL OR PART OF SUCH VACANT LAND; DETERIORATION OF STRUCTURES OR SITE IMPROVEMENTS IN NEIGHBORING AREAS ADJACENT TO THE VACANT LAND.

A. DETERIORATION OF STRUCTURES OR SITE IMPROVEMENTS IN NEIGHBORING AREAS ADJACENT TO THE VACANT LAND

There are three severely dilapidated structures on the same blocks as the vacant parcels. In the adjacent improved portion of the Study Area, 94% of the buildings are deteriorated. An unused rail line runs through three parcels in the vacant portion.

B. OBSOLETE PLATTING OF VACANT LAND

The majority of the parcels in the vacant portion of the Study Area exhibit obsolete platting. Eight of these parcels are of too small and narrow in size for contemporary industrial development. Not only does the size of these parcels constitute a problem, but also the location of the parcels. The parcels have limited, if any street access to the parcels. Except for the parcels located along Central Avenue, the parcels are inaccessible to the street. The parcels are only accessible through other adjacent parcels. Therefore, obsolete platting is a factor within this vacant portion of the Study Area.

CONCLUSION

The vacant portion of the Study Area exhibits two of the seven factors which would allow for a finding of a vacant Blighted Area as defined in the Act (only one factor is required by the Act).

E. IMPROVED BLIGHTED AREA ELIGIBILITY FACTORS

The improved portion of the Study Area is represented by 38 blocks and contains 361 and parcels.

A finding is made that the improved portion of the Study Area is a Blighted Area based on the fact that the Study Area exhibits ten improved blighted area eligibility factors listed in Section III. The Act requires that five (5) or more of the improved blighted area eligibility factors must be found. This Section III - E examines each of the blighted area eligibility factors.

1. AGE

Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems are a function of time, temperature, and moisture, structures that are 35 years or older typically exhibit more problems than more recently constructed buildings.

There are 133 of the 148 (89.9%) buildings in the Study Area that are at least 35 years or older. Age is present to a major extent in 28 and to a minor extent in one of the 38 blocks.

CONCLUSION

Age is ***present to a major extent*** in the Study Area in 133 of the 148 (89.9%) buildings and in 29 of the 38 (76.3%) blocks. The results of the age analysis are presented in Eligibility Study Map 3.

2. DILAPIDATION

Dilapidation refers to an advanced state of disrepair of buildings and improvements. In November of 1998, Macondo Corp. conducted exterior surveys of all parcels in the Study Area.

Based on exterior building surveys, it was determined that many buildings are dilapidated and exhibit major structural problems making them structurally substandard. These buildings are all in an advanced state of disrepair. Major masonry wall work is required where water and lack of maintenance has allowed buildings to incur structural damage. Since wood elements require the most maintenance of all exterior materials, these are the ones showing the greatest signs of deterioration.

Dilapidation is present in a majority of commercial structures in the Study Area. Its presence is seen as bowed and sagging walls in many buildings, as missing primary components, and as broken, loose or missing secondary components. The heavy concentrations of dilapidated structures can be found in blocks 13-33-300, 406, 409, and 411.

Dilapidation is present in 11 of the 148 (7.4%) buildings. Dilapidation is present to a major extent in 4 and to a minor extent in 6 of the 38 blocks.

CONCLUSION

Dilapidation is ***present to a minor extent*** in the Study Area in 11 of the 148 (7.4%) buildings, and 10 of the 38 (26.3%) blocks.

3. OBSOLESCENCE

Webster's New Collegiate Dictionary defines "obsolescence' as "being out of use; obsolete." "Obsolete" is further defined as "no longer in use; disused" or "of a type or fashion no longer current." These definitions are helpful in describing the general obsolescence of buildings or site improvements in the Study Area. In making findings with respect to buildings and improvements, it is important to distinguish between *functional obsolescence,* which relates to the physical utility of a structure, and *economic obsolescence,* which relates to a property's ability to compete in the marketplace.

- FUNCTIONAL OBSOLESCENCE

Structures historically have been built for specific uses or purposes. The design, location, heights and space arrangement are intended for a specific occupancy at a given time. Functional Obsolescence is present in different parcels such as 13-31-425-008, 13-32-228-032, 13-32-228-029, 13-33-115-015, 13-33-307-001, and 13-33-406-055. They contain characteristics or deficiencies which limit the use and marketability because they were designed for a single purpose use and their shape and lot size are inadequate for contemporary industrial or manufacturing design. The characteristics may include loss in value to a property resulting from poor design or layout, or the improper orientation of the building on its site, which detracts from the overall usefulness or desirability of a property.

- ECONOMIC OBSOLESCENCE

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings that contain vacant space are characterized by problem conditions which may not be economically curable, resulting in net rental losses and/or depreciation in market value.

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also be obsolete relative to contemporary development standards for such improvements. Factors of obsolescence may include inadequate utility capacities, or outdated designs.

Obsolescence, as a factor, should be based upon the documented presence and reasonable distribution of buildings and site improvements evidencing such obsolescence.

OBSOLETE BUILDING TYPES

Obsolete buildings contain characteristics or deficiencies, which limit their long-term sound use or reuse for the purpose for which they were built. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse effect on nearby and surrounding developments and detract from the physical, functional, and economic vitality of the area.

These structures are characterized by conditions indicating that they are incapable of efficient or economic use according to contemporary standards. The obsolescence of building types is evidenced by the industrial structures in the Study Area. Many of the industrial buildings occupy the majority of or the entire parcel. This diminishes their desirability for future use. Also, these older buildings are not cost-effective to upgrade for current standards of use and are typically expensive to maintain.

Obsolescence of building types is present in 131 of the 148 (88.5%) buildings in the Study Area.

OBSOLETE PLATTING

Obsolete platting includes parcels of irregular shape, narrow or small size, and parcels improperly platted within the Study Area blocks. Development of the individual parcels is not possible without the development of the surrounding parcels. Obsolete platting can be found throughout the entire Study Area. The Study Area is dominated with odd-shaped parcels developed around the rail lines.

The other obsolescence factors including inadequate utility capacity and outdated design. This is particularly prevalent in the following parcels: 13-33-300-008, and at block 13-33-116, 13-32-228-053.

OBSOLETE SITE IMPROVEMENTS

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also be obsolete in relation to contemporary development standards for such improvements. Factors of obsolescence may include inadequate utility capacities, outdated designs, and others.

Another important factor is the inadequate street widths found in West Dickens Street from 13-32-126 to 13-32-229 and West Bloomingdale Street from 13-33-409 to 13-33-307. The Study Area lacks the necessary amount of industrial streets to currently serve the existing industrial companies as well as any further developments.

Obsolescence of site improvements is present to a major extent in 30 blocks and to a minor extent in one of the 38 blocks in the Study Area.

CONCLUSION

Obsolescence is ***present to a major extent*** in 131 of the 148 (88.5%) buildings, 342 of the 361 (94.7%) parcels and 31 of the 38 (81.6%) blocks of the Study Area. The results of the obsolescence analysis are presented in Eligibility Study Map 4.

4. DETERIORATION

Deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring major treatment or repair

Deterioration, which is not easily correctable and cannot be repaired in the course of normal maintenance may be evident in buildings. Such buildings and improvements may be classified as requiring major or many minor repairs depending upon the degree or extent of defects. This would include buildings with defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively. All buildings and site improvements classified as dilapidated are also deteriorated.

DETERIORATION OF BUILDINGS

The analysis of building deterioration is based on the survey methodology and criteria described in Section III - C. The deteriorated buildings in the Study Area exhibit defects in both their primary and secondary components. For example, the primary components exhibiting defects include walls, roofs and foundations with loose or missing materials (mortar, shingles), and holes and/or cracks in these components. The defects of secondary components include damage to windows, doors, stairs and/or porches; missing or cracked tuckpointing and/or masonry on the facade, chimneys, and others; missing parapets, gutters and/or downspouts; foundation cracks or settling; and other missing structural components.

Deteriorated buildings exist throughout the Study Area. Deterioration of windows, frames, doors, porch structures and brick is especially apparent in the area. The deterioration of many properties was very extensive. For example, the building in parcel 13-33-117-005 is missing structural components, as well as in blocks 13-32-227, 13-31-205-025, 13-32-126 and 13-32-127.

DETERIORATION OF PARKING AND SURFACE AREAS

Field surveys were also conducted to identify the condition of the parcels without structures, which contain improved lots with no buildings (parking and outside storage), alleys and vacant lots. These parcels are characterized by uneven surfaces with insufficient gravel, vegetation growing through the parking surface, depressions and standing water, absence of curbs or guardrails, falling or broken fences and extensive debris. Furthermore, street and sidewalk deterioration is widespread.

Deterioration can be found in 245 of the 361 (67.9%) parcels. It is found present to a major extent in 33 and to a minor extent in one of the 38 blocks of the Study Area.

CONCLUSION

Deterioration is ***present to a major extent*** in the Study Area in 139 of the 148 (94%) buildings, in 245 of the 361 (67.9%) parcels, and in 34 of the 38 (89.5%) blocks. The results of the deterioration analysis are presented in Eligibility Study Map 5.

5. ILLEGAL USE OF INDIVIDUAL STRUCTURES

Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law.

CONCLUSION

Based on a review of the Chicago Zoning Ordinance, illegal use of individual structures was not present in the 38 blocks in the Study Area.

6. PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes are 1) to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy, 2) to make buildings safe for occupancy against fire and similar hazards, 3) and to establish minimum standards essential for safe and sanitary habitation.

From 1993 through 1998, 70 of the 148 (47.3%) buildings in the Study Area have been cited for building code violations by the City's Department of Buildings.

CONCLUSION

Structures below minimum code standards are ***present to a minor extent*** and have been identified in 70 of the 148 (47.3%) buildings and in 21 of the 38 (55.3%) blocks in the Study Area over the last five years. The structures below minimum code standard factors was reviewed for a five-year time period. As of November of 1998, ten of the buildings in the Study Area had building code violations.

7. EXCESSIVE VACANCIES

Excessive vacancy refers to buildings which are unoccupied or underutilized and that exert an adverse influence on the area because of the frequency, duration, or extent of vacancy. Excessive vacancies include properties which evidence no effort directed toward their occupancy or utilization.

Excessive vacancies occur in varying degrees throughout the Study Area. A building is considered to have excessive vacancies if at least 50% of the building is vacant or underutilized. There are vacancies in the industrial and commercial buildings. Of the 148 buildings in the Study Area, ten are vacant or partially vacant. Excessive vacancies are present to a major extent in 1 block and to a minor extent in 2 of the 38 blocks of the Study Area.

CONCLUSION

Excessive vacancies are ***present to a minor extent*** in 10 of the 148(6.8%) buildings and 3 of the 38 (7.9%) blocks in the Study Area.

8. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES

Overcrowding of structures and community facilities refers to utilization of public or private buildings, facilities, or properties beyond their reasonable or legally permitted capacity. Overcrowding is frequently found in buildings and improvements originally designed for a specific use and later converted to accommodate a more intensive use of activities without adequate provision for minimum floor area requirements, privacy ingress and egress, loading and services, capacity of building systems, etc.

CONCLUSION

Overcrowding of structures and community facilities was not present in the Study Area.

9. LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES

Lack of ventilation, light or sanitary facilities refers to substandard conditions which adversely affect the health and welfare of building occupants, e.g., residents, employees or visitors. Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces or rooms without windows, i.e., bathrooms, and dust, odor or smoke-producing activity areas;
- Adequate natural light and ventilation by means of skylights or windows or interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios; and
- Adequate sanitary facilities, i.e., garbage storage/enclosure, bathroom facilities, hot water, and kitchens.

Lack of ventilation, light or sanitary facilities was found to a major extent in 14 blocks and to a minor extent in 2 blocks within the Study Area.

CONCLUSION
Lack of ventilation, light or sanitary facilities are ***present to a minor extent*** in 58 of the 148 (39.2%) buildings and in 16 of the 38 (42.1%) blocks in the Study Area.

10. INADEQUATE UTILITIES

Inadequate utilities refer to deficiencies in the capacity or condition of the infrastructure which services a property or area, including, but not limited to, storm drainage, water supply, electrical power, streets, sanitary sewers, gas, and electricity.

There were a few parking lots near industrial buildings which did not appear to have storm sewers. These parking lots evidently channel storm run-off water into the adjacent streets, which is not an adequate design or to City building code.

CONCLUSION
Based on the exterior surveys and analyses undertaken within the Study Area, inadequate utilities were not present to a minor extent in the Study Area.

11. EXCESSIVE LAND COVERAGE

Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions have an adverse or blighting effect on nearby development.

Excessive land coverage occurs in 182 of the 201 (90.5%) parcels with structures/buildings in the Study Area. Many multi-story buildings have been built from property line to property line, leaving no area for parking, open space or other amenities. Because these buildings cover virtually the entire parcel, there is an inadequate amount of space for off-street loading of residents, employees and/or customers. The Study Area presents insufficient off-street parking in 100% of the buildings. Additionally in blocks 13-32-225, 13-32-226, 13-32-227, 13-33-406, 13-32-126 and 13-32-127; there is an inadequate amount of open space and off-street loading.

Excessive land coverage can be found to a major extent in 23 of the 38 blocks and to a minor extent in 3 blocks of the improved portion of the Study Area.

CONCLUSION
Excessive land coverage is ***present to a major extent*** in the Study Area in 95 of the 148 (64.2%) buildings and in 26 of the 38 (68.4%) blocks. The results of the excessive land coverage analysis are presented in Eligibility Study Map 6.

12. DELETERIOUS LAND USE OR LAYOUT

Deleterious land uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed uses, or uses which may be considered noxious, offensive or environmentally unsuitable. It also includes residential uses, which front on or are located near heavily traveled streets, thus causing susceptibility to noise, fumes and glare. This case is present on blocks 13-33-405, 13-33-400, 13-33-116, 13-33-307, 13-33-308 and 13-33-309. Deleterious layout includes evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of poor layout of buildings on parcels and in relation to other buildings.

In the Study Area, deleterious land use or layout is identified in 351 of the 361 (97.2%) parcels. Throughout the Study Area, there are small sized parcels that are inadequate for contemporary development. Blocks 13 33 116, 307, 308, 309, 400, and 405 in the Study Area have a combination of industrial and residential land uses. As a result of the inadequate amount of industrial streets and the location of the industrial parcels, truck and semi-trailer traffic down the residential area, however necessary, inappropriate. This situation is predominate in the following blocks: 13-31-205, 13-32-126, 13-32-127, 13-32-225, 13-32-226, 13-32-227, 13-33-300, 13-33-116, 13-33-117, 13-33-406, 13-33-405. Many of the parcels throughout the Study Area are located next to a vacant parcel or building. Deleterious land use and layout is present to a major extent in 29 blocks and present to a minor extent in two blocks. Over 97% parcels, containing buildings, parking/storage areas, and vacant land, evidence the presence of this factor.

CONCLUSION

Deleterious land use and layout is ***present to a major extent*** in the Study Area in 351 of the 361 (97.2%) parcels, and in 31 of the 38 (81.6%) blocks. The results of the deleterious land use and layout analysis are presented in Eligibility Study Map 7.

13. DEPRECIATION OF PHYSICAL MAINTENANCE

Depreciation of physical maintenance refers to the effects of deferred maintenance and the lack of maintenance of buildings, parking areas and public improvements, including alleys, walks, streets and utility structures.

The entire Study Area is affected by lack of physical maintenance. Over 97% parcels, containing buildings, parking/storage areas, and vacant land, evidence the presence of this factor.

The buildings that evidence depreciation of physical maintenance exhibit problems such as unpainted or unfinished surfaces, peeling paint, loose or missing materials, broken windows, loose or missing gutters or downspouts, loose or missing shingles, overgrown vegetation and general lack of maintenance, etc. There are 133 of the 148 (89.9%) buildings in the Study Area that are affected by depreciation of physical maintenance.

Depreciation of physical maintenance is present to a major extent in 37 blocks in the Study Area. These characteristics are present on block 13-31-212, 13-31-213, 13-32-121, 13-32-122 and 13-32-123, used as parking lots; and parcels such as 13-33-300-002, 13-33-300-003, 13-33-300-014, 13-33-404-017 and 13-32-400.

This condition is noticeable on buildings, in parking lots, driveways, and yards. Many streets and public sidewalks are poorly maintained.

CONCLUSION

Depreciation of physical maintenance is ***present to a major extent*** in 133 of the 148 (89.9%) buildings, 351 of the 361 (97.2%) parcels, and in 37 of the 38 (97.4%) blocks. The results of the depreciation of physical maintenance analysis are presented in Eligibility Study Map 8.

14. LACK OF COMMUNITY PLANNING

Lack of community planning may be a factor if the proposed Study Area was developed prior to or without the benefit of a community plan. This finding may be amplified by other evidence which shows the deleterious results of the lack of community planning, including adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, and parcels of inadequate size or shape to meet contemporary development standards.

The Study Area is part of the "Corridors of Industrial Opportunity A Plan for Industry in Chicago's West Side", prepared by the City's Department of Planning and Development in 1991 and revised in March 1992. The Study Area has been the subject to some recent rather vague development plans however, more comprehensive redevelopment plans are needed to eliminate blighting conditions.

CONCLUSION

Based on the analyses undertaken within the Study Area, lack of community planning was not present in the Study Area.

SUMMARY

Ten of the Blighted Area eligibility criteria are present in varying degrees throughout the Study Area, and six are present to a major extent and four are present to a minor extent. The ten Blighted Area eligibility factors that have been identified in the Study Area are as follows:

MAJOR EXTENT

- age
- obsolescence
- deterioration
- excessive land coverage
- deleterious land use or layout
- depreciation of physical maintenance

MINOR EXTENT

- dilapidation
- excessive vacancies
- lack of ventilation, light or sanitary facilities
- structures below minimum code

IV. SUMMARY AND CONCLUSION

The conclusion of the consulting team is that the number, degree, and distribution of Blighted Area eligibility factors as documented in this report warrant the designation of the Study Area as a vacant and improved Blighted Area as set forth in the Act. Specifically:

- Of the seven blighting factors set forth in the Act for vacant land of which only one is required for a finding of blight, ***two are present in the vacant portion of the Study Area.***

- Of the 14 blighting factors set forth in the Act for improved land, of which five are required for a finding of Blight, ***ten are present*** (six to a major extent and four to a minor extent) ***in the improved portion of the Study Area.***

- The Blighted Area factors that are present are reasonably distributed throughout the Area.

Although it may be concluded that the mere presence of the stated eligibility factors in Section III may be sufficient to make a finding of qualification as a Blighted Area, this evaluation was made on the basis that the factors must be present to an extent that would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of Blighted Area eligibility factors throughout the Study Area must be reasonable so that a basically good area is not arbitrarily found to be a Blighted Area simply because of proximity to an area which exhibits Blighted Area factors. The majority of the blocks (92%) exhibit three or more the eligibility factors.

Additional research indicates that the Study Area on the whole has not been subject to growth and development as a result of investments by private enterprise, and will not be developed without action by the City. Specifically:

- Exhibit 2 - Building Permit Requests, contains a summary of the building permit requests for new construction and major renovation from the City. There were a total of 26 building permit requested from January 1993 - November of 1998 for $1,862,212. Of the 26 permits, one permit was issued for $1,000,000. The remaining 25 permits were issued for 22 buildings in the Study Area.

- Additionally, there were 10 demolition permits issued for the Study Area from 1993-1998. Based on building permit requests for new construction, it appears that no new structures have replaced the demolished structures.

- The Study Area is comprised primarily of industrial uses. The equalized assessed value (EAV) for all property in the City increased from $28,661,954,119 in 1993 to $35,893,677,135 in 1997, a total of 25.23% or 6.31% per year. Over the last five years, from 1993 to 1997, the Study Area has experienced an overall EAV increase of 12.07% from $43,013,837 in 1993 to $48,204,480 in 1997, an average increase of 3.02% per year.

The conclusions presented in this report are those of the consulting team. The local governing body should review this report and, if satisfied with the summary of findings contained herein, adopt a resolution making a finding of a Blighted Area and making this report a part of the public record. The analysis above was based upon data assembled by Loulk/Schneider & Associates, Macondo Corp., and Tho Lambert Group. The surveys, research and analysis conducted include:

1. Exterior surveys of the conditions and use of the Study Area;
2. Field surveys of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance.
3. Comparison of current land uses to current zoning ordinance and the current zoning maps;
4. Historical analysis of site uses and users;
5. Analysis of original and current platting and building size layout;
6. Review of previously prepared plans, studies and data;
7. Analysis of building permits from 1993-1997 and building code violations from 1993-1997 requested from the Department of Buildings for all parcels in the Study Area; and
8. Evaluation of the EAV's in the Study Area from 1993 to 1997.

The study and survey of the Study Area indicate that requirements necessary for designation as a Blighted Area are present. Therefore, the Study Area is qualified as a Blighted Area to be designated as a redevelopment project area and eligible for Tax Increment Financing under the Act (see Exhibit 3 - Distribution of Criteria Matrix).

[Maps 1 and 2 referred to in this Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Eligibility Study constitute Maps 1 and 2 to the Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project and printed on pages 26483 through 26484 of this *Journal*.]

[(Sub)Exhibit 2 referred to in this Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Eligibility Study constitutes (Sub)Exhibit 2 to the Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project and is printed on page 26482 of this *Journal*.]

[(Sub)Exhibit 3 and Maps 3, 4, 5, 6, 7 and 8 referred to in this Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Eligibility Study printed on pages 26488 through 26495 of this *Journal*.]

Table 2.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan And Project)

1997 Equalized Assessed Valuation.
(Page 1 of 5)

	Permanent Index Number	EAV
1	13-31-205-019	$282,065
2	13-31-205-023	$323,424
3	13-31-205-024	$714,275
4	13-31-205-025	$269,225
5	13-31-205-026	$269,115
6	13-31-205-027	Railroad
7	13-31-205-030	$572,188
8	13-31-205-031	$1,224,312
9	13-31-205-041	$25,020
10	13-31-205-042	$370
11	13-31-205-047	$23,705
12	13-31-205-048	$617
13	13-31-205-053	$395,585
14	13-31-205-054	Railroad
15	13-31-205-055	$2,150,058
16	13-31-205-057	$18,358
17	13-31-205-058	$187,287
18	13-31-205-059	$65,342
19	13-31-205-063	$542,301
20	13-31-205-064	$152,331
21	13-31-212-008	$19,482
22	13-31-212-009	$19,708
23	13-31-212-010	$36,207
24	13-31-212-018	$38,618
25	13-31-212-019	$17,696
26	13-31-213-024	$17,776
27	13-31-213-025	$17,776
28	13-31-213-026	$14,709
29	13-31-213-031	$14,900
30	13-31-425-001	$380,514
31	13-31-425-003	$1,367,371
32	13-31-425-004	$1,770,994
33	13-31-425-005	$870,309
34	13-31-425-006	$986,345
35	13-31-425-008	$480,629
36	13-31-425-010	$388,480
37	13-31-425-011	Railroad
38	13-31-500-002	Exempt
39	13-32-121-024	$14,585
40	13-32-121-025	$14,088
41	13-32-122-034	$14,585
42	13-32-122-035	$14,585
43	13-32-122-055	$14,585
44	13-32-122-056	$14,585
45	13-32-122-057	$14,585
46	13-32-122-058	$14,585
47	13-32-122-059	$14,585
48	13-32-122-060	$14,585
49	13-32-122-061	$14,585
50	13-32-122-062	$14,585
51	13-32-122-063	$14,585
52	13-32-122-064	$14,585
53	13-32-123-033	$14,585
54	13-32-123-034	$14,585
55	13-32-123-035	$14,585
56	13-32-123-036	$14,585
57	13-32-123-055	$7,801
58	13-32-123-056	$7,801
59	13-32-123-057	$14,524
60	13-32-123-058	$14,524
61	13-32-123-059	$14,524
62	13-32-123-060	$14,524
63	13-32-123-061	$14,524
64	13-32-123-062	$14,524
65	13-32-124-003	Railroad
66	13-32-124-007	$612,430
67	13-32-124-008	$825,178
68	13-32-124-009	$93,224
69	13-32-125-002	$12,083
70	13-32-125-040	Exempt
71	13-32-126-001	$754,599
72	13-32-127-001	$819,002
73	13-32-224-021	$9,797
74	13-32-224-030	$222,284
75	13-32-225-001	$920,269
76	13-32-225-002	$396,569

Table 2.
(To Galewood/Armitage Industrial Redevelopment Project Area
Tax Increment Finance Program Redevelopment
Plan And Project)

1997 Equalized Assessed Valuation.
(Page 2 of 5)

	Permanent Index Number	EAV
77	13-32-225-004	$475,014
78	13-32-225-005	$622,448
79	13-32-226-002	$7,351
80	13-32-226-003	$1,983
81	13-32-226-004	$6,554
82	13-32-226-005	$148,521
83	13-32-226-007	$228,538
84	13-32-226-008	$14,131
85	13-32-226-009	$9,300
86	13-32-226-010	$61,882
87	13-32-227-004	$272,038
88	13-32-227-005	$12,797
89	13-32-227-006	$413,732
90	13-32-227-007	$156,850
91	13-32-228-027	$40,576
92	13-32-228-028	$34,933
93	13-32-228-029	$64,551
94	13-32-228-051	$103,311
95	13-32-228-052	$167,116
96	13-32-228-053	$48,550
97	13-32-228-054	$88,303
98	13-32-229-019	$48,973
99	13-32-229-028	$16,721
100	13-32-229-039	$282,754
101	13-32-300-003	$1,389,820
102	13-32-300-006	$3,190,287
103	13-32-300-007	Railroad
104	13-32-300-008	$1,216
105	13-32-304-001	Exempt
106	13-32-305-001	Exempt
107	13-32-400-001	$22,881
108	13-32-400-003	$247,089
109	13-32-400-004	$18,528
110	13-32-400-005	$47,276
111	13-32-400-007	$129,119
112	13-32-400-008	$27,053
113	13-32-400-011	$306,934
114	13-32-400-013	$276,525
115	13-32-400-014	$240,866
116	13-32-400-015	$568,152
117	13-32-400-018	$451,265
118	13-32-400-019	$136,453
119	13-32-400-023	$350,690
120	13-32-400-025	$212,874
121	13-32-400-027	$429,892
122	13-32-400-028	$32,483
123	13-32-400-029	$425,009
124	13-32-400-030	$317,857
125	13-32-400-033	$238,371
126	13-32-400-034	$443,419
127	13-32-400-035	$9,790
128	13-32-400-036	$11,325
129	13-32-400-037	$3,281
130	13-32-400-038	$314,754
131	13-32-400-039	$118,589
132	13-32-400-040	$16,794
133	13-32-400-041	$47,349
134	13-32-400-042	$577,962
135	13-32-400-046	$2,448
136	13-32-400-047	$108,599
137	13-32-400-048	$47,276
138	13-32-500-001	Exempt
139	13-32-500-002	Railroad
140	13-32-500-006	Railroad
141	13-33-100-002	Exempt
142	13-33-100-006-8001	Exempt
	13-33-100-006-8002	$688,469
	13-33-100-006-8003	$1,157,728
	13-33-100-006-8004	$2
143	13-33-115-001	$397,119
144	13-33-115-002	$152,361
145	13-33-115-008	$28,280
146	13-33-115-009	$28,297
147	13-33-115-010	$17,955
148	13-33-115-011	$18,807
149	13-33-115-012	$19,592

Table 2.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan And Project)

1997 Equalized Assessed Valuation.
(Page 3 of 5)

	PERMANENT INDEX NUMBER	EAV
150	13-33-115-013	$19,592
151	13-33-115-014	$51,522
152	13-33-115-015	$292,867
153	13-33-116-001	$50,284
154	13-33-116-010	$35,680
155	13-33-116-011	$35,680
156	13-33-116-012	$10,194
157	13-33-116-013	$10,194
158	13-33-116-014	$38,611
159	13-33-116-015	$41,977
160	13-33-116-016	$7,122
161	13-33-116-019	$61,693
162	13-33-116-020	$64,564
163	13-33-116-021	$126,759
164	13-33-116-022	$127,653
165	13-33-116-023	$98,329
166	13-33-116-024	$127,643
167	13-33-116-025	$67,037
168	13-33-116-026	$16,940
169	13-33-117-001	$56,103
170	13-33-117-002	$56,020
171	13-33-117-003	$56,020
172	13-33-117-004	$56,020
173	13-33-117-005	$50,467
174	13-33-117-008	$99,442
175	13-33-117-009	$164,743
176	13-33-117-010	$59,787
177	13-33-117-011	$78,609
178	13-33-300-001	$158,670
179	13-33-300-002	$164,745
180	13-33-300-003	$186,164
181	13-33-300-004	$3,210
182	13-33-300-006	$334,953
183	13-33-300-008	$266,515
184	13-33-300-010	$185,951
185	13-33-300-012	$143,602
186	13-33-300-014	$319,114
187	13-33-300-015	$375,383
188	13-33-300-016	$51,449
189	13-33-300-017	$3,851
190	13-33-307-001	$35,676
191	13-33-307-002	$44,272
192	13-33-307-003	$2,658
193	13-33-307-004	$2,658
194	13-33-307-005	$2,658
195	13-33-307-006	$16,115
196	13-33-307-007	$57,288
197	13-33-307-008	$57,288
198	13-33-307-009	$391,968
199	13-33-308-001	$11,161
200	13-33-308-002	$99,107
201	13-33-308-003	$91,262
202	13-33-308-004	$6,722
203	13-33-308-005	$7,566
204	13-33-308-009	$36,450
205	13-33-308-010	$37,589
206	13-33-308-011	$74,620
207	13-33-308-012	$5,854
208	13-33-308-013	$5,965
209	13-33-308-014	$58,500
210	13-33-308-015	$55,491
211	13-33-308-016	$49,474
212	13-33-308-025	$68,879
213	13-33-309-001	$4,147
214	13-33-309-002	$12,805
215	13-33-309-003	$2,667
216	13-33-309-004	$6,608
217	13-33-309-005	$6,215
218	13-33-309-006	$23,160
219	13-33-309-007	$17,548
220	13-33-309-008	$7,571
221	13-33-309-009	$2,658
222	13-33-309-010	$2,658
223	13-33-309-011	$35,420
224	13-33-309-012	$34,507
225	13-33-309-013	$34,507

Table 2.
(To Galewood/Armitage Industrial Redevelopment Project Area
Tax Increment Finance Program Redevelopment
Plan And Project)

1997 Equalized Assessed Valuation.
(Page 4 of 5)

	PERMANENT INDEX NUMBER	EAV
226	13-33-309-014	$70,445
227	13-33-310-001	$37,829
228	13-33-310-002	$5,793
229	13-33-310-003	$37,902
230	13-33-310-004	$37,902
231	13-33-310-005	$8,310
232	13-33-310-006	$10,375
233	13-33-310-007	$97,433
234	13-33-310-008	$76,245
235	13-33-310-009	$22,321
236	13-33-310-010	$85,034
237	13-33-310-011	$85,034
238	13-33-310-012	$85,047
239	13-33-310-013	$85,047
240	13-33-400-006	$14,888
241	13-33-400-007	$19,007
242	13-33-400-008	$20,836
243	13-33-400-009	$5,439
244	13-33-400-010	$32,128
245	13-33-400-011	$32,545
246	13-33-400-012	$57,442
247	13-33-400-015	$34,513
248	13-33-400-016	$3,041
249	13-33-400-017	$15,891
250	13-33-400-018	$19,153
251	13-33-400-019	$16,641
252	13-33-400-020	$17,892
253	13-33-400-031	$1,300
254	13-33-400-033	$12,457
255	13-33-400-034	$93,991
256	13-33-400-037	$58,136
257	13-33-400-038	$154,538
258	13-33-400-039	$55,702
259	13-33-400-040	$182,641
260	13-33-400-043	$69,450
261	13-33-400-044	$104,119
262	13-33-400-045	$98,456
263	13-33-404-001	$30,269
264	13-33-404-002	$30,536
265	13-33-404-003	$5,925
266	13-33-404-004	$5,074
267	13-33-404-005	$28,952
268	13-33-404-006	$27,145
269	13-33-404-009	$13,916
270	13-33-404-010	$2,813
271	13-33-404-011	$18,085
272	13-33-404-012	$136,466
273	13-33-404-015	$6,593
274	13-33-405-001	$14,279
275	13-33-405-002	$8,488
276	13-33-405-003	$18,085
277	13-33-405-004	$8,355
278	13-33-405-005	$54,445
279	13-33-405-006	$68,311
280	13-33-405-007	$68,288
281	13-33-405-008	$13,776
282	13-33-405-009	$1,023
283	13-33-405-010	$34,941
284	13-33-405-011	$37,051
285	13-33-405-012	$5,334
286	13-33-405-013	$20,208
287	13-33-405-014	$5,334
288	13-33-405-015	$6,593
289	13-33-406-001	$40,827
290	13-33-406-002	$38,998
291	13-33-406-003	$51,475
292	13-33-406-004	$50,927
293	13-33-406-005	$10,409
294	13-33-406-006	$6,543
295	13-33-406-007	$1,285
296	13-33-406-008	$1,296
297	13-33-406-009	$10,734
298	13-33-406-010	$11,855
299	13-33-406-011	$2,725
300	13-33-406-012	$57,474
301	13-33-406-013	$9,313

Table 2.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan And Project)

1997 Equalized Assessed Valuation.
(Page 5 of 5)

	PERMANENT INDEX NUMBER	EAV
302	13-33-406-014	$71,283
303	13-33-406-015	$9,141
304	13-33-406-016	$5,585
305	13-33-406-017	$5,196
306	13-33-406-018	$55,822
307	13-33-406-019	$40,593
308	13-33-406-020	$32,816
309	13-33-406-021	$32,902
310	13-33-406-022	$4,391
311	13-33-406-023	$4,468
312	13-33-406-024	$18,306
313	13-33-406-025	$3,690
314	13-33-406-026	$3,284
315	13-33-406-027	$14,883
316	13-33-406-028	$15,943
317	13-33-406-029	$11,187
318	13-33-406-030	$10,136
319	13-33-406-031	$10,136
320	13-33-406-032	$13,387
321	13-33-406-033	$2,725
322	13-33-406-034	$13,024
323	13-33-406-035	$15,897
324	13-33-406-036	$4,214
325	13-33-406-037	$13,576
326	13-33-406-038	$11,430
327	13-33-406-039	$11,247
328	13-33-406-040	$11,028
329	13-33-406-041	$10,635
330	13-33-406-047	$29,956
331	13-33-406-048	$27,192
332	13-33-406-049	$26,784
333	13-33-406-050	$26,305
334	13-33-406-051	$4,296
335	13-33-406-052	$3,982
336	13-33-406-053	$10,523
337	13-33-406-054	Railroad
338	13-33-406-055	$122,103
339	13-33-406-056	$5,308
340	13-33-406-057	$11,280
341	13-33-406-058	$8,295
342	13-33-406-059	$64,723
343	13-33-406-060	$5,570
344	13-33-406-061	$6,101
345	13-33-406-062	$6,099
346	13-33-406-063	$6,099
347	13-33-406-064	$6,290
348	13-33-406-065	$6,099
349	13-33-406-066	$9,844
350	13-33-406-067	$2,955
351	13-33-406-068	$6,683
352	13-33-406-069	$6,683
353	13-33-406-071	$315,108
354	13-33-406-076	$126,764
355	13-33-406-077	$88,707
356	13-33-406-079	$185,476
357	13-33-406-080	$527,905
358	13-33-406-081	$348,004
359	13-33-406-082	$372,768
360	13-33-406-083	$373,533
361	13-33-406-084	$129,772
362	13-33-409-001	$587,939
363	13-33-411-001	$201,000
364	13-33-411-005	$135,258
365	13-33-411-006	$5,239
366	13-33-411-007	$4,480
367	13-33-411-008	$4,339
368	13-33-411-009	$4,225
369	13-33-411-010	$4,113
370	13-33-411-024	$115,929
371	13-33-411-025	$116,322
372	13-33-500-001	Exempt
373	13-33-500-002	Exempt

(Sub)Exhibit 2.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan And Project)

Building Permit Requests New Construction/Investment Permits.

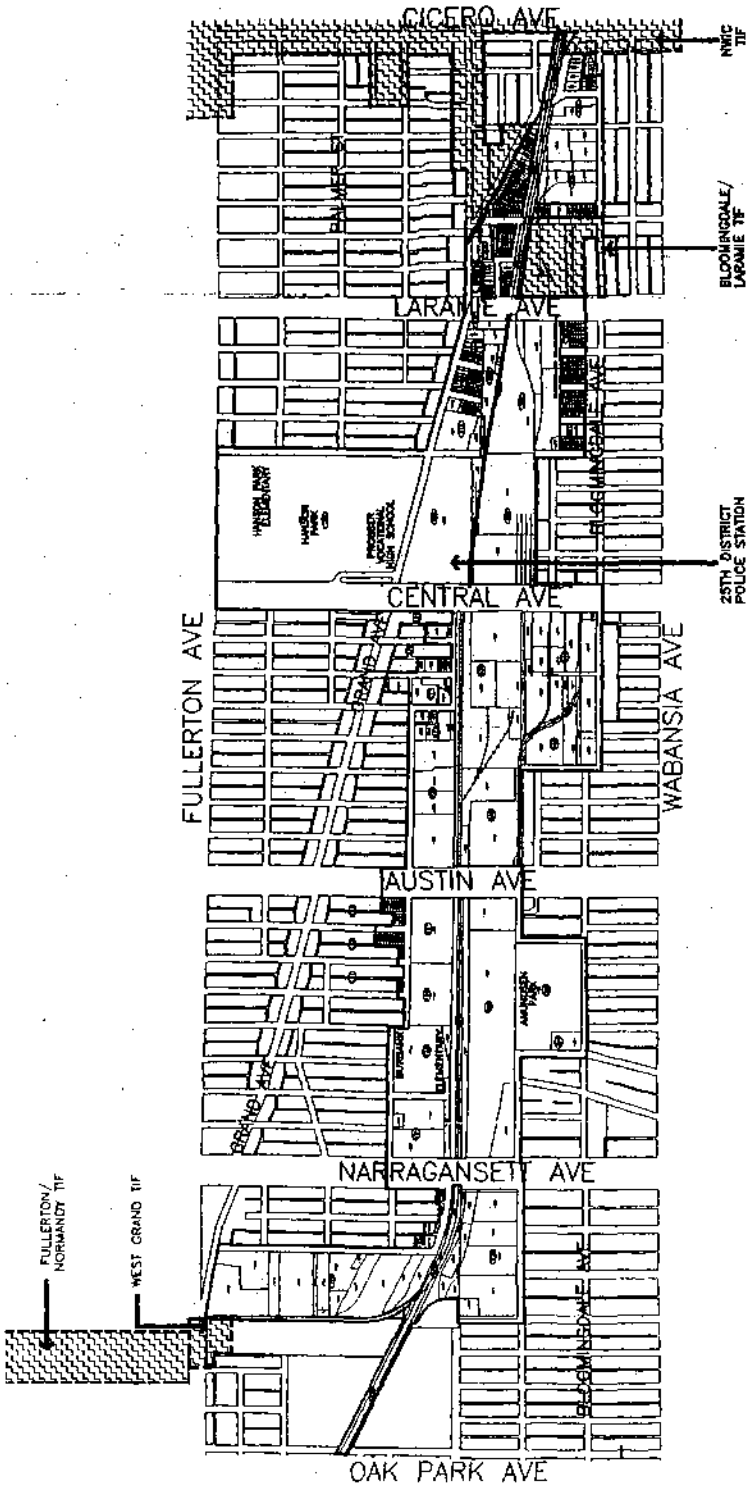
	Permit #	Date	Address	Investment
1.	799306	2/2/95	1920 N. Austin Avenue	$1,000,000
2.	833832	10/18/96	6243 W. Fletcher Street	$6,000
3.	788873	7/7/94	5033 W. Grand Avenue	$5,800
4.	871107	5/11/98	5401 W. Grand Avenue	$50,000
5.	875844	7/15/98	5401 W. Grand Avenue	$65,000
6.	801466	3/27/95	2027 N. Major Avenue	$50,000
7.	96006167	5/28/96	2028 N. Major Avenue	$225,000
8.	779973	12/23/93	2035 N. Narragansett Avenue	$90,000
9.	780577	01/13/94	2148 N. Natchez Avenue	$28,000
10	96005872	5/22/96	5136 W. Bloomingdale Avenue	$4,000
11	811547	9/21/95	5250 W. Bloomingdale Avenue	$6,050
13	853965	8/4/97	1829 N. Central Avenue	$6,500
14	883196	9/29/98	5520 W. Cortland Street	$3,400
15	813417	10/23/95	1807 N. Leclaire Avenue	$4,200
16	808845	8/3/95	1801 N. Lotus Avenue	$4,992
17	883333	10/1/98	1817 N. Lotus Avenue	$7,800
18	883929	10/8/98	1819 N. Luna Avenue	$5,294
19	814491	11/08/95	1819 N. Major Avenue	$25,000
20	834752	10/29/96	1819 N. Major Avenue	$12,135
21	784235	4/14/94	1916 N. Meade Avenue	$4,800
22	871198	5/12/98	1823 N. Monitor Avenue	$80,000
23	858356	9/26/97	1942 N. Nashville Avenue	$9,241
24	792807	9/20/94	1956 N. Nashville Avenue	$6,000
25	792212	9/13/94	2019 N. Oak Park Avenue	$50,000
26	866273	2/18/98	2019 N. Oak Park Avenue	$113,000
			TOTAL (permits)	$1,862,212.00

Demolition Permit Requests

	Permit #	Date	Address	Amount
1.	775083	09/14/1993	2035 N. Narragansett Avenue	$0.00
2.	775081	09/14/1993	2035 N. Narragansett Avenue	$0.00
3.	882086	09/02/1998	2023 N. Parkside Av enue	$11,500.00
4.	964396	12/31/1997	5146 W. Bloomingdale Avenue	$5,700.00
5.	803119	04/27/1995	5318 W. Bloomingdale Avenue	$0.00
6.	834513	10/25/1996	4905 W. Grand Avenue	$7,300.00
7.	780156	12/30/1993	1911 N. Laramie Avenue	$0.00
8.	860267	10/23/1997	1840 N. Laramie Avenue	$10,00.00
9.	880358	08/11/1998	1840 N. Laramie Avenue	$25,000.00
10	834441	10/24/1996	1829 N.Lockwood Avenue	$4,999.00
			TOTAL (demolition permits)	$54,509.00

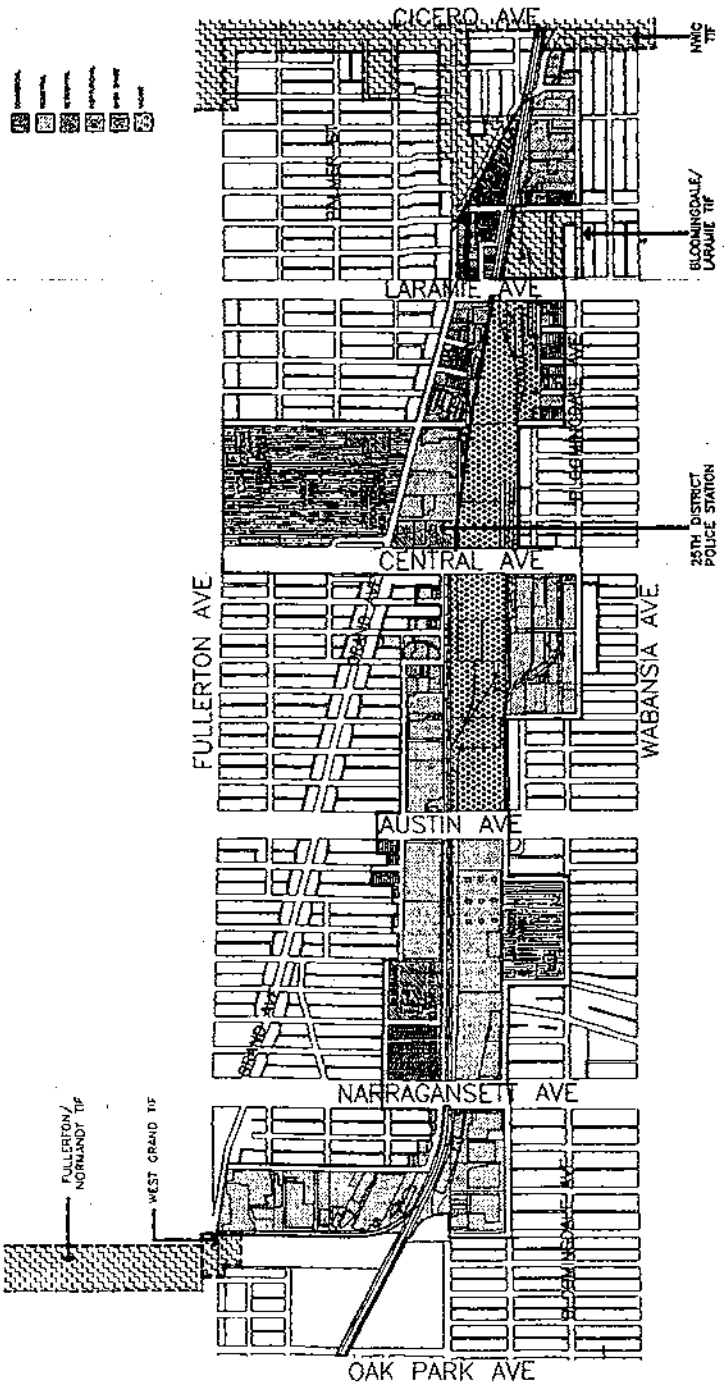
(Sub)Exhibit 3 – Map 1.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan And Project)

Project Boundary Map.



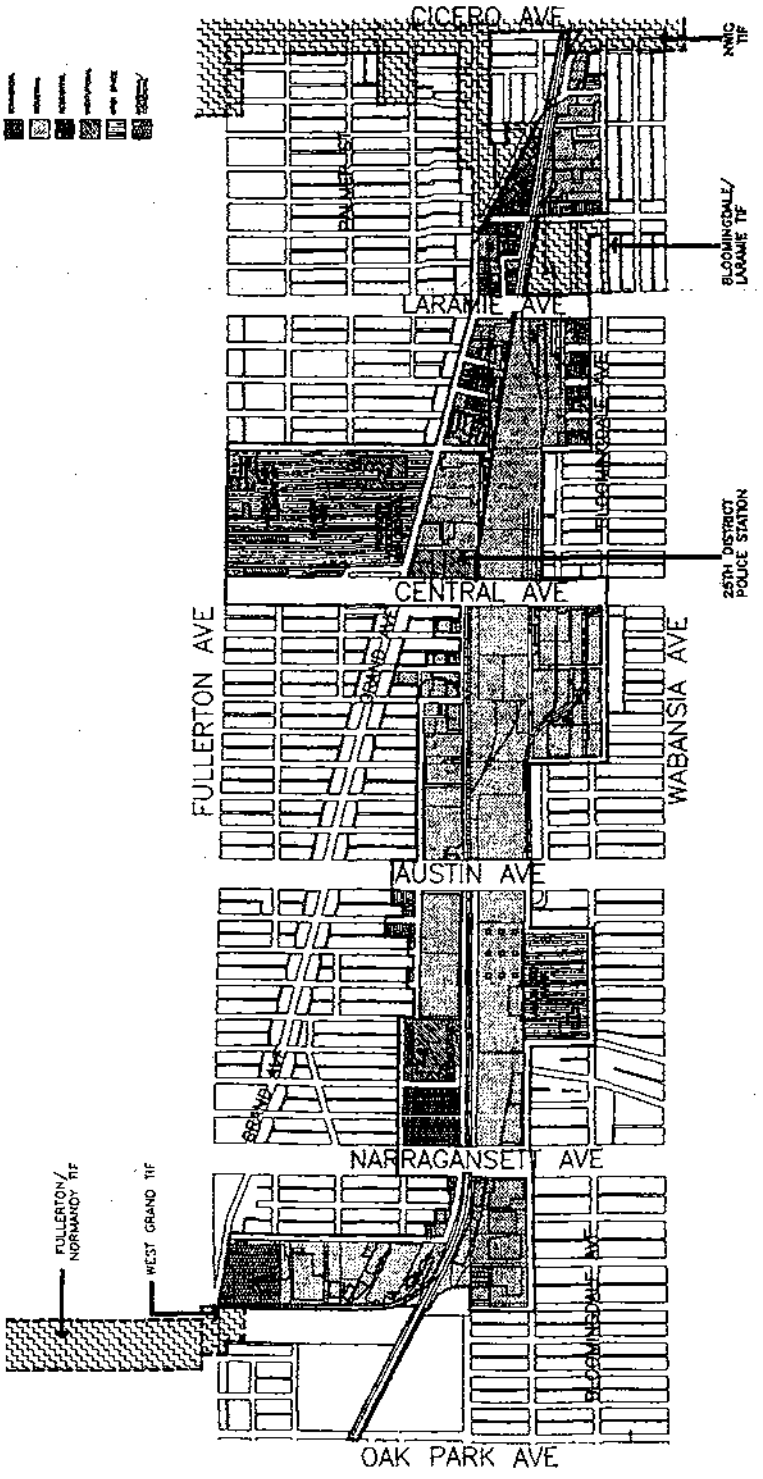
(Sub)Exhibit 3 – Map 2.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan And Project)

Existing Land-Use.



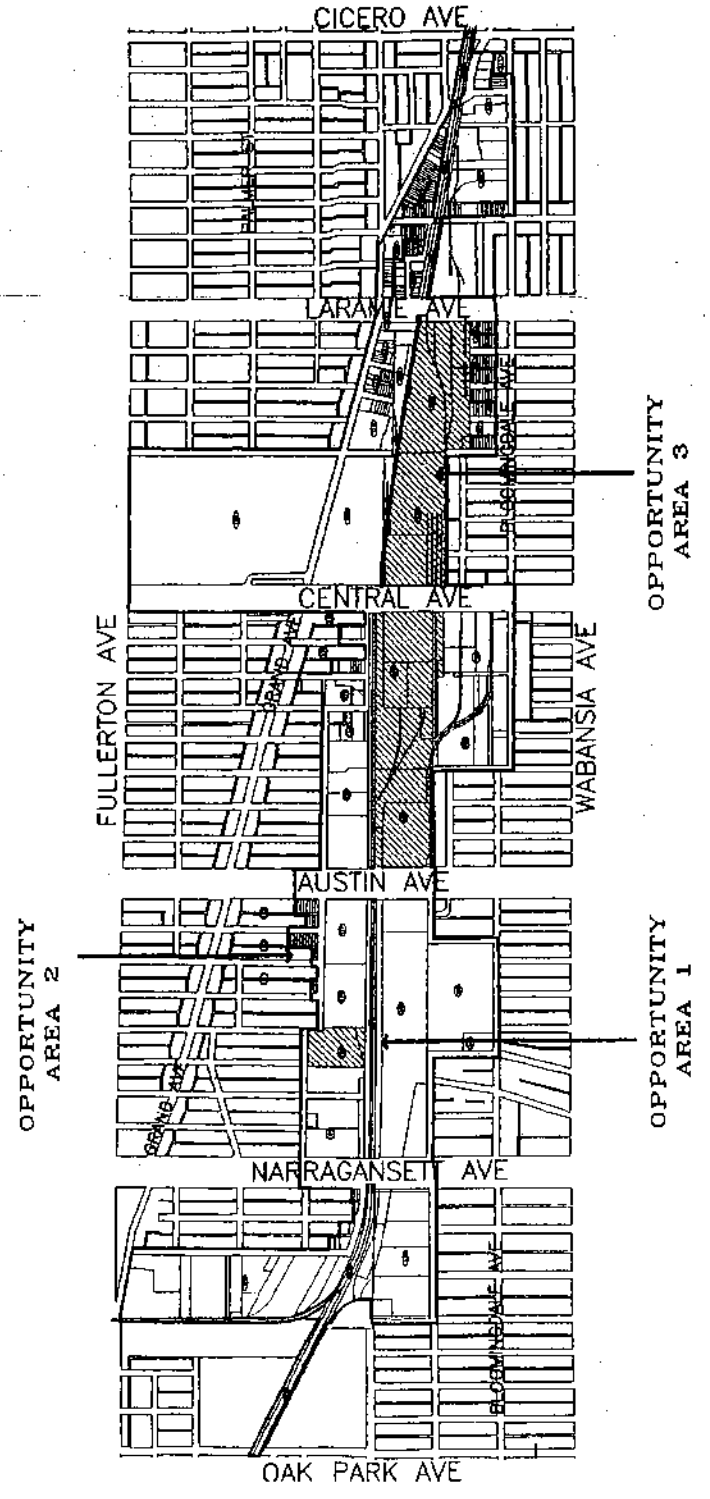
(Sub)Exhibit 3 – Map 3.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan And Project)

Proposed Land-Use.



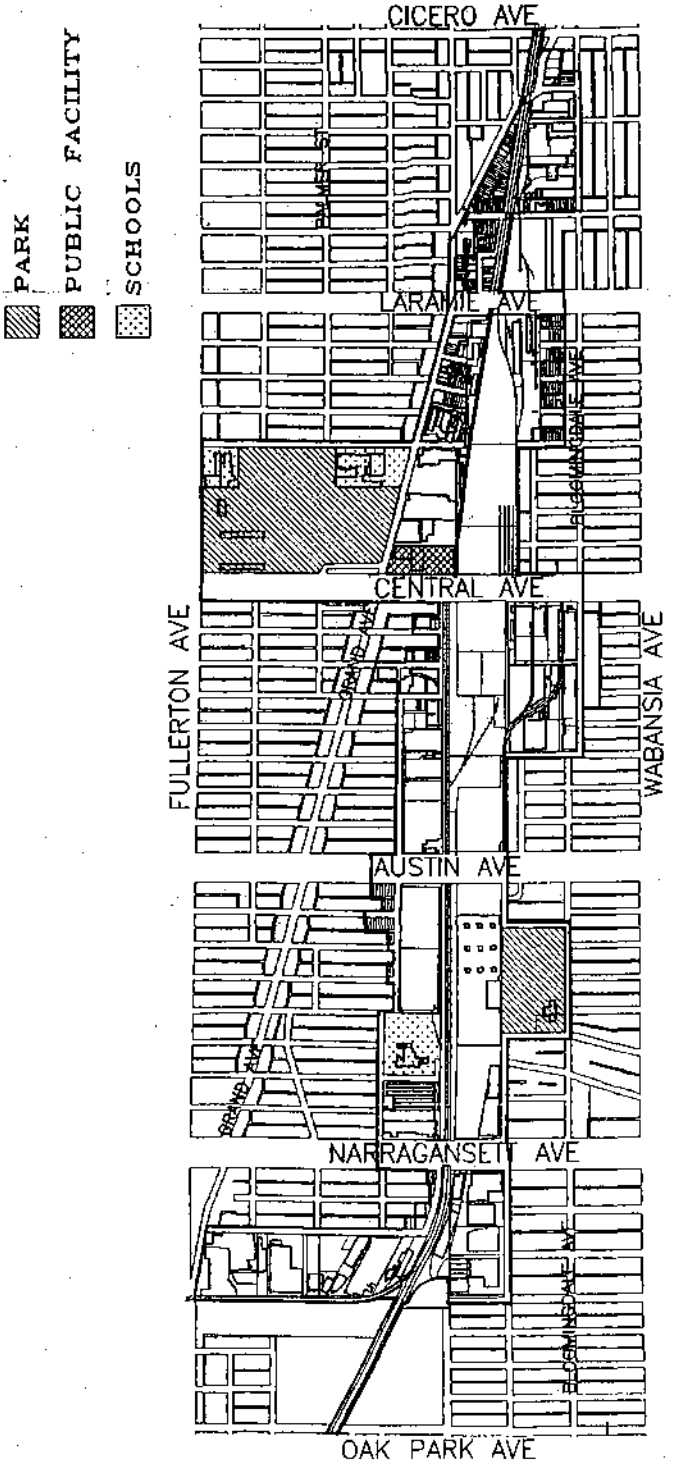
(Sub)Exhibit 3 – Map 4.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan And Project)

Opportunity Areas.



(Sub)Exhibit 3 – Map 5.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan And Project)

Schools, Parks And Public Facility.



(Sub)Exhibit 3.
(To Galewood/Armitage Industrial Redevelopment Project Area
Tax Increment Finance Program Eligibility Study)

Distribution Of Criteria Matrix.
(Page 1 of 2)

	BLOCK	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	13 31 205	X	P	X	X	P				P		X	X	X	
2	13 31 212			X	P								X	X	
3.	13 31 213			X	X			X					X	X	
4.	13 31 425	X	P	X	X	X						P	X	X	
5.	13 31 500													X	
6.	13 32 121			X	X								X	X	
7.	13 32 122			X	X								X	X	
8.	13 32 123			X	X								X	X	
9.	13 32 124					X									
10.	13 32 125	X			X	X								X	
11.	13 32 126	X		X	X	X						X	X	X	
12.	13 32 127	X		X	X	P						X	X	X	
13.	13 32 224	X		X	X					X		X	X	X	
14.	13 32 225	X		X	X	X				X		X	X	X	
15.	13 32 226	X		X	X	X				X		X	X	X	
16.	13 32 227	P	P	X	X	X						X	X	X	
17.	13 32 228	X		X	X		X			X		X	X	X	
18.	13 32 229	X		P	X							P	P	X	
19.	13 32 300	X		X	X	X				X		X	X	X	
20.	13 32 304	X			X									X	
21.	13 32 305	X			X									X	
22.	13 32 400	X	P	X	X							X	X	X	

(Sub)Exhibit 3.
(To Galewood/Armitage Industrial Redevelopment Project Area
Tax Increment Finance Program Eligibility Study)

Distribution Of Criteria Matrix.
(Page 2 of 2)

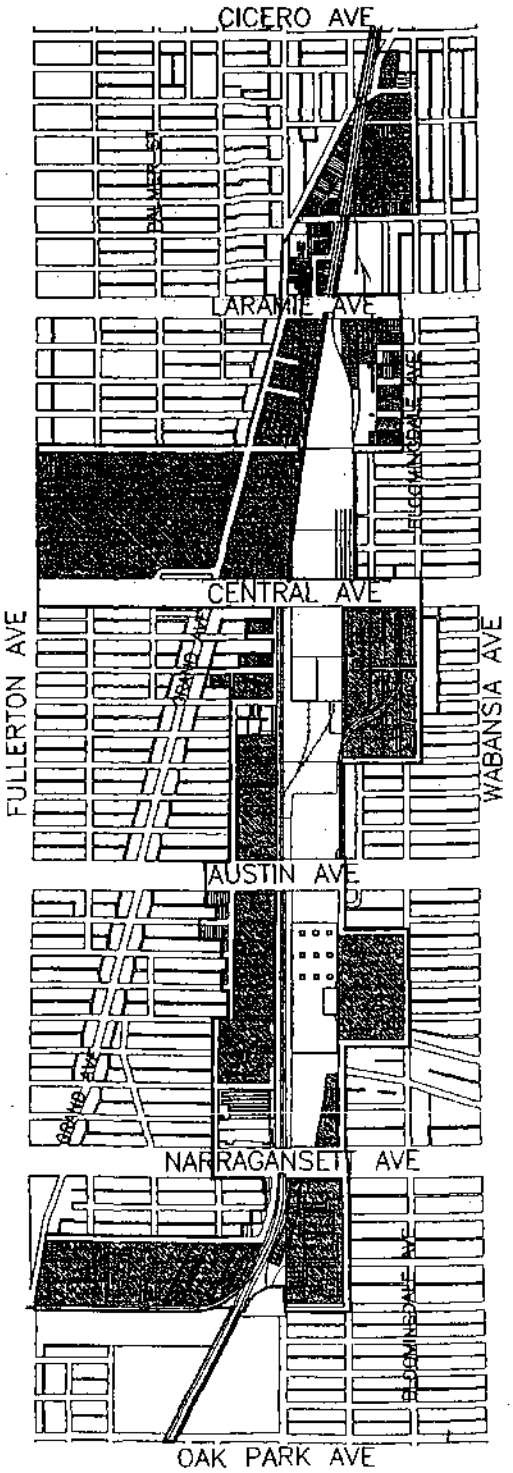
23.	13 32 500													X	
24.	13 33 100	X		X	X	X						P	P	X	
25.	13 33 115	X		X	X	P						X	X	X	
26.	13 33 116	X		X	X	P						X	X	X	
27.	13 33 117	X	X	X	X	P				X		X	X	X	
28.	13 33 300	X	X	X	X					X		X	X	X	
29.	13 33 307	X		X	X	X				X		X	X	X	
30.	13 33 308	X		X	X	P				X		X	X	X	
31.	13 33 309	X		X	X	X		P		X		X	X	X	
32.	13 33 310	X		X	X	X				X		X	X	X	
33.	13 33 400	X	P	X	X	P				X		X	X	X	
34.	13 33 405	X		X	X							X	X	X	
35.	13 33 406	X	P	X	X	X		P		P		X	X	X	
36.	13 33 409	X	X	X	X	X				X		X	X	X	
37.	13 33 411	X	X	X	X					X		X	X	X	
38.	13 33 500													X	

Key
X Present to Major Extent
P Present
Not Present

Criteria
1 AGE
2 DILAPIDATION
3 OBSOLESCENCE
4 DETERIORATION
5 ILLEGAL USE OF INDIVIDUAL STRUCTURES
6 PRESENCE OF STRUCTURES BELOW MINIMUM MINIMUM CODE
7 EXCESSIVE VACANCIES
8 OVERCROWDING
9 LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES
10 INADEQUATE UTILITIES
11 EXCESSIVE LAND COVERAGE
12 DELETERIOUS LAND USE OR LAYOUT
13 DEPRECIATION OF PHYSICAL MAINTENANCE
14 LACK OF COMMUNITY PLANNING

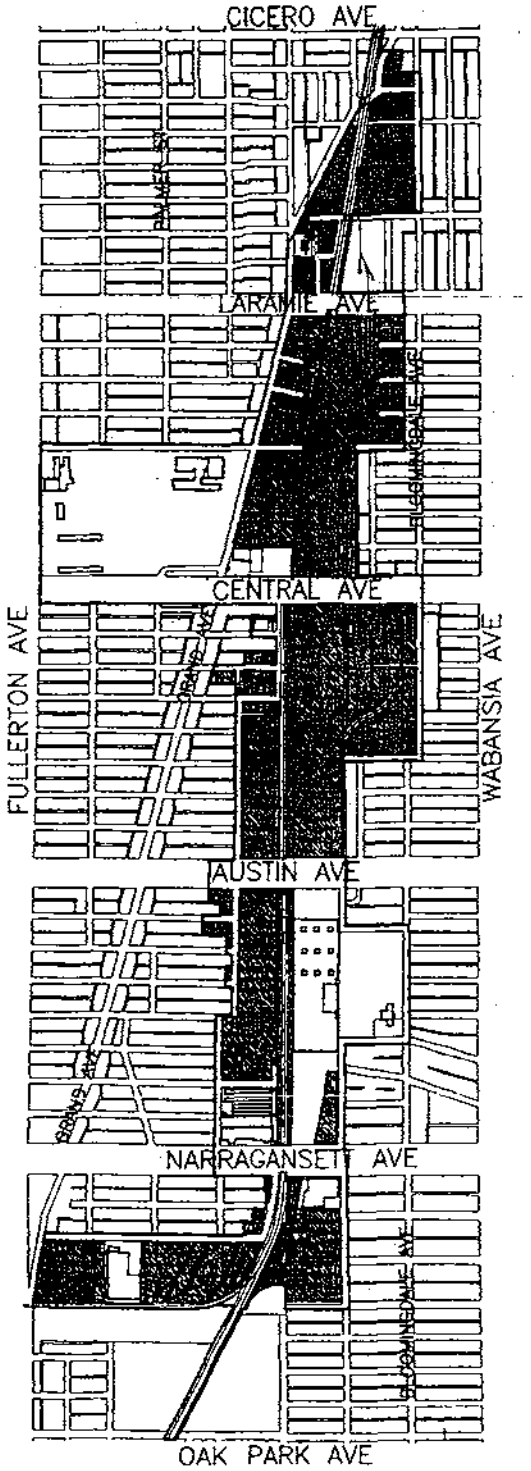
Map 3.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Eligibility Study)

Age.



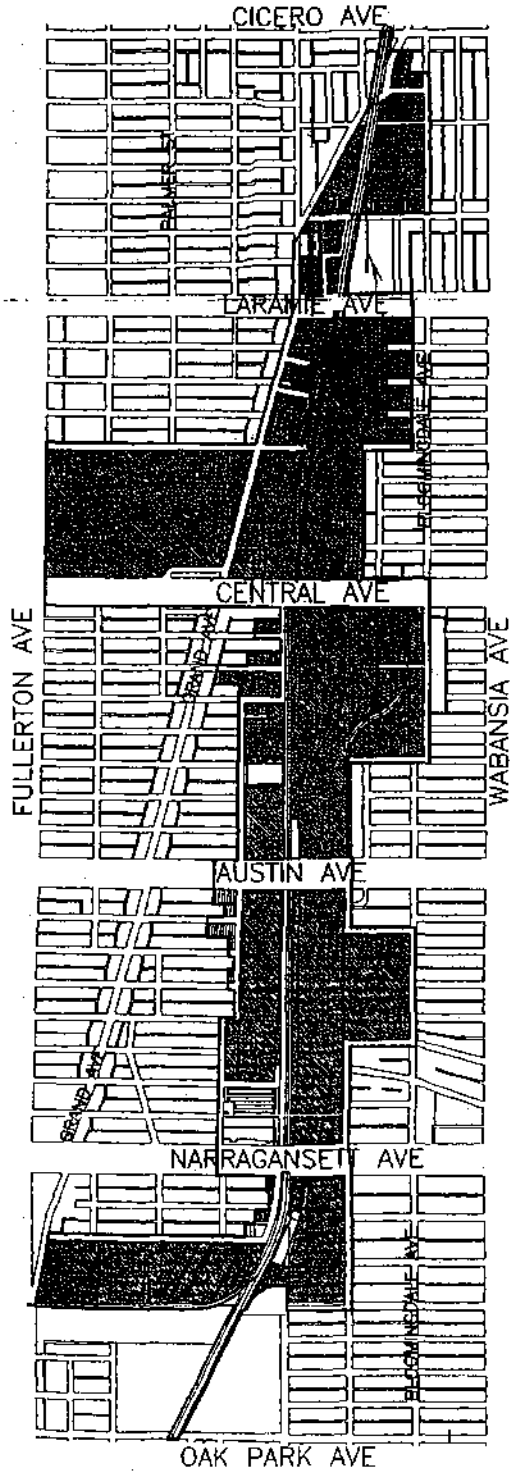
Map 4.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Eligibility Study)

Obsolescence.



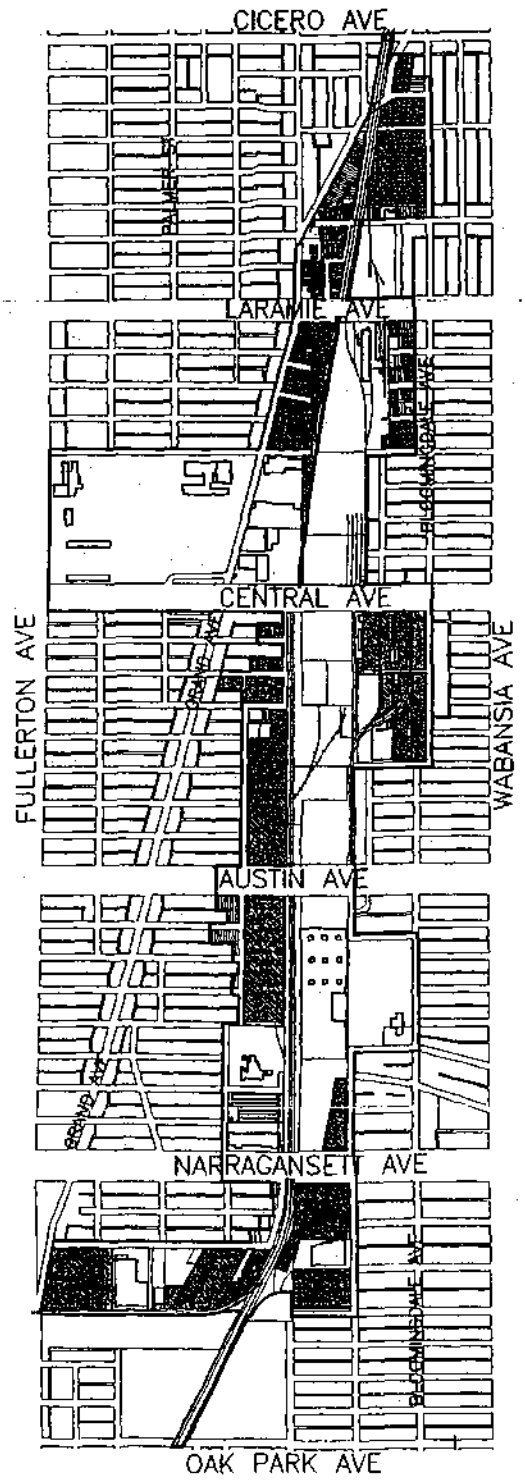
Map 5.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Eligibility Study)

Deterioration.



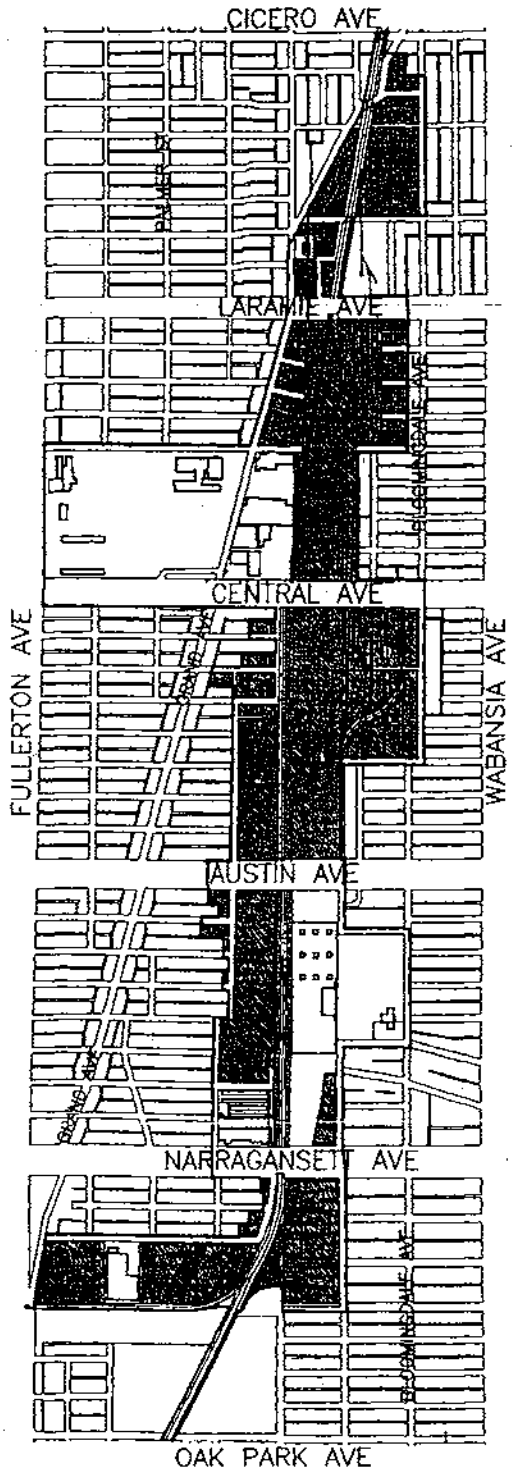
Map 6.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Eligibility Study)

Excessive Land Coverage.



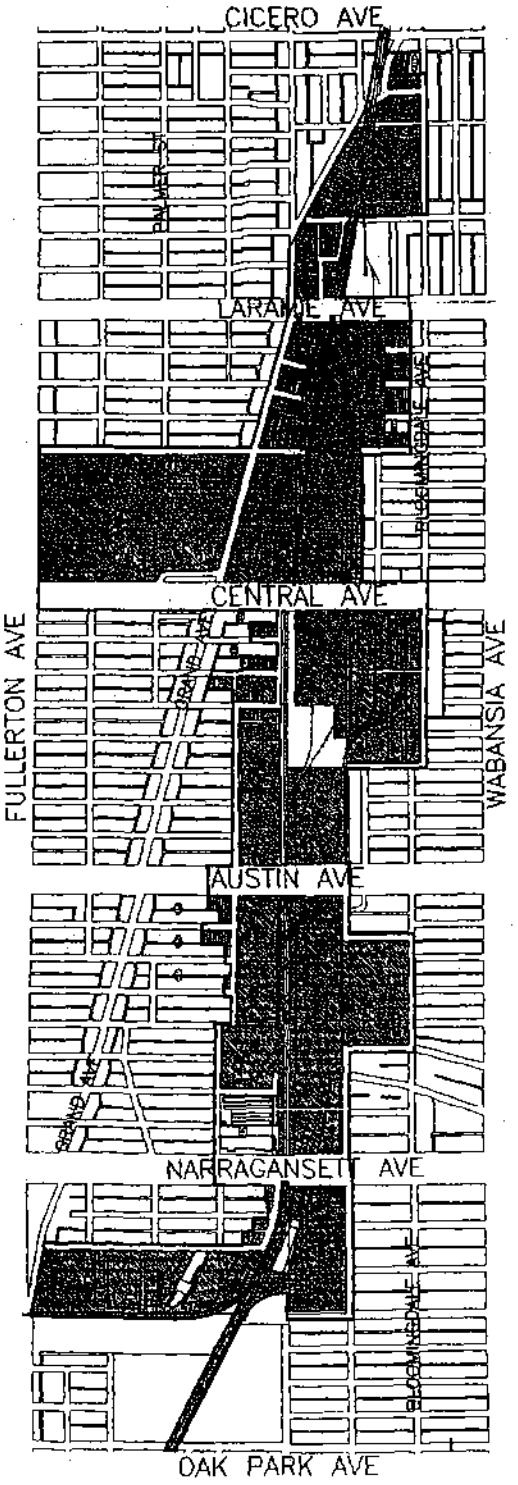
Map 7.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Eligibility Study)

Deleterious Land-Use/Layout.



Map 8.
(To Galewood/Armitage Industrial Redevelopment Project Area Tax Increment Finance Program Eligibility Study)

Depreciation Of Physical Maintenance.



(Sub)Exhibit "F".
(To Jacobs Real Estate, Inc.
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 the 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 "G-1".
(To Jacobs Real Estate, Inc.
Redevelopment Agreement)

Project Budget.

Land Acquisition	$1,576,000
Hard Construction Costs	
Landscape Removal	7,000
Earthwork	16,000
Fence Work	30,000
Contractor OH and P	5,300
Total Hard Construction Costs	$ 58,300

Soft Costs	
Legal Fees	$ 10,000
Consultant Fees	8,000
Environmental Consultants	5,000
Total Soft Costs	$ 23,000
TOTAL:	$1,657,300

(Sub)Exhibit "G-2".
(To Jacobs Real Estate, Inc.
Redevelopment Agreement)

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

Hard Construction Costs	
Landscape Removal	$ 7,000
Earthwork	16,000
Fence Work	30,000
Contractor OH and P	5,300
TOTAL:	$ 58,300
W.M.E. Budget:	$ 14,575
W.B.E. Budget:	$ 2,915

(Sub)Exhibit "H".
(To Jacobs Real Estate, Inc.
Redevelopment Agreement)

Approved Prior Expenditures.

Land Acquisition	$1,576,000

(Sub)Exhibit "I".
(To Jacobs Real Estate, Inc.
Redevelopment Agreement)

Opinion Of Developer's Counsel.

[To Be Retyped On The Developer's Counsel's Letterhead]

_____, _____.

City of Chicago
121 North LaSalle Street
Chicago, Illinois 60602

Attention: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to Jacobs Real Estate, Inc., an Illinois corporation (the "Owner"), Jacobs Imports, Inc., an Illinois corporation ("Jacobs Imports"), Jacobs Twin Buick, Inc., and Illinois corporation ("Jacobs Buick"), and Jacobs Twin Ford, Inc., an Illinois corporation ("Jacobs Ford", with Jacobs Imports, and Jacobs Buick are collectively referred to herein as the "Operator") (the Owner and the Operator are referred to herein collectively as the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the Galewood/Armitage Industrial Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements,

instruments and documents of even date herewith, hereinafter referred to as the "Documents":

(a) Jacobs Real Estate, Inc. Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");

(b) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project];

(c) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

(a) the original or certified, conformed or photostatic copies of the Developer's (i) Articles of Incorporation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which the Developer is qualified to do business, (iii) Bylaws, as amended to date, and (iv) records of all corporate proceedings relating to the Project; and

(b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those of the Developer), the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies.

Based on the foregoing, it is our opinion that:

1. The Owner is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign corporation under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. The Operator is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, has full power and authority

to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign corporation under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

3. The Owner has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the Owner's Articles of Incorporation or Bylaws or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Owner is a party or by which the Owner or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Owner is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

4. The Operator has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the Operator's Articles of Incorporation or Bylaws or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Operator is a party or by which the Operator or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Operator is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

5. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of the Developer.

6. Each of the Documents to which the Owner is a party has been duly executed and delivered by a duly authorized officer of the Owner, and each such Document constitutes the legal, valid and binding obligation of the Owner, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

7. Each of the Documents to which the Operator is a party has been duly executed and delivered by a duly authorized officer of the Operator, and each such Document constitutes the legal, valid and binding obligation of the Operator, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

8. (Sub)Exhibit A attached hereto (a) identifies each class of capital stock of the Owner, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of the Owner and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on (Sub)Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of the Owner. Each outstanding share of the capital stock of the Owner is duly authorized, validly issued, fully paid and nonassessable.

9. (Sub)Exhibit A attached hereto (a) identifies each class of capital stock of the Operator, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of the Operator and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on (Sub)Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of the Operator. Each outstanding share of the capital stock of the Operator is duly authorized, validly issued, fully paid and nonassessable.

10. To the best of our knowledge after diligent inquiry, no judgments are outstanding against the Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against the Developer or affecting the Developer or its property, or seeking to restrain or enjoin the performance by the Developer of the Agreement or the transactions contemplated

by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, the Developer is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on the Developer or its business.

11. To the best of our knowledge after diligent inquiry, there is no default by the Developer or any other party under any material contract, lease, agreement, instrument or commitment to which the Developer is a party or by which the company or its properties is bound.

12. To the best of our knowledge after diligent inquiry, all of the assets of the Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

13. The execution, delivery and performance of the Documents by the Developer has not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

14. To the best of our knowledge after diligent inquiry, the Developer owns or possess or are licensed or otherwise have the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of their respective businesses.

15. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois.

This opinion is issued at the Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

_____

By: _____

Name: _____

[(Sub)Exhibit "A" referred to in this Opinion of Developer's Counsel unavailable at time of printing.]

(Sub)Exhibit "J".
(To Jacobs Real Estate, Inc. Redevelopment Agreement)

Form Of Subordination Agreement.

This subordination agreement ("Agreement") is made and entered into as of the day of _____, 2004 between the City of Chicago by and through its Department of Planning and Development (the "City"), and Bank One, N.A., a national banking association (the "Lender").

Witnesseth:

Whereas, Jacobs Real Estate, Inc., an Illinois corporation (the "Owner"), has purchased certain property (the "Acquisition") located within the Galewood/Armitage Industrial Redevelopment Project Area (the "Redevelopment Area") at 2148 -- 2200 North Natchez, Chicago, Illinois 60707, and legally described on (Sub)Exhibit A hereto (the "Property"). Jacobs Imports, Inc., an Illinois corporation ("Jacobs Imports"), Jacobs Twin Buick, Inc., an Illinois corporation ("Jacobs Buick"), and Jacobs Twin Ford, Inc., an Illinois corporation ("Jacobs Ford",

Jacobs Imports and Jacobs Buick are affiliates of the Owner and are collectively referred to herein as the "Operator"). The Owner will lease the Property to the Operator for use as vehicle storage and maintenance operations and will redevelop the Property as follows: (i) an approximately ten thousand (10,000) square foot area located at the north part of the Property (the "Facility") shall be excavated and replaced with gravel, suitable for vehicle storage and maintenance operations; (ii) a fence shall be installed along the eastern border of the Property, and the existing fencing along the western border of the Property shall be repaired and replaced (the Facility and related improvements are collectively referred to herein as the "Project"); and

Whereas, As part of obtaining financing for the Project, the Owner entered into a certain loan agreement dated as of _____, 2003, pursuant to which the Lender made a loan to the Owner in the amount of One Million Dollars ($1,000,000) (the "Loan"), which Loan is evidence by a certain secured promissory term note (the "Note") executed by the Owner in favor of the Lender, as secured by a certain Mortgage and Security Agreement by and between the Owner and the Lender, dated September 22, 2003 and recorded _____, 2003 as document number _____ (the "Mortgage"). The Note and Mortgage will be referred to collectively as the "Loan Documents"; and

Whereas, The Owner and the Operator (collectively, the "Developer") desire to enter into a certain redevelopment agreement dated the date hereof with the City in order to obtain additional financing for the Project (the "Redevelopment Agreement", referred to herein along with various other agreements and documents related thereto as the "City Agreements"); and

Whereas, Pursuant to the Redevelopment Agreement, the Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections 8.02 and 8.06 of the Redevelopment Agreement (the "City Encumbrances"); and

Whereas, The City has agreed to enter into the Redevelopment Agreement with the Developer as of the date hereof, subject, among other things, to (a) the execution by the Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate its liens under the Loan Documents to the City Encumbrances; and

Now, Therefore, For good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lender in the Property pursuant to the Loan Documents are and shall be subject and subordinate to the City Encumbrances. In all other respects, the Redevelopment Agreement shall be subject and subordinate to the Loan Documents. Nothing herein, however, shall be deemed to limit the Lender's right to receive, and the Developer's ability to make, payments and prepayments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents except as provided herein.

2. Notice Of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender (a) copies of any notices of default which it may give to the Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of the Developer's default in connection therewith. Under no circumstances shall the Developer or any third party be entitled to rely upon the agreement provided for herein.

3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any, shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.

4. Governing Law; Binding Effect. This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender.

5. Section Titles; Plurals. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto. The singular form of any word used in this Agreement shall include the plural form.

6. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows:

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

If To The Lender:

Bank One, N.A.
120 South LaSalle, 2nd Floor
Chicago, Illinois 60603
Attention: William M. Wheeler,
Assistant Vice President

with a copy to:

William L. Kabaker
55 East Monroe Street, Suite 3030
Chicago, Illinois 60603

or to such other address as either party may designate for itself by notice. Notice shall be deemed to have been duly given (i) if delivered personally or otherwise actually received, (ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail as provided above). Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

7. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument.

In Witness Whereof, This Subordination Agreement has been signed as of the date first written above.

Bank One, N.A., a national banking association

By: _____

Its: _____

City of Chicago

By: _____

Its: _____
Commissioner,
Department of Planning
and Development

Acknowledged and Agreed to this ___ day of _____, 2004.

Jacobs Real Estate, Inc., an Illinois Corporation

By: _____

Its: _____

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 _____, personally known to me to be the _____ Commissioner of the Department of Planning and Development of the City of Chicago, Illinois (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 as such _____ Commissioner, (s)he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ____ day of _____, 2004.

_____
Notary Public

[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 Bank One, N.A., 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 Lender, as his/her free and voluntary act and as the free and voluntary act of the Lender, for the uses and purposes therein set forth.

Given under my hand and notarial seal this ___ day of _____, 2004.

_____
Notary Public

My commission expires _____

[Seal]

[(Sub)Exhibit "A" referred to in this Form of Subordination Agreement constitutes (Sub)Exhibit "A" to the Jacobs Real Estate, Inc. Redevelopment Agreement and is printed on page 26425 through 26429 of this *Journal*.]

DESIGNATION OF CHRISTIANA INVESTORS, L.L.C. AS PROJECT DEVELOPER, AUTHORIZATION FOR EXECUTION OF REDEVELOPMENT AGREEMENT AND ISSUANCE OF TAX INCREMENT ALLOCATION REVENUE NOTE FOR PROPERTY AT 550 WEST ADAMS STREET.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing entering into and executing a redevelopment agreement with Christiana Investors, L.L.C. and USG Corp. and the issuance of a City of Chicago Tax Increment Allocation Revenue Note, amount of note not to exceed $6,500,000, 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 viva voce vote of the members of the Committee.

Alderman Burke abstained from voting pursuant to Rule 14 of the City Council's Rules of Order and Procedure.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

Alderman Burke invoked Rule 14 of the City Council's Rules of Order and Procedure, disclosing that he had represented parties to this ordinance in previous and unrelated matters.

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 November 12, 1998 and published at pages 81881 -- 81974 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 Canal/Congress 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 12, 1998 and published at pages 81974 -- 81983 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 "T.I.F. Ordinance") adopted by the City Council on November 12, 1998 and published at pages 81982 and 81984 -- 81991 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, Christiana Investors, L.L.C. (together with, if applicable, such other entity controlled by Steven D. Fifield to which the subject property may be conveyed prior to the closing date, the "Developer"), has previously acquired certain real property located within the Area at 550 West Adams Street (the "Property") on which

it will construct a new eighteen (18) story Class A office building having approximately four hundred seventy-one thousand (471,000) square feet of net rentable space (the "Building") which will become and serve as the corporate headquarters for USG Corporation ("USG"); and

WHEREAS, The construction of the Building includes an office building component to be completed by the Developer, which includes the Developer's acquisition of the Property and the Developer's construction of all base building improvements, including, without limitation: the plumbing, electrical, H.V.A.C., telecommunications and other building systems for the entire Building; the completion of the lobby, including "vanilla box" build-out of the first floor retail space, a fitness center, cafeteria and all exterior improvements; and the construction of all USG tenant improvements (other than those included within the USG project) necessary to permit USG to take possession in accordance with the terms of the USG lease (as defined below) (such Developer acquisition and construction work, the "Building Project"); and

WHEREAS, The construction of the Building also includes a USG improvements component, which includes USG's construction of certain USG tenant improvements and includes costs for interior construction, fire protection, electrical and mechanical work, furniture and furniture installation, carpeting, telecommunications systems and architectural costs within the USG premises (such USG construction work, together with the USG job covenants described below, the "USG Project", and collectively, together with the Building Project, the "Project"); and

WHEREAS, The Developer and USG have entered into that certain lease dated as of April 23, 2004 the ("USG Lease"), pursuant to which the Developer has leased approximately two hundred twenty-five thousand (225,000) square feet in the Building (the "USG Premises") to USG for a period of fifteen (15) years, subject to the terms and conditions contained therein; and

WHEREAS, The Developer will be obligated to undertake the Building Project 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, with such Building Project to be financed in part by certain pledged incremental taxes deposited from time to time in the Special Tax Allocation Fund for the Canal/Congress Redevelopment Project Area (as defined in the T.I.F. Ordinance) pursuant to Section 5/11-74.4-8(b) of the Act ("Incremental Taxes"); and

WHEREAS, USG will be obligated to undertake the USG Project in accordance with the Plan and pursuant to the terms of such proposed redevelopment agreement by virtue of its execution of a limited joinder, pursuant to which USG shall bind itself to certain provisions of the redevelopment agreement and certain other obligations, including, without limitation, USG's (a) relocation of its corporate headquarters from

125 South Wacker Drive and not less than five hundred (500) full-time equivalent jobs to the Building, and (b) maintenance of USG's corporate headquarters and at least five hundred (500) full-time equivalent jobs at all times for a period of ten (10) years, all as more fully described in the proposed redevelopment agreement;

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

WHEREAS, Pursuant to its Resolution 04-CDC-27 adopted by the Community Development Commission of the City of Chicago (the "Commission") on April 13, 2004, the Commission has recommended that the Developer be designated as developer for the Project and that D.P.D. be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Developer for the Project, to which USG shall execute a limited joinder; 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 D.P.D. (the "Commissioner") or a designee of the Commissioner is each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver a redevelopment agreement between the Developer and the City, and with the limited joinder therein of USG, substantially in 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. The City Council of the City hereby finds that the City is authorized to issue its tax increment allocation revenue obligation in the maximum principal amount not to exceed Six Million Five Hundred Thousand Dollars ($6,500,000) for the purpose of paying a portion of the eligible redevelopment project costs included within the Project.

SECTION 5. There shall be borrowed for and on behalf of the City an amount not to exceed Six Million Five Hundred Thousand Dollars ($6,500,000) for the payment of a portion of the eligible redevelopment project costs included within the Project. The borrowing shall be evidenced by a note of the City in a principal amount not to exceed the lesser of (a) Six Million Five Hundred Thousand Dollars ($6,500,000), or

(b) such lesser amount of T.I.F.-Funded Costs (exclusive of T.I.F.-Funded Interest Costs) as may be incurred prior to the Completion Date (as such capitalized terms are defined in the Redevelopment Agreement). The note shall be issued and be designated "Tax Increment Allocation Revenue Note Canal/Congress Redevelopment Project Area (550 West Adams Street Project) (the "City Note"). The City Note shall be dated as of the date of delivery thereof, shall bear the date of authentication, shall be in fully registered form, shall be in the denomination of the maximum outstanding principal amount thereof and shall become due and payable as provided therein.

The City Note shall bear interest at a fixed interest rate of eight and seventy-five hundredths percent (8.75%) per annum (the "Interest Rate"). Interest on the City Note shall be subject to federal income taxes. Interest shall be computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months. Accrued and unpaid interest on each Note shall compound on January 1 of each year and thereafter bear interest at a fixed interest rate equal to the Interest Rate.

The principal of and interest on the City Note shall be paid by check or draft of the Comptroller of the City, as registrar and paying agent (the "Registrar") (or, at the City's sole election, by wire transfer of funds), payable in lawful money of the United States of America to the persons in whose name the City Note is registered at the close of business on the fifteenth (15th) day of the month immediately prior to the applicable payment date; provided, that the final installment of the principal and accrued but unpaid interest of such City Note shall be payable in lawful money of the United States of America at the principal office of the Registrar or as otherwise directed by the City.

The seal of the City shall be affixed to or a facsimile thereof printed on the City Note, and the City Note shall be signed by the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the City Clerk of the City, and in case any officer whose signature shall appear on the City Note shall cease to be such officer before the delivery of the City Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The City Note shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Registrar, as authenticating agent of the City for the City Note and showing the date of authentication. The City Note shall not 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 Registrar by manual signature, and such certificate of authentication upon the City Note shall be conclusive evidence that the City Note has been authenticated and delivered under this ordinance.

SECTION 6. The City shall cause books (the "Register") for the registration and for the transfer of the City Note (to the extent such transfer is permitted under the Redevelopment Agreement) as provided in this ordinance to be kept at the principal office of the Registrar, which is hereby constituted and appointed the registrar of the City for the City Note. The City is authorized to prepare, and the Registrar shall keep custody of, multiple note blanks executed by the City for use in the transfer of the City Note.

Upon surrender for a transfer of the City Note authorized under the Redevelopment Agreement at the principal office of the Registrar (including specifically, but without limitation, in connection with the Developer's transfer of the City Note to USG on the Completion Date), duly endorsed by, or accompanied by (i) a written instrument or instruments of transfer in form satisfactory to the Registrar, (ii) an investment representation in form satisfactory to the City and duly executed by the registered owner or his attorney duly authorized in writing, (iii) the written consent of the City evidenced by the signature of the Commissioner (or his or her designee) on the instrument of transfer, and (iv) any deliveries required under the Redevelopment Agreement, the City shall execute and the Registrar shall authenticate, date and deliver in the name of any such authorized transferee a new fully registered City Note of the same maturity, of authorized denomination and for a like aggregate principal amount. The execution by the City of a fully registered City Note shall constitute full and due authorization of such City Note and the Registrar shall thereby be authorized to authenticate, date and deliver the City Note, provided however, that the principal amount of the City Note authenticated by the Registrar shall not exceed the authorized principal amount of the City Note less previous retirements. The Registrar shall not be required to transfer or exchange the City Note during the period beginning at the close of business on the fifteenth (15^{th}) day of the month immediately prior to the maturity date of the City Note nor to transfer or exchange the City Note after notice calling the City Note for redemption has been made, nor during a period of five (5) days next preceding mailing of a notice of redemption of principal of the City Note. No beneficial interests in the City Note shall be assigned, except in accordance with the procedures for transferring the City Note described above.

The person in whose name the City Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of the City Note shall be made only to or upon the order of the registered

owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such City Note to the extent of the sum or sums so paid.

No service charge shall be made for any transfer of the City Note, but the City or the 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 of the City Note.

SECTION 7. The principal of the City Note shall be subject to determination, reduction and prepayment as provided in the form of the City Note attached to the Redevelopment Agreement as Exhibit G and as provided in the Redevelopment Agreement, including, without limitation, Sections 4.03, 7.05, 8.05 and 15.03 thereof and as provided in the limited joinder, including, without limitation, Section 9 thereof. As directed by the Commissioner, the Registrar shall proceed with redemptions without further notice or direction from the City.

SECTION 8. The Registrar shall note on the payment schedule attached to the City Note the amount of any payment of principal or interest on such City Note, including the amount of any redemption or prepayment and the amount of any reduction in principal pursuant to the Redevelopment Agreement.

SECTION 9. The City Note shall be prepared in substantially the form attached hereto as Exhibits G to the Redevelopment Agreement.

SECTION 10. The City Note hereby authorized shall be executed as provided in this ordinance and the Redevelopment Agreement and thereupon be deposited with the Commissioner, and be by said Commissioner delivered to the Developer.

SECTION 11. (a) Special Tax Allocation Fund. Pursuant to the T.I.F. Ordinance, the City has created a special fund, designated as the Canal/Congress Redevelopment Project Area Special Tax Allocation Fund (the "Tax Allocation Fund").

The Comptroller of the City is hereby directed to maintain the Tax Allocation Fund as a segregated interest-bearing account, separate and apart from the General Fund or any other fund of the City, with a bank which is insured by the Federal Deposit Insurance Corporation or its successor. Pursuant to the T.I.F. Ordinance, all incremental ad valorem taxes received by the City for the Area are to be deposited into the Tax Allocation Fund.

(b) Tax Allocation Fund Subaccounts. There is hereby created within the Tax Allocation Fund two (2) special subaccounts to be known as (i) the "550 West Adams Street Project Account" (the "Project Account") and (ii) the "550 West Adams Area-Wide Account" (the "Area-Wide Account"). The City shall designate and deposit into the Project Account an amount equal to the incremental ad valorem taxes deposited into the Tax Allocation Fund attributable to increases in the equalized assessed value of the tax parcels comprising the Property (such amount, the "Project Incremental Taxes"). The City shall designate and deposit into the Area-Wide Account an amount equal to the incremental ad valorem taxes deposited into the Tax Allocation Fund attributable to increases in the equalized assessed value of the tax parcels comprising the remainder of the Area but excluding the Project Incremental Taxes and the incremental ad valorem taxes attributable to the excluded tax parcels) (such amount, the "Area Available Incremental Taxes"). Subject to the terms and conditions of the Redevelopment Agreement, prior to the Completion Date, the City shall use the Area Available Incremental Taxes and the Project Incremental Taxes to pay T.I.F.-funded interest costs (as defined in the Redevelopment Agreement). Subject to the terms and conditions of the Redevelopment Agreement, after the Completion Date, the City shall use the project available incremental taxes to make payments as follows: first, to pay amounts currently due under City Note, until such current amounts have been fully paid; second, to pay any unreimbursed T.I.F.-funded interest costs currently unpaid; and third, as the City, in its sole discretion so elects, to prepay the City Note or to use such remaining Project Incremental Taxes for any legal purpose. In the event that an event of default under the Redevelopment Agreement entitles the City to permanently terminate further payments of city funds (as defined in the Redevelopment Agreement) with respect to the City Note or T.I.F.-funded interest costs, the City may in its discretion, return the amounts in the applicable subaccount established above that would otherwise be allocated to the payment of the City Note to the Tax Allocation Fund of the City and such subaccount shall be closed. The City may also designate and deposit into the Project Account such other incremental taxes or other legally available funds as it may deem necessary or appropriate in order to pay amounts due under the Redevelopment Agreement.

(c) Pledge Of Developer Subaccounts. The City hereby assigns, pledges and dedicates the Area-Wide Account to the payment of T.I.F.-funded interest costs accruing prior to the Completion Date, as and when due, as more fully described, and subject to the limitations set forth under the terms of the Redevelopment Agreement and the limited joinder, including specifically, but without limitation, Sections 4.03, 5.19 and 7.05 of the Redevelopment Agreement and Section 9 of the limited joinder. The City hereby further assigns, pledges and dedicates the Project

Account to the payment of the principal of and interest, if any, on the City Note on the dates set forth in the debt service schedule to be attached to the City Note, at maturity or upon payment or redemption prior to maturity, and, on and after the Completion Date, to the payment of any unreimbursed T.I.F.-funded interest costs, in the priority set forth above in Section 11(b), in each case, as and when due, as more fully described, and subject to the limitations set forth under the terms of the Redevelopment Agreement and the limited joinder, including specifically, but without limitation, Sections 4.02, 5.19 and 7.05 of the Redevelopment Agreement and Section 9 of the limited joinder. The payments from the Area-Wide Account and the Project Account described above are hereby authorized and appropriated by the City. Upon deposit, the monies on deposit in the Project Account and the Area-Wide Account may be invested as hereinafter provided. Interest and income on any such investment shall be deposited in the applicable subaccount. Upon payment of all amounts due under the City Note and the Redevelopment Agreement in accordance with their terms (or the termination of the City's obligation to make such payments), the amounts on deposit in the Project Account and the Area-Wide Account, as applicable, shall be deposited in the Tax Allocation Fund of the City and the applicable subaccount shall be closed.

SECTION 12. The City Note is a special limited obligation of the City, and is payable solely from amounts on deposit in the Project Account and the Area-Wide Account, as applicable (or such other funds in the Tax Allocation Fund as the City, in its sole discretion, may determine are legally available), and shall be a valid claim of the registered owner thereof only against said sources. The City Note shall not be deemed to constitute an indebtedness or a loan against the general taxing powers or credit of the City, within the meaning of any constitutional or statutory provision. The registered owner(s) of the City Note shall not have the right to compel any exercise of the taxing power of the City, the State of Illinois or any political subdivision thereof to pay the principal of or interest on the City Note.

SECTION 13. Monies on deposit in the Project Account and the Area-Wide Account may be invested as allowed under Section 2-32-520 of the Municipal Code of the City of Chicago (the "Municipal Code"). Each such investment shall mature on a date prior to the date on which said amounts are needed to pay the principal of or interest on the City Note.

SECTION 14. Upon issuance, the City Note shall have an initial principal balance equal to the Developer's prior expenditures for T.I.F.-funded costs (as such term is defined in the Redevelopment Agreement). Such expenditure for such T.I.F.-funded costs shall be deemed to be a disbursement of the proceeds of the City Note.

After initial issuance, the principal amount outstanding under the City Note shall be its initial principal balance, as the same may be increased from time to time in accordance with the execution of certificates of expenditure pursuant to the terms of the Redevelopment Agreement, plus interest thereon, minus any principal amount and interest paid on the City Note, and as further provided for in the Redevelopment Agreement. Execution of each certificate of expenditure shall be deemed an additional disbursement of proceeds of the City Note.

SECTION 15. The Registrar shall maintain a list of the name and address of the registered owner from time to time of the City Note and upon any transfer shall add the name and address of the new registered owner and eliminate the name and address of the transferor.

SECTION 16. The provisions of this ordinance shall constitute a contract between the City and the registered owners of the City Note. All covenants relating to the City Note are enforceable by the registered owners of the City Note.

SECTION 17. The Mayor, the Comptroller, the City Clerk, the Commissioner (or his or her designee) 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 18. 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 19. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict. 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 impair the security for or payment of the instruments authorized by this ordinance; provided further, however, that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for violation of any provision of the Municipal Code.

SECTION 20. This ordinance shall be in full force and effect immediately upon its passage.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".
(To Ordinance)

550 West Adams Street Redevelopment Agreement.

550 WEST ADAMS STREET REDEVELOPMENT AGREEMENT

This 550 West Adams Street Redevelopment Agreement (this "Agreement") is made as of _____, 2004 by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("DPD"), and Christiana Investors, L.L.C., an Illinois limited liability company (together with its permitted successors and permitted assigns under this Agreement, the ("Developer"). USG Corporation, a Delaware corporation currently operating its business as a debtor-in-possession under Chapter 11 of the United States Bankruptcy Code ("USG"), has also executed the Limited Joinder attached to this Agreement for purposes of acknowledging its agreement to the obligations described herein and in such Limited Joinder.

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 reduce or eliminate those conditions the existence of which qualify a redevelopment project area as a "blighted area" or a "conservation area" or a combination thereof 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 November 12, 1998: (1) "An Ordinance of the City of Chicago, Illinois Authorizing Approval of a Tax Increment Redevelopment Plan for the Canal/Congress Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Canal/Congress Redevelopment Project Area as a Tax Increment Financing District"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Canal/Congress Redevelopment Project Area" (the "TIF Adoption Ordinance"). Such TIF Adoption Ordinances were amended pursuant to that certain ordinance adopted by the City Council on June 19, 2002 (collectively referred to herein, together with the TIF Adoption Ordinance, as the "TIF Ordinances"). The redevelopment project area (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project. The Developer has previously acquired certain property located within the Redevelopment Area at 550 West Adams Street, Chicago, Illinois and legally described on Exhibit B hereto (the "Property"). The Developer will build on the Property an 18 story "Class A" office building having approximately 471,000 square feet of net rentable space (the "Building"). The Building will serve as the corporate headquarters for USG and certain of its Affiliates. USG will initially lease approximately 240,000 net rentable square feet in the Building on the 10th through the 18th floors.

The construction of the Building, for purposes of this Agreement, includes completion of all base building improvements (the "Base Building Improvements") and the completion of improvements to the space in the Building that USG will occupy (the "USG Improvements"). The Base Building Improvements, which will be completed by the Developer, include, without limitation: the plumbing, electrical, HVAC, telecommunications and other building systems for the entire Building; the completion of the lobby; the construction of all exterior improvements, including a "green roof" on 100% of the net square footage of the roof (approximately 11,000 square feet), and the construction of all tenant improvements, if any, required to be constructed by Developer, as landlord under the USG Lease (as hereinafter defined). The City is also encouraging achievement of Energy Star Certification and a Leadership in Energy and Environmental Design certification from the United States Green Building Council, though such certifications are not mandatory. The USG Improvements, which will be completed by USG, include the construction of all tenant improvements required to be constructed by USG, as tenant under the USG lease and include interior construction, fire protection, electrical and mechanical work, furniture and furniture installation, carpeting, telecommunications systems and architectural costs.

The Developer and USG have entered into that certain Lease dated as of April 23, 2004 (as the same may be amended further as permitted under Section 8.19(a) and (f) of this Agreement and Section 2(a)and (f) of the Limited Joinder, the "USG Lease"), pursuant to which the Developer has leased the premises described therein (the "USG Premises") to USG for a period of fifteen (15) years, subject to the terms and conditions contained therein. The City's agreement to provide City Funds to the Developer and USG is conditioned upon USG's (a) relocation of its corporate headquarters from 125 South Franklin and retention of not less than 500 Full-Time Equivalent Employees in the City (with at least 450 of such FTEs to be located at the Building) by the Job Creation Date (as hereinafter defined), (b) lease of not less than 225,000 rentable square feet of the Building on the Job Creation Date, (c) maintenance of USG's corporate headquarters at the Building (provided that in the event an Approved Successor succeeds to USG's assets or operations, such headquarters covenant shall be satisfied so long as such Approved Successor maintains operations at the Building as the principal place of business for one or more of USG's significant business units) at all times through the Tenth Anniversary Date, (d) retention of at least 500 FTEs in the City (with at least 450 of such FTEs to be located in the Building) at all times through the Tenth Anniversary Date, and (e) lease of not less than 150,000 rental square feet of the Building at all times prior to the Tenth Anniversary Date, all subject to the terms and conditions set forth herein. The construction of the Base Building Improvements, the USG Improvements, and the parties' compliance with their other respective obligations under this Agreement and the Limited Joinder is sometimes referred to collectively hereinafter 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 Canal/Congress Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan") attached hereto as Exhibit C, as amended from time to time.

F. City Financing: The City agrees to use (a) Area Incremental Taxes to pay the TIF-Funded Interest Costs (subject to the double-asterisked limitation set forth in Section 4.01(c)) and (b) Project Incremental Taxes to pay principal and interest on the Developer Note, the proceeds of which are to be used to reimburse the Developer for TIF-Funded Costs (other than TIF-Funded Interest Costs), all pursuant to the terms and conditions of this Agreement.

G. USG's Chapter 11 Filing and Current Operations. On June 25, 2001, USG and certain of its subsidiaries filed voluntary petitions for reorganization (the "Bankruptcy Filing" under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Chapter 11 cases of USG and its subsidiaries have been consolidated for purposes of joint administration as In re: USG Corporation et al. (Case No. 01-2094).

The Bankruptcy Filing was undertaken by USG in order to resolve asbestos claims related to USG's historical operations in manner that USG deems to be fair and equitable and to protect the

long-term value of USG's building material businesses. USG and such subsidiaries are presently operating their businesses as debtors-in-possession subject to the provisions of the United States Bankruptcy Code. As a result of the Bankruptcy Filing, all pending asbestos lawsuits against USG and its affected subsidiaries have been stayed; no party may take any action to pursue or collect on such asbestos claims absent specific authorization of the Bankruptcy Court. USG is operating its businesses without interruption as a debtor-in-possession and vendors are being paid for goods furnished and services provided after the Bankruptcy Filing date.

However, because of the Bankruptcy Filing, realization of USG's assets and liquidation of USG's liabilities in the ordinary course of business, without substantial adjustments and/or changes in USG's ownership, are subject to uncertainty. For this reason, USG's financial statements are qualified to state that there is substantial doubt about USG's ability to continue as a going concern. Therefore, the City has requested, and USG has granted, the remedies and security described herein and in the Limited Joinder.

Prior to the date hereof, pursuant to that certain Order dated _____, 2004, USG has obtained the approval of the Bankruptcy Court for this Agreement, including the Limited Joinder. As a result of such approval, and upon the parties' execution and delivery of this Agreement and the Limited Joinder, such Agreement and Limited Joinder shall constitute a legally binding post-petition obligation of USG enforceable in accordance with their terms.

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

"Affiljate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with the Developer, Steven D. Fifield, CBRE or USG, as applicable.

"Approved Purchaser" shall mean: (i) any publicly traded real estate investment trust or any private real estate investment trust, foreign pension fund, foreign insurance company or privately held entity with net assets (including net assets of affiliated entities) in excess of $250 million; (ii) any pension fund or investment fund subject to the requirements of ERISA, or any manager thereof;

(iii) any health, welfare or retirement fund of any governmental institution or other entity which would be subject to ERISA but for an exemption in ERISA, or any manager thereof; (iv) any corporation, partnership or other entity that is subject to periodic public financial reporting requirements under any state or federal laws governing securities, banking, or insurance or similar requirements requiring periodic public financial reporting to any governmental agency; (v) any public investment fund, private investment fund or similar entity, regulated by (or specifically exempt from regulation under) federal or state securities laws, whose invested equity funds, equity funds held pending investment or funds subject to capital calls exceed $250 million, or any manager, general partner or managing member thereof; (vi) CBRE and any entity in which CBRE is the majority owner; (vii) USG or a USG Affiliate, (viii) the lender providing the Lender Financing, (ix) any entity that will finance its purchase with at least a 20% equity investment, or (x) such other purchaser as shall be acceptable to the Commissioner of DPD, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, no entity or person shall be an Approved Purchaser if it is (1) in violation of any City ordinances or other City legal requirements, (2) involved in litigation adverse to the City, (3) unable or unwilling to accept an assignment of any unperformed obligations of the Developer under this Agreement.

"Approved Successor" shall mean any USG Affiliate, any entity with whom USG merges or consolidates or which purchases all or substantially all of the assets of USG so long as such successor continues USG's building materials business operations, or any entity succeeding to all or substantially all of the business or assets (or both) of USG, so long as any such successor, as of the date of such merger, consolidation or purchase, employs at least 500 FTEs in corporate office jobs located in the City (with at least 450 of such FTEs to be located at the Building) in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, an "Approved Successor" shall include an independently administered trust established under Section 524(g) of the United States Bankruptcy Code as part of a reorganization of USG as part of the Bankruptcy Filing. In connection with any such merger, consolidation or purchase, USG shall use reasonable efforts, subject to non-disclosure requirements under any applicable securities laws or confidentiality agreements related to such transaction, to deliver to the Commissioner of DPD, not less than 10 days after the public announcement of any such merger, consolidation or purchase, a Notice of Proposed Approved Successor in the form of Exhibit D, making the certifications contained therein. Failure to make such delivery will not prevent an otherwise approved successor from being deemed an Approved Successor provided that such delivery is promptly made upon USG's discovery of such failure.

"Area Incremental Taxes" shall mean the Incremental Taxes for the Redevelopment Area, less and exclusive of those pledged and reserved for making mandatory payments under (i) the 555 West Monroe Redevelopment Agreement dated October 30, 2000, by and between the City and Monroe/Clinton, L.L.C., with a Limited Joinder by The Quaker Oats Company, (ii) the U.S. Fitness L.L.C. Redevelopment Agreement by and between the City and U.S. Fitness L.L.C. dated July 25, 2001, (iii) the redevelopment agreement to be entered into by and between 550 Jackson Associates, L.L.C. and the City; and (iv) such other redevelopment agreements as may be entered into by the City and developers after May 1, 2004, so long as the only Incremental Taxes pledged and reserved

under such additional redevelopment agreements, if any, are those attributable to the project site for such redevelopment project(s).

"Bad Year" shall mean a Calculation Period during which the job retention requirement included in Section 4(a)(ii) or Section 4(a)(iii) of the Limited Joinder is breached.

"Bankruptcy-Related Default" shall mean (a) the conversion of USG's chapter 11 Bankruptcy Filing into a chapter 7 proceeding, or (b) any other dissolution, liquidation, sale of substantially all of USG's assets (except to an Approved Successor who assumes in writing USG's obligations under this Agreement), assignment for benefit of creditors, (c) any other action, whether as a consequence of USG's Bankruptcy Filing, changes in federal law or otherwise related to USG's current Bankruptcy Filing that results in the substantial cessation of USG's core operations as a building materials company, or (d) USG's public announcement prior to the Security Cut-Off Date of its commitment to relocate USG's corporate headquarters outside of the City.

"Base Building Improvements" shall mean the improvements described in the second sentence of the second paragraph of Recital D.

"Base Building Improvements Budget" shall mean the budget attached hereto as Exhibit E-1, showing the total cost of the Base Building Improvements by line item, furnished by the Developer to DPD, in accordance with Section 3.03 hereof. Notwithstanding the preceding sentence and the inclusion of line items in the Base Building Improvements Budget and Building MBE/WBE Budget, the costs of completing tenant improvement work for tenants in the Building other than USG and the "vanilla-box" build-out of first-floor retail tenant space shall not be construed to be included in the "Base Building Improvements" definition.

"Building Certificate" shall mean the Certificate described in Section 7.01(a) hereof for the Base Building Improvements.

"Building Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit F, to be entered into between the Developer and the General Contractor relating to the construction of the Base Building Improvements.

"Building General Contractor" shall mean Power Construction Company, L.L.C., an Illinois limited liability company, or such other general contractor as shall be designated by the Developer and shall be reasonably acceptable to DPD.

"Building Plans and Specifications" shall mean the final construction documents containing a site plan and working drawings and specifications for the Base Building Improvements.

"Calculation Period" shall mean any rolling twelve (12) month period (e.g., from October 1st of one calendar year through September 30th of the following calendar year) after the Job Creation Date through and including the Tenth Anniversary Date.

"CBRE" shall mean CB Richard Ellis Strategic Partners, L.P. III, or any single asset entity substantially owned and controlled by such entity.

"CBRE Financing" shall mean the funds borrowed by the Developer from CBRE or another third party lender reasonably acceptable to DPD to pay for Project costs in the amount set forth in Section 4.01. If CBRE converts its investment with respect to the Project from that of a lender to that of an equity investor, the return paid to CBRE with respect to its investment shall not constitute TIF-Funded Interest Costs from and after the date on which such conversion occurs (and, if such conversion is given retroactive effect under the terms of the applicable documents, from and after such retroactive date). The final determination of whether the return paid to CBRE constitutes a TIF-Funded Interest Costs shall be made by the Corporation Counsel, in its sole discretion.

"Certificate of Expenditure" shall mean a certificate in the form of the certificate of expenditure attached as Schedule 1 to the City Note.

"Change Order" shall mean any amendment or modification to the Building Plans and Specifications, the USG Plans and Specifications, the Base Building Improvements Budget or the USG Improvements Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

"City Funds" shall mean the funds described in Section 4.01(c) hereof, as the same may be reduced or terminated pursuant to this Agreement.

"City Note" shall mean the City of Chicago Tax Increment Allocation Revenue Note (550 West Adams Street) to be in the form attached hereto as Exhibit G , which will be issued by the City to the Developer on the Closing Date.

"City Note Maximum Principal Amount" shall mean the maximum principal amount of the City Note, which shall be equal to the lesser of (a) $6,500,000, or (b) such lesser amount of TIF-Funded Costs (exclusive of TIF-Funded Interest Costs) as may be incurred prior to the Completion Date. Any interest on the principal of the City Note that is to be compounded in accordance with the terms of this Agreement and the City Note shall not be deemed to be subject to the City Note Maximum Principal Amount.

"Clawback Amount" shall mean the amount of TIF-Funded Interest Costs that have accrued prior to the Completion Date, regardless of whether the reimbursement of such TIF-Funded Interest Costs occurs prior to or after such date.

"Closing Date" shall mean the date of execution and delivery of this Agreement and the Limited Joinder by all parties hereto and thereto

"Completion Date" shall mean the date on which the conditions precedent specified in

Section 5.19(b) have all been satisfied.

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

"Developer" shall mean Christiana Investors, L.L.C., an Illinois limited liability company, and its permitted successors and permitted assigns under this Agreement, or such other entity controlled by Steven D. Fifield..

"Developer Equity" shall mean contributed and unreturned capital contributions funded by Steven D. Fifield (and his family members and family trusts, his employees, and such other persons or entities as may be reasonably acceptable to the Commissioner of DPD) in connection with the acquisition and construction of the Project.

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

"Developer Reimbursement Event" shall mean an act or omission of the Developer or its Affiliates, or CBRE or its Affiliates resulting in a Developer Event of Default relating to: (i) a material and intentional misrepresentation to the City related to the Project, (ii) a fraudulent act or omission related to the Project, (iii) a material and intentional misappropriation of funds from the uses set forth in the Base Building Improvements Budget resulting in the receipt by the Developer, CBRE or their Affiliates of additional fees, commissions or compensation not disclosed in such Project Budget or otherwise approved in writing by DPD; (iv) any intentional or material waste to the Property or any portion thereof; (v) use of City Funds for payment or reimbursement of amounts other than the TIF-Funded Costs; (vi) a breach of the sale, refinancing, assignment and other provisions in Section 8.01(j),(k) or (m) or Section 18.15; (vii) any material breach of Developer's representations, warranties or covenants regarding environmental matters contained in this Agreement, as applicable; (viii) the occurrence of any material uninsured casualty event to the Building for which the landlord under the USG Lease is required to carry insurance, unless the portion of the Building damaged by such event is restored within a reasonable period of time; (ix) the material misappropriation or misapplication of insurance proceeds or condemnation awards relating to the Property; (x) any material misrepresentation in any Economic Disclosure Statements and Affidavit submitted by the Developer; (xi) any receipt of City Funds after the occurrence of a Developer Event of Default, or the occurrence of an event which, if prompt notice of such event had been given, would have entitled the City to withhold, suspend, reduce or terminate the disbursement of such City Funds under this Agreement, or (xii) a breach of the lease amendment and financial arrangement restrictions in Sections 8.19(b) or (f) of this Agreement.

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

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

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

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Financial Statements" shall mean complete audited financial statements of the Developer, prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, or such other financial statements as may be reasonably acceptable to DPD.

"First Bad Day" shall mean the first day of the Bad Year.

"Full-Time Equivalent Employee" or "FTE" shall mean an employee USG, or an employee of a USG Affiliate, or an employee of an Approved Successor to USG (or, with respect to job shares or similar work arrangements, such employees taken collectively) who is employed at least 35 hours per week at the Building(or with respect to up to 50 FTEs, at another location within the City) during the applicable month. FTEs shall not include persons employed as independent contractors, third party service providers, consultants or persons employed by other third parties in positions ancillary to USG's operations at the Building, including, without limitation, food service workers, security guards, cleaning personnel, or similar positions.

"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.

"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 to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Job Creation Date" shall mean the date USG commences operations at the USG Premises, which, subject to the terms of Section 3.01, shall in no event be later than April 1, 2007, subject to delays by the Developer in delivering the USG Premises to USG for its tenant improvement work.

"KeyBank" shall mean KeyBank National Association, individually and as Agent, its

successors and assigns.

"Lender Financing" shall mean funds borrowed by the Developer from KeyBank or any other lender reasonably acceptable to DPD to pay for Project costs, in the amount set forth in Section 4.01 hereof.

"Material Amendment" shall mean an amendment (other than as described in the last sentence of this paragraph) of the USG Lease the net effect of which is to directly or indirectly do any of the following: (a) materially reduce, increase, abate or rebate base rent, other amounts deemed rent, operating expense payments, tax payments, tenant improvement allowances or credits, or other monetary amounts payable (or monetary credits) under the USG Lease, or otherwise confer or take away any material economic benefit, in each case taking into account all direct economic effects under the USG Lease of the amendment; or (b) shorten the initial 15-year term of the USG Lease or grant additional early termination rights that, if exercised, would shorten the initial 15-year term of the USG Lease. Reductions or expansions of space pursuant to the express expansion or contraction rights granted in the USG Lease in effect as of the date hereof shall not constitute Material Amendments.

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

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

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

"Notice of Proposed Transfer/Refinancing" shall mean a written notice delivered by the Developer to the City in the form of Exhibit H, with all certificates and attachments completed, and a copy of the contract of sale or refinancing commitment letter.

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

"Permitted Refinancing" shall mean a refinancing permitted under Section 8.01(k).

"Permitted Transfer" shall mean (a) a transfer by Steven D. Fifield of any ownership or economic interest held in the Developer (or any upper-tier owner of the Developer) to (i) a family member or a personal trust of Steven D. Fifield or such family member, of which Steven D. Fifield is the trustee, for estate planning purposes, (a "Fifield Trust"), (ii) an employee (or his/her family members) of Fifield Realty Company or any entity controlled by Steven D. Fifield, or (iii) such other person or entity as may be acceptable to the Commissioner of DPD, in her sole discretion, as evidenced by the Commissioner's prior written approval. Notwithstanding the foregoing, no transfer

shall be a Permitted Transfer if, after giving effect to such transfer, either (x) Steven D. Fifield (or a Fifield Trust) is not a managing member of the Developer, unless CBRE has exercised its rights to replace Mr. Fifield as such managing member under the terms of the Developer's operating agreement and itself become the managing member, or (y) Steven D. Fifield and any Fifield Trusts have invested, in aggregate, less than $1,000,000 of the Developer Equity. The conversion of CBRE's construction loan to an increased equity interest in the Developer shall also be deemed a Permitted Transfer. A transfer of less than a 30% interest in the Developer to an entity or individual who holds such investment as passive investment and exercises no substantive control over the Developer's operations shall also be deemed a Permitted Transfer.

"Planned Development" shall mean that certain Planned Development No. 756 approved by the City Council of the City applicable to the Property and certain other real property, as the same may be modified or amended from time to time.

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

"Project Budget" shall mean the budget attached hereto as Exhibit E, showing the total cost of the Project by line item, or such other budget as DPD shall approve, in its reasonable discretion, in accordance with Section 3.04 hereof.

"Project Incremental Taxes" shall mean the sum of (a) those Incremental Taxes attributable to the tax parcels comprising the Property, which, as of the date of this Agreement, have the PINs set forth on Exhibit B, plus (b) if the City, it its sole discretion, so elects, such other Area Incremental Taxes, if any, as the City may designate for repayment of the City Note or payment of TIF-Funded Interest Costs.

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

"Security Cut-Off Date" shall mean the date that is twelve (12) months after the date on which the Bankruptcy Court confirms a plan or plans of reorganization in USG's chapter 11 bankruptcy proceeding, provided, however, that if such reorganization is effectuated by means of new federal legislation rather than by confirmation of a plan or plans of reorganization by the Bankruptcy Court, the first day of such 12 month period shall be the effective date of such federal legislation.

"Security Instrument" shall mean an irrevocable, standby, direct pay letter of credit naming the City as beneficiary or such other form of security as may be proposed by USG and may be acceptable to the City, in its sole discretion. The Security Instrument shall secure USG's repayment of any applicable Clawback Amount. The Security Instrument shall remain outstanding and available to be drawn upon until 30 days after the Security Cut-Off Date. If no Bankruptcy-Related Default has occurred by the Security Cut-Off Date, the Security Instrument shall be promptly

returned to USG. The Security Instrument shall initially be provided to the City on the date of the City's first reimbursement of TIF-Funded Interest Costs and shall be in an amount equal to such reimbursement payment. Thereafter, on each subsequent date on which the City makes an additional reimbursement of TIF-Funded Interest Costs included within the Clawback Amount, the principal amount of the Security Instrument shall be increased by a like amount. The Security Instrument shall only secure Clawback Amounts that become repayable as a result of a Bankruptcy-Related Default and shall not secure the repayment of other amounts that may become repayable under this Agreement or the Limited Joinder due to other Events of Default.

"Survey" shall mean a plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within 45 days prior to the Closing Date, acceptable in form and content to the City, prepared by a surveyor registered in the State of Illinois, certified to the City, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency.

"Tenth Anniversary Date" shall mean with respect to the USG minimum leasing, headquarters and jobs covenants set forth in Section 4 of the Limited Joinder, the tenth anniversary of the Job Creation Date.

"Term of the Agreement" shall mean the period of time commencing on the execution of this Agreement and ending on the Tenth Anniversary Date. Such definition is used herein with respect to setting a expiration date for certain Developer and USG obligations and shall not excuse the City from making any payments that may be payable after such expiration date, if any.

"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 Costs" shall mean costs for those portions of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Plan, (iii) are set forth in the Project Budget, or are TIF-Funded Interest Costs associated with the Lender Financing, the CBRE Financing, or a Permitted Refinancing, and (iv) the City has agreed to pay for out of the City Funds, in accordance with and subject to the terms of this Agreement.

"TIF-Funded Interest Costs" shall mean TIF-Funded Costs described in Section 5/11-74.4-3(q)(11) of the Act.

"TIF-Funded Interest Costs Maximum Amount" shall mean an amount equal to the difference between (a) $9,750,000, and (b) the City Note Maximum Principal Amount.

"Title Company" shall mean Chicago Title Insurance Company, or such other reputable title company as may be reasonably acceptable to the City.

"Title Policy" shall mean 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.

"Transfer" shall mean any direct or indirect sale, transfer, conveyance, assignment, lease or other disposition of the Property, or any portion thereof, or any interest or estate therein, or any direct or indirect sale, transfer, assignment or other disposition of any ownership interest in the Developer or any upper-tier owner of the Developer that has the practical effect of transferring a 51% or more ownership interest in or control of the Property.

"USG Certificate" shall mean the Certificate described in the second paragraph of Section 7.01(b) hereof for the USG Improvements.

"USG Construction Contract" shall mean the construction contract to be entered into between USG and the USG General Contractor relating to the construction of the USG Improvements.

"USG Event of Default" shall have the meaning set forth in Section 7 of the Limited Joinder.

"USG General Contractor" shall mean the general contractor under the USG Construction Contract.

"USG Improvements Budget" shall mean the budget attached hereto as Exhibit E-2, showing the total cost of the USG Improvements by line item, furnished by USG to DPD, in accordance with Section 3.03 hereof.

"USG Plans and Specifications" shall mean the final construction documents containing working drawings and specifications for the USG Improvements.

"USG Reimbursement Event" shall mean an act or omission of USG resulting in a USG Event of Default and relating to: (i) a material and intentional misrepresentation to the City related to the Project, (ii) a fraudulent act or omission related to the Project, (iii) any material misrepresentation in any Economic Disclosure Statements and Affidavit submitted by USG; (iv) any receipt of City Funds (or the benefit of such City Funds pursuant to the USG Lease) after the occurrence of a USG Event of Default or the occurrence of an event which, if prompt notice of such event had been given, would have entitled the City to withhold, suspend, reduce or terminate the disbursement of City Funds under this Agreement or the Limited Joinder, and (v) a breach of the lease amendment and financial arrangement restrictions in Sections 2(b) or (f) of the Limited Joinder.

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

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

SECTION 3. THE PROJECT

3.01. The Project.

(a) The Base Building Improvements. With respect to the Base Building Improvements, the Developer shall, pursuant to the Building Plans and Specifications and the USG Lease, and subject to the provisions of Section 18.17 hereof, (i) commence construction of the Base Building Improvements no later than January 1, 2005, and (ii) complete construction of the Base Building Improvements no later than June 1, 2006.

(b) The USG Improvements. With respect to the USG Improvements, USG shall, pursuant to the USG Plans and Specifications and the USG Lease, and subject to the provisions of Section 3.01(c) and Section 18.17 hereof and further subject to delays by the Developer in delivering the USG Premises to USG by the date set forth in the USG Lease in order to permit USG to commence construction of the USG Improvements, (i) substantially complete construction of the USG Improvements no later than October 1, 2006, (ii) commence business operations at the USG Premises, with not less than 225,000 square feet leased and not less than 500 FTEs located within the City (with not less than 450 FTEs at the USG Premises), no later than April 1, 2007, and (iii) complete the USG Improvements by April 1, 2007.

(c) Consent to Changes in Milestone Dates. The milestone dates set forth in Section 3.01(a) and (b) may be extended by three months without the consent of the City. The Commissioner must consent to any extension of the milestone dates set forth in Sections 3.01(a) and (b) above that is beyond three months past the dates specified above. Such consent shall not be unreasonably withheld provided that the Commissioner is provided with reasonable evidence that the Developer and USG remain able to perform their obligations under this Agreement. Nothing herein shall be construed to amend or modify the rights and obligations as between the Developer and USG under the USG Lease concerning construction timing, schedule and requirements.

3.02 Plans and Specifications. The Developer has delivered the Building Plans and Specifications to DPD, and DPD has approved same. Prior to commencing the USG Improvements, USG will also deliver the USG Plans and Specifications to DPD. After DPD's initial approval of the Building Plans and Specifications, subsequent proposed changes to the Building Plans and Specifications shall be submitted to DPD as a Change Order pursuant to Section 3.04 hereof and for such approval, if any, required under Section 3.04. All such plans and specifications shall at all times conform to the Redevelopment Plan attached as Exhibit C and all applicable federal, state and local laws, ordinances and regulations. The Developer and USG shall submit all necessary documents to such City departments and other governmental authorities as may be necessary to

acquire building permits and other required approvals for the Base Building Improvements and the USG Improvements, respectively.

3.03 Project Budget.

The Developer and USG have furnished to DPD, and DPD has approved, the Project Budget attached as Exhibit E, the Base Buildings Improvements Budget attached as Exhibit E-1, and the USG Improvements Budget attached as Exhibit E-2.

The Developer hereby certifies to the City that the Lender Financing and the CBRE Financing, together with the funds to be disbursed by the Developer and Steve D. Fifield, all as described in Section 4.01 hereof, shall be sufficient to complete the Base Building Improvements.

The Project Budget includes an amount not less than Thirty-Five Million Seven Hundred Fifty-Nine Thousand and Twenty-Seven Dollars ($35,759,027) attributable to the USG Improvements.

The Developer and USG, as applicable, shall promptly deliver to DPD certified copies of any Change Orders with respect to the Project Budget, the Base Building Improvements Budget and the USG Improvements Budget, respectively. Only Change Orders described in Section 3.04 will be subject to DPD's approval.

3.04 Change Orders. Any Change Orders that individually or in aggregate (a) permanently decrease the Base Building Improvements Budget by more than five percent (5%) percent, (b) reduce the net rentable square footage of the Building by more than five (5%), or (c) change the basic use of the Building must be submitted by the Developer to DPD for DPD's prior written approval. DPD will attempt to expeditiously review any such Change Order request and approve or disapprove (with a brief written explanation given of any disapproval) such proposed Change Order within fifteen (15) day of its receipt thereof. Subject to the next sentence, DPD's failure to respond to a proposed Change Order described in preceding clauses (a) or (b) within such time period shall be deemed to be an approval. In order for such deemed approval provision to be operative, the written Change Order request shall state in all boldface, capitalized type: **"THIS CHANGE ORDER SEEKS AN APPROVAL FROM DPD WHICH, IF NOT APPROVED OR DISAPPROVED WITHIN 15 DAYS OF DPD'S RECEIPT, SHALL RESULT IN THE DEEMED APPROVAL OF THE CHANGE REQUESTED."** Neither the Developer nor USG shall authorize nor permit the performance of any work relating to Change Order described in the preceding clauses (a), (b) or (c) or the furnishing of materials in connection therewith prior to the receipt of DPD's written approval, or DPD's deemed approval. The Building Construction Contract and each contract between the Building 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 payable pursuant to this Agreement or provide any other additional financial assistance. DPD shall be notified in writing of all other Change Orders as part of the progress reports submitted by the Developer and USG pursuant to Section 3.07.

3.05. DPD Approval. Any approval granted by DPD of the Building Plans and Specifications, the USG Plans and Specifications and any 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 it constitute approval of the quality, structural soundness or safety of any portion of the Building, the Property or any portion of 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, the Developer's and USG's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. Neither the Developer nor USG shall commence construction of their respective portions of the Project until it has obtained all necessary permits and approvals and, with respect to the Developer, proof of the Developer's bonding with respect to any work in the public way.

3.07 Progress Reports. The Developer and USG shall each provide DPD with written quarterly progress reports detailing the status of their respective portions of the Project, including a revised, extended completion date, if necessary (with any extended completion date beyond three months being considered a Change Order, requiring DPD's written approval pursuant to Section 3.05). The Developer shall provide DPD with copies of all draw request packages relating to the construction of the Base Building Improvements. The Developer shall also provide DPD's monitoring staff with monthly documentation including, without limitation, a current subcontractor's activity report, a contractor's certification concerning labor standards and prevailing wage requirements, a monthly MBE/WBE utilization report, a monthly City resident hiring report, and certified payroll records. Beginning with the first month after commencement of construction of the USG Improvements, USG shall provide the City with the same monthly information required under the preceding three sentences with respect to such USG Improvements work. When construction of the Base Building Improvements is approximately 25%, 50%, 70% and 100% complete, and when construction of the USG Improvements is approximately 25%, 50%, 70% and 100% complete, the Developer and USG, as applicable, shall also provide DPD with reports summarizing the status of such party's own MBE/WBE utilization, City resident hiring and the payment of prevailing wages, with a plan to address any shortfall, if necessary.

3.07A Inspecting Architect. With respect to the Base Building Improvements, the inspecting architect for the lender providing the Lender Financing, and with respect to the USG Improvements, such person as USG may designate (which may be USG's architect for the USG Improvements), shall also serve as the inspecting architect for the City. Such inspecting architects shall perform periodic inspections with respect to the Base Building Improvements and the USG Improvements, as applicable, and shall provide certifications with respect thereto to DPD, including, without limitation, in connection with the City's issuance of the Building Certificate and the USG Certificate. The Developer and USG, as applicable, shall pay any amounts payable to such inspecting architects for their services to the City under this Section 3.07A.

3.08 Barricades. Prior to commencing any construction requiring barricades, the Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. DPD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades. DPD shall approve or disapprove (with a brief written explanation given of any disapproval) such proposed materials within ten (10) business days of its receipt thereof.

3.09 Signs, Public Relations, Landscaping. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided in part by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer, USG and the Project in the City's promotional literature and communications. After its initial approval of the signage disclosed in the Building Plans and Specifications and the USG Plans and Specifications, DPD retains the right to approve any material changes in the maintenance, appearance, color scheme, painting, nature, type, content and design of all signage on the Building and all landscaping on the Property. DPD shall approve or disapprove (with a brief written explanation given of any disapproval) such proposed materials within fifteen (15) days of its receipt thereof. Failure to approve such proposed Change Order within such time period shall be deemed to be an approval, provided that the written notice includes the boldface, capitalized language specified in Section 3.04.

3.10 Utility Connections. The Developer and USG 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 they first comply with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

3.11 Permit Fees. In connection with the Project, the Developer and USG 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.

(a) Project Costs. The aggregate cost of the Base Building Improvements is estimated to be Seventy-Five Million One Hundred Seventy-Nine Thousand Five Hundred Forty Dollars ($75,179,540). The aggregate cost of the USG Improvements is estimated to be Thirty-Five Million Seven Hundred Fifty-Nine Thousand and Twenty-Seven Dollars ($35,759,027).

(b) Sources of Funds for Project Costs. Project costs shall be initially funded from the following sources:

Developer Equity	$3,500,000
Lender Financing	$75,998,483
CBRE Financing	$37,422,600
ESTIMATED TOTAL:	$116,920,483

NOTE: The estimated sources of funds exceed the Project costs because as of the date of City Council introduction, the final commitments and allocations for Lender Financing and CBRE Financing had not been determined.

(c) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4 (and the asterisked provisions below), Section 5 and Section 8.05 hereof, the City hereby agrees to reserve City Funds from the sources and in the apportioned amounts described below (the "City Funds") to repay the City Note and to pay the TIF-Funded Interest Costs:

Source of City Funds	City Payment Obligation	Maximum Amount
Project Incremental Taxes	City Note	City Note Maximum Principal Amount*
Area Incremental Taxes**	TIF-Funded Interest Costs	TIF-Funded Interest Costs Maximum Amount

* The sum of the City Note Maximum Principal Amount, plus the TIF-Funded Interest Costs Maximum Amount, shall equal $9,750,000. The City also agrees to reserve City Funds from Project Incremental Taxes to pay simple interest on the principal amount from time to time outstanding under the City Note at the rate of eight and 75/100 percent (8.75%) per annum, subject to the terms and conditions of this Agreement and such City Note. Such interests costs on the City Note shall not constitute TIF-Funded Interest Costs.

** Notwithstanding the above, after the payment of TIF-Funded Interest Costs accrued with respect to the 2006 calendar year from Area Incremental Taxes, thereafter, only Project Incremental Taxes shall be reserved and used to make payment of TIF-Funded Interest Costs accrued with respect to 2007 and any subsequent calendar years, up to the TIF-Funded Interest Costs Maximum Amount. Project Incremental Taxes shall, as between amounts due with respect to the City Note and amounts due with respect to TIF-Funded Interests Costs, be applied first to make all scheduled payments due with respect to the City Note (and any voluntary prepayment of the City Note that the City may elect to make), and then to TIF-Funded Interest Costs. In 2005, the City shall not make any payments of TIF-Funded Interest Costs accrued with respect to the 2004 calendar year. In no event shall the TIF-Funded Interest Costs paid in 2006 exceed the lesser of (w) the actual TIF-Funded Interests Costs accrued with respect to the 2004 and 2005 calendar years, and (x) $1,625,000. In no event shall the TIF-Funded Interest Costs paid in 2007 exceed the lesser of (y) the actual TIF-Funded

Interests Costs accrued with respect to the 2006 calendar year, and (z) $1,625,000, unless the TIF-Funded Interest Costs accrued with respect to the 2004 and 2005 calendar years were less than $1,625,000 and the TIF-Funded Interest Costs accrued with respect to the 2006 calendar year were more than $1,625,000, in which case the City shall also pay such amount in excess of $1,625,000 as may be necessary to pay, in aggregate, $3,250,000 in TIF-Funded Interest Cost with respect to the 2004, 2005 and 2006 calendar years (such payments to be made in 2006 and 2007). The provisions of this double-asterisked paragraph are intended to set forth certain limitations regarding the reservation and pledge of Incremental Taxes and caps on the payment of Area Incremental Taxes for certain years and are not intended to modify or reduce the calculation of the TIF-Funded Interest Costs Maximum Amount.

(d) Sufficiency City Funds. It is hereby understood and agreed to by the Developer and USG that the City does not make any representations that the amount of the Project Incremental Taxes will be sufficient to repay the City Note or that the amount of Area Incremental Taxes (and Project Incremental Taxes, as the case may be) will be sufficient to reimburse the Developer for the TIF-Funded Interest Costs. The Developer and USG acknowledge and agree that the City has committed to reserve only the Project Incremental Taxes to repay the City Note, and the Area Incremental Taxes (subject further to the double-asterisked limitation set forth in Section 4.01(c)) to make reimbursement of the TIF-Funded Interest Costs, and that neither the Developer nor USG has any right or claim to, and the City shall be free to otherwise reserve, pledge and commit to other redevelopment projects or financing, any other Incremental Taxes. The City acknowledges and agrees, however, that, subject to the reservations and designations set forth in the "Area Incremental Taxes" definition, the Developer and USG shall otherwise have a first priority claim to the Area Incremental Taxes committed and reserved under this Section 4.

4.02 City Note

(a) Issuance of City Note. Subject to the terms and conditions of this Agreement, the City shall issue a taxable City Note to the Developer on the Closing Date. The initial principal balance of the City Note, as of its issuance, shall equal the TIF-Funded Costs incurred by the Developer prior to the Closing Date.

(b) Increases in Principal Amount of City Note; Certificate of Expenditure. After the issuance of the City Note and prior to the Completion Date, the Developer may, up to four times per calendar year, provide DPD with a Certificate of Expenditure to request an increase in the principal amount of the City Note. The Developer shall also submit, along with such Certificate of Expenditure, documentation necessary to establish the Developer's incurrence of the TIF-Funded Costs covered by such certificate. Exhibit J sets forth certain TIF-Funded Costs for the Project that are intended to be evidenced by the City Note. Upon DPD's request, the Developer shall meet with DPD to discuss the Certificate of Expenditure. If DPD approves and executes such Certificate of Expenditure, the outstanding principal indebtedness under the City Note shall then be increased by the amount set forth in such Certificate of Expenditure effective as of the execution date of such certificate. In no instance shall the Developer submit a Certificate of Expenditure that includes costs

that the Developer has not previously paid, nor costs for correcting deficient work, nor costs for replacing deficient materials, or other costs attributable to a failure to initially complete the Project in accordance with all applicable laws and City requirements. No Certificate of Expenditure will be issued after the Completion Date, and the principal amount of the City Note shall be finally fixed on such date. From the date of issuance of the City Note until December 31, 2005, interest on the principal amount of the City Note shall accrue and, on December 31, 2005, compound and be capitalized and included within the principal amount thereof. From January 1, 2006 through the Completion Date, interest shall accrue and shall, on such Completion Date, compound and be capitalized and included within the principal amount of the City Note. The interest that accrues and is compounded and capitalized pursuant to the preceding two sentences shall not be deemed to be subject to the City Note Maximum Principal Amount limitation.

(c) City Note Maximum Principal Amount. In no event shall the maximum principal amount of the City Note be increased to an amount greater than the lesser of (i) $6,500,000, and (ii) the sum of (A) the initial principal balance of the City Note, plus (B) the aggregate, additional TIF-Funded Costs (exclusive of TIF-Funded Interest Costs) evidenced by Certificates of Expenditures approved and executed by DPD prior to the Completion Date.

(d) Developer to Hold City Note In Trust for USG. After the issuance date, and prior to the Completion Date, the Developer shall hold the City Note in trust for USG. During such time, the City Note may not be transferred by the Developer in any way, nor may it be pledged or collaterally assigned, except to USG. By execution of this Agreement, the Developer hereby disclaims, waives and releases any right, title or interest in such City Note (except in its capacity as the registered owner and holder of such City Note, in trust for USG) and any right to ever receive any payment with respect to such City Note. The parties acknowledge and agree that such City Note is being issued to the Developer because it is the Developer that is incurring TIF-Funded Costs that are reimbursable under the Act, but that the Developer, as a material inducement to USG's execution of the USG Lease and the Limited Joinder to this Agreement, has covenanted in the USG Lease, and hereby covenants, to transfer and assign the City Note to USG on the Completion Date.

(e) Payments on City Note. No payments on the City Note shall be made prior to the assignment of the City Note to USG on the Completion Date unless the City, in its sole discretion, elects to make such payments. If the City elects to make such payments, the Developer, within five (5) business days of receipt of such payment, shall remit to USG a like amount. After the Completion Date and the assignment of the City Note to USG, in order to request the payment of any City Funds with respect to the City Note, USG shall deliver to the City, a completed requisition form in substantially the form of Exhibit K (the "City Note Requisition Form"), together with the documentation described therein, prior to November 30th of each calendar year. The City shall approve or disapprove (with a brief written explanation for any disapproval) a City Note Requisition Form within thirty (30) days of receipt of the City Note Requisition Form. Any disapproved City Note Requisition Form may be resubmitted for approval after any unsatisfied conditions precedent have been satisfied. After such City approval, the City shall then make payments on the City Note on or before February 1st of the succeeding calendar year in accordance with the debt service

schedule that shall be attached to the City Note on the Completion Date. Such debt service schedule shall fully amortize the principal balance of the City Note, and the interest that will accrue thereon, on a constant payment basis, over a ten year period commencing on the Completion Date (i.e., the annual payment amount shall be the same each year over such ten year period). If the Project Incremental Taxes are insufficient to fully pay a scheduled annual payment, any unpaid amount shall also accrue simple interest, and shall be due and payable, along with the next scheduled debt service payment, on the next annual payment date. All City Funds paid pursuant to a City Note Requisition Form shall be used to pay principal and interest costs on the City Note, the proceeds of which were used to reimburse the Developer for its previous payment of TIF Funded Costs.

(f) Prepayment. The City Note may be prepaid at any time without premium or penalty. In the event that the City fails to pay a scheduled debt service payment, the City shall also, to the extent of Project Incremental Taxes, make a "catch-up" payment to repay the unpaid portion of such payment prior to the next scheduled debt service payment date.

4.03 Reimbursement for TIF-Funded Interest Costs.

(a) Statutory Interest Limitation. Subject to the double-asterisked limitation set forth in Section 4.01(c), the City hereby agrees to pay or reimburse the Developer from Area Incremental Taxes for a portion of the interest costs incurred by the Developer that will accrue on (i) the Lender Financing, (ii) the CBRE Financing, and (iii) any refinancing of the Lender Financing or the CBRE Financing that is secured by the Project incurred during the Term of the Agreement, including, without limitation, a refinancing resulting from a sale of the Project (any such financing, provided it further complies with Section 8.01(k), a "Permitted Refinancing"). Exhibit L sets forth an estimate of such anticipated TIF-Funded Interest Costs. The City's payment or reimbursement shall be based on the actual TIF-Funded Interest Costs, which may be more or less than the estimated amounts set forth on Exhibit L (which only lists the anticipated TIF-Funded Interest Costs to be incurred prior to the Completion Date based on the initial Lender Financing and CBRE Financing and does not included TIF-Funded Interest Costs that may be incurred after the Completion Date) provided, however, that, consistent with Section 5/11-74.4-3(q)(11) of the Act, in no event shall the amount payable by the City for TIF-Funded Interest Costs in any year exceed the lesser of:

(i) 30 percent of the annual interest costs on the Lender Financing, the CBRE Financing and/or any Permitted Refinancing incurred by the Developer with regard to the Project during that year, provided that, if there are not sufficient Area Incremental Taxes to make the payment pursuant to this subparagraph, then the amounts so due shall accrue (without interest) and be payable when Area Incremental Taxes (or Project Incremental Taxes, as the case may be) are available; or

(ii) 30 percent of the total (A) cost paid or incurred by the Developer on the Project, plus (B) redevelopment project costs (excluding any property assembly costs and relocation costs) incurred by the City pursuant to the Act.

(b) Reimbursements. The amounts payable pursuant to Section 4.03 shall be paid by the City in accordance with this Agreement while the Lender Financing, CBRE Financing, and/or any Permitted Refinancing remains outstanding and so long as the TIF-Funded Interest Costs, may, under the Act, be legally paid out of Area Incremental Taxes (or Project Incremental Taxes, as the case may be) until such time as the City has paid or reimbursed the Developer for an amount that, in aggregate, equals the TIF-Funded Interest Costs Maximum Amount.

The amounts payable pursuant to Section 4.03 shall be paid by the City directly from the TIF Fund to the Developer in reimbursement of TIF-Funded Interest Costs. The City will reimburse the Developer for such TIF-Funded Interest Costs upon the Developer's submission to DPD of an executed requisition form in the form attached hereto as Exhibit M (the "TIF-Funded Interest Costs Requisition Form"). Pursuant to the USG Lease, the Developer, within five (5) business days of receipt of such reimbursement payment, shall remit to USG a like amount. The TIF-Funded Interest Costs Requisition Form shall be submitted and processed by DPD in accordance with the same timeline and procedures applicable to the City Note Requisition Form. Upon a TIF-Funded Interest Costs Requisition Form's approval, the City Comptroller shall pay, from Area Incremental Taxes (or Project Incremental Taxes, as the case may be), the amount requested in the TIF-Funded Interest Costs Requisition Form. In no event, however, shall such payment exceed the maximum amount payable under Section 4.03 (including any "catch-up" payment due for prior years that was not been paid due to insufficient Area Incremental Taxes, or insufficient Project Incremental Taxes, as the case may be). Along with the TIF-Funded Interest Costs Requisition Form, the Developer shall also submit to DPD and the Department of Finance at the addresses specified in Section 17 copies of the invoices sent to the Developer by KeyBank, CBRE, and/or any lender providing Permitted Refinancing, and a statement of interest accrued on such financing based on the Developer's most recent Financial Statements (or such other substantiating evidence as the City may accept) to evidence the accrual of such amounts for TIF-Funded Interest Costs.

(c) Developer Includes Successor Owner With Permitted Refinancing. If necessary to pay the TIF-Funded Interest Costs Maximum Amount, but subject to the limitation set forth in Section 4.03(a) that such interest costs be incurred during the Term of the Agreement, the "Developer," for purposes of this Section 4.03, shall include a successor permitted owner of the Project that incurs TIF-Funded Interest Costs arising from a Permitted Refinancing.

4.04 Treatment of Prior Expenditures.

(a) Prior Expenditures. Only those expenditures made by the Developer prior to the Closing Date, evidenced by documentation satisfactory to DPD and approved by DPD as satisfying costs covered in the Base Building Improvements Budget, shall be considered previously contributed equity or Lender Financing hereunder (the "Prior Expenditures"). Exhibit N hereto sets forth the prior expenditures by the Developer and approved by DPD as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Costs shall not be reimbursed from City Funds.

(b) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Costs may be allocated to and charged against the appropriate line item 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. DPD shall not unreasonably withhold its consent to such transfers so long as the Corporation Counsel has advised DPD that an expenditure qualifies as a TIF-Funded Cost under the Act.

4.05 Cost Overruns. If the aggregate cost of the Project, or any portion thereof, exceeds the budgeted amount, the Developer or USG, as applicable, shall be solely responsible for such party's excess costs, and shall hold the City harmless from any and all costs and expenses of completing such party's portion of the Project. In no instance shall any such cost overruns result in an increase in the amount of City Funds payable under this Agreement.

SECTION 5. CONDITIONS PRECEDENT

The conditions precedent in Sections 5.01 through Section 5.18 below shall be complied with to the City's satisfaction within the time periods set forth below or, if no time period is specified, not less than five (5) business days prior to the Closing Date. The Commissioner's execution and delivery of this Agreement shall be deemed to be a satisfaction of DPD's approval of all such conditions precedent.

5.01 Project Budgets. The Developer and USG shall have submitted to DPD, and DPD shall have approved, the Project Budget, the Base Building Improvements Budget and the USG Improvements Budget, respectively, in accordance with the provisions of Section 3.03 hereof.

5.02 Plans and Specifications. The Developer shall have submitted to DPD, and DPD shall have approved, the Building Plans and Specifications in accordance with the provisions of Section 3.02 hereof.

5.03 Other Governmental Approvals. The Developer and USG shall have secured (or shall secure before work is undertaken for which such approval is necessary) all other necessary approvals and permits with respect to such party's work required by any state, federal, or local statute, ordinance or regulation and shall submit evidence thereof to DPD, including, without limitation, any administrative approvals required under the Planned Development.

5.04 Financing. The Developer and USG shall have furnished proof acceptable to the City that each has sufficient funds to complete their respective portion of the Project and satisfy their respective obligations under this Agreement. The Developer shall have furnished proof that the proceeds of the Lender Financing and CBRE Financing are available to be drawn upon by the Developer as needed and are sufficient to complete the Project. Any liens against the Property in existence at the Closing Date shall be subordinated to the covenants that run with the land

specified in Section 7.04 pursuant to a Subordination Agreement in a form acceptable to the City executed and recorded on or prior to the Closing Date.

5.05 Title. The Developer shall furnish the City with a copy of its Title Policy for the Property, dated down as of the Closing Date, certified by the Title Company, showing the Developer as the named insured. The Title Policy shall contain only those title exceptions listed as Permitted Liens on Exhibit I hereto and shall evidence the recording of this Agreement pursuant to the provisions of Section 8.17 hereof. The Developer shall provide to DPD, prior to the Closing Date, a title commitment, copies of documents identified on Schedule B to such title commitment, and documentation related to the purchase of the Property and establishing its acquisition cost (or, if the Property was acquired as part of a larger parcel, supporting the portion of the total acquisition cost allocated to the Property).

5.06 Evidence of Clean Title. The Developer, at its own expense, shall have provided the City with current searches for the Developer, each of the Developer's upper-tier owners, Steven D. Fifield and USG, as follows:

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

showing no liens against the Developer, the Property or any fixtures now affixed thereto, except for the Permitted Liens, nor any other unacceptable matters.

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

5.08 Insurance. The Developer and USG, at their own expense, shall have insured their respective portions of the Property in accordance with Section 12 hereof and provided to DPD the certificates of insurance required pursuant to Section 12 (or, in the case of USG only, written confirmation of such self-insurance as USG may carry with respect to one or more of the required coverages).

5.09 Opinion of the Developer's Counsel. On the Closing Date, the Developer and USG

shall each furnish the City with an opinion of counsel, substantially in the form attached hereto as Exhibit O, with such changes as may be required by or acceptable to Corporation Counsel.

5.10 Evidence of Prior Expenditures. The Developer and USG each shall have provided evidence satisfactory to DPD, in its sole discretion, of any Prior Expenditures of such party in accordance with the provisions of Section 4.04(a) hereof.

5.11 Financial Statements. The Developer shall have provided Financial Statements to DPD for all years since its formation and unaudited interim financial statements for the year in which the Closing Date occurs and Financial Statements for Steven D. Fifield for 2002 and 2003.

5.12 Documentation. The Developer, with respect to the Base Building Improvements work, and USG, with respect to the USG Improvements work, shall have provided evidence satisfactory to DPD, in its sole discretion, with respect to its ability to satisfy MBE/WBE and City resident employment standards. Such evidence shall include, without limitation: the Developer's MBE/WBE Utilization Plan, including Schedules C and D; evidence that the General Contractor has met at least once with, and provided bid documents to, applicable MBE/WBE contractor associations; and evidence of meeting with DPD's monitoring staff.

5.13 Environmental. The Developer shall have provided DPD with copies of any phase I and phase II environmental audits and any other environmental assessments or remediation reports completed with respect to the Property. The Developer shall provide 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. The Developer and USG each shall have provided DPD with copies of their respective articles of organization or incorporation, as applicable, containing the original certification of the Secretary of State of the state of incorporation or organization; certificates of existence or good standing from the Secretary of State of its state of organization or incorporation and the State of Illinois, if different; copies of operating agreements or bylaws, as applicable; a managing member's or secretary's certificate in such form and substance as the Corporation Counsel may reasonably require; member or director or shareholders consents evidencing consent to the execution of this Agreement and the Limited Joinder, as applicable; and such other limited liability company and corporate documentation as the City may request.

5.15 Litigation. The Developer and USG shall each provide to Corporation Counsel and DPD a description of all pending or threatened litigation or administrative proceedings involving such party's property located in the City, or to which the City is a party, or involving payment of franchise, income, sales or other taxes by such party to the State of Illinois or City. In each case, the description shall specify the amount of each claim, and whether (and to what extent) such potential liability is covered by insurance.

5.16 USG Lease. A complete copy of the USG Lease, and all other written agreements setting forth the parties' understandings relating to USG's relocation to or occupancy of the USG Premises and any financial agreements between the parties in any way relating to the Property or USG Lease, jointly certified by the Developer and USG, shall have been delivered to the City. Such USG Lease shall be in full force and effect, with neither side having given any prior written notice of a default thereunder (unless, after the giving of such notice and prior to the Closing Date, such default was cured or waived in writing).

5.17 Payment and Performance Bonds. The Developer shall have delivered to the City a copy of payment and performance bonds relating to the Base Building Improvements, if, and only if, such bonds are required by the lender providing the Lender Financing. The City shall be named as an obligee or co-obligee on such bonds, if any, provided that the City's rights under such Base Building Improvement payment and performance bonds shall be subordinate to those of KeyBank.

5.18. Bankruptcy-Related Conditions. With respect to USG's pending chapter 11 bankruptcy proceeding, (a) no Bankruptcy-Related Default shall have occurred, and (b) the Bankruptcy Court shall have passed an order expressly approving USG's execution of this Agreement and provision of the Security Instrument as binding post-petition contracts of USG. USG shall also have provided such pleadings from the Bankruptcy Filing as the City may reasonably request.

5.19 Conditions Precedent to City Payments. The conditions in this Section 5.19 shall be satisfied prior to the City's obligation to make the applicable payments of City Funds:

(a) Prior to Completion Date. The City shall not be required to make any reimbursement payments for TIF-Funded Interest Costs prior to the Completion Date unless, as of the date such payment is required: (i) the representations and warranties contained in this Agreement and the Limited Joinder shall be true and correct and the Developer and USG shall be in material compliance with their respective covenants; (ii) no Bankruptcy-Related Default shall have occurred; (iii) the Developer has complied with Section 4.03. If the Completion Date has not occurred by July 1, 2007, the City shall have no obligation to make further reimbursement payments for TIF-Funded Interest Costs. The City shall have no obligation to make any payments with respect to the City Note until on and after the Completion Date.

(b) Completion Date. The occurrence of the Completion Date shall be a condition precedent to the City's initial payment with respect to the City Note, and the City's obligation to make any payments after July 1, 2007 with respect to TIF-Funded Interest Costs. The conditions precedent to the occurrence of the Completion Date are: (i) the representations and warranties contained in this Agreement and the Limited Joinder shall be true and correct and the Developer and USG shall be in material compliance with their respective covenants; (ii) no Bankruptcy-Related Default shall have occurred; (iii) the parties' MBE/WBE obligations under Section 10.01 shall have been satisfied (the parties acknowledging that either party's failure to satisfy such

requirements is not subject to cure and will mean that neither party will ever be paid any City Funds); (iv) the parties' prevailing wage obligations under Section 8.08 shall have been satisfied (or, if not satisfied, any required prevailing wage underpayment shall have been remedied); (v) the City resident hiring requirements under Section 10.02 shall have been satisfied (or, if not satisfied, any penalty amounts due under Section 10.02 shall have been paid); (vi) USG shall have commenced operations at the USG Premises, which shall include at least 225,000 square feet of leased space, and shall employ at least 500 FTEs in the City (with not less than 450 FTEs at the Building); (vii) both the Building Certificate and USG Certificate have been issued; (viii) no Default (as defined in the USG Lease) by USG under the USG Lease or default by the landlord under the USG Lease exists or has occurred that has resulted in the termination of the USG Lease (whether by the landlord or by USG) or the landlord's exercise of its right of reentry under Section 16 of the USG Lease); and (ix) the Developer shall have provided the City with current title, due diligence search and insurance evidence consistent with the requirements of Sections 5.05, 5.06 and 5.08.

(c) After Completion Date. After the Completion Date, the City shall not be required to make any further reimbursement payments for TIF-Funded Interest Costs or any payments with respect to the City Note unless, as of the date such payment is required: (i) the representations and warranties contained in this Agreement and the Limited Joinder shall be true and correct and the Developer and USG shall be in material compliance with their respective covenants; (ii) no Bankruptcy-Related Default shall have occurred; (iii) USG has complied with Section 4.02, or the Developer has complied with Section 4.03, as applicable; (iv) no Default (as defined in the USG Lease) by USG under the USG Lease or default by the landlord under the USG Lease exists or has occurred that has resulted in the termination of the USG Lease (whether by the landlord or by USG) or the landlord's exercise of its right of reentry under Section 16 of the USG Lease).

(d) Special Lease Termination Provision. In addition to the conditions precedent set forth in Section 5.19(a) above, if either USG or the Developer terminate the USG Lease pursuant to any right granted it thereunder prior to the Completion Date, this Agreement and the Limited Joinder shall terminate. Upon such termination, the Developer (if it was the party whose act or omission led to the USG Lease termination) or USG (if it was the party whose act or omission led to the USG Lease termination) shall repay to the City an amount equal to any TIF-Funded Interest Costs previously paid by the City hereunder, and no further City Funds will ever be paid pursuant to this Agreement.

(e) Payment Notwithstanding Certain Developer Events of Default. Notwithstanding the above conditions precedent in this Section 5.19, if (x) a Developer Event of Default or impending Developer Event of Default means the condition precedent specified in Section 5.19(a)(i), (b)(i), or (c)(i), as applicable, is not satisfied, and (y) such Developer Event of Default is not a Developer Reimbursement Event described in clauses (i), (ii) or (x) of the definition of Developer Reimbursement Event, and (z) all other applicable conditions precedent are specified, then the City will continue to make TIF-Funded Interest Cost reimbursement payments and payments with respect to the City Note.

(f) "As-Built" Survey. Within three (3) months of the issuance of the Final Certificate, an "as-built" Survey shall be provided to the City.

SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) The City hereby approves the Developer's retention of the Building General Contractor. Except as set forth in Section 6.01(b) below, prior to entering into an agreement with any subcontractor for construction of any portion of the Base Building Improvements, and except for building materials manufactured and/or supplied by USG, the Developer shall cause the general contractor to solicit bids from qualified contractors eligible to do business with the City of Chicago, and shall submit all bids received to DPD for its inspection. For the Base Building Improvements, the Developer shall cause the general contractor to select the subcontractor submitting the lowest responsive and responsible bid, as reasonably determined by the Developer, who can complete the Base Building Improvements in a timely manner. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Costs shall be provided to DPD within ten (10) business days of the execution thereof. The Developer agrees that the Building General Contractor shall not (and shall cause such general contractor to insure that the subcontractors shall not) begin work on the Project until the applicable plans and specifications have been approved by DPD and all requisite permits and approvals have been obtained.

(b) The amount paid to each of the Building General Contractor and the USG General Contractor for general conditions and profit shall be limited to 10% of the total amount of the such contractor's construction contract.

6.02 Construction Contracts. Prior to the execution thereof, the Developer has delivered to DPD, and DPD has approved, a certified copy of the Building Construction Contract. Prior to commencing the USG Improvements, USG shall deliver to DPD a copy of the USG Construction Contract. The Developer and USG shall each deliver to DPD and Corporation Counsel copies of any modifications, amendments or supplements to such party's construction contract within ten (10) business days after execution of such changes.

6.03 Performance and Payment Bonds. Prior to commencement of construction, the Developer shall require that, with respect to any work in the public way or other work for which a bond or letter of credit is required under the Municipal Code, the Building General Contractor, and any applicable subcontractors be bonded for their respective payment and performance (if any) by sureties having an AA rating or better using American Institute of Architect's Form No. A311 or its equivalent. The City shall be named as obligee or co-obligee on such bond.

6.04 Employment Opportunity. The Developer shall contractually obligate and cause the Building General Contractor to agree and to contractually obligate each subcontractor, and USG shall contractually obligate and cause the USG General Contractor to agree and to contractually

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

6.05 Other Provisions. In addition to the requirements of this Section 6, the Building Construction Contract and the USG Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders) (provided that this Section shall be inapplicable to USG), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Costs shall be provided to DPD within ten (10) business days of the execution thereof.

SECTION 7. COMPLETION OF CONSTRUCTION

7.01 Certificates of Completion.

(a) Base Building Improvements. After (i) completion of the Base Building Improvements in accordance with the terms of this Agreement, (ii) the issuance of any permits and governmental approvals necessary for the occupancy of the Building and the USG Premises, and (iii) the written request of the Developer, DPD shall issue to the Developer a certificate in recordable form (a "Building Certificate") certifying that the Developer has fulfilled its obligation to complete the construction work relating to the Base Building Improvements (exclusive of MBE/WBE, prevailing wage, and City resident hiring requirements) in accordance with the terms of this Agreement.

(b) USG Improvements. After completion of the USG Improvements in accordance with the terms of this Agreement, (ii) the issuance of any permits and governmental approvals necessary for the occupancy of the USG Premises, and (iii) the written request USG, DPD shall issue to USG a certificate in recordable form (a "USG Certificate") certifying that USG has fulfilled its obligation to complete the construction work relating to the USG Improvements (exclusive of MBE/WBE, prevailing wage, and City resident hiring requirements) in accordance with the terms of this Agreement.

(c) Issuance of Certificate. DPD shall respond to a written request for a certificate under this Section 7.01 within thirty (30) days by issuing either a certificate or a written statement detailing the ways in which the applicable portion of the Project has not been satisfactorily completed and the measures which must be taken in order to obtain the applicable certificate. If DPD disapproves a request for a certificate, then the Developer or USG, as applicable, may resubmit a written request for the applicable certificate upon completion of such measures.

7.02 Effect of Issuance of Section 7.01 Certificate. The issuance of a certificate under Section 7.01 relates only to the construction of the applicable portion of the Project (exclusive of MBE/WBE, prevailing wage, and City resident hiring requirements) and will state that the terms of the Agreement specifically related to the performance of such construction work have been satisfied.

7.03 Final Certificate. After the issuance of the Building Certificate and USG Certificate pursuant to Section 7.01, the Developer and USG shall provide the City's monitoring personnel such documents as may be necessary to establish their respective compliance with the prevailing wage requirements set forth in Section 8.08, the City resident hiring requirement in Section 10.02, and the MBE/WBE requirements set forth in Section 10.03. Upon the City's determination of the Developer's and USG's compliance with such requirements (which, except for prevailing wage, may be tested on an aggregated basis, so that one party's shortfall may be offset by the other party's overage in order to arrive at a final, single compliance figure), the City will issue to the Developer and USG a final letter (the "Final Certificate") certifying such parties' compliance with such requirements.

7.04 Continuing Requirements.

(a) Developer's Continuing Requirements. After the issuance of a Final Certificate, only the executory terms and other requirements of this Agreement set forth in Sections 4, 5.19, 8.01(k), (n), 8.05, 8.10, 8.13, 8.14, 8.16, 8.18 and 8.19, 11 through 17, 18.01, 18.04, 18.15, and 18.19 of this Agreement (collectively, the "Developer Continuing Requirements"), and all representations, warranties and covenants of the Developer and other requirements contained in the Developer Continuing Requirements will continue to remain in full force and effect throughout the Term of the Agreement, or such other period as may be expressly provided for herein. The issuance of the Final Certificate shall not be construed as a waiver by the City of any of its rights, remedies or requirements pursuant to such Developer Continuing Requirements. Those covenants specifically described at Sections 8.01 (k) and (m) and Sections 8.19 shall be covenants that run with the land from the date hereof and shall be binding upon Developer and any Approved Purchaser throughout the Term of the Agreement, or such other period as may be expressly provided for in such Sections, notwithstanding the issuance of a Final Certificate. The other Developer Continuing Requirements that remain after the issuance of a Final Certificate shall be binding only upon the Developer and upon any successor in interest to the Developer's rights and obligations under this Agreement.

(b) USG's Continuing Requirements. After the issuance of a Final Certificate, only the executory terms and other requirements set forth in Sections 4, 5.18, 5.19, 12, 13, 14, 17, 18.01, 18.04, and 18.19 of this Agreement and Section 2, 3(a) through (d), (g) through (i) and (n) through (u), 4 and 7 through 14)of the Limited Joinder (collectively, the "USG Continuing Requirements"), and all representations, warranties and covenants of USG and other requirements contained in the USG Continuing Requirements will continue to remain in full force and effect throughout the Term of the Agreement, or such other period as may be expressly provided for in the USG Continuing Requirements. The issuance of the Final Certificate shall not be construed as a waiver by the City

of any of its rights and remedies pursuant to the USG Continuing Requirements. Those covenants specifically described at Sections 2, 3(h), (i) and (m) through (u), 4 and 19 of the Limited Joinder shall be covenants that shall be binding upon any successor to USG's leasehold interest under the USG Lease throughout the Term of this Agreement, or such other period as may be expressly provided for herein or in the Limited Joinder, notwithstanding the issuance of a Final Certificate. The other USG Continuing Requirements that remain after the issuance of a Final Certificate shall be binding only upon USG and any Approved Successor.

7.05 Failure to Complete. If either (a) the Developer fails to complete the Base Building Improvements, as evidenced by the City's issuance of the Building Certificate, or (b) USG fails to complete the USG Improvements, as evidenced by the City's issuance of the USG Certificate, or (c) the Developer and USG fail to satisfy the conditions precedent to the issuance of a Final Certificate, or (d) either the Developer or USG permits an unpermitted lien to exist and such lien is foreclosed or otherwise enforced in such a manner as to terminate the encumbrance of this Agreement or lessen the priority thereof, then the City shall have the following rights, which shall be cumulative: (i) the City may terminate this Agreement, the City Note and the City's obligation to make any further payments of any City Funds; and (ii) the City may seek reimbursement from USG of any TIF-Funded Interest Costs previously paid by the City to Developer and thereafter paid or credited to USG (and if Developer has received any such amounts which have then not been paid or credited to USG, the City may seek such reimbursement from Developer), provided, however, that in no instance shall the City be permitted to recover more than the actual amount of such TIF-Funded Interest Costs.

The City's termination rights under this Section 7.05 are in addition to the conditions precedent and termination rights described in Section 5.19 that are applicable even prior to the issuance of a Final Certificate.

7.06 Notice of Expiration of Term of Agreement. Upon the expiration of the Term of the Agreement, DPD shall provide the Developer and USG, at any such party's written request, with a written notice in recordable form stating that the Term of the Agreement has expired and that the Property is no longer subject to the covenants that run with the land

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SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER

8.01 General. The Developer represents, warrants and covenants that as of the date of this Agreement, and at all times prior to the Completion Date (unless a longer period is expressly provided for below):

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

(c) the execution, delivery and performance by the Developer of its obligations under this Agreement has been duly authorized by all necessary limited liability company action, and does not violate the Developer's articles of organization, operating agreement, as the same may be amended and supplemented, nor any applicable provision of law, nor does it constitute a breach of, default under or require any consent under any material agreement, instrument or document to which the Developer is now a party or by which it is now or may become bound;

(d) the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property free and clear of all liens (except for the Permitted Liens, Lender Financing, the CBRE Financing, Non-Governmental Charges that the Developer is contesting in good faith pursuant to Section 8.14 hereof, equipment financing liens and purchase money security interests in personal property located on the Property) and, as evidence of compliance with such covenant, shall provide DPD with copies of all date-down title indorsements at the time such indorsements are issued to the lender providing the Lender Financing (or, if no such indorsements are issued, such other title evidence as shall be reasonably satisfactory to DPD);

(e) the Developer is and shall remain solvent and able to pay its respective debts as they mature;

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

(g) the Developer has obtained (or will, prior to the commencement of construction shall obtain)and shall maintain all government permits, certificates and consents necessary to conduct its business and to construct, complete and operate the Base Building Improvements;

(h) the Developer is not in default beyond any applicable grace period or notice and cure period with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which the Developer is a party or by which it or the Property is bound;

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

(j) the Developer shall not do or permit any of the following without the prior written consent of DPD, which shall be in DPD's sole discretion: (1) be a party to any merger, liquidation

or consolidation; (2) Transfer the Property (except for the lease to USG and leases and subleases to tenants and subtenants in the ordinary course of business and Permitted Transfers) or otherwise dispose of all or substantially all of its assets or refinance the Property; (3) enter into any transaction outside the ordinary course of business that would cause a material and detrimental change to the Developer's financial condition so as to impair the Developer's ability to complete the Project; or (4) assume or guarantee the obligations of any other person or entity (except assumptions or guarantees given for the benefit of CBRE and the lender providing the Lender Financing) in such a manner so as to impair the Developer's ability to complete the Project;

(k) after the Completion Date, the Developer may (i) Transfer the Property or substantially all of its assets provided that (A) the Developer gives the City a completed Notice of Proposed Transfer/Refinancing at least 30 days prior to such sale, and (B) the transferee is an Approved Purchaser, and (ii) secure any debt by the Property or any portion thereof, provided the mortgage lien associated with any such secured financing is subject and subordinate to this Agreement, and any such refinancing shall be deemed a "Permitted Refinancing" hereunder;

(l) the Developer has not incurred and shall not, without the prior written consent of DPD, allow, without contesting the same pursuant to Section 8.14 hereof, the existence of any liens against the Property other than the Permitted Liens, equipment financing liens and purchase money security interests in personal property located on the Property;

(m) the Developer has not incurred and shall not incur, any indebtedness, secured or to be secured by the Property or any fixtures now or hereafter attached thereto, except the Lender Financing and CBRE Financing disclosed in the Base Building Improvements Budget, any Permitted Refinancing and any additional financing approved in writing by DPD; and

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

In the event an Approved Purchaser or KeyBank succeeds to the Developer's interest under this Agreement, as permitted hereunder, the representations, warranties, and covenants in this Section 8 shall thereafter be deemed to be those of such successor and deemed modified, as appropriate, based on such successor's organizational form and state of organization.

8.02 Covenant to Redevelop. The Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances (in the form in effect as of the date of this Agreement), the Building Plans and Specifications, the Base Building Improvements Budget and all amendments thereto, the USG Lease, the Planned Development, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property, and the Developer.

8.03 Redevelopment Plan. The Developer represents that the Base Building Improvements are and shall be in compliance with all of the terms of the Redevelopment Plan attached hereto as Exhibit C.

8.04 Use of City Funds. City Funds disbursed to the Developer shall be used by the Developer solely to reimburse the Developer for TIF-Funded Costs as provided in this Agreement.

8.05 Other Bonds. The 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 Project or the Area; provided, however, that any such amendments shall not have a material adverse effect on the Developer, USG or the Project, or the ability to pay City Funds as provided for hereunder, as determined by DPD. Under the terms of this Agreement, and without any such amendment, the City may use bond proceeds from any such bond issue to prepay any amounts payable under the Agreement, to the fullest extent permitted under the Act. The Developer shall, at no expense to Developer, cooperate and provide reasonable assistance in connection with the marketing of any such additional bonds, including but not limited to providing written descriptions of the Project, and providing information and assisting the City in preparing an offering statement with respect thereto. The Developer shall not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by the Developer that is determined to be false or misleading.

8.06 Employment Opportunity. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the Building General Contractor and each of its subcontractors to abide by the terms set forth in Section 10 hereof.

8.07 Employment Profile. The Developer shall submit, and contractually obligate and cause the Building General Contractor and its subcontractors to submit, to DPD, from time to time, statements of their respective employment profiles upon DPD's request.

8.08 Prevailing Wage. The Developer covenants and agrees to pay, and to contractually obligate and cause the Building General Contractor and each of its subcontractors 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 contracts. 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 to evidence compliance with this Section 8.08. Provided that any monetary amounts payable under the Prevailing Wage Act, 820 ILCS 130/0.01, et seq., for any violation of such statute are paid, nothing in this Agreement shall be construed to give the City any remedies with respect to prevailing wage violations beyond those provided for in the statute.

8.09 Arms-Length Transactions. Unless DPD shall have given its prior written consent with respect thereto, and except as explicitly disclosed in the Base Building Improvements Budget, neither the Developer, CBRE nor either such party's Affiliates may receive, directly or indirectly, any payment for work done, services provided or materials supplied in connection with the Project. The Developer shall provide information with respect to any entity receiving, directly or indirectly, any such payment upon DPD's request, prior to any disbursement of City Funds or otherwise.

8.10 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, Steven Fifield represents and warrants that, to the best of his actual 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 the Developer with respect thereto, owns or controls, has owned or controlled or intends to own or control any interest, and no such person has represented any person, as agent or otherwise, who owns or controls, has owned or controlled, or intends to own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area (excluding property used exclusively as a principal residence).

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

8.12 Financial Statements. The Developer shall obtain and provide to DPD Financial Statements for the fiscal year ended December 31, 2004 and each year thereafter through the Completion Date. In addition, the Developer shall, upon DPD's request, submit unaudited financial statements as soon as practical following the close of each fiscal year and for such other periods as DPD may request.

8.13 Insurance. The Developer, at its expense, shall comply (or cause compliance) with all provisions of Section 12 hereof.

8.14 Non-Governmental Charges. (a) Payment of Non- Governmental Charges. Except for the Permitted Liens, the Developer agree to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Base Building Improvements, 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 Base Building Improvements; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to 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. The Developer shall have the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-

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

(ii) at DPD's sole option, to furnish a good and sufficient bond or evidence of title insurance or other security reasonably 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, or the preservation of the encumbrance of this Agreement, during the pendency of such contest, adequate to pay fully any such contested Non Governmental Charge and all interest and penalties upon the adverse determination of such contest.

8.15 Developer's Liabilities. The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify 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.

8.16 Compliance with Laws. The Developer covenants that the Property and the Base Building Improvements are and shall be maintained in compliance with all applicable federal, state and local laws, statutes, ordinances, the Planned Development, rules, regulations, executive orders and codes pertaining to or affecting the Base Building Improvements and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

8.17 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of the Cook County along with the subordination agreement described in Section 5.04. USG shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.18 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Base Building Improvements, or become due and payable, and which create or may create a lien upon the Developer or all or any portion of

the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to the Developer, the Property or the Project including but not limited to real estate taxes.

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

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

(B) the Developer shall furnish a good and sufficient bond, evidence of title insurance or other security reasonably 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 prevent the imposition of such lien during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

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

(c) Insurance. In addition to the insurance required pursuant to Section 12 hereof, the Developer shall procure and maintain the following insurance:

(i) During construction of the Project, All Risk Property Insurance in the amount of

the full replacement value of the Property.

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

8.19 USG Lease Representations, Warranties and Covenants. With respect to the USG Lease, as of the date hereof, and during the time period ending on the Tenth Anniversary Date, the Developer represents, warrants and covenants to the City that:

(a) assuming the due authorization and execution of the USG Lease by USG, the USG Lease is valid and binding as to the Developer and is unmodified (or if modified, modified only by (i) approved Material Amendments, and (ii) amendments that are not unapproved Material Amendments) and is in full force and effect;

(b) except for the USG Lease, there are no binding agreements (written or oral) between the Developer and USG which, taken as a whole, materially effect the economic relationship between Developer and USG with respect to the Property or the USG Lease;

(c) the Developer has delivered (and will deliver) to the City copies of any written notices delivered by the Developer, as landlord under the USG Lease, to USG pursuant to the USG Lease alleging or asserting either (i) that USG is in Default (as defined in the USG Lease) under the USG Lease or that an event has occurred and or a condition exists which, with the giving of notice, or the lapse of time, or both, would constitute such a Default, or (ii) that it has current defenses, counterclaims, liens or claims of offset or credit under, or claims or currently exercisable termination rights under the USG Lease against USG;

(d) the Developer, as landlord under the USG Lease, has performed all of its current obligations under the USG Lease;

(e) the Developer, as landlord under the USG Lease, (i) shall, upon receiving notice from USG or upon obtaining actual knowledge, give written notice of any assignment or subletting of any portion of the USG Premises to DPD, which notice shall include a calculation of any rent or consideration above that which USG, as tenant under the USG lease, is required to pay arising from such assignment of subletting, (ii) shall deliver to DPD a copy of written notice of any change in circumstances that makes the representations and warranties in Section 8.19(a) inaccurate (it being agreed by the City that if such change in circumstances is not due to a Default by the Developer, the Developer shall not be deemed in default under such cited section if it gives such written notice), and (iii) comply with its obligations under the USG Lease(subject to the Developer's exercise of whatever rights it may have in the case of a Default by USG); and

(f) the Developer, as landlord under the USG Lease, shall not agree to a Material Amendment of the USG Lease without the prior written consent of DPD, which consent shall be in DPD's sole discretion.

8.20 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and elsewhere in this Agreement shall survive the execution, delivery and acceptance hereof by the parties hereto. Construction-related obligations shall terminate pursuant to Section 7.02 upon the issuance of a Final Certificate. Thereafter, the Developer Continuing Requirements shall be in effect throughout the Term of the Agreement, or such shorter period as may be expressly provided therein. In addition, and notwithstanding the preceding sentence, the Developer's indemnification, defense and hold harmless obligations in Section 11 and Section 13 of the Agreement shall survive 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

As used in this Section 10, references to the "Developer" shall mean the Developer, with respect to the Base Building Improvements, and USG, with respect to the USG Improvements, and references to "Project" shall mean the Base Building Improvements, with respect to the Developer, and the USG Improvements, with respect to USG. References to "general contractor" shall mean the applicable general contractor of the Developer or USG.

10.01 Employment Opportunity. The Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or its 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:

(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 construction of the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, so that each such provision shall be binding upon each contractor, subcontractor, 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 15.03 hereof.

10.02 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 personnel 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 Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the

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

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

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

The testing of the Developer's and USG's compliance under this Section 10.02 is subject to the aggregation provision in Section 7.03.

10.03 The Developer's 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 its General Contractor to agree that, during the Project:

a. Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE" Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the Building MBE/WBE Project Budget and USG MBE/WBE Project Budget attached as Exhibits P-1 and P-2, respectively, as applicable, shall be expended for contract participation by MBE or WBE:

i. At least 25 percent by MBE.
ii. At least 5 percent by WBE.

b. For purposes of this Section 10.03 only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "contract" 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 MBE or WBE (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 MBE or WBE, or by the purchase of materials used in the Project from one or more MBE or WBE, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. The Developer or the General Contractor may meet all or part of this commitment through credits received pursuant to Section 2-92-530 of the Municipal Code of Chicago for the voluntary use of MBE or WBE in its activities and operations other than the Project.

d. The Developer shall deliver monthly reports to DPD during the Project describing its efforts to achieve compliance with this MBE/WBE commitment (which may be included as part of the monthly progress report required by Section 3.07). Such reports shall include inter alia the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist DPD in determining the Developer's compliance with this MBE/WBE commitment. DPD shall have reasonable access to the Developer's books and records, including, without limitation, payroll records, books of account and tax returns, and records and books of account in accordance with Section 14 of this Agreement, on five (5) business days notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

e. Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer shall, if necessary to meet the MBE/WBE Commitment, be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor and, if possible and necessary to meet the MBE/WBE commitment, 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 Section 10.03 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago. g. Prior to the commencement of the Project, the Developer, 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 10.03. During this meeting, the Developer shall demonstrate to DPD its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by DPD. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the monitoring staff of DPD. 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. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may withhold any further payment of any City Funds to the Developer or the General Contractor.

g. The testing of the Developer's and USG's compliance under this Section 10.03 is subject to the aggregation provision in Section 7.03.

SECTION 11. ENVIRONMENTAL MATTERS

The Developer represents and warrants to the City that it has conducted environmental studies sufficient to conclude that the Base Building Improvements may be completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Plans and Specifications and all amendments thereto and the Redevelopment Plan.

Without limiting any other provisions hereof, 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 as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of the Developer or USG: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from all or any portion of the Building (excluding the USG Premises) or the USG Premises, as applicable, 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, the Developer or USG or any of its Affiliates under any Environmental Laws.

SECTION 12. INSURANCE

As used in this Section 12, references to the "Developer" shall mean both the Developer, with respect to the Building (excluding the USG Premises) and USG, with respect to the USG Premises.

The Developer shall provide and maintain, or cause to be provided, at the Developer's own expense (or the expense of such other party as may be required to maintain such insurance) during

the Term of the Agreement, the insurance coverages and requirements specified in Section 8.18(c) and below, insuring all operations related to, in the case of Developer, the Building (excluding the USG Premises), and in the case of USG, the USG Premises.

(a) After Construction

(i) Workers Compensation and Employers Liability Insurance

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

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

Commercial General Liability Insurance or equivalent with limits of not less than $1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages shall include the following: All premises and operations, products/completed operations, independent contractors, 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, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) All-Risk Property Insurance

All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the Project and inventory located thereon. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City of Chicago shall be named as an additional insured and loss payee, as its interests may appear. The application of insurance proceeds shall be governed by the terms of the Lender Financing documents.

(b) During Construction

(i) Workers Compensation and Employers Liability Insurance

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

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

Commercial General Liability Insurance or equivalent with limits of not less than $2 000,000

per occurrence for bodily injury, personal injury, and property damage liability; provided, however, that such limit shall only be $1,000,000 in the case of any subcontractors whose subcontract amount is less than $100,000). Coverages shall include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following issuance of the applicable Certificate), explosion, collapse, underground, independent contractors, 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, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) Automobile Liability Insurance (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the applicable General Contractor shall provide 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 Insurance

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

(v) Builders Risk Insurance

When the applicable General Contractor undertakes any construction, including improvements, betterments, and/or repairs, the applicable General Contractor shall 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 permanent facility. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable. The City of Chicago shall be named as an additional insured and loss payee.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions shall be maintained with limits of not less than $1,000,000. Coverage shall include contractual liability. 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.

(vii) Valuable Papers Insurance

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

(viii) Contractor's Pollution Liability

When any environmental remediation work is performed which may cause a pollution exposure, contractor's Pollution Liability shall be provided with limits of not less than $1,000,000 insuring bodily injury, property damage and environmental rededication, cleanup costs and disposal. When policies are renewed, 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 one (1) year. If commercially available, the City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(c) Other Requirements

The Developer will furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance evidencing the required coverage to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Developer shall submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to Agreement award. 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 the Developer shall not be deemed to be a waiver by the City. The Developer shall advise all insurers of this Agreement's provisions regarding insurance. Non-conforming insurance shall not relieve the 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 terminate the defaulting party's rights under this Agreement (subject to the provision in Section 15.03(g) that would permit continued payments with respect to the City Note as therein described) until proper evidence of insurance is provided.

The insurance shall provide for 30 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any and all deductibles or self insured retentions on referenced insurance coverages shall be borne by the Developer.

The Developer agrees that insurers shall waive rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives. The Developer expressly understands and agrees that any coverages and limits furnished by the Developer shall in no way limit the Developer's liabilities and responsibilities specified within this Agreement or the Limited Joinder, as applicable, or by law.

The Developer expressly understands and agrees that the Developer's insurance is primary and any insurance or self insurance programs maintained by the City of Chicago shall not contribute with insurance provided by the Developer under the Agreement.

The required insurance shall not be limited by any limitations expressed in the indemnification language herein or any limitation placed on the indemnity therein given as a matter of law.

The Developer shall require the applicable General Contractor, and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the Contractor, or subcontractors. All General Contractors and subcontractors shall be subject to the same requirements as the Developer unless otherwise specified herein.

If the Developer, the applicable General Contractor or subcontractor desires additional coverages, the Developer, Contractor and each subcontractor shall be responsible for the acquisition and cost of such additional protection.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, subject to USG's right to continue to self-insure with respect to one or more coverages.

SECTION 13. INDEMNIFICATION

The Developer and USG (each, an "Indemnifying Party") each agree to severally indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, reasonable attorneys' fees and court costs) ("Indemnified Costs") suffered or incurred by the City arising from third party actions against the City in connection with (i) such Indemnifying Party's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) such Indemnifying Party's failure or such Indemnifying Party's General Contractor's failure to pay the applicable General Contractor, subcontractors or materialmen in connection with the Indemnifying Party's applicable portion of the Project, or (iii) such Indemnifying Party's making of any material misrepresentation or omission in this Agreement or the Limited Joinder, as applicable, any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is

the result of information supplied or omitted by such Indemnifying Party or its agents, employees, contractors or persons acting under the control or at the request of the such Indemnifying Party, or (iv) such Indemnifying Party's failure to cure any material misrepresentation in this Agreement or the Limited Joinder, as applicable, or any other agreement relating hereto and known to the Indemnifying Party. Nothing in this Section 13 shall be construed to obligate the Developer to indemnify the City for any Indemnified Costs attributable to USG's non-performance of its obligations under this Agreement or the Limited Joinder or USG's material misrepresentation or omission, nor to obligate USG to indemnify the City for any Indemnified Costs attributable to the Developer's non-performance of any obligations under this Agreement or the Developer's misrepresentation or omission. Nothing in this Section 13 shall be construed to obligate the Developer or USG to indemnify the City for any negligent or intentional act of the City or violation of the Act by the City that gives rise to such third party actions.

SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

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

14.02 Inspection Rights. Upon two (2) business days notice, any authorized representative of the City shall have reasonable access to all portions of the Project and the Property (excluding confidential product information, trade secrets, proprietary product information and the like) during normal business hours for the Term of the Agreement for purposes of confirming compliance with this Agreement.

SECTION 15. DEFAULT AND REMEDIES

15.01 Developer Events of Default. This Section 15 sets forth the Developer defaults and the available City remedies for such defaults. Defaults by USG and available City remedies for such defaults are specified in Sections 7 and 9 of the Limited Joinder or elsewhere in this Agreement or the Limited Joinder.

The occurrence of any one or more of the following events by the Developer which is not cured within the cure or dismissal period specified below (it being understood that if no such period

is specified, an immediate event of default shall exist) (a "Developer Event of Default") will entitle the City to exercise the applicable remedies described in Section 15.03:

(a) a breach of the sale, refinancing and assignment provisions in Section 8.01(j), (k) or (m) or Section 18.15;

(b) the failure of the Developer to perform, keep or observe any of the other material covenants, conditions, promises, agreements or obligations under this Agreement that is not cured within the period provided for in Section 15.02;

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

(d) the appointment of a receiver for Developer or 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 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;

(e) the entry of any judgment or order against Developer or relating to the Property in an amount in excess of $500,000 which remains unsatisfied or undischarged and in effect for ninety (90) days after such entry without a stay of enforcement or execution;

(f) the institution in any court of a criminal proceeding against the Developer, Steven D. Fifield or CBRE for any crime (other than a misdemeanor) which is not dismissed within ninety 90) days;

(g) a default by the landlord under the USG Lease that is not cured within any cure period granted under the USG Lease (if any) that results in USG's terminating the USG Lease or leasing less than 150,000 net rentable square feet as the USG Premises.

15.02 Curative Period. The Developer shall promptly notify the City of any breach or default by Developer under this Agreement, provided, however, that an unintentional failure to notify the City shall not, in and of itself, be deemed a Developer Event of Default. In the event the Developer breaches or defaults under any representation, warranty, covenant or other obligation which the Developer is required to perform under this Agreement, (other than the Developer Events of Default

described in Sections 15.01(a), (c), (d) and (g), which either have no cure period or the cure period specified therein) a Developer Event of Default shall not be deemed to have occurred unless the Developer fails to perform such defaulted obligation within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default. If such a Developer Event of Default cannot be cured within thirty (30) days, and the Developer has commenced to cure such Developer Event of Default within such initial cure period and thereafter diligently prosecutes such cure to completion, then the Developer shall have up to an additional ninety (90) days time to cure such Developer Event of Default (or, if a longer period of time is permitted under the loan documents for the Lender Financing, such longer period as may be applicable thereunder). Such additional ninety (90) day (or longer) cure period shall never apply to Developer Events of Default described in Sections 15.01(a), (c), (d) or (g).

15.03 City Remedies. If a Developer Event of Default (or, in the case of Section 15.03(a), the USG failure described therein) occurs, the City shall have the following rights and remedies depending on the nature of such default. If more than one Developer Event of Default Exists, the City will have the right to exercise the remedies applicable to each such default.

(a) Before Completion Date. Before the Completion Date, if an Event of Default (which is not cured by KeyBank in accordance with its cure period and curative rights described in Section 16) or other event results in the failure by the Developer and USG fail to obtain a Final Certificate pursuant to Section 7.03, the City shall have the rights and remedies in Section 7.05 of the Agreement;

(b) After Completion Date. After the Completion Date, if the Developer breaches any representation, warranty, covenant or obligation of the Developer, and such breach is not cured within any cure period afforded pursuant to Section 15.02 applicable to such breach, the City may terminate this Agreement, the City Note and the disbursement of any further City Funds. Notwithstanding the preceding sentence, if (i) such breach does not relate to a Developer Reimbursement Event described in clauses (i), (ii) or (x) of the definition of "Developer Reimbursement Event," and (ii) USG is in compliance with its obligations under this Agreement and the Limited Joinder, the City will continue to make payments with respect to the City Note and for TIF-Funded Interest Costs. If the breach does relate to a Developer Reimbursement Event described in clauses (i), (ii) or (x) of the definition thereof, then the City may terminate this Agreement, the City Note and the disbursement of any further City Funds and the City will be entitled to recapture from the Developer only (and not from USG) any and all City Funds previously paid under this Agreement (it being agreed that in the event such a Developer Reimbursement Event occurs, the City will not be entitled to recapture any City Funds from USG).

In addition to the foregoing remedies, 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 provided for under this Agreement or available at law or in equity, including but not limited to injunctive relief or the specific performance of the agreements contained herein (exclusive of the leasing and jobs covenants). However, the City will be entitled to recapture from the Developer only any City

Funds previously paid to the Developer as TIF-Funded Interest Costs or to USG with respect to the City Note only if the Developer Event of Default involves a Developer Reimbursement Event, except that with respect to a Developer Reimbursement Event described in clause (xi) of the definition thereof, the City shall only be entitled to recapture City Funds improperly received after the occurrence of the event that would have entitled the City to withhold, suspend, reduce or terminate disbursement of City Funds.

15.04 Remedies Not Penal In Nature. The remedies set forth in this Section 15 constitute a material part of the City's bargained-for consideration and are a material inducement to its execution of this Agreement. The Developer acknowledges that but for the City's agreement to provide the City Funds, USG would not have agreed to the USG Lease and that the existence of the USG Lease was essential to the Developer's ability to finance and construct the Project, from which the Developer will realize certain economic benefits. The Developer acknowledges and agrees that such remedies are reasonable and not penal in nature and that, but for such remedies, the City would not have agreed to execute this Agreement.

SECTION 16. MORTGAGING OF THE PROJECT

The only mortgages encumbering the Property or any portion thereof as of the date hereof are those granted in favor of KeyBank and CBRE. Such mortgages and new mortgage(s) permitted under Section 8.01 are referred to herein collectively as the "Permitted Mortgage(s)," and the holder of any such Mortgage is referred to herein as a "Permitted Mortgagee." In the event that any Permitted Mortgagee succeeds to the Developer's fee simple interest in the Property or any portion thereof pursuant to the exercise of remedies under a Mortgage, whether by foreclosure or deed in lieu of foreclosure, and accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, and provided further that the City receives adequate written assurance from USG as to USG's intent to continue to comply with its obligations under this Agreement and the USG Lease (subject to USG's exercise of its rights thereunder), then the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement. The City consents to the Developer's collateral assignment of its interest under this Redevelopment Agreement to KeyBank for purposes of permitting KeyBank to succeed to the Developer's interest hereunder, if necessary.

If any Permitted Mortgagee does not accept an assignment of the Developer's interest in accordance with Section 18.15, such Mortgagee shall be bound only by covenants specified in Section 8.02 (which covenant shall terminate upon the completion of construction of the Building), Section 8.01(k) and (m) and Sections 8.19 that run with the land.

The City acknowledges and agrees that KeyBank will never be obligated to (a) make any payments to the City that might be required under the terms of this Agreement as a result of a Developer Reimbursement Event unless the relevant act or omission is KeyBank's act or omission after KeyBank's acquisition of title to the Property, or (b) repay any City Funds previously paid by

the City under this Agreement that may be subject to recapture or repayment from such entities under the terms of this Agreement.

The City agrees to provide KeyBank and any other Permitted Mortgagee notices sent pursuant to Section 17 and to permit such parties (other than CBRE) an additional 15 days to cure any default for which a cure period is provided for herein and, if applicable (including with respect to CBRE), to provide the aforesaid written assurance and acceptance of assignment of the Developer's interest. The City agrees that the Events of Default arising from a breach of Sections 8.01(e), (f), (h), (i) and (j) and Events of Default described in Sections 15.01(c), (d), (e) (to the extent the judgment or order is against the Developer) and (f) are not susceptible to cure by KeyBank and further agrees that so long as no other Events of Default exist and all other conditions applicable to obtaining a Final Certificate and conditions precedent to the City's obligation to make payments hereunder are satisfied, then the City will not terminate the Agreement and will issue such Final Certificate and make such payments.

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) telescope or facsimile; (c) overnight courier; or (d) registered or certified mail, return receipt requested.

If to the City:	City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, IL 60602 Attention: Commissioner
With Copies To:	City of Chicago Department of Law Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602
If to the Developer:	Christiana Investors, L.L.C. 20 North Wacker Drive Chicago, Illinois 60606 Attn: Steven D. Fifield
With a copy to:	Acosta, Kruse, Raines & Zemenides One South Wacker Drive, Suite 3890 Chicago, Illinois 60606

Attn: Erika L. Kruse, Esq.

If to CBRE: CB Richard Ellis Strategic Partners, L.P.
865 South Figueroa Street, 35th Floor
Los Angeles, California 90017
Attn: Mr. John M. Gilb

If to KeyBank: KeyBank National Association
127 Public Square
Cleveland, Ohio 44114
Attn: Commercial Real Estate Department

With a copy to: KMZ Rosenman
525 West Monroe Street, Suite 1600
Chicago, Illinois 60611
Attn: Mark C. Simon, Esq.

If to USG: USG Corporation
125 South Franklin
Chicago, Illinois 60606
Attn: General Counsel

and to: USG Corporation
125 South Franklin
Chicago, Illinois 60606
Attn: Vice President and Treasurer

With a Copy To: Piper Rudnick
203 N. LaSalle Street, Suite 1800
Chicago, Illinois 60601
Attn: David Reifman, Esq. and Andrew Scott, Esq.

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.

Notwithstanding the foregoing, after USG occupies and begins business operations at the USG Premises, then notice shall be delivered to the designated USG recipients at the 550 West Adams Street address for the Building, with a copy to its outside legal counsel.

SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended without the prior written consent of the City, the Developer and USG; provided, however, that (a) the City shall have the unilateral right to amend Exhibit A (the legal description for the Area) and Exhibit C (the Plan) and Exhibit J (to recognize other statutorily permitted eligible costs as TIF-Funded Costs or reallocate amounts between the line items listed therein), and (b) the City and either the Developer or USG, as applicable, may amend those portions of the Agreement or Limited Joinder that only affect the City and such party without obtaining the third party's consent, but only after notice to the other non-consenting party.

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

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

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

18.05 Waiver. Waiver by the City, the Developer or USG with respect to any breach or default under 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, the Developer or USG in writing.

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

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

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

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

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

18.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances, such ordinances shall prevail and control.

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

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

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

18.15 Assignment. Prior to the Completion Date, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City, which shall be in the City's sole discretion. After the Completion Date, the Developer may make such an assignment provided any successor in interest to the Developer under this Agreement certifies in writing to the City its agreement to abide by all remaining executory terms of this Agreement for the Term of the Agreement, or such shorter period as may be expressly provided for herein. The Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect. This Agreement shall be binding upon the Developer, USG, the City and their respective permitted successors and permitted assigns (as provided herein and in the Limited Joinder). USG is an intended third party beneficiary of this Agreement with respect to the rights and benefits conferred to USG hereunder, and by its execution of the Limited Joinder, has undertaken to comply with the obligations applicable to USG hereunder and under the Limited Joinder.

18.17 Force Majeure. Neither the City, the Developer nor USG nor any successor in interest to any 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 delay such party in discharging its obligations hereunder.

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

18.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if the Developer or USG is required to provide notice under the WARN Act, the Developer or USG, as applicable, shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where the Developer or USG has locations in the State. Failure by the Developer or USG 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 with respect to such party only.

18.20 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that it 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 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 warrant that, to the best of its knowledge after due inquiry, no violation of Section 2-145-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

18.21 No Third Party Beneficiary. This Agreement and, as applicable to USG only, the Limited Joinder, is for the sole and exclusive benefit of the City, USG, an Approved Successor, the Developer and their permitted successors and permitted assigns. No other person or entity (excluding Permitted Mortgagees, for purposes of Section 16), is an intended third party beneficiary or shall have the right to enforce any of the provisions of this Agreement.

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

CHRISTIANA INVESTORS, L.L.C.,
an Illinois limited liability company

By:_____
Steven Fifield
Managing Member

CITY

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

By:_____
Denise M. Casalino, P.E.
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 Steven Fifield, personally known to me to be the managing member of _____, in its capacity as the managing member (the "Managing Member") of Christiana Investors, L.L.C., an Illinois limited liability company (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 signed, sealed, and delivered said instrument, pursuant to the authority given to him by the members of the Managing Member, as his free and voluntary act and as the free and voluntary act of the Managing Member and the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this _ day of _____, 2004.

_____
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 Denise M. Casalino, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument and to the attached Limited Joinder, appeared before me this day in person and acknowledged that she signed, sealed, and delivered said instruments pursuant to the authority given to her by the City, as his free and voluntary act and as the free and voluntary acts of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this _____ day of _____, 2004.

_____
Notary Public

My Commission Expires_____

(SEAL)

[(Sub)Exhibits "A", "C", "E", "E-1", "E-2", "F", "K", "M", "N", "P-1" and "P-2" referred to in this Redevelopment Agreement with Christiana Investors, L.L.C. unavailable at time of printing.]

Limited Joinder and (Sub)Exhibits "B", "D", "G", "H", "I", "J", "L", "O" and referred to in this Redevelopment Agreement with Christiana Investors, L.L.C. read as follows:

Limited Joinder.
(To Redevelopment Agreement With
Christiana Investors, L.L.C.)

LIMITED JOINDER

This Limited Joinder, dated _____, 2004, by and between the City of Chicago, an Illinois municipal corporation, acting by and through its Department of Planning and Development, it successors and assigns (the "City") and USG Corporation, a Delaware corporation currently operating its business as a debtor-in-possession under Chapter 11 of the United States Bankruptcy Code ("USG"), and is attached to and forms a part of that certain 550 West Adams Street Redevelopment Agreement dated _____, 2004, the "Agreement"), by and between the Developer and the City. Capitalized terms not defined herein shall have the meaning given in the attached Agreement.

RECITALS

A. USG and the Developer have previously entered into the USG Lease demising the USG Premises. Under Section 46 of the USG Lease, the Developer is obligated to pay to USG an amount equal to the amount paid to the Developer as TIF-Funded Interest Costs and, upon the Completion Date, to assign the City Note to USG. The USG Lease grants USG certain offset rights in the event that the Developer does comply with such obligations.

B. The Developer and the City are simultaneously herewith executing the Agreement, pursuant to which the City has committed, subject to the terms and conditions of the Agreement and this Limited Joinder, to reimburse the Developer for such TIF-Funded Interests Costs, to initially issue the City Note to the Developer and, after the Completion Date, to make payments with respect to the City Note to USG. The City is entering into the Agreement on the express condition that USG execute this Limited Joinder.

C. USG has voluntarily agreed to execute this Limited Joinder because it will receive the economic benefits described in Recital A, subject to the satisfaction of the conditions precedent to the disbursement of such City Funds.

AGREEMENTS

NOW, THEREFORE, in consideration of the recitals set forth above, the economic benefit to be received by USG under Section 46 of the USG Lease, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, USG hereby agrees as follows:

1. Recitals and Defined Terms. The above recitals are incorporated herein by reference and constitute a material part of this Limited Joinder.

2. USG Lease Representations, Warranties and Covenants.
USG represents, warrants and covenants, as of the date hereof and such items shall continue to be

true during the time period ending on the Tenth Anniversary Date as follows:

(a) assuming the due authorization and execution of the USG Lease by the Developer, the USG Lease is valid and binding as to USG and is unmodified (or if modified, modified only by (i) approved Material Amendments, (ii) amendments that are not unapproved Material Amendments) and is in full force and effect;

(b) except for the USG Lease, there are no binding agreements (written or oral) between the Developer and USG which, taken as a whole, materially affect the economic relationship between Developer and USG with respect to the Property or the USG Lease;

(c) USG has delivered (and will deliver) to the City copies of any written notices delivered by USG to the landlord pursuant to the USG Lease alleging or asserting either (i) that the Developer is in Default (as defined in the USG Lease) under the USG Lease or that an event has occurred and or a condition exists which, with the giving of notice, or the lapse of time, or both, would constitute such a Default, or (ii) that it has current defenses, counterclaims, liens or claims of offset or credit under, or claims or currently exercisable termination rights under the USG Lease against the Developer;

(d) USG has performed all of its current obligations under the USG Lease;

(e) USG (i) shall give written notice of any assignment or subletting of any portion of the USG Premises, which notice shall include a calculation of any rent or consideration above that which USG, as tenant under the USG lease, is required to pay, arising from such assignment or subletting, (ii) shall deliver to DPD a copy of written notice of any change in circumstances of which USG has knowledge that makes the representations and warranties in Section 2(a) inaccurate (it being agreed by the City that if such change in circumstances is due to an act or omission by the landlord, USG shall not be deemed in default under the Agreement or this Limited Joinder if it has given such written notice); and (iii) comply with its obligations under the USG Lease(subject to USG's exercise of whatever rights it may have in the case of a landlord default under the USG Lease); and

(f) USG, as tenant under the USG Lease, shall not agree to a Material Amendment of the USG Lease without the prior written consent of DPD, which consent shall be in DPD's sole discretion.

3. General Agreement Representations, Warranties and Covenants. USG represents, warrants and covenants as of the date hereof, and during the time period ending on the Tenth Anniversary Date (and except as to those construction-related representations, warranties and covenants of USG that shall earlier terminate upon the City's issuance of a Final Certificate):

(a) USG is a Delaware 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 (provided that the failure to be qualified to do

business in any state other than Illinois shall not be a breach of this representation and warranty unless such failure materially impairs USG's ability to perform its obligations under the Agreement and this Limited Joinder);

(b) USG has the right, corporate power and authority, and has received the express approval of the Bankruptcy Court, to enter into, execute, deliver and perform its obligations under the Agreement and this Limited Joinder;

(c) the execution, delivery and performance by USG of its obligations under the Agreement and this Limited Joinder has been duly authorized by all necessary corporate action, and does not violate the Articles of Incorporation or the by-laws of USG, as the same may be amended and supplemented, nor any applicable provision of law, nor does it constitute a breach of, default under or require any consent under any agreement, instrument or document to which USG is now a party or may become bound;

(d) except for the Bankruptcy Filing, and the pending and threatened litigation that led to the Bankruptcy Filing, there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting USG which would materially impair its ability to perform under the Agreement and this Limited Joinder;

(e) USG has obtained (or will obtain, prior to the commencement of construction of the USG Improvements and the conduct of business at the USG Premises) and shall maintain all government permits, certificates and consents necessary to conduct its business at the USG Premises and to construct, complete and operate the USG Improvements (except such permits or certificates as may be the landlord's responsibility under the USG Lease);

(f) USG shall not, without the prior written consent of the Commissioner of DPD, which shall not be unreasonably withheld or delayed, cause any liens against the Property other than the Permitted Liens;

(g) USG 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 USG in violation of Chapter 2-156-120 of the Municipal Code of the City;

(h) After USG's receipt of all required building permits and governmental approvals, USG shall complete and maintain the USG Improvements in accordance with the applicable provisions of the Agreement and all Exhibits attached hereto, the TIF Ordinances, the USG Plans and Specifications, the USG Improvements 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 USG;

(i) USG shall, at the request of the City, agree to any reasonable amendments to the Agreement and this Limited Joinder that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Project or the Area; provided, however, that any such amendments shall not have a material adverse effect on USG or the Project. USG shall cooperate and provide reasonable assistance in connection with the marketing of any such bonds, including but not limited to providing written descriptions of the USG Improvements and providing information and assisting the City in preparing an offering statement with respect thereto. USG shall not have any liability with respect to any disclosures made in connection with any such issuance that are actionable under applicable securities laws unless such disclosures are based on factual information provided by USG that is determined to be false or misleading.

(j) USG covenants and agrees to abide by, and to contractually obligate and use reasonable efforts to cause the USG General Contractor to abide by and to cause each of its subcontractors to abide by the terms set forth in Section 10 of the Agreement, provided, however, that the contracting, hiring and testing requirements for the MBE/WBE and City Residency obligations in Section 10 shall be applied on an aggregate basis and the failure of the General Contractor to require each subcontractor to satisfy, or the failure of any one subcontractor to satisfy, such obligations shall not result in a default under or termination of this Agreement or require the payment of the City resident hiring shortfall amount so long as such Section 10 obligations are satisfied on an aggregate basis.;

(k) USG shall submit, and shall contractually obligate and use reasonable efforts to cause the USG General Contractor to submit and to contractually obligate its subcontractors to submit, to DPD, from time to time, statements of their respective employment profiles upon DPD's request;

(l) USG covenants and agrees to pay, and to contractually obligate and cause the USG General Contractor to pay and to contractually obligate each of its subcontractors to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all USG Improvements construction 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 contracts. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, USG shall provide the City with copies of all such contracts to evidence compliance with this Section 3(l). Provided that any monetary amounts payable under the Prevailing Wage Act, 820 ILCS 130/0.01, et seq., for any violation of such statute are paid, nothing in this Agreement shall be construed to give the City any remedies with respect to prevailing wage violations beyond those provided for in the statute;

(m) Unless DPD shall have given its prior written consent with respect thereto, which consent shall not be unreasonably withheld, and except for building materials manufactured and/or supplied by USG, and except as otherwise explicitly disclosed in the USG Improvements Budget or otherwise approved in writing by DPD, which approval shall not be unreasonably withheld, neither USG nor any Affiliate may receive, directly or indirectly, any payment for work done, services provided or materials supplied in connection with the USG Improvements. The preceding limitation shall apply only to construction costs related to the USG Improvements. USG shall

provide information with respect to any entity receiving, directly or indirectly, any such payment upon DPD's request, prior to any disbursement of City Funds or otherwise;

(n) Pursuant to Section 5/11-74.4-4(n) of the Act, USG 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 USG Improvements, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or USG with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the USG business (except as a holder of publicly-traded shares of USG stock, or warrants or options relating to such shares), the Property or any other property in the Redevelopment Area (excluding property used exclusively as a principal residence);

(o) USG's outside counsel has no direct or indirect financial ownership interest in the Property or any other aspect of the Project;

(p) USG, at its own expense (or, with respect to coverages required to be carried by other parties, such other parties' expense), shall comply with all insurance provisions of Section 12 of the Agreement applicable to USG (subject to such self-insurance as USG may carry with respect to one or more of the required coverages);

(q) Except for the Permitted Liens and costs or charges (including any Non-Governmental Charge) which the Developer or landlord under the USG Lease is responsible for paying, USG agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the USG Improvements, the USG Premises 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, USG 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. USG 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. USG shall have the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property, or any portion thereof (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend USG's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 3(r); or

(ii) to furnish security in the form of a written undertaking by USG 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, or the preservation of the encumbrance of the Agreement and this Limited Joinder, during the pendency of such contest, which undertaking shall include a commitment to pay fully any such contested Non Governmental Charge and all interest and penalties upon the adverse determination of such contest;

(r) the USG Improvements is 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 USG Improvements and the Property. Upon the City's request, USG shall provide evidence reasonably satisfactory to the City of such compliance.

(s) USG agrees to pay or cause to be paid when due all post-Bankruptcy Filing Governmental Charges (as defined below) which are assessed or imposed upon USG or the USG Premises or become due and payable, and which create, may create, or appear to create a lien upon all or any portion of the Property or the Project, excluding, however, costs or charges which the Developer or landlord under the USG Lease is responsible for paying. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to USG, the USG Premises or the USG Improvements. USG shall have the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of any portion of the Property. No sucb contest or objection shall be deemed or construed in any way as relieving, modifying or extending USG's covenants to pay any such Governmental Charge at the time and in the manner required by law and provided in this Agreement unless USG has given prior written notice to DPD of its intent to contest or object to a Governmental Charge and, unless,

(i) USG shall demonstrate to DPD's reasonable satisfaction that legal proceedings instituted by USG 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) USG shall furnish security in the form of a written undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of any portion of the Property or prevent the imposition of such lien during the pendency of such contest, which undertaking will include a commitment to pay fully any such

contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

If USG fails to pay any Governmental Charge or to obtain discharge of the same, USG 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 USG under the Agreement or this Limited Joinder, 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 reimbursed to DPD by USG. Notwithstanding anything herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge.

(t) In lieu of the all-risk property insurance that USG would otherwise be required to provide pursuant to Section 12 of the Agreement, USG shall procure and maintain the following insurance (provided, however, that USG may self-insure one or more of the following required coverages):

(i) During construction of the USG Improvements, All Risk Property Insurance in the amount of the full replacement value of the USG Improvements, provided, however, that such requirement shall be deemed satisfied if USG causes its general contractor to maintain such coverage; and

(ii) Post-construction, throughout the Term of the Agreement, All Risk Property Insurance, including improvements and betterments in the amount of full replacement value of the USG Improvements and all inventory located thereon. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable.

(u) USG acknowledges (A) receipt of a copy of Section 2-156-030(b) of the Municipal Code of Chicago, (B) that it 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 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 Limited Joinder shall be grounds for termination of this Limited Joinder and the transactions contemplated hereby. USG hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-145-030(b) has occurred with respect to this Limited Joinder or the transactions

contemplated hereby.

4. USG Jobs Covenant. USG covenants that it (and, if applicable, any Approved Successor) shall comply with all of the following job-related covenants (the "Jobs Covenant"): (i) on the Job Creation Date, USG shall lease at least 225,000 square feet at the Building and employ at least 500 FTEs in the City (with not less than 450 FTEs located at the Building); (ii) after the Job Creation Date and at all times prior to the Tenth Anniversary Date, USG or USG's Affiliates shall employ at least 500 FTEs in the City (with at least 450 of such FTEs located at the Building), (iii) after the Job Creation Date and at all times prior to the Tenth Anniversary Date, USG shall lease at least 150,000 net rentable square feet of space at the Building, (iv) after the Job Creation Date and at all times prior to the Tenth Anniversary Date, USG shall maintain its corporate headquarters at the Building; and (v) in the event that an Approved Successor, by merger, consolidation or purchase of all or substantially all of the assets of USG, succeeds to USG's business operations, such Approved Successor shall maintain its principal place of business, or shall maintain the principal place of business for one or more of its significant business units at the Building, through the Tenth Anniversary Date.

The job retention requirements described in Section 4(a)(ii) and (iii) above will be tested as follows. Each month, USG will determine (and, if requested, report to the City) the number of FTEs employed during the prior month at the Building and elsewhere in the City. If during any Calculation Period, either the number of FTEs employed each month in such Calculation Period at the Building is less than 450, or the number of total FTEs employed in the City each month in such Calculation Period is less than 500, USG will have had a Bad Year and will be in default of such job retention requirements. USG agrees that it shall act in good faith and, among other things, shall not hire temporary workers or relocate workers for short periods of time as a means avoiding a breach of such requirements. If either such job retention default occurs, USG will have a one-time cure period (i.e., there is only one cure opportunity, not a separate one-time cure period for each type of job retention default) of 121 days, commencing on the last day of the Bad Year, to cure the job retention default, which if not so cured, shall constitute an immediate USG Event of Default (as defined in Section 7) and entitle the City to exercise the remedies set forth in Section 9(b) below. During such 121 day cure period, the City shall not be obligated to make any payments of City Funds, pending such possible cure. In addition, no interest shall accrue on the City Note with respect to the Bad Year. The City shall reserve any City Funds that would otherwise be paid during such cure period and, if such cure occurs, shall then pay such reserved City Funds upon such cure.

The termination of the USG Lease after a casualty event in accordance with Section 12 of the USG Lease shall not be an excuse or defense to the performance by USG of its obligations under this Section 4.

5. Survival of Covenants. All warranties, representations, covenants and agreements of USG contained in the Agreement and this Limited Joinder shall survive the execution, delivery and

acceptance hereof by the parties hereto. Construction-related obligations shall terminate pursuant to Section 7.02 upon the issuance of a Final Certificate. Thereafter, the USG Continuing Requirements shall be in effect throughout the Term of the Agreement, or such shorter period as may be expressly provided therein. In addition, and notwithstanding the preceding sentence, USG's indemnification, defense and hold harmless obligations in Section 13 of the Agreement shall survive the Term of the Agreement.

6. Acknowledgments and Agreements. USG acknowledges and agrees as follows:

(a) Each of the representations, warranties and covenants applicable to USG set forth in the Agreement and this Limited Joinder is a material inducement to the City's execution of the Agreement, payment of City Funds with respect to the City Note and payment of City Funds to USG.

(b) USG has been provided with a copy of the Agreement and this Limited Joinder prior to the date hereof, has had opportunity for legal counsel to review it, and is familiar with its terms and conditions, and agrees to abide by its obligations under the Agreement and under this Limited Joinder.

7. USG Events of Default. The occurrence of any one or more of the following events, which is not cured within the cure period expressly specified below (if any) shall constitute a default (a "USG Event of Default") entitling the City to exercise the applicable remedies described in Section 9:

(a) a breach of Section 4 that is not cured within the cure period provided therein, if any;

(b) the failure of USG to perform, keep or observe any of the material covenants, conditions, promises, agreements or obligations of USG under this Limited Joinder or the Agreement (other than obligations specifically designated as USG Events of Default under other subsections of this Section 7) that is not cured within the period provided for in Section 8;

(c) the making or furnishing by USG to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Limited Joinder, the USG Lease or any material related agreement with the Developer which is untrue or misleading in any material respect that is not cured within the period provided in Section 8 (or, in the case of other material agreements, in such other agreement, whichever is longer);

(d) the occurrence of a Bankruptcy-Related Default; or

(e) a Default (as defined in the USG Lease) by USG under the USG Lease that is not cured within any cure period granted under the USG Lease (if any) and that results in a termination of the Lease or the landlord's exercising its right of re-entry pursuant to Section 16 of the USG Lease.

8. Cure Period. USG shall promptly notify the City of any breach or default by USG under the Agreement or this Limited Joinder, provided, however, that an unintentional failure to notify the City shall not, in and of itself, be deemed a USG Event of Default. If a default occurs under Section 7(b) or (c), a USG Event of Default shall not exist unless and until USG fails to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default. If such a default cannot be cured within thirty (30) days, and USG has commenced to cure such default within such initial cure period and thereafter diligently prosecutes such cure to completion, then USG shall have up to an additional ninety (90) days time to cure such default. The cure period described in this Section 8 shall never apply to USG Events of Default described in Section 7(a), (d) or (e). During any cure period afforded with respect to defaults under Sections 7(b) and (c), the City shall not be obligated to make any payments of City Funds, pending such possible cure. The City shall reserve any City Funds that would otherwise be paid during such cure period and, if such cure occurs, shall then pay such reserved City Funds upon such cure.

9. Remedies. If a USG Event of Default occurs, the City shall have the following rights and remedies depending on the nature of such default. If more than one USG Event of Default exists, then the City will have the right to exercise the remedies applicable to each such default:

(a) if a failure to complete the Project described in Section 7.05 occurs, then the City shall have the rights and remedies in Section 7.05 of the Agreement. In addition, if a Bankruptcy-Related Default exists at the time of such failure; then the City shall also have the rights described in Section 9(c) below, provided that in no event, however, shall the City be entitled to recover a greater amount than the City Funds paid as of such date;

(b) after the issuance of a Final Certificate, if a USG Event of Default described in Section 7(a) of this Limited Joinder thereafter occurs, then the City shall have the right to both (i) recapture any payments of any City Funds paid after the occurrence of the First Bad Day, and (ii) terminate any further payments of any City Funds;

(c) if a USG Event of Default described in Section 7(d) of this Limited Joinder occurs after the date hereof and prior to the Security Cut-Off Date, then the City shall have the right both to (i) recapture the Clawback Amount (and, if necessary or appropriate, to draw on or otherwise liquidate the Security Instrument to assure the repayment of such amount), and (ii) terminate any further payments of City Funds;

(d) after the issuance of a Final Certificate, for a breach of any other representation, warranty, covenant or obligation of USG that is not cured within the applicable cure period, the City shall have

the right to both (i) recapture any payments of any City Funds made after the occurrence of the event which, after the lapse of all applicable cure periods, if any, gave rise to such USG Event of Default, and (ii) terminate any further payments of any City Funds. The foregoing remedy is separate and in addition to the condition precedent to payment of TIF-Funded Interest Costs prior to the Completion Date that is specified in Section 5.19(a)(i) and shall not be construed in derogation thereof;

(e) if an Event of Default includes a USG Reimbursement Event, then, in addition to the remedies in Section (b) above, the City shall also have the right to recapture from USG only any and all City Funds previously paid by the City; and

(f) 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 provided for under the Agreement or this Limited Joinder, including but not limited to injunctive relief or the specific performance of the agreements contained herein (exclusive of the jobs and leasing covenants). However, the City will be entitled to recapture City Funds previously paid by the City only if the USG Event of Default involves a USG Reimbursement Event, except for a USG Reimbursement Event described in clause (iv) of the definition thereof, with respect to which the City shall only be entitled to recapture City Funds disbursed after the occurrence of the event that would have entitled the City to withhold, suspend, reduce or terminate disbursement of City Funds.

A default by the landlord under the USG Lease shall not (a) relieve USG from its obligations under the Agreement or this Limited Joinder, or (b) constitute any defense, excuse of performance, release, discharge or similar form of equitable or other relief that would prevent or limit the City's enforcement of its remedies under this Limited Joinder. However, if a default by the landlord under the USG Lease leads USG to terminate the USG Lease and a USG Event of Default occurs under Section 9(b) (i.e., a jobs default), the City may exercise against USG only the remedy set forth in Section 9(b).

The remedies set forth in this Section 9 constitute a material part of the City's bargained-for consideration, and represent a material inducement to the City's execution of this Agreement. USG acknowledges and agrees that such remedies are reasonable and not penal in nature and that, but for such remedies, the City would not have agreed to execute the Agreement.

10. Subordination of Leasehold Interest. Notwithstanding anything in the USG Lease or otherwise to the contrary, the covenants identified in Section 7.03 of the Agreement and in this Limited Joinder as running with the land (and incorporated herein by reference) (the "City Encumbrances") shall, upon the recording of the Agreement, be superior to USG's rights under the leasehold estate created by the USG Lease, notwithstanding that the USG Lease may have been entered into and record notice thereof recorded prior to the recording of the Agreement and this Limited Joinder. USG hereby subordinates its leasehold estate to such City Encumbrances.

Notwithstanding such subordination, nothing in the Agreement or this Limited Joinder creates, nor shall be deemed to create, either (a) a City lien or encumbrance capable of being legally foreclosed or otherwise enforced under any applicable Illinois law so as to extinguish USG's rights as tenant

under the USG Lease, or (b) any City right to terminate the USG Lease or to otherwise disturb USG's right of possession as tenant under the USG Lease.

11. Notices. All notices and communications concerning this Limited Joinder shall be sent and deemed to have been received as described in Section 17 of the Agreement.

12. Amendment. This Limited Joinder may not be altered, amended, changed or modified in any respect without the written consent of both the City and USG. USG acknowledges that the City shall have the unilateral right to amend Exhibit A (the legal description for the Area) and Exhibit C (the Plan) to the Agreement.

13. Assignment. USG may not assign its obligations under the Agreement or this Limited Joinder (except to an Approved Successor, who assumes in writing USG's obligations under this Agreement) without the prior written consent of the City, which consent shall be the City's sole discretion, it being acknowledged and agreed that the benefits afforded under this Agreement and the Limited Joinder are personal to USG (and such Approved Successor).

14. Successors and Assigns. This Limited Joinder shall inure to the benefit of and be binding upon the City and USG and their respective permitted successors and permitted assigns.

15. No Third Party Beneficiary. This Limited Joinder is for the sole and exclusive benefit of the City. No other person or entity is an intended third party beneficiary of this Limited Joinder or shall have the right to enforce any of the provisions of this Limited Joinder. Nothing contained in this Limited Joinder may be construed to create or imply any partnership, joint venture or other association between the City and USG.

16. Headings. The section headings contained herein are for convenience only and are not intended to limit, expand or modify the provisions of such sections.

17. Counterpart Execution. This Limited Joinder may be executed in multiple counterparts, the signature pages of which, taken together, shall constitute an original execution copy.

18. Authority. The person signing this Limited Joinder onbehalf of USG certifies that he or she has the power and authority to enter into and execute this Limited Joinder.

19. Public Benefits Program. On the Closing Date, USG shall make a $25,000 contribution to the WITS tutoring program or another program designated by DPD and reasonably acceptable to USG. At the time the City issues the Final Certificate, USG shall make a second payment of $25,000 to the WITS tutoring program or another program designated by DPD and reasonably acceptable to USG.

IN WITNESS WHEREOF, USG and the City have executed this Limited Joinder effective as of the date of the attached Redevelopment Agreement.

USG

USG CORPORATION,
a Delaware corporation

By:_____
Name:_____
Its:_____

CITY

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

By:_____
Denise M. Casalino, P.E.
Commissioner

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

I, the undersigned, a notary public in and for Cook County, Illinois, hereby certify that _____, personally known to be to be the of USG Corporation, personally known to me to be the same person whose name is subscribed to the foregoing Limited Joinder, executed and delivered such instrument as his/her own free and voluntary act, and as the free and voluntary act of USG Corporation, for the uses and purposes set forth therein.

Given under by hand and notarial seal this _____ day of _____, 2004.

(SEAL)

_____
NOTARY PUBLIC

My Commission Expires_____

(Sub)Exhibit "B".
(To Redevelopment Agreement With
Christiana Investors, L.L.C.)

Property Legal Description.

17-16-107-028-0000

17-16-107-032-0000

If the Property is not separately taxed under its own Permanent Index Numbers on the Closing Date, then subsequent to the Closing Date, the Developer shall take such actions as are required to cause the Property to be taxed under separate Permanent Index Numbers. Only Incremental Taxes from such separate Permanent Index Numbers shall give rise to Project Incremental Taxes.

(Sub)Exhibit "D".
(To Redevelopment Agreement With
Christiana Investors, L.L.C.)

Notice Of Proposed Approved Successor.

[Form Of Notice Of Proposed Approved Successor]

[USG's Letterhead]

[Date]

By Messenger

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

City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

Re: Notice of Proposed Approved Successor
550 West Adams Street Redevelopment Agreement

Dear Commissioners:

This letter is written pursuant to the 550 West Adams Street Redevelopment Agreement dated _____, 2004 (the "Agreement") and constitutes the written notice of USG Corporation ("USG") of an impending {[merger]] [[consolidation]] [[purchase of all or substantially all of the assets or stock]] involving USG and {[Insert Name of Other Party]]. Upon the completion of such [[merger]] [[consolidation]] [[purchase]], [[Insert Name of Proposed Approved Successor]] shall have succeeded to all or a majority of the business or assets of USG (or both). A summary of the principal terms of the proposed [[merger]] [[consolidation]] [[purchase]], as contained in information available in publicly-available filings, is attached hereto as Schedule 1. If the City has further questions concerning the proposed [[merger]] [[consolidation]] [[purchase]], such questions should be directed to [Insert Name, Address and Phone Number of Person to be Contacted].

Sincerely yours,

[USG Signature Block]

[Schedule 1 referred to in this Form of Notice of Proposed Approved Successor unavailable at time of printing.]

Schedule 2.
(To Permitted Liens)

[Form Of Certification By Proposed Approved Successor]

[Letterhead Of Proposed Approved Successor]

[Date]

By Messenger

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

City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

Re: 550 West Adams Street Redevelopment Agreement
Certification by Proposed Approved Successor

Dear Commissioners:

This letter is written pursuant to the 550 West Adams Street Redevelopment Agreement dated _____, 2004 (the "Agreement") and constitutes the written certification of the undersigned, that, with the consummation of the [[merger]] [[consolidation]] [[purchase of all or substantially all of the assets or stock]] involving USG Corporation and [[Insert Name of Other Party]], it has succeeded to all or a majority of the business or assets of USG (or both). A summary of the principal terms of the proposed [[merger]] [[consolidation]] [[purchase]], as contained in information available in publicly-available filings, is attached hereto.

Pursuant to the Redevelopment Agreement, and with the understanding that the City will be relying upon such certifications, the undersigned hereby certifies as follows:

(1) it has received and reviewed a true, correct and complete copy of the Agreement and the Redevelopment Plan, including the Limited Joinder executed by USG (collectively, the "T.I.F. Agreements");

(2) it acknowledges and agrees that it shall be bound by, and hereby covenants to comply with, the terms, conditions, covenants, representations and warranties set forth in the T.I.F. Agreements which, by their terms, are binding upon USG;

(3) neither the undersigned, nor any affiliated person or entity controlling, controlled by or under common control with the undersigned, nor any person identified in the organizational chart depicting the undersigned's ownership being delivered to the City simultaneously herewith[1] (the "Successor Parties"), is (a) in violation of any City laws, regulations and requirements (including, without limitation, any "anti-scofflaw" laws); (b) in default under any other written agreements between any such person or entity and the City, or (c) delinquent in the payment of any amounts due to the City or the State of Illinois;

(4) the undersigned is qualified to do business in the State of Illinois and has obtained all qualifications, licenses and approvals required by the City of Chicago and State of Illinois in order to do business;

(5) not less than five hundred (500) F.T.E.s (as defined in the Redevelopment Agreement) are employed in the City (and not less than four hundred fifty (450) F.T.E.s are employed at the Building) in corporate office jobs in the City accordance with the terms of the Agreement.

If the City has further questions, such questions should be directed to [[Insert Name, Address and Phone Number of Person to be Contacted]].

[Signature Block]

---

(1) If the undersigned is a publicly-traded entity, such chart need only identify legal entities that own ten percent (10%) or more of such entity's ownership interests, and the certification in clause (3) shall only apply to such ten percent (10%) owners.

(Sub)Exhibit "G".
(To Redevelopment Agreement With
Christiana Investors, L.L.C.)

Form Of City Note.

Registered
Number [____]

Maximum Amount
$6,500,000[2]

United States Of America

State Of Illinois

County Of Cook

City Of Chicago

Tax Increment Allocation Revenue Note
Canal/Congress Redevelopment Project Area
(550 West Adams Street Project)

This Limited Obligation Note Is Payable Solely From Certain Allocated Project Incremental Taxes, As Defined And More Particularly Described In That Certain 550 West Adams Street Redevelopment Agreement Between Christiana Investors, L.L.C. And The City Of Chicago Dated _____, 2004. If No Such Allocated Project Incremental Taxes Exist, The City Of Chicago Shall Have No Obligation Whatsoever To Make Any Payments Of Principal Or Interest Under This Note.

(2) Maximum amount to be finally established on the Completion Date, but not to exceed Six Million Five Hundred Thousand Dollars ($6,500,000), per Section 4.02(c).

Initial Registered Owner: Christiana Investors, L.L.C.

Registered Owner Upon Completion Date: USG Corporation

Interest Rate: A fixed interest rate equal to eight and 75/100 percent (8.75%) per annum

Maturity Date: December ____, 2021 or such earlier date as may be applicable hereunder.

Know All Persons By These Presents, That the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of Six Million Five Hundred Thousand Dollars ($6,500,000) or such lesser amount as remains outstanding from time to time (the "Indebtedness"), in accordance with the terms of this Note, the Ordinance and that certain 550 West Adams Street Redevelopment Agreement between the City and Christiana Investors, L.L.C. dated ___, 2004 (the "Redevelopment Agreement"), to which USG Corporation has executed a Limited Joinder (the "Limited Joinder"). The City shall also pay the Registered Owner interest at the Interest Rate from the date of this Note on the Indebtedness, subject to the terms and conditions of the Redevelopment Agreement and the Limited Joinder. Capitalized terms used in this Note and not otherwise defined shall have the meanings set forth in the Redevelopment Agreement and the Limited Joinder.

The Interest Rate payable with respect to the Indebtedness shall be a fixed simple interest rate of eight and 75/100 percent (8.75%) per annum. Interest under this Note shall be computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months. From the date of this Note until December 31, 2005, interest on the principal amount of indebtedness evidenced by this Note shall accrue and, on December 31, 2005, compound and be capitalized and included within the principal amount hereof. From January 1, 2006 through the Completion Date, interest shall accrue and shall, on the Completion Date, compound and be capitalized and included within the principal amount hereof. The interest that accrues and is compounded and capitalized pursuant to the preceding two (2) sentences shall not be deemed to be subject to the City Note Maximum Principal Amount limitation.

In the event that any interest is not paid within sixty (60) days of the Annual Payment Date, then on each such Annual Payment Date, accrued and unpaid interest shall compound until paid. Subject to the satisfaction of all conditions to payment set forth in the Redevelopment Agreement and the Limited Joinder,

principal and interest on this Note, to the extent of any Project Incremental Taxes, if any, allocated to this Note under Section 4.01(d) of the Redevelopment Agreement, as determined by the City, is due within sixty (60) days of each December 1 (the "Annual Payment Date") after the Completion Date until the earlier of maturity, payment of the Note in full, or cancellation of this Note, in accordance with the debt service schedule attached hereto. Payments shall first be applied to the interest component of each such debt service schedule payment, and then to the principal component of such payment. In the event that Project Incremental Taxes are received by the City more than one (1) time per year pursuant to the T.I.F. Act (as hereinafter defined), the City, in its sole discretion, may elect to make payments under this Note two (2) times per year. If the City elects to make two (2) payments a year, the second (2nd) payment date shall be a date selected by the City and shall also constitute an "Annual Payment Date" for purposes of the compounding of interest described in the first (1st) sentence of this paragraph.

Notwithstanding anything in this Note to the contrary, this Note, and the payment of principal and/or interest otherwise due hereunder, is, under certain circumstances specified in the Redevelopment Agreement and the Limited Joinder, subject to cancellation, suspension, offset and/or reduction. Reference is made, without limitation, to Sections 4.02(e) and (g), 5.18, 7.05 and 15.03 of the Redevelopment Agreement, and Sections 9 of the Limited Joinder, which set forth certain such circumstances. The terms of the Redevelopment Agreement and the Limited Joinder are incorporated herein by reference as if fully set forth herein. In the event of a conflict between the terms of this Note and the terms of the Redevelopment Agreement and the Limited Joinder, the terms of the Redevelopment Agreement and the Limited Joinder shall be controlling.

The principal of and interest on this Note are payable in lawful money of the United States of America and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth (15th) day of the month immediately prior to the applicable payment, maturity or prepayment date, and shall be paid by check or draft of the Registrar (or, at the City's sole election, by wire transfer of funds), payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar (or, if the City elects to pay by wire transfer, to such account as the Registered Owner may direct by written wire transfer instructions); provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois. The Registered Owner of this Note shall note on the Payment Record attached hereto the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the original outstanding principal amount of $_____ [Insert Closing Date Principal Amount], subject to increase in principal amount pursuant to Section 4.02 of the Redevelopment Agreement, up to the maximum principal amount of Six Million Five Hundred Thousand Dollars ($6,500,000), for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Christiana Investors, L.L.C. on behalf of the City in connection with the acquisition of the Property and construction of the Building (both as defined in the Redevelopment Agreement) in the Canal/Congress Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, et seq.) (the "T.I.F. Act"), the Local Government Debt Reform Act (30 ILCS 350/1, et seq.) and an Ordinance adopted by the City Council of the City on _____, 2004 (the "Ordinance"), in all respects as by law required, and in accordance with the terms of the Redevelopment Agreement and the Limited Joinder.

Reference is hereby made to Section 2 (the definition of "Project Incremental Taxes") and Section 4 of the Redevelopment Agreement and to the aforesaid Ordinance for a description, among others, with respect to the determination, custody, allocation and application of any Project Incremental Taxes and the terms and conditions under which this Note is issued.

This Note Is A Special Limited Obligation Of The City, And Is Payable Solely From Certain Allocated Project Incremental Taxes. This Note Shall Not Be Deemed To Constitute An Indebtedness Or A Loan Against The General Taxing Powers Or Credit Of The City, Within The Meaning Of Any Constitutional Or Statutory Provision. The Registered Owner Of This Note Shall Not Have The Right To Compel Any Exercise Of The Taxing Power Of The City, The State Of Illinois Or Any Political Subdivision Thereof To Pay The Principal Or Interest Of This Note.

The principal of this Note is subject to prepayment on any date (including, without limitation, in accordance with Section 8.05 of the Redevelopment Agreement), in whole or in part, without premium or penalty, at one hundred percent (100%) of the principal amount thereof being prepaid, plus accrued interest. Notice of any such prepayment shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for prepayment to the Registered Owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar, subject to the last paragraph of this Note.

This Note is issued in fully registered form in the face amount of Six Million Five Hundred Thousand Dollars ($6,500,000). This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

This Note will be transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, the Redevelopment Agreement, the Limited Joinder and this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount, or having such other terms as the City may require under the Redevelopment Agreement and the Limited Joinder, will be issued to the transferee in exchange herefor. The Registered Owner shall not have the right to request that the Registrar issue multiple notes having an aggregate principal balance equal to the surrendered and canceled Note. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth (15th) day of the month immediately prior to the Maturity Date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for payment has been mailed, nor during a period of five (5) days next preceding mailing of a notice of prepayment of this Note. Such transfer shall be by a written instrument in a form acceptable to the City.

This Note shall be executed as the Ordinance provides and upon execution delivered by the Comptroller to the Registered Owner upon satisfaction of the provisions of the Ordinance.

In reliance on and pursuant to the Redevelopment Agreement, the Registered Owner has acquired the Property and constructed the Building and advanced funds on behalf of the City for certain T.I.F.-Funded Costs (as defined in the Redevelopment Agreement). The City acknowledges and agrees that as of the date of this Note, the Registered Owner has advanced funds and incurred T.I.F.-Funded Costs in the amount of $_____ [Insert Closing Date Principal Amount]. Such initial principal amount shall, upon execution by the City of the Certificate of Authentication attached to this Note, be deemed to be a disbursement of the proceeds of this Note in a like amount. Thereafter, upon the Registered Owner's submission, and the City's approval, of additional Certificates of Expenditure pursuant to Section 4.02(b) of the Redevelopment Agreement, the amount evidenced by each such Certificate of Expenditure shall be deemed an additional disbursement of the proceeds of the Note and become outstanding Indebtedness thereunder.

The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in

regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

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

In Witness Whereof, The City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of _____, 200___.

_____
Mayor

(Seal)

Attest:

_____

_____
City Clerk

Certificate
Of
Authentication

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note Canal/Congress Redevelopment Project Area (550 West Adams Street Redevelopment Project) Maximum Amount of Six Million Five Hundred Thousand Dollars ($6,500,000) of the City of Chicago, Cook County, Illinois.

Registrar and
Paying Agent:

Comptroller of the
City of Chicago,
Cook County, Illinois

_____

_____

Date: _____

Principal Payment Record.

Date Of Payment	Principal Payment	Principal Amount Due
_____	_____	_____
_____	_____	_____
_____	_____	_____

Certificate Of Expenditure.

To: Registered Owner of the Note Number R-1.

Re: City of Chicago, Cook County, Illinois (the "City")
$6,500,000* Tax Increment Allocation Revenue Note
Canal/Congress Redevelopment Area (550 West Adams Street), Series 2004
(Taxable)(the "City Note").

This Certification is submitted to you, as Registered Owner of the City Note, pursuant to Section 4 of the 550 West Adams Street Redevelopment Agreement between the City and Christiana Investors, L.L.C. (the "Redevelopment Agreement"), with a limited joinder by USG Corporation, dated _____, 2004, the terms of the City Note and an ordinance of the City authorizing the execution of the City Note adopted by the City Council of the City on _____, 2004 (the "Ordinance"). All terms used herein shall have the same meanings as when used in the redevelopment agreement.

The City hereby certifies that $_____ is advanced as principal under the City Note as of _____, 200__. Such amount has been properly incurred, is a proper charge made or to be made in connection with the redevelopment project costs for the Project and has not been the basis of any previous principal advance. As of the date hereof, the outstanding principal balance under the City Note is $_____, including the amount of this Certificate, and less payments made on the Note.

In Witness Whereof, The City has caused this Certification to be signed on its behalf as of _____, 20___.

City of Chicago, Cook County, Illinois,
acting by and through its Department
of Planning and Development

By: _____
[Deputy] Commissioner

Authenticated By:

_____
Registrar

(Sub)Exhibit "H".
(To Redevelopment Agreement With
Christiana Investors, L.L.C.)

Form Of Notice Of Proposed [[Transfer[[[[Refinancing]]

[Developer's Letterhead]

[Date]

By Messenger

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

City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

Re: 550 West Adams Street Redevelopment Agreement [[Refinancing]] [[Sale]] of 550 West Adams Street

Dear Commissioners:

This letter is written pursuant to Section 8.01(k) of the 550 West Adams Street Redevelopment Agreement dated _____, 2004 (the "Agreement") and constitutes the written notice of Christiana Investors, L.L.C. of the proposed [[transfer]][[refinancing]] of the property. A summary of the principal terms of the proposed [[transfer]] [[refinancing]] is attached hereto as Schedule 1. If the City has further questions concerning the proposed [[transfer]] [[refinancing]], such questions should be directed to [Insert Name, Address, And Phone Number Of Person To Be Contacted].

Sincerely yours,

[Developer Signature Block]

Schedule 1 referred to in this Form of Notice of Proposed Transfer/Refinancing reads as follows:

Schedule 1.
(To Form Of Notice Of Proposed Transfer/Refinancing)

Summary Of Principal Terms.

Legal Description:

Street Address:

Description of Improvements:

Current Use:

Intended Use:

Buyer:[3]

Price:

Lender:

Proposed
Closing Date:

Other Material
Terms of Sale
or Refinancing:

Schedule 2.
(To Form Of Notice Of Proposed Transfer/Refinancing)

Form Of Certification By Proposed Transferee.

[Letterhead Of Proposed Transferee]

[Date]

By Messenger

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

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(3) Attach organizational chart depicting upper-tier ownership interests in Buyer identifying all persons and entities having a direct or indirect ownership interest in Buyer.

City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

Re: 550 West Adams Street (the "Property")
550 West Adams Street Redevelopment Agreement
Certification by Proposed Transferee

Dear Commissioners:

This letter is written pursuant to Section 8.01(k) of the 550 West Adams Street Redevelopment Agreement dated _____, 2004 (the "Agreement") and constitutes the written certification of the undersigned, which has entered into a contract with [Insert Developer] to purchase the Property. A copy of the contract is being delivered to you with this letter. Capitalized terms not defined herein shall have the meaning set forth in the Agreement.

Pursuant to Section 8.01(k), and with the understanding that the City will be relying upon such certifications, the undersigned hereby certifies as follows:

(1) it has received and reviewed a true, correct and complete copy of the Agreement and the Redevelopment Plan (collectively, the "T.I.F. Agreements");

(2) it acknowledges and agrees that it shall be bound by, and hereby covenants to comply with, the terms, conditions, covenants, representations and warranties set forth in the T.I.F. Agreements which, by their terms, are binding upon any owner and operator of the Property;

(3) it shall operate the Building solely for retail and office uses;

(4) neither the undersigned, nor any affiliate thereof, nor any person identified in the organizational chart depicting the undersigned's ownership being delivered to the City simultaneously herewith (the "Transferee Parties"), is (a) in violation of any City laws, regulations and requirements (including, without limitation, any "anti-scofflaw" laws); (b) in default under any other written agreements between

any such person or entity and the City, or (c) delinquent in the payment of any amounts due to the City or the State of Illinois;

(5) the undersigned is qualified to do business in the State of Illinois and has obtained all qualifications, licenses and approvals required by the City of Chicago in order to own and operate the Property; and

(6) the undersigned is solvent, able to pay its debts as they become mature and has the financial capability and business expertise to acquire, own and operate the Property;

(7) the total cash and non-cash consideration to be paid for the Property, and the value of such consideration, is as follows: [Insert Description]; and

(8) the undersigned is an Approved Purchaser because of its status as [Insert Description]:

If the City has further questions concerning the proposed transfer, such questions should be directed to [Insert Name, Address, And Phone Number Of Person To Be Contacted].

Sincerely yours,

[Proposed Transferee
Signature Block]

(Sub)Exhibit "I".
(To Redevelopment Agreement With
Christiana Investors, L.L.C.)

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 the Developer or the Project, other than liens against the Property, if any:

None.

(Sub)Exhibit "J".
(To Redevelopment Agreement With
Christiana Investors, L.L.C.)

T.I.F. -Funded Costs.

Property assembly and related costs permitted under 65 ILCS 5/11-74.4(q)(2)	$5,150,000
Costs of the construction of public improvements permitted under 65 ILCS 5/11-74.4(a)(4)	$350,000

(Sub)Exhibit "L".
(To Redevelopment Agreement With
Christiana Investors, L.L.C.)

Estimated T.I.F.-Funded Interest Costs.

Lender Financing Construction Period Interest	$ 7,900,000
CBRE Financing Construction Period Interest	3,700,000
Estimated Total Construction Period Interest Costs	11,600,000
Total Construction Period T.I.F.-Funded Interest Costs:	$ 3,480,000

Notes:

1. The Three Million Four Hundred Eighty Thousand Dollars ($3,480,000) represents thirty percent (30%) of construction period interest costs, as permitted under the Act.

2. The above T.I.F.-Funded Interest Costs only relate to construction period interest costs. T.I.F.-Funded Interest Costs are subject to increase up to the T.I.F.-Funded Interest Costs Maximum Amount and may also include interests costs associated with a permitted refinancing.

(Sub)Exhibit "O".
(To Redevelopment Agreement With
Christiana Investors, L.L.C.)

Opinion of Developer's Counsel.

_____, *2004.*

City of Chicago
121 North LaSalle Street
Chicago, Illinois 60602

Attention: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to [[Insert Name Of Developer/USG]], a [[Insert State Of Organization And Form Of Entity]] Illinois corporation (the [["Developer"]] [["USG"]]), in connection with that certain redevelopment project to be undertaken by [[the Developer]] [[USG]] with respect to the building commonly known as 550 West Adams Street, Chicago, Illinois located in the Canal/Congress Tax Increment Financing Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

(a) _____ Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City") [[and the limited joinder attached thereto executed by the City and USG]];

(b) [insert other documents as may be appropriate, including but not limited to the USG Lease, documents related to purchase and financing of the Property and all lender financing related to the Base Building Improvements]; and

(c) all other agreements, instruments and documents executed in connection with the foregoing.

Capitalized terms not otherwise defined in this opinion shall have the meaning set forth in the Agreement.

In addition to the foregoing, we have examined

(a) the originals or certified, conformed or photostatic copies of [[the Developer's]] [[USG's]] (i) Articles of Incorporation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which the Developer is qualified to do business, (iii) Bylaws, as amended to date, and (iv) records of all corporate proceedings relating to the [[Building]] [[USG]] Project; and

(b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those of [[the Developer]] [[USG]]), the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies.

Based on the foregoing, it is our opinion that:

1. [[The Developer]] [[USG]] is a corporation duly organized, validly existing and in good standing under the laws of its state of incorporation, has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign corporation under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. [[The Developer]] [[USG]] has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or

result in a breach of, {[the Developer's]] [[USG's]] Articles of Incorporation or Bylaws or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which [[the Developer]] [[USG]] is a party or by which [[the Developer]] [[USG]] or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which [[the Developer]] [[USG]] is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing.

3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of [[the Developer]] [[USG]].

4. Each of the Documents to which [[the Developer]] [[USG]] is a party has been duly executed and delivered by a duly authorized officer of [[the Developer]] [[USG]], and each such Document constitutes the legal, valid and binding obligation of [[the Developer]] [[USG]], enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5. [[Developer Opinion Only; Modify For Applicable Organizational Structure]] (Sub)Exhibit A attached hereto (a) identifies each class of capital stock of the Developer, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of the Developer and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on (Sub)Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of the Developer. Each outstanding share of the capital stock of the Developer is duly authorized, validly issued, fully paid and nonassessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against {[the Developer]] [[USG]], nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against [[the Developer]] [[USG]] or affecting [[the Developer]] [[USG]] or its property, or seeking to restrain or enjoin the performance by [[the Developer]] [[USG]] of the Agreement {[or the limited joinder]] or the transactions contemplated by the Agreement [[and the limited joinder]] or contesting the validity thereof. To

the best of our knowledge after diligent inquiry, [[the Developer]] [[USG]] is not in default with respect to any order, writ, injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on [[the Developer]] [[USG]] or its business.

7. To the best of our knowledge after diligent inquiry, there is no default by [[the Developer]] [[USG]] or any other party under any material contract, lease, agreement, instrument or commitment relating to the redevelopment project to which [[the Developer]] [[USG]] is a party or by which the company or its properties is bound.

8. [[Developer Opinion Only]] To the best of our knowledge after diligent inquiry, all of the assets of the Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in Schedule 1 hereto.

9. The execution, delivery and performance of the Documents by [[the Developer]] [[USG]] have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

10. To the best of our knowledge after diligent inquiry, [[the Developer]] [[USG]] owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

11. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois.

This opinion is issued at the Developer's request for the benefit of the City and may not be relied upon by any other person.

Very truly yours,

_____

By: _____

Name: _____

[(Sub)Exhibit "A" and Schedule 1 referred to in this Opinion of Developer's Counsel unavailable at time of printing.]

APPROVAL OF TAX INCREMENT FINANCING REDEVELOPMENT PLAN FOR PRATT/RIDGE INDUSTRIAL PARK CONSERVATION AREA.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the approval of the Redevelopment Plan for the Pratt/Ridge Industrial Park Conservation Area, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, It is desirable and in the best interests of the citizens of the City of Chicago, Illinois (the "City") for the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 et. seq., as amended (the "Act"), for a proposed redevelopment project area to be known as the Pratt/Ridge Industrial Park Conservation Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project attached hereto as Exhibit A (the "Plan"); and

WHEREAS, Pursuant to Sections 5/11-74.6-15 and 5/11-74.6-22 of the Act, the Community Development Commission (the "Commission") of the City, by authority of the Mayor and the City Council of the City (the "City Council", referred to herein collectively with the Mayor as the "Corporate Authorities") called a public hearing (the "Hearing") concerning approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act on May 11, 2004; and

WHEREAS, The Plan was made available for public inspection and review pursuant to Section 5/11-74.6-22(a) of the Act beginning March 8, 2004, prior to the adoption by the Commission of Resolution 04-CDC-20 on March 9, 2004 fixing the time and place for the Hearing, at the offices of the City Clerk and the City's Department of Planning and Development; and

WHEREAS, Due notice of the Hearing was given pursuant to Section 5/11-74.6-25 of the Act, said notice being given to all taxing districts having property within the Area and to the Department of Commerce and Economic Opportunity of the State of Illinois by certified mail on March 24, 2004, by publication in the *Chicago Sun-Times* or *Chicago Tribune* on April 13, 2004 and April 20, 2004, by certified mail to taxpayers within the Area on April 13, 2004; and

WHEREAS, A meeting of the joint review board established pursuant to Section 5/11-74.6-22(b) of the Act (the "Board") was convened upon the provision of due notice on April 8, 2004 at 10:00 A.M., to review the matters properly coming before the Board and to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area, and other matters, if any, properly before it; and

WHEREAS, The Commission has forwarded to the City Council a copy of its Resolution 04-CDC-35 attached hereto as Exhibit B, adopted on May 11, 2004, recommending to the City Council approval of the Plan, among other related matters; and

WHEREAS, The Corporate Authorities have reviewed the Plan, testimony from the Hearing, if any, the recommendation of the Board, if any, the recommendation of the Commission and such other matters or studies as the Corporate Authorities have deemed necessary or appropriate to make the findings set forth herein, and are generally informed of the conditions existing in the Area; now, therefore,

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

SECTION 1. Recitals. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Area. The Area is legally described in Exhibit C attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit D attached hereto and incorporated herein. The map of the Area is depicted on Exhibit E attached hereto and incorporated herein.

SECTION 3. Findings. The Corporate Authorities hereby make the following findings as required pursuant to Section 5/11-74.6-10(1) of the Act:

a. the Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed in accordance with public goals stated in the Plan without the adoption of the Plan;

b. the Plan:

(i) conforms to the comprehensive plan for the development of the City as a whole; or

(ii) either: (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission; or (B) includes land uses that have been approved by the Chicago Plan Commission;

c. the Plan meets all of the requirements of a redevelopment plan as defined in

the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not later than December 31 of the year in which the payment to the municipal treasurer as provided in Section 5/11-74.6-35 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year after the year in which the ordinance approving the redevelopment project area is adopted, and, as required pursuant to Section 5/11-74.6-30 of the Act, no such obligation shall have a maturity date greater than twenty (20) years;

d. the Plan is reasonably expected to create or retain a significant number of permanent full time jobs as set forth in paragraph (3) of subsection (1) of Section 5/11-74.6-10 of the Act; and

e. the City is a labor surplus municipality and the implementation of the Plan is reasonably expected to create a significant number of permanent full time new jobs and, by the provision of new facilities, significantly enhance the tax base of the taxing districts that extend into the Area.

SECTION 4. Approval Of The Plan. The City hereby approves the Plan pursuant to Section 5/11-74.6-15 of the Act.

SECTION 5. Powers Of Eminent Domain. In compliance with Section 5/11-74.6-15(c) of the Act and with the Plan, the Corporation Counsel is authorized to negotiate for the acquisition by the City of parcels contained within the Area. In the event the Corporation Counsel is unable to acquire any of said parcels through negotiation, the Corporation Counsel is authorized to institute eminent domain proceedings to acquire such parcels. Nothing herein shall be in derogation of any proper authority.

SECTION 6. Invalidity Of Any Section. 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 7. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 8. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "E" referred to in this ordinance printed on page 26666 this *Journal*.]

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

Exhibit "A".
(To Ordinance)

Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan And Project.

March 8, 2004.

I. INTRODUCTION

This report documents the Industrial Park Conservation Area eligibility criteria and the Redevelopment Plan and Project (the "Plan") for the Pratt/Ridge Industrial Park Conservation Area (the "IPCA"). The Plan has been prepared for the use by the City of Chicago (the "City") by Ernst & Young LLP ("E&Y").

Based on the available data, as described in the following pages, E&Y performed site evaluation and the qualification of the City as a labor surplus municipality. In addition, Gremely & Biedermann, a surveyor, documented the zoning of the IPCA. Based on the analysis, the evidence has enabled E&Y to conclude that the proposed IPCA is eligible for designation as an Industrial Park Conservation Area (under Standard One) and may be designated as a tax increment finance district under the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 et seq., as amended (the "Act").

The Plan summarizes E&Y's analyses and findings, which, unless otherwise noted, is the responsibility of E&Y. The City is entitled to rely on the findings and conclusions of this Plan in designating the IPCA as a redevelopment project area under the Act. E&Y has prepared this Plan and the related eligibility analysis with the understanding that the City would rely: 1) on the findings and conclusions of the Plan and the related eligibility analysis in proceeding with the designation of the IPCA and the adoption and implementation of the Plan, and 2) on the fact that E&Y has obtained the necessary information so that the Plan and the related eligibility analysis will comply with the Act.

IPCA Description

The IPCA includes the corporate headquarters and manufacturing facilities owned and operated by the S&C Electric Company ("S&C" or the "Developer") and is located approximately 10 miles northwest of the central business district of the City, in the Rogers Park neighborhood. See Exhibit C in the Appendix. The boundaries of the IPCA include the contiguous properties owned by the Developer. The IPCA is generally bounded by Devon Avenue to the south, Ridge Boulevard to the west, Pratt Avenue on the north, and the Chicago & North Western Railway to the east. It is anticipated that the property within the boundaries of the IPCA will gain substantial benefit from the proposed redevelopment project improvements outlined below.

IPCA History

S&C Electric Company is a global provider of equipment and services for electric power systems. Founded in 1911, the Chicago-based company designs and manufactures switching and protection products for electric power transmission and distribution. S&C provides solutions for customers worldwide. The company has engineering offices and manufacturing facilities in Chicago, Illinois; Franklin, Wisconsin; Alameda, California; and Orlando, Florida. S&C subsidiaries operate in Toronto, Canada; Curitiba, Brazil; Naucalpan, Mexico; and Suzhou, China.

S&C's products help deliver electric power efficiently and reliably. Some are used to switch circuits. Others minimize damage to equipment in the event of a fault, or reduce the area of an outage by automatically rerouting power flow. S&C's sophisticated power-quality products can deliver uninterrupted power for an entire facility, and for crucial process industries. In addition, S&C offers engineering, laboratory, and testing services for electric utilities and commercial, industrial, and institutional power users.

S&C's products protect underground and overhead electrical distribution systems, interrupting system voltages from 5,000 volts up to 34,500 volts, as well as protecting electrical transmission systems (transmission lines, transformers and capacitor banks) up to 345,000 volts. By remaining a specialist, S&C has developed an expertise in power transmission / distribution practices and power quality solutions. S&C's in-depth specialization and development of proprietary products has made it a leader in the industry, competing against much larger, global companies such as Siemens Energy (Germany), ABB (Sweden), Cooper Industries (United States), Square D (Group Schneider) (France), as well as smaller, regional companies headquartered in the United States such as Hubbell Inc., Powell Industries, G&W Electric, Bridges Electric, Federal Pacific and American Superconductor. In recent years, S&C has seen an increase in low-cost overseas competitors selling imitation products made in Korea, Brazil, and Taiwan.

S&C's sales are broadly divided into two segments: public utilities (80-85%) and large power consumers (15-20%). The former category includes virtually every utility in North America and the latter category includes both large and small industrial, commercial and institutional power consumers.

IPCA Project Overview

The Developer is proposing to renovate and modernize the Site, known as the John R. Conrad Industrial Complex over the next several years. At the time of this report, the proposed redevelopment project, which is the headquarters of S&C Electric Company, is a 46-acre facility that occupies 20 major buildings covering approximately 1,125,000 square feet under roof (the "Site" or the "Project Area"). The Developer is proposing to invest approximately $145,000,000 in new redevelopment, construction, renovation, equipment, and employee training over the twenty-three (23) year life of the IPCA.

Included in the Developer's projected improvements is the proposed construction of an Advanced Technology Center for new product development and testing. The implementation of the Developer's investment is divided into four (4) phases, as described below.

- Phase I: Phase I is anticipated to occur in Years 1-5. This phase consists primarily of the engineering, site preparation and construction of the Advanced Technology Center, a new research and development facility. In addition, there are more planned expenditures which will be prioritized based on age, condition and strategic value to S&C. These expenditures are renovation and improvements to the Site which include, but are not limited to, roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining, advanced education and career enhancement programs.

- Phase II: Phase II is anticipated to occur in Years 6-11. This phase consists primarily of the engineering, site preparation and construction of two new buildings. The first, Building 2C, will involve as modernized expansion for manufacturing operations and will include accommodations for renovated mechanical and electrical service entries. The second will be a new office building for expansion of S&C's in-house consulting/construction management team. In addition, there are more planned expenditures which will be prioritized based on age, condition and strategic value to S&C. These expenditures are renovation and improvements to the Site which include, but are not limited to, roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining, advanced education and career enhancement programs.

- Phase III: Phase III is anticipated to occur in Years 12-17. This phase consists primarily of the engineering, site preparation and construction of Building 15B, intended as expansion space for S&C Polymer Products Division's manufacturing operations. In addition, there are more planned expenditures which will be prioritized based on age, condition and strategic value to S&C. These expenditures are renovation and improvements to the Site which include, but are not limited to, roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining, advanced education and career enhancement programs.

- Phase IV: Phase IV is anticipated to occur in Years 18-23. This phase consists primarily of the engineering, site preparation and construction of a two story parking structure to accommodate expanded employment and replace parking areas lost to new construction activities. In addition, there are more planned

expenditures which will be prioritized based on age, condition and strategic value to S&C. These expenditures are renovation and improvements to the Site which include, but are not limited to, roof replacements, mechanical and electrical infrastructure refurbishment, paving, fire protection and site beautification. Machine tool and information technology purchases are also planned, as well as a variety of job training, retraining, advanced education and career enhancement programs.

The estimated total private investment related to these phases, as described, is detailed in Table 1.0:

Table 1.0: Estimated Total Private Investment

Phase	Estimated Investment		Major Development Activity
Phase I (Years 1-5)	$	38,000,000	Advanced Technology Center
Phase II (Years 6-11)	$	52,000,000	Construction of Building 2C
Phase III (Years 12-17)	$	33,000,000	Polymer Products Mfg Bldg 15B
Phase IV (Years 18-23)	$	22,000,000	Parking Structure for Employees
Estimated Total Investment	**$**	**145,000,000**	

Tax Increment Financing

The Act is intended to help overcome the unique challenges to the redevelopment of underutilized and vacant industrial sites. Further, the Act is intended to provide resources to retain and expand the industrial economy in Illinois through the use of tax increment financing ("TIF").

The Act permits municipalities to use TIF to improve eligible "industrial park conservation areas", "vacant industrial building conservation areas", or "environmentally contaminated areas" in accordance with an adopted redevelopment plan over a period not to exceed twenty three (23) years. The cost of certain public and private improvements and programs can be paid with revenues generated by taxes paid on the increased equalized assessed values ("EAV") of taxable real estate within a designated IPCA.

The incremental property taxes associated with an increase in private investment can be used to reimburse developers for eligible redevelopment project costs. Incremental property taxes are derived from the increase in the current EAV of real property improvements within the TIF district over and above the Certified Initial EAV ("Base EAV") of real property within the same district. The Certified Initial EAV is determined when the TIF district is established by a municipality. In summary, investment in new real property in the redevelopment area increases the EAV of the property, thus creating incremental real property tax revenues.

IPCAs do not generate incremental tax revenues by increasing tax rates. Rather, incremental tax revenues are generated through utilization of the municipality's Special Tax Allocation Fund to account for the incremental property tax revenues produced by the private investment and the reassessment of properties within the TIF district. The assets of the Special Tax Allocation Fund shall be used to pay for redevelopment project costs in the IPCA.

Through the use of TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the IPCA. Additionally, taxing districts may receive distributions of excess incremental property taxes when annual incremental property taxes are collected if the amount of taxes collected are greater than the amount of the incremental property taxes earmarked toward redevelopment project costs or obligations. In addition to the potential of excess incremental property tax distributions, the taxing districts may realize an increase in their respective property tax bases after the TIF district has expired and all costs and obligations have been paid.

The successful implementation of the Plan requires the City to utilize the real estate tax increment attributed to the IPCA as provided for by the Act.

The levels of public and private investment, as outlined in the Plan, is possible only if TIF is used as authorized by the Act. Implementation of the Plan will benefit the City, its residents, and all taxing districts in the form of an expanded tax base and the improvement of the community through the creation and retention of jobs.

Redevelopment Plan

The Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the IPCA in order to stimulate investment in the IPCA. The goal of the City, through implementation of the Plan, is that the entire IPCA be revitalized through a coordinated public and private enterprise effort of reinvestment, rehabilitation, and redevelopment of uses compatible with a strong, stable neighborhood, and that such revitalization occurs:

- On a coordinated, rather than piecemeal basis, to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards;
- On a reasonable, comprehensive, and integrated basis to ensure that the factors leading to unemployment and underutilization of industrial land are reduced; and
- Within a reasonable and defined time period so that the IPCA may contribute productively to the economic vitality of the City.

The Plan specifically describes the IPCA and summarizes the factors which qualify the IPCA as an "industrial park conservation area" as defined in the Act.

The success of this redevelopment effort will depend on the cooperation between the public and private sectors. By means of public investment, the IPCA will become a stable environment for area-wide redevelopment by the private sector. The City will help coordinate the activities to ensure a unified and cooperative public-private redevelopment effort.

The use of incremental property taxes from the IPCA will benefit the City, its residents and taxing districts by generating the following benefits:

- Increased property tax base derived from investment in real property;
- Increase in construction and other employment opportunities from the direct and indirect spin-off of investment in the IPCA;
- Improved public systems, including utilities, roadways and other infrastructure items;
- The provision of job training services which make the IPCA more attractive to investors and employers; and
- The creation of opportunities for women and minority businesses to share in the redevelopment of the IPCA.

II. ELIGIBILITY OF THE PROPOSED INDUSTRIAL PARK CONSERVATION AREA

The Illinois Industrial Jobs Recovery Law authorizes Illinois municipalities to redevelop locally designated areas through TIF. To qualify as a TIF district, the Project Area can be designated under one of the following categories as defined by the Act:

- Environmentally Contaminated Area;
- Industrial Park Conservation Area; or
- Vacant Industrial Building Conservation Area.

Based on the information contained in this report, the Project Area and the City meet the eligibility criteria for designation as an "Industrial Park Conservation Area." The definition as determined by the Act is as follows:

"Industrial Park Conservation Area" means an area within the boundaries of a redevelopment project area located within the corporate limits of a municipality or within 1 1/2 miles of the corporate limits of a municipality if the area is to be annexed to the

municipality, if the area is zoned as industrial no later than the date on which the municipality by ordinance designates the redevelopment project area, and if the area includes improved or vacant land suitable for use as an industrial park or a research park, or both. To be designated as an Industrial Park Conservation Area, the area shall also satisfy one of the following standards: (65 ILCS 5/11-74.6-10(e)):

1) **Standard One**: "The municipality must be a labor surplus municipality and the area must be served by adequate public and or road transportation for access by the unemployed and for the movement of goods or materials and the redevelopment project area shall contain no more than 2% of the most recently ascertained equalized assessed value of all taxable real properties within the corporate limits of the municipality after adjustment for all annexations associated with the establishment of the redevelopment project area or be located in the vicinity of a waste disposal site or other waste facility. The project plan shall include a plan for and shall establish a marketing program to attract appropriate businesses to the proposed Industrial Park Conservation Area and shall include an adequate plan for financing and construction of the necessary infrastructure. No redevelopment projects may be authorized by the municipality under Standard One of subsection (e) of this Section unless the project plan also provides for an employment training project that would prepare unemployed workers for work in the Industrial Park Conservation Area, and the project has been approved by official action of or is to be operated by the local community college district, public school district or state or locally designated private industry council or successor agency." (65 ILCS 5/11-74.6-10(e)(1)).

2) **Standard Two**: "The municipality must be a substantial labor surplus municipality and the area must be served by adequate public and or road transportation for access by the unemployed and for the movement of goods or materials and the redevelopment project area shall contain no more than 2% of the most recently ascertained equalized assessed value of all taxable real properties within the corporate limits of the municipality after adjustment for all annexations associated with the establishment of the redevelopment project area. No redevelopment projects may be authorized by the municipality under Standard Two of subsection (e) of this Section unless the project plan also provides for an employment training project that would prepare unemployed workers for work in the Industrial Park Conservation Area, and the project has been approved by official action of or is to be operated by the local community college district, public school district or state or locally designated private industry council or successor agency." (65 ILCS 5/11-74.6-10(e)(2)).

According to the Act, no redevelopment plan shall be adopted by a municipality without findings that (65 ILCS 5/11-74.6-10(l)(5)):

"In the case of an industrial park conservation area, that the municipality is a labor surplus municipality or a substantial labor surplus municipality and that the

implementation of the redevelopment plan is reasonably expected to create a significant number of permanent full time new jobs and, by the provision of new facilities, significantly enhance the tax base of the taxing districts that extend into the redevelopment project area."

Based on our review of the IPCA, the eligibility segment of this report provides the following data to qualify the IPCA under Standard One of the Act:

A) Zoning;

B) Suitability of Land for Industrial Use;

C) Labor Surplus Municipality;

D) Most Recent Equalized Assessed Valuation;

E) Adequate Public Road Transportation Access;

F) Equalized Assessed Value as a Proportion of Municipality;

G) Required Plan Elements; and

H) Within the Corporate Limits of the Municipality.

Zoning

The Project Area must qualify as an "Industrial Park Conservation Area", as defined by the Act, before the Standard One criteria area applied.

"The area within the boundaries of a redevelopment project area located within the corporate limits of a municipality or within 1 1/2 miles of the corporate limits of a municipality if the area is to be annexed to the municipality, if the area is zoned as industrial no later than the date on which the municipality by ordinance designates the redevelopment project area, and if the area includes improved or vacant land suitable for use as an industrial park or a research park, or both." (65 ILCS 5/11-74.6-10(e)).

The IPCA is zoned as M2-2 and M1-1 (industrial classifications of the City)[1].

[1] A portion of the IPCA surrounding the public right of way is currently zoned C1-1 (a commercial classification of the City); however, this portion of the IPCA will be re-zoned industrial prior to adoption of the Plan by City Council.

Suitability of Land for Industrial Use

According to the Act, an eligible IPCA must include improved or vacant land suitable for use as an industrial park or a research park, or both. An industrial park is defined as:

"... an area in a redevelopment project area suitable for use by any manufacturing, industrial, research, or transportation enterprise, of facilities, including but not limited to factories, mills, processing plants, assembly plants, packing plants, fabricating plants, distribution centers, warehouses, repair overhaul or service facilities, freight terminals, research facilities, test facilities or railroad facilities. An industrial park may contain space for commercial and other use as long as the expected principal use of the park is industrial and is reasonably expected to result in the creation of a significant number of new permanent full time jobs. An industrial park may also contain related operations and facilities including, but not limited to, business and office support services such as centralized computers, telecommunications, publishing, accounting, photocopying and similar activities and employee services such as child care, health care, food service and similar activities. An industrial park may also include demonstration projects, prototype development, specialized training on developing technology, and pure research in any field related or adaptable to business and industry." (65 ILCS 5/11-74.6-10(c)).

The IPCA consists of 62 parcels, improved for industrial purposes, and is suitable for use by an industrial establishment.

Labor Surplus Municipality

On the basis of Standard One, the Project Area is eligible for designation as an IPCA under the requirements of the Act. As defined by the Act, the Standard One criteria for a "labor surplus municipality" is: "a municipality in which, during the 4 calendar years immediately preceding the date the municipality by ordinance designates an Industrial Park Conservation Area, the average unemployment rate was 1% or more over the State average unemployment rate for that same period..." (65 ILCS 5/11-74.6-10(g)).

Table 2.0 provides annual local, state and national unemployment statistics for calendar years ending 1999 through 2002. According to information collected from the Bureau of Labor Statistics, for the years 1999 to 2002 inclusive, the unemployment rate in the City exceeded that of both the State of Illinois and the United States by more than 1%. Table 2.0 below illustrates the corresponding unemployment rates.

Table 2.0: Unemployment Rates

Unemployment Rates in Chicago and the State of Illinois (Percent)

	1999	2000	2001	2002	Four Year Average
Chicago (1)	5.5	5.6	7.0	8.3	6.6
Illinois (2)	4.3	4.4	5.4	6.5	5.2
Difference	1.2	1.2	1.6	1.8	1.4

Unemployment Rates in Chicago and the United States (Percent)

	1999	2000	2001	2002	Four Year Average
Chicago (1)	5.5	5.6	7.0	8.3	6.6
U.S. (2)	4.2	4.0	4.8	5.8	4.7
Difference	1.3	1.6	2.2	2.5	1.9

(1) Source: Illinois Department of Employment Security "Local Area Unemployment Statistics"
(2) Source: United States Department of Labor, Bureau of Labor Statistics "The Employment Situation"

Over the previous four years, the average unemployment rate in the City was 1.4% higher than the average unemployment rates in the State of Illinois and 1.9% higher than the average unemployment rate in the United States. These average unemployment rates indicate that the City is a labor surplus municipality, as there has been a persistently higher percentage of workers who are unemployed in the City as compared to state and national rates.

Most Recent Ascertained Equalized Assessed Valuation

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Project Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Project Area. The 2002 EAV of all taxable parcels in the Project Area is approximately $16,414,901*. This total EAV amount, by Parcel Identification Number ("PIN"), is summarized in Exhibit A of the Appendix. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by Cook County. At the time of this report, 62 PINs are anticipated to be included in the IPCA.

*Source: 2002 Cook County Assessor Property Tax Records

Adequate Public and Road Transportation Access

In the Standard One statutory definition "the municipality must be a labor surplus municipality and the area must be served by adequate public and or road transportation for access by the unemployed and for the movement of goods or materials...." (65 ILCS 5/11-74.6-10(e)(1)).

To provide adequate road and highway transportation the City has access convenient to several interstates including, but not limited to, I-94, I-90, US 41, I-294, I-80, and I-57.

These major highways connect the City with other areas in Illinois as well as providing access to other areas throughout the United States. In addition to the major highways, site access is provided via Devon Avenue to the south, Ridge Boulevard to the west, and Pratt Avenue on the north.

To provide adequate public transportation access, the Chicago Transit Authority provides 143 bus routes and 7 subway and elevated train lines. Of the 143 bus routes, 125 are fully accessible by persons with disabilities. Most bus routes and train lines are available almost anytime during the week and on weekends. Specifically, the Project Area is served by the CTA Howard/95th Red Line elevated train and the 155 Devon bus route.

Equalized Assessed Value as Proportion of Municipality

In Standard One of the Act, "the project area shall contain no more than 2% of the most recently ascertained equalized assessed value of all taxable real properties within the corporate limits of the municipality after adjustment for all annexations associated with the establishment of the redevelopment project area..." (65 ILCS 5/11-74.6-10(e)(1)).

At the time of this report, the Project Area EAV in Table 3.0 includes the 2002 EAV for the IPCA and the City of Chicago.

Table 3.0: EAV as a Proportion of the Municipality

Assessment Year	Project Area EAV (1)	City of Chicago EAV (2)	Project Area EAV Percentage
2002	$16,414,901	$45,337,763,388	0.036%

Source: (1) Assessed Value Source: 2002 Cook County Assessor Property Tax Records
(2) City of Chicago Office of Budget and Management

Required Plan Elements

In order to be eligible for designation as an IPCA under the requirements of Standard One, the Plan must contain a plan for and shall establish a marketing program to attract appropriate businesses and an adequate plan for financing and construction of the necessary infrastructure. Further, the Plan must provide for an employment training project that will prepare unemployed workers for work in the IPCA. The marketing plan and employment training elements are described in detail in the subsection titled "Employment Training", in Section V (Redevelopment Plan), and in the subsection titled "Marketing Program", in Section VI (Financial Plan), respectively. The plan for financing and construction of necessary infrastructure is described in Section IV (Financial Plan).

Within the Corporate Limits of the Municipality

The entire IPCA is currently within the corporate limits of the City of Chicago.

III. FINDINGS OF NEED FOR TAX INCREMENT FINANCING

Lack of Growth Through Private Enterprise

Although the City as a whole has evidenced growth, the IPCA, as a whole, has not been subject to appropriate growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed in accordance with public goals stated in the Plan without the adoption of the Plan. The lack of growth is shown by the factors described in this section.

Lack of New Construction / Renovation

In the past seven years, there has been only one new building constructed within the IPCA. The new development (Building 12A at the far northern end of the Site) resulted in the elimination of some material handling problems, the avoidance of increased maintenance expenditures, and elimination of potential safety concerns. The development, which occurred two years ago, involved the demolition of two functionally obsolete structures, construction of a 100,000 square foot building, and the relocation and consolidation of shipping operations.

The two demolished buildings were greater than 50 years of age and functionally obsolete. Continuing to operate and maintain these buildings would have required S&C to make significant expenditures in order to insure these buildings remained as safe working environments for its employees. S&C determined that it was not cost-effective to maintain the buildings and therefore decided that it was necessary to construct the new building. The new development also alleviated a safety concern. Because the shipping operations were not centralized on the Site, the shipping flow of outgoing product often interfered with employees safely moving raw materials and work in process from one building to the next. This often resulted in bottlenecks at the Site. The new development centralized the shipping operations into Building 12A and assisted with the reduction of bottlenecks which inhibited product flow and caused a potential safety concern.

According to S&C, the construction of Building 12A did not substantially increase productive capacity. The Site contains 1,125,000 square feet under roof and Building 12A constitutes less than 10 percent of the overall Project Area.

In addition to the aforementioned improvement, historical building permit records were examined. The City Department of Buildings provided building permit data for the prior six years (1997-2003). During this six-year period, only 12 building permits were issued in the IPCA. These records indicate that of the $700,000 of related improvements, a majority of the investment within the boundaries of the IPCA (as documented by the City) was related to the demolition of existing structures and the installation of new equipment. Of this amount, $213,000 (30%) was related to the demolition of obsolete

structures, and $300,000 (43%) was related to the installation of new equipment. These investments do not enhance land values.

Also, since 1997, completion of engineering and construction of the strategic, $25,000,000 Advanced Technology Center as well as over $7,000,000 in plant renovation projects have been delayed or deferred for the reasons described herein. These projects which include roof replacements, fire protection system expansion and upgrades, roadway repaving, boiler replacements, fire signaling upgrades and heating, ventilating and air conditioning systems replacements and related upgrades are important to the long term success of S&C and maintenance of a safe, modern workplace. According to an appraisal conducted by Urban Real Estate Research (2003), the majority of the renovation work deferred is related to areas considered to be well beyond normal life expectancy.

Furthermore, over $10,000,000 in manufacturing capacity improvements for fabrication and assembly areas were deferred, forcing temporary expansion measures, crowded work spaces and limited ability to expand operations to meet customer demands. Included in these deferred improvement projects is the $3,000,000 renovation of Pad Mounted Gear and Vista assembly lines, as well as a $2,500,000 laser based expansion to sheet metal fabrication capacity and a $3,000,000 silver plating line replacement. Although these expenditures would not enhance land values, they are critical to the success of S&C and they compete with plant improvements for prioritization of capital investment.

Inability to Redevelop Site

As previously mentioned, the IPCA is occupied by S&C's corporate headquarters and manufacturing operations otherwise known as the John R. Conrad Industrial Complex. S&C has been located in the Rogers Park area of Chicago since 1949. Over the 55 years since S&C first occupied the Site, S&C has gradually increased its physical presence through the acquisition of adjacent land and buildings. As described in Section I, S&C is proposing to expand and improve upon their existing facilities. However, due to several factors the ability to redevelop the site is limited.

Physical Impediments

Through this gradual acquisition of land and buildings, the IPCA is currently located on an irregular shaped property located in the Rogers Park neighborhood. See Appendix Exhibit D. The IPCA is bounded by residential property on the north and west, commercial property to the south, and the above grade elevated Chicago & North Western Railway commuter line on the east. Due to the surrounding incompatible land uses, the ability of S&C to expand operations beyond its current property is very limited. As a result of the inability to expand beyond its current property, S&C will have to implement creative strategies to reconfigure current manufacturing and storage space in order to accommodate any future expansion.

Aging Structures

In addition, the age of the buildings within the boundaries of the IPCA create challenges which inhibit the ability to reconfigure space to accommodate increases in capacity. Fourteen of the 20 buildings (70 percent) within the IPCA have an age of 30 years old or greater. Table 4.0 details the age and use of the buildings located within the boundaries of the IPCA.

Table 4.0: Age of Buildings

Building Number	Use	Age
1	Manufacturing	49
2	Manufacturing	40
2A	Manufacturing	18
2B	Office/Manufacturing	17
3	Manufacturing	33
4	Office	39
5	Manufacturing	33
6	Manufacturing	33
7	Storage/Manufacturing	57
9	Manufacturing	25
10	Office/Storage/Garage	33
12	Manufacturing/Office	16
12A	Manufacturing/Office	2
14	Office	43
15	Manufacturing	32
15A	Manufacturing/Office	7
17	Office/Manufacturing	49
18	Storage	41
19	Storage	72
21	Laboratory/Research/Office	41
AVERAGE BUILDING AGE		**34**

Source: Appraisal conducted by Urban Real Estate Research, Inc. May 2003.

As Table 4.0 demonstrates, the average building age is approximately 34 years. In addition, the analysis conducted by Urban Real Estate Research, Inc. estimated that the average useful life of the twenty buildings is five years. Many of these aging structures no longer have the structural ability to handle new production. Moreover, the inconsistent nature of these buildings (e.g. varying heights, footprints, utility requirements and capabilities) leads to increased costs for S&C to maintain efficient world-class quality manufacturing processes and material handling. As a result, S&C will ultimately have to demolish certain structures and construct new buildings. This reconfiguration, demolition, and reconstruction of new buildings adds additional costs to S&C's implementation of the redevelopment project. If S&C were to construct a new facility, at a greenfield site outside of the City of Chicago, the cost would be substantially less

according to Means Construction Cost Data[1]. This cost differential is detailed in Table 5.0.

Increased Costs Related to Expansion/Renovation

To remain competitive in the marketplace, S&C must continue to modernize its manufacturing capabilities. Without full implementation of the Plan, the Site may not be able to accommodate future growth of the manufacturing process in a competitive manner. Global competition is forcing S&C to accelerate its production enhancements and implementation of new technology. This ~~These~~ accelerated implementation process leads to increasing financial pressures to expand production capacity at the Site in a cost effective manner.

In order to react to the growing competition, S&C is considering significant capital investments to renovate and reconfigure the Site. The costs associated with new construction, renovation, and demolition are greater in the City than at alternate locations. As mentioned above, if S&C were to construct a new facility, in another location, the costs would be substantially less. Table 5.0 details the cost factor comparison between Chicago, Illinois and Franklin, Wisconsin which is 20 miles from Milwaukee. Data for Milwaukee, Wisconsin was used for this analysis since Franklin data was not available.

Table 5.0: Location Cost Factor Analysis

Location	Materials	Installation	Total
Chicago, Illinois	99.6	126.4	112.5
Milwaukee, Wisconsin	99.2	102.3	100.7

Note: In order to quantify costs, take estimated costs, multiply by the factor, and divide by 100.

As a result of the financial constraints, in recent years S&C has been unable to relocate certain production lines to the Site; instead, S&C has retained this production capacity at its Wisconsin facility. However, to keep the Site viable, in the long-term, future capacity increases must be achieved in Chicago.

Conclusion

In summary, the increased costs associated with the redevelopment project in the City of Chicago limit the ability of S&C to increase production capacity. S&C has determined that without full implementation of the Plan, the property may not be able to accommodate future growth of the manufacturing process in a competitive manner.

[1] Source: Mean's Construction Cost Data 2004.

S&C has determined that assistance from the City is of key importance to implement the 23-year plan to retain world-class manufacturing capacity, customer service, and cost competitiveness in the IPCA. Based on modern manufacturing layouts and standards, the IPCA, as a whole, has not been subject to growth and development by private enterprise, other than those items detailed in Section III. In accordance with the goals stated in the Plan, without the adoption of the Plan, the IPCA would not reasonably expected to be developed in accordance with the public goals stated in the Plan. In the absence of City-assisted redevelopment, there is a prospect that the implementation of the 23-year planned industrial expansion would not occur.

Conformance with Land Uses

The Plan includes land uses, which were approved by the Planning Commission of the City of Chicago. The land uses anticipated in the Future Land Use Plan are consistent with current zoning of the Project Area. See Appendix Exhibit G.

Job Creation

The Plan is reasonably expected to result in the creation and retention of a significant number of permanent full-time jobs. Initially, the project is expected to result in the retention of approximately 1,500 full-time City manufacturing jobs. In addition, Table 6.0 outlines the projected creation of additional full-time jobs at the facility as the Plan is implemented.

Table 6.0: Estimated Job Creation

Position	Employees
Professionals	4
Technicians	4
Office and Clerical	2
Crafts Persons (Skilled)	20
Operatives (Semi-skilled)	18
Estimated Total	**48**

Additional job creation may result as productivity increases are realized along with an improved economy.

Date of Completion

In accordance with the Act, the estimated date for the completion of the Plan and the retirement of obligations incurred to finance redevelopment project costs is no later than December 31 of the year in which the payment to the municipal treasurer is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year the ordinance approving the IPCA is adopted by the City.

Labor Surplus Municipality

As described in Section II, over the previous four years, the average unemployment rate in the City was 1.4% higher than the average unemployment rates in the State of Illinois and 1.9% higher than the average unemployment rate in the United States. These average unemployment rates indicate that the City is a labor surplus municipality. The City unemployment rates have been consistently higher than state or national rates.

IV. REDEVELOPMENT GOALS, OBJECTIVES, AND STRATEGIES

The Plan for the City's proposed IPCA is developed to provide a description of the necessary actions to stimulate private investment in the Project Area. From an economic perspective, the implementation of the Plan through the use of tax increment financing may stimulate additional private investment over the life of the IPCA. Full realization of this combined public/private investment is expected to create new employment opportunities and enhance the tax base of the City.

Redevelopment Goals

The following items represent the major redevelopment goals of the Plan.

- Reduce or eliminate those conditions which inhibit investment in the IPCA.
- Provide sound economic development in the IPCA.
- Contribute to the economic well being of the City.
- Create strong public and private partnerships to capitalize upon and coordinate all available resources and assets.
- Encourage land uses which strengthen the function and appeal of the IPCA for predominantly industrial, non-residential activities.
- Employ residents of the City in the IPCA.
- Promote and protect the health, safety, morals, and welfare of the public by establishing a public / private partnership.
- Continue sound economic growth, development and training in the City by working within the guidelines of the Training Program and Business Marketing Plan as established by the City.
- Encourage private investment while conforming with the City's Comprehensive Plan.
- Enhance the City's property tax base.
- Enhance the value of the Project Area.
- Leverage private investment through the use of tax increment financing in order to retain and create industrial jobs.

Redevelopment Objectives

The following items represent the major redevelopment objectives of the Plan.

- Provide sites which are conducive to industrial development, through activities such as demolition, rehabilitation, etc.
- Encourage the use and maintenance of the industrial land.
- Upgrade infrastructure throughout the IPCA.
- Undertake appropriate environmental remediation measures on development sites, according to customary procedures.
- Support job training programs to provide employees living in areas surrounding the IPCA with the skills necessary to maintain jobs in the IPCA with S&C.
- Repair and replace the infrastructure where needed, including, but not limited to: roads, sidewalks, public utilities, and other public infrastructure.
- Promote women-owned and minority-owned businesses and affirmative action programs, as detailed in the subsection entitled "Affirmative Action and Fair Employment Practices" under Section V (Redevelopment Plan).

Redevelopment Strategy – Key Activities

To achieve the goals and objectives outlined above, the City proposes to assist with redevelopment of the Project Area by pledging future annual property tax increments to be used for eligible redevelopment project costs. Actions required to implement such a strategy are as follows:

- Approval of the Plan and determination of eligibility; and
- Designation of the IPCA by the City; and
- Use of TIF revenues to provide reimbursement of eligible costs associated with private investment.

In addition to the items listed above, the Appendix contains documentation to further illustrate the Plan. Table 7.0 provides the following documentation included in the Appendix of this report:

Table 7.0: Listing of Exhibits

APPENDIX	SOURCE
Exhibit A: PIN Listing and Equalized Assessed Value	2002 Cook County Assessor Property Tax Records
Exhibit B: Legal Description of Project Area	Gremely & Biedermann
Exhibit C:: Map of the City of Chicago	S&C Electric Company
Exhibit D: Project Area Map	Gremely & Biedermann
Exhibit E: Current Land Use Map	S&C Electric Company
Exhibit F: Current Site Plan	S&C Electric Company
Exhibit G: Future Land Use Map	S&C Electric Company
Exhibit H: Future Site Plan	S&C Electric Company
Exhibit I: Zoning Map	Gremely & Biedermann
Exhibit J: Letter from City Colleges of Chicago	City Colleges of Chicago

V. REDEVELOPMENT PLAN

The Redevelopment Plan as defined in the Act is "the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate the conditions that qualified the redevelopment project area or redevelopment planning area, or both, as an environmentally contaminated area or industrial park conservation area, or vacant industrial buildings conservation area, or combination thereof, and thereby to enhance the tax bases of the taxing districts that extend into the redevelopment project area or redevelopment planning area". (65 ILCS 5/11-74.6-10(l)).

Future Land Use

To accommodate private investment, the IPCA will remain zoned for industrial use for a minimum of 23 years following the establishment of the IPCA by the City. The future land uses are expected to be industrial and those that support the industrial development. In order to support the industrial uses, the future land use plan includes areas within the IPCA for manufacturing, warehousing and distribution, research and development, office facilities, and employee parking. See Appendix Exhibits G and H in the Appendix.

Implementation Schedule

The City should implement the Plan for the Project Area to encourage private growth and development. To achieve this goal, the City should implement the Plan with appropriate timeliness to maximize private sector investments in the Project Area.

Private investment within the IPCA is expected to be completed by 2027 with the reimbursement of the eligible costs to be reimbursed over the life of the IPCA. Immediate implementation by the City is expected to result in the stimulation of significant private investment in the Project Area and enhance the overall impact of the Plan over its life.

The Plan sets forth the overall redevelopment project to be undertaken to accomplish the City's above-stated goal. During implementation of this redevelopment project, the City may, from time to time, (i) undertake or cause to be undertaken public improvements and activities (ii) enter into redevelopment agreements with the Developer to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects") and, (iii) enter into intergovernmental agreements with public entities in support of the objectives of the Plan.

Affirmative Action and Fair Employment Practices

The City is committed to and will affirmatively implement the following principles with respect to the Plan:

1. The assurance of equal opportunity in all personnel and employment actions, with respect to the Redevelopment Project, including, but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.

2. The Developer must meet the City's standards for participation of 25% Minority Business Enterprises ("MBE") and 5% Woman Business Enterprises ("WBE") and the City Resident Construction Worker Employment Requirement ("Residency Requirement") as required in redevelopment agreements.[1]

3. This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

4. The Developer will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

In order to implement these principles, the City will require and promote equal employment practices and affirmative action on the part of itself and its contractors and vendors. In particular, parties engaged by the City shall be required to agree to the principles set forth in this section.

With respect to the public/private development's internal operations, all entities will pursue employment practices which provide equal opportunity to all people regardless of race, color, religion, sex, parental status, marital status, age, handicapped status, national origin, creed, ancestry, sexual orientation, military discharge status, source of income, or housing status. Neither party will condone discrimination against any employee or applicant because of race, color, religion, sex, parental status, marital status, age, handicapped status, national origin, creed, ancestry, sexual orientation, military discharge status, source of income, or housing status. These nondiscriminatory practices will apply to all areas of employment, including hiring, upgrading and promotions, termination, compensation, benefit programs and educational opportunities.

[1] If the City, at any time, changes the MBE/WBE and/or Residency Requirement percentage, the Developer will adhere to the revised policy of the City.

Anyone involved with employment or contracting activities for this Plan will be responsible for conformance with this policy and the compliance requirement of the applicable city, state, and federal laws and regulations.

The City and the private developers involved in the implementation of the Plan will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level for the project being undertaken in the IPCA. Any public/private partnership established for the development project in the IPCA will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites and facilities at which employees are assigned to work. All on-site supervisory personnel are aware of and will carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals. The partnership will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner.

The City shall have the right in its sole discretion to exempt certain small businesses, residential property owners and developers from items 1, 2, 3, and 4 above.

Marketing Program

S&C is anticipated to be the single user of the IPCA during its entire 23-year life. However, if S&C relocated at some time in the future, the marketing program for the IPCA may include the following:

- Market Analysis and Detailed Program: A detailed market analysis may be prepared for the Site which will identify the types of manufacturing, research and development, distribution and warehouse users that are appropriate to the Site. The analysis may identify the industrial classification of such firms and provide the basis for identifying specific firms as appropriate. The more specific physical requirements of such firms would be researched and a detail market development program of users and user requirements prepared.
- Master Plan: A detailed master plan incorporating the development requirements may be prepared. This plan may include, but is not limited to, street layouts, widths, parcel size, landscaping, buffering, entrance treatments, coordination with environmental remediation, design and coordination with infrastructure improvements and phasing.
- Marketing Management: A marketing manager may be selected to coordinate and implement the overall marketing of the Site, including such activities as establishing target market program lists, establishing cooperative relationships with brokers and property owners, creating and implementing advertising and public relations programs, conducting calling programs to target businesses, and similar activities based on the market study and the master plan.

VI. FINANCIAL PLAN

This section defines and presents key elements relevant to the financial plan of the IPCA.

Eligible Redevelopment Project Costs

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Plan (the "Redevelopment Project Costs.")

Redevelopment Project Costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Plan pursuant to the Act. Such costs may include, without limitation, the following (65 ILCS 5/11-74.6-10(o)):

1) Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, or other services, but no charges for professional services may be based on a percentage of the tax increment collected. No contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. In addition, "redevelopment project costs" shall not include lobbying expenses.

2) The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors.

3) Property assembly costs within a redevelopment project area, including but not limited to acquisition of land and other real or personal property or rights or interests therein.

4) Site preparation costs, including but not limited to clearance of any area within a redevelopment project area by demolition or removal of any existing buildings, structures, fixtures, utilities and improvements and clearing and grading; and including installation, repair, construction, reconstruction, or relocation of public streets, public utilities, and other public site improvements within or without a redevelopment project area which are essential to the preparation of the redevelopment project area for use in accordance with a redevelopment plan.

5) Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of any existing public or private buildings, improvements, and fixtures within a redevelopment project area; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing

public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.

6) Costs of construction within a redevelopment project area of public improvements, including but not limited to, buildings, structures, works, utilities or fixtures. Please note, reimbursements of these eligible costs are subject to the limitations of the Act.

7) Costs of eliminating or removing contaminants and other impediments required by federal or State environmental laws, rules, regulations, and guidelines, orders or other requirements or those imposed by private lending institutions as a condition for approval of their financial support, debt or equity, for the redevelopment projects.

8) Costs of job training and retraining projects.

9) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued under this Act including interest accruing during the estimated period of construction of any redevelopment project for which the obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related to those costs.

10) All or a portion of a taxing district's capital costs resulting from the 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 those costs.

11) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law.

12) Payments in lieu of taxes.

13) Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, if those costs are: (i) related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) are incurred by a taxing district or taxing districts other than the municipality and are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of

employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. These costs include, specifically, the payment by community college districts of costs under Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs under Sections 10-22.20a and 10-23.3a of the School Code.

14) The interest costs incurred by redevelopers or other nongovernmental persons in connection with a redevelopment project, and specifically including payments to redevelopers or other nongovernmental persons as reimbursement for such costs incurred by such redeveloper or other nongovernmental person, provided that: (A) interest costs shall be paid or reimbursed by a municipality only pursuant to the prior official action of the municipality evidencing an intent to pay or reimburse such interest costs; (B) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; (C) except as provided in (E) below, the aggregate amount of such costs paid or reimbursed by a municipality shall not exceed 30% of the total (i) costs paid or incurred by the redeveloper or other nongovernmental person in that year plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act; (D) interest costs shall be paid or reimbursed by a municipality solely from the Special Tax Allocation Fund established pursuant to the Act and shall not be paid or reimbursed from the proceeds of any obligations issued by a municipality; (E) if there are not sufficient funds available in the Special Tax Allocation Fund in any year to make such payment or reimbursement in full, any amount of such interest cost remaining to be paid or reimbursed by a municipality shall accrue and be payable when funds are available in the Special Tax Allocation Fund to make such payment.

15) The costs of construction of new privately owned buildings shall not be an eligible redevelopment project cost.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et seq., then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

Property Assembly

To meet the goals and objectives of the Plan, the City may acquire and assemble property throughout the IPCA. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain or through the Tax Reactivation Program and may be for

the purpose of (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance, or dedication for the construction of public improvements of facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties.

As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development. Such uses may include, but are not limited to, project office facilities, parking, or other uses the City may deem appropriate.

No parcels are currently proposed to be acquired for clearance and redevelopment in the IPCA. In connection with the City exercising its power to acquire real property not currently identified herein, including the exercise of the power of eminent domain, under the Act in implementing the Plan, then the City will follow its customary procedures of having each site acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property, as may be authorized by City Council, does not constitute a change in the nature of the Plan.

Property Disposition

Property to be acquired by the City in furtherance of the goals of the Plan may be assembled into appropriate redevelopment sites. As part of the redevelopment process the City may sell, lease, or convey such property for public or private use. The terms of the conveyance shall be incorporated into the appropriate disposition agreements, and may include more specific restrictions than contained in the Plan or in other municipal codes and ordinances governing the use of land or the construction of improvements.

Rehabilitation of Existing Public or Private Structures

The City may provide assistance to encourage the rehabilitation of existing public or private structures, which will remove conditions which contribute to the decline of the character and value of the IPCA. Appropriate assistance may include:

- Financial support to private property owners for the restoration and enhancement of existing structures within the IPCA.
- Improvements to the façade or rehabilitation of public or private buildings.

Public Improvements

The City may install public improvements within the boundaries of the IPCA to enhance the area as a whole, to support the Plan, and to serve the needs of the residents of adjacent areas. Appropriate public improvements may include, but are not limited to[1]:

- Vacation, removal, resurfacing, widening, reconstruction, construction, and other improvements to streets, alleys, pedestrian ways, and pathways;
- Installation of traffic improvements, viaduct improvements, street lighting, and other safety and accessibility improvements;
- Development of parks, playgrounds, plazas and places for public leisure and recreation;
- Construction of public off-street parking facilities;
- Installation, reconstruction, improvement or burial of public or private utilities;
- Construction of public buildings;
- Beautification, lighting, and signage of public properties;
- Maintenance of blighted rights in privately owned properties;
- Demolition of obsolete or hazardous structures; or
- Improvements to publicly owned land or buildings to be sold or leased.

There are currently no public improvements shown on the proposed Plan. See Exhibits G and H in the Appendix. However, the City may add new improvements to the list at a later date.

Capital Costs of Taxing Districts

The City may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of the Plan.

Employment Training

The Developer uses over 400 pieces of fabrication equipment that feed 20 different assembly lines. It produces a majority of the components that go into its products, working with all types of materials from polymers to metals to electronics. Therefore, most of the training is done in-house as it relates directly to its manufacturing process. Additional training will occur in a training partnership between the Developer and the local community college or other qualified training partner.

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[1] Note: Some items listed may not be considered eligible project costs under the Act.

As part of the redevelopment process, the Developer will participate in available training and retraining programs. These programs may be designed to meet the operational requirements of S&C. To facilitate implementation of the training plan, the City may use various state and local resources to assist S&C with job creation, job retention and training. In addition, S&C anticipates utilizing funds from the State of Illinois Employer Training Investment Program (formerly known as the Industrial Training Program), as it has done in the past.

S&C has historically worked with local neighborhood councils and secondary educational institutions to provide employment opportunities for neighborhood residents. S&C also provides training programs to its current employees to enhance opportunities for advancement. These training programs have been endorsed by the City Colleges of Chicago. See Appendix Exhibit J. In addition, the Act states that "no redevelopment projects may be authorized by the municipality under Standard One of subsection (e) of this Section unless the project plan also allows the City to provide for an employment training project that would prepare unemployed workers for possible employment in the industrial park conservation area and the project has been approved by official action or is to be operated by the local community college district, public school district or state or locally designated private industry council or successor agency." (65 ILCS 5/11-74.6-10(e)(1)).

Table 8.0 outlines two resources S&C may use to search for qualified applicants that could be employed during the construction phase or during regular operations of the plant within the Project Area.

Table 8.0: Employment Resources

Resource	Contact	Benefit
Mayor's Office of Workforce Development	(312) 746-7777	Assists Chicago businesses in finding qualified workers and helps Chicago residents to train for, get, maintain, and advance in their jobs.
Illinois Department of Employment Security	(888) 367-4382	IDES Local Office - has access to various Illinois Employment and Training Center ("IETC") locations

These two resources can provide services to Illinois employers, workers, and job seekers by recruiting and referring qualified job applicants, offering job search and placement assistance, career counseling, job training programs, special employment programs and tax credits.

Developer Interest Costs

Funds may be provided to the Developer for a portion of interest costs incurred by the Developer related to the construction, renovation or rehabilitation of a redevelopment project, provided that:

- Such costs are to be paid directly for the special tax allocation fund established pursuant to the Act; and

- Such payments in any one year may not exceed 30% of the annual interest costs incurred by the Developer with respect to the redevelopment project during that year.

Estimated Project Costs

Table 9.0 provides the estimated eligible redevelopment project costs based on current information. Adjustments to the estimated line item costs above may be reallocated among various line items by the City without amendment to the Plan, to the extent permitted by law. This estimated budget of eligible costs does not obligate the City of Chicago to fund specific levels. Specific costs associated with the redevelopment of the Project Area will be outlined in any applicable redevelopment agreement.

Table 9.0: Estimated Project Costs

Professional Services and Studies	$ 6,000,000
Site Assembly / Preparation / Demolition	$ 2,100,000
Renovation, Rehabilitation, Reconstruction, Relocation, Repair or Remodeling of Existing Public or Private Buildings, Improvements, and Fixtures	$ 35,850,000
Public Works or Improvements[1]	$ 250,000
Environmental Remediation	$ 500,000
Job Training, Retraining, Welfare-to-Work	$ 3,000,000
Relocation	$ 100,000
Payments-in-lieu of Taxes	$ 100,000
Developer Interest Costs	$ 100,000
ESTIMATED ELIGIBLE REDEVELOPMENT COSTS[2][3]	**$ 48,000,000[4]**

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above.

Sources of Funds

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from incremental property taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations include: land disposition proceeds, state and federal

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[1] Public improvements may also include capital costs of taxing districts and other costs allowable under the Act. Specifically, public improvements as identified in the Plan and as allowable under the Act may be made to property and facilities owned or operated by the City or other public entities. As provided in the Act, Redevelopment Project Costs may include, to the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.

[2] The total Estimated Redevelopment Project Costs provides an upper limit on expenditures, and adjustments may be made in line items without amendment to the Plan.

[3] Total Redevelopment Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs.

[4] Increases in estimated total Redevelopment Costs of more than five percent, after adjustment for inflation from the date of Plan adoption, are subject to Plan amendment procedures as provided under the Act.

grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur redevelopment project costs which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

Tax increment finance revenues resulting from increases in the EAV of the real property in the Project Area will be allocated each year to the special tax allocation fund held by the City. The assets of the special tax allocation fund shall be used to pay for eligible redevelopment project costs in the Project Area.

The IPCA is not currently contiguous to any other IPCA created under the Act. However, the IPCA may, in the future, be contiguous to, or separated only by a public right-of-way from, other IPCAs created under the Act. In the event the City determines that the goals, objectives, and financial success of such contiguous IPCAs (or those separated by a public right-of-way) are interdependent of each other, then City may determine that it is necessary to utilize net incremental property taxes to pay eligible Redevelopment Project Costs, or obligations to pay such costs, in other contiguous IPCAs separated only by a public right-of-way, and vice versa. Such revenues may be transferred, or loaned, between such areas. The amount of incremental property tax revenues used to pay for eligible Redevelopment Project Costs, shall not exceed the Redevelopment Project Costs described in the budgets described in each respective Plan.

The IPCA is contiguous to, or separated by a public right-of-way from two redevelopment project areas (Devon-Western Redevelopment Project Area and Clark/Ridge Redevelopment Project Area) created under the Tax Increment Allocation Act (65 ILCS 5/11-74.4-1, et. seq.)(the TIF Law"). If the City finds the goals, objectives, and financial success of such contiguous (or separated by a public right-of-way) redevelopment project areas created under the TIF Law are interdependent of each other, the City may utilize net incremental property taxes, received from the IPCA to pay eligible Redevelopment Project Costs, or obligations to pay such costs, in other contiguous redevelopment project areas, and vice versa. Such revenues may be transferred, or loaned, between such areas. The amount of incremental property tax revenues used to pay for eligible Redevelopment Project Costs, shall not exceed the Redevelopment Project Costs described in the budgets described in each respective Plan.

On an annual basis the City will determine whether surplus tax increment financing revenues have been generated. To the extent surplus revenues exist, the City may distribute the surplus to the taxing bodies on a proportionate basis. According to the Act, "any pledge of funds in the special tax allocation fund shall provide for distribution to the taxing districts of moneys not required, pledged, earmarked, or otherwise designated for payment and securing of the obligations and anticipated redevelopment project costs, and any excess funds shall be calculated annually and deemed to be "surplus" funds. If a municipality applies or pledges only a portion of the funds in the special tax allocation

fund for the payment or securing of anticipated redevelopment project costs or of obligations, any funds remaining in the special tax allocation fund after complying with the requirements of the application or pledge shall also be calculated annually and deemed "surplus" funds. All surplus funds in the special tax allocation fund shall be distributed annually within 180 days after the close of the municipality's fiscal year by being paid by the municipal treasurer to the county collector in direct proportion to the tax incremental revenue received as a result of an increase in the equalized assessed value of property in the redevelopment project area but not to exceed as to each such source the total incremental revenue received from that source. The county collector shall subsequently distribute surplus funds to the respective taxing districts in the same manner and proportion as the most recent distribution by the county collector to the affected taxing districts of real property taxes from real property in the redevelopment project area." (65 ILCS 5/11-74.6-30).

Nature and Term of Obligations Issued

Project Area funding shall be provided by the annual incremental property tax deposits into the Special Tax Allocation Fund. The reimbursement of eligible costs shall be funded from future annual incremental property taxes associated with investment of new real property and made on a pay-as-you-go or annual basis.

In general, the level of incremental property taxes will be determined by the increased EAV of real property in the Project Area times the applicable tax rates. Funds deposited into the Special Tax Increment Allocation Fund may be used to reimburse for eligible project costs as outlined in Section A of the Plan.

Under the Act, the City may choose to issue bonds, notes, or other obligations to fund eligible redevelopment project costs in the area. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligations bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., assuming City Council approval of the Project Area and Plan during 2004 and retirement of all obligations no later than December 31, 2028). Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, incremental property taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that incremental property taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess incremental property taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

Estimate of Equalized Assessed Valuation after Redevelopment

Based upon implementation of the Plan, growth and development of the Project Area should occur. The private redevelopment investment in the Project Area is expected to incrementally increase the EAV by the end of the TIF life to an estimated $50,400,000 in 2028. The estimated initial base EAV of the Project Area is $16,414,901.

The estimated redevelopment valuation assumes the following:

- Growth in EAV due to Cook County reassessment of existing real property at 2.5% per year, compounded every three years, based on the most recent EAV estimated over the life of the TIF;
- Implementation of the Plan should stimulate private investment of approximately $145,000,000 in the IPCA, of which, over $85,000,000 is projected to be for renovation of existing buildings or new construction. As real property improvements are completed and assessed, it is anticipated the EAV should also increase.
- The Cook County Assessor fully assesses and reassesses real property in accordance with State laws.

VII. FINANCIAL IMPACT OF REDEVELOPMENT

S&C has indicated that assistance from the City is of key importance to implement the 23-year plan and to remain cost competitive. Based on modern manufacturing layouts and standards, the IPCA, as a whole, has not been subject to growth and development by private enterprise, other than those items detailed in Section III. In accordance with the goals stated in the Plan, without the adoption of the Redevelopment Plan and Project, the IPCA is not reasonably expected to be fully developed through investment by private enterprise. In the absence of City-assisted redevelopment, there is a prospect that the implementation of the 23-year planned industrial expansion would not occur.

Implementation of the Redevelopment Project is expected to have significant long term positive financial impacts on the overlapping taxing districts. In the long term, after completion of the all redevelopment activities and Redevelopment Projects, and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base.

The Act requires an assessment of any financial impact of the IPCA on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The City intends to monitor development in the Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

Direct and indirect impacts resulting from implementation of the Plan are expected to include the following:

- Direct: Increase tax base for the City (refer to estimated 2028 EAV in the previous section.
- Indirect: Stimulate additional development through public and private investment.

Assessment of Taxing Jurisdictions

The following taxing districts presently levy taxes against properties located within the IPCA.

Cook County: The County has principal responsibility for the protection of persons and property, the administration of the Cook County Circuit Court, the provision of public health services and the maintenance of County roads and highways.

Cook County Forest Preserve District: The Forest Preserve District is responsible for acquisition, restoration and management of lands for the purpose of protecting and preserving open space in the City and County for the education, pleasure and recreation of the public.

Metropolitan Water Reclamation District of Greater Chicago: This district provided the main trunk lines for the collection of waste water from cities, villages and towns, and for the treatment and disposal thereof.

City of Chicago: The City is responsible for the provision of a wide range of municipal services, including: police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; building; housing and zoning codes and aviation.

Board of Education of the City of Chicago and Chicago School Finance Authority: General responsibilities of the Board of Education include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade.

Chicago Community College District #508: This district is a unit of the State of Illinois' system of public community colleges, whose objective is to meet the educational needs of residents of the City and other students seeking higher education programs and services.

City of Chicago Library Fund: The library fund provides for the operation and maintenance of City of Chicago public libraries.

Chicago Park District: The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreation programs.

Financial Impact on Taxing Jurisdictions

The replacement of underutilized property with expanded industrial development may cause minimal increased demand for services and/or capital improvements to be provided by these taxing districts. The estimated nature of these increased demands for services on these taxing districts, and the activities to address increased demand, are described below.

Cook County: Implementation of the Plan may cause a minimal increase in demand for the services and programs provided by the County. A portion of the Redevelopment Project Costs may be allocated to assist with the potential increased service demand, as provided in the Act, and in this Redevelopment Plan.

Cook County Forest Preserve District: Implementation of the Plan will not result in an increased population within the IPCA. As a result, demand for services provided by the Cook County Forest Preserve District is not expected to increase. Therefore, no assistance is proposed.

Metropolitan Water Reclamation District of Greater Chicago: Implementation of the Plan may cause a minimal increase in demand for the services and programs provided by the Metropolitan Water Reclamation District. It is expected that any increased demand for water and/or sewer associated with the IPCA will be minimal. Therefore, no assistance is proposed.

City of Chicago: Implementation of the Plan may cause a minimal increase in demand for certain professional services and programs provided by the City such as administrative costs associated with the IPCA. A portion of the Redevelopment Project Costs may be allocated to assist with the potential increased service demand, as provided in the Act, and in this Redevelopment Plan.

Board of Education of the City of Chicago and Chicago School Finance Authority: Implementation of the Plan will not result in any increase in school-aged children in the IPCA and will not directly impact the demand for educational services provided by the Board of Education. Therefore, no assistance is proposed.

Chicago Community College District #508: Implementation of the Plan will not result in any increase in community college students in the IPCA. However, a portion of the Redevelopment Project Costs may be allocated to assist with job training and vocational programs, as provided in the Act, and in this Redevelopment Plan.

City of Chicago Library Fund: Implementation of the Plan will not result in an increased population within the IPCA. As a result, demand for services provided by the City of Chicago Library Fund is not expected to increase. Therefore, no assistance is proposed.

Chicago Park District: Implementation of the Plan will not result in an increased population within the IPCA. As a result, demand for services provided by the Chicago Park District is not expected to increase. Therefore, no assistance is proposed.

The proposed program to address increased demand for services is contingent upon the following conditions:

- Full implementation of the Plan;
- The request for Redevelopment Project Costs by any of the above mentioned taxing districts is warranted; and
- The IPCA has generated sufficient incremental property taxes to pay for the Redevelopment Project Costs, as outlined above.

In the event the Redevelopment Project does not occur, or the circumstances prohibit the Developer from fully implementing the Plan, the City may revise the proposed program to address increase demand, to the extent the Act permits, without amending the Plan.

VIII. PROVISION FOR AMENDING THE PLAN

This Plan may be amended in accordance with the provisions of the Illinois Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.). Also, the City shall adhere to all annual reporting requirements and other statutory provisions as specified in the Act.

[(Sub)Exhibit "B" referred to in this Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan and Project constitutes Exhibit "C" to the ordinance and is printed on pages 26664 through 26665 of this *Journal.*]

[(Sub)Exhibit "D" referred to in this Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan and Project constitutes Exhibit "E" to the ordinance and is printed on page 26666 of this *Journal.*]

[(Sub)Exhibits "A", "C", "E", "F", "G", "H", "I" and "J" referred to in this Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan and Project printed on pages 26651 through 26657 of this *Journal.*]

(Sub)Exhibit "A".
(To Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan And Project)

P.I.N. Listing And Equalized Assessed Value.

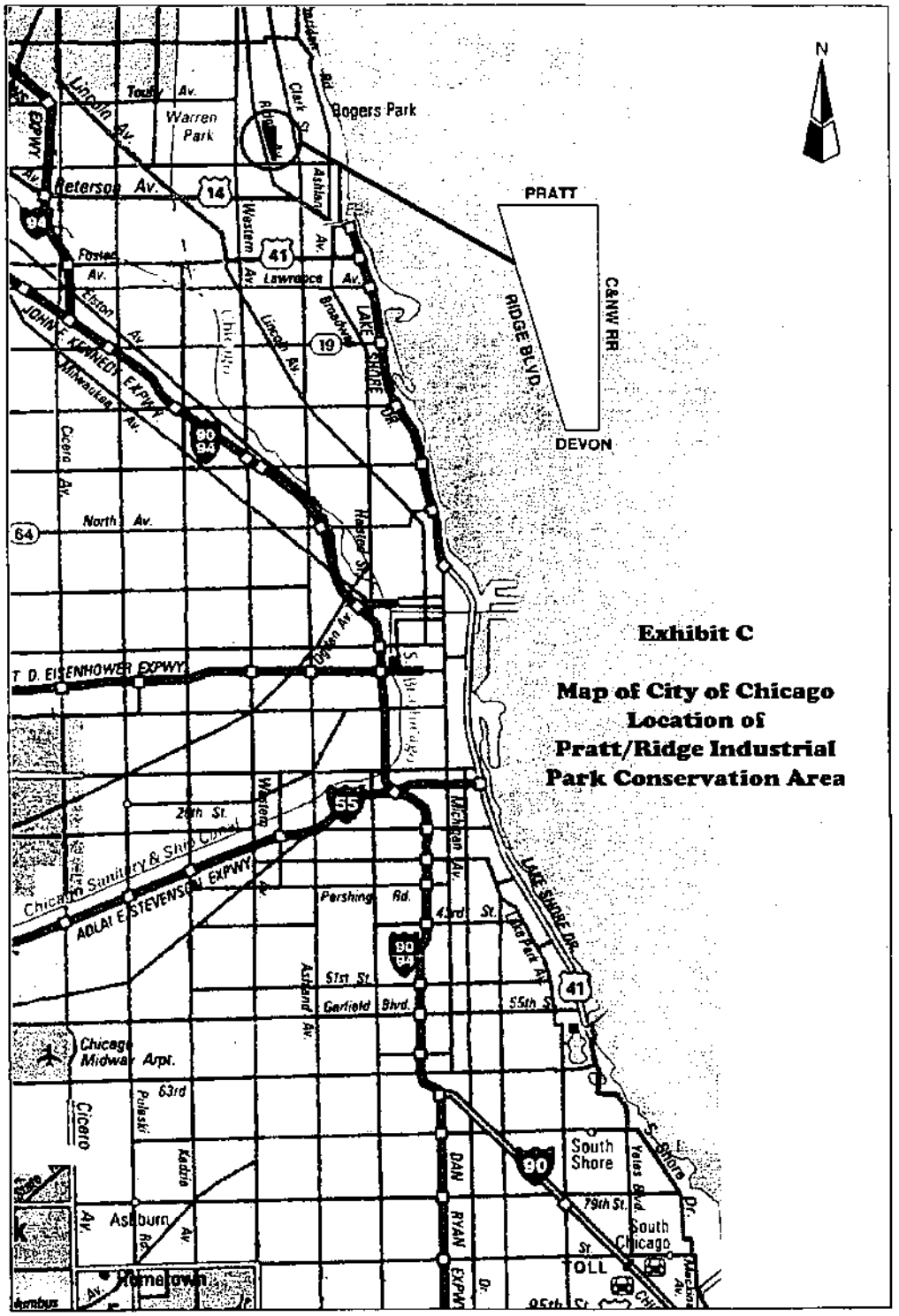
Source: 2002 Cook County Assessor Property Tax Records

PIN Number	2002 EAV
11-31-402-007	$ 22,437
11-31-402-008	$ 115,754
11-31-402-009	$ 43,924
11-31-402-010	$ 24,931
11-31-402-011	$ 43,559
11-31-402-012	$ 42,095
11-31-402-013	$ 62,155
11-31-402-014	$ 420,256
11-31-402-015	$ 255,813
11-31-402-016	$ 620,810
11-31-402-017	$ 304,825
11-31-402-019	$ 34,105
11-31-402-020	$ 34,110
11-31-402-021	$ 795,314
11-31-402-022	$ 522,859
11-31-402-026	$ 1,673,682
11-31-402-027	$ 68,803
11-31-402-032	$ 231,511
11-31-402-033	$ 219,300
11-31-402-035	$ 759,360
11-31-402-036	$ 523,938
11-31-402-041	$ 199,504
11-31-402-043	$ 34,853
11-31-402-044	$ 33,152
11-31-402-045	$ 32,654
11-31-402-046	$ 32,308
11-31-402-047	$ 49,630
11-31-402-048	$ 182,284
11-31-402-049	$ 59,007
11-31-402-055	$ 504,140
11-31-402-056	$ 1,487,897
11-31-402-057	$ 64,665
11-31-402-058	$ 64,665

PIN Number	2002 EAV
11-31-402-060	$ 29,422
11-31-402-067	$ 36,068
11-31-402-069	$ 333,714
11-31-402-070	$ 752,597
11-31-402-072	$ 211,548
11-31-402-073	$ 923,951
11-31-402-074	$ 1,077,519
11-31-402-076	$ 601,271
11-31-402-078	$ 39,895
11-31-402-079	$ 496,797
11-31-402-083	$ 245,241
11-31-402-085	$ 106,471
11-31-402-086	$ 97,354
11-31-403-001	$ 121,225
11-31-403-004	$ 54,308
11-31-403-005	$ 41,811
11-31-403-006	$ 41,811
11-31-403-007	$ 49,820
11-31-403-008	$ 352,450
11-31-403-009	$ 61,947
11-31-403-010	$ 35,816
11-31-403-011	$ 124,988
11-31-403-012	$ 205,254
11-31-403-013	$ 231,370
11-31-403-014	$ 35,710
11-31-403-015	$ 110,587
11-31-404-002	$ 112,051
11-31-404-003	$ 245,591
11-31-404-004	$ 74,010
EAV OF PROJECT AREA	**$ 16,414,901**

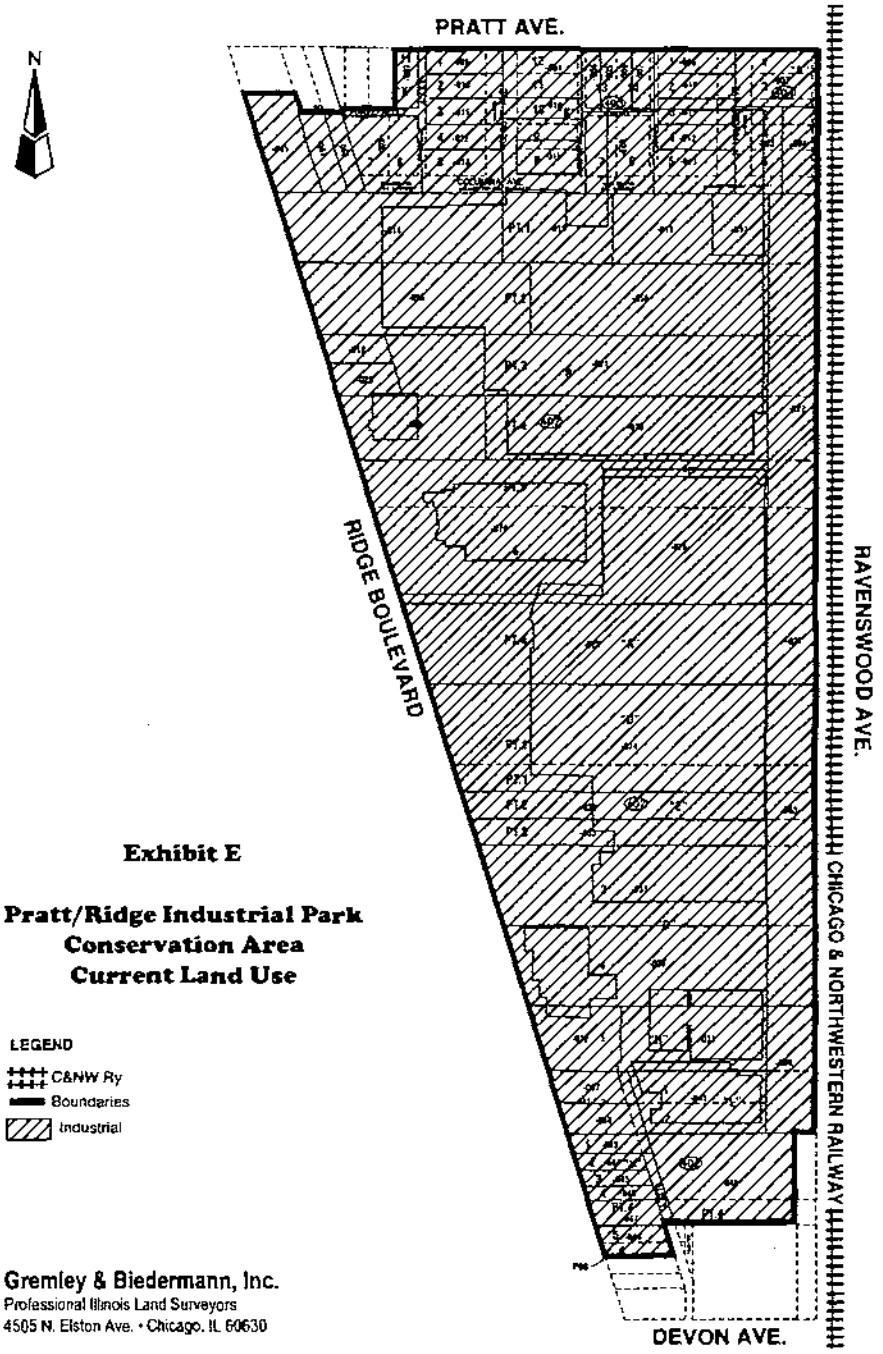
(Sub)Exhibit "C".
(To Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan And Project)

Location Map.



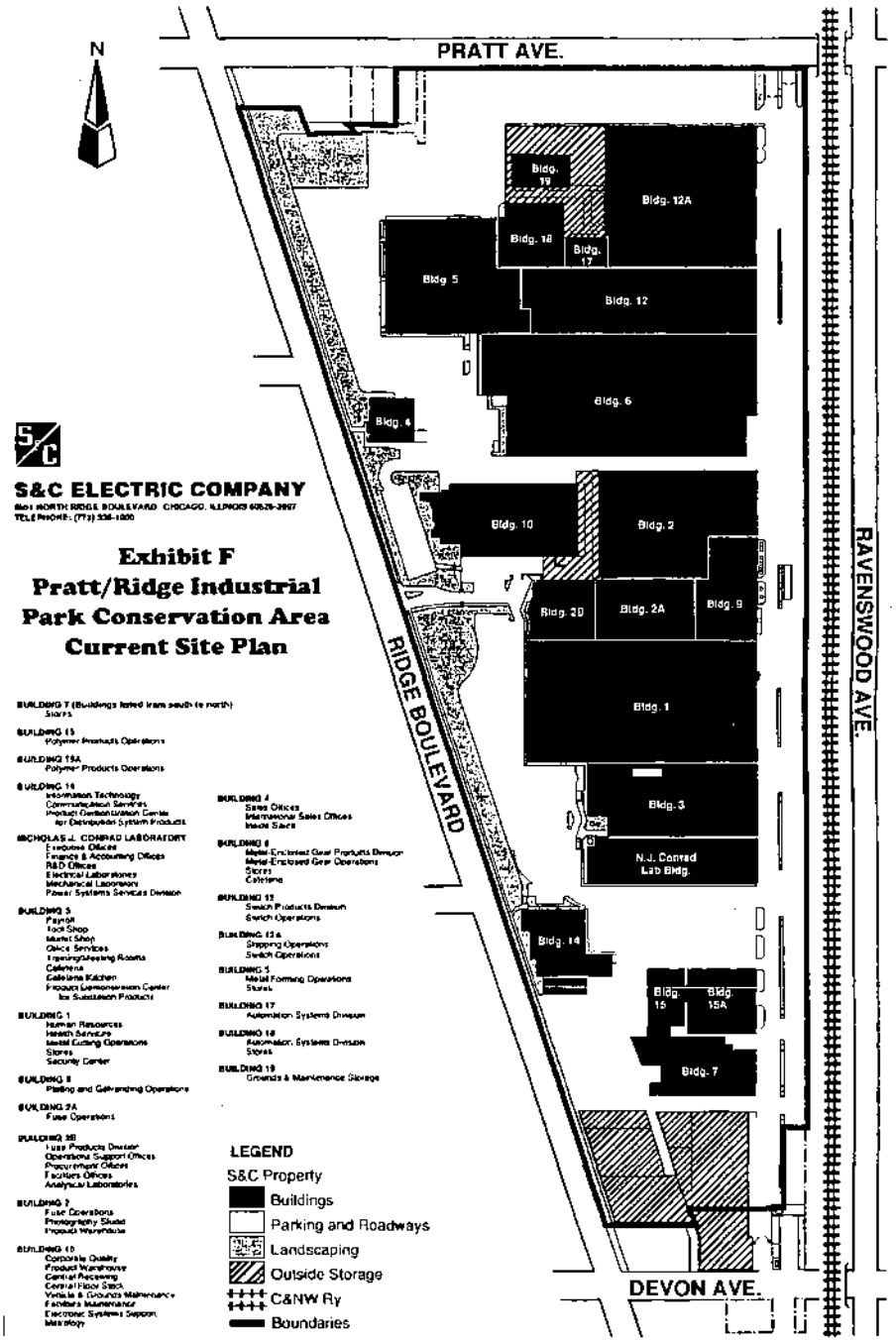
(Sub)Exhibit "E".
(To Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan And Project)

Current Land-Use.



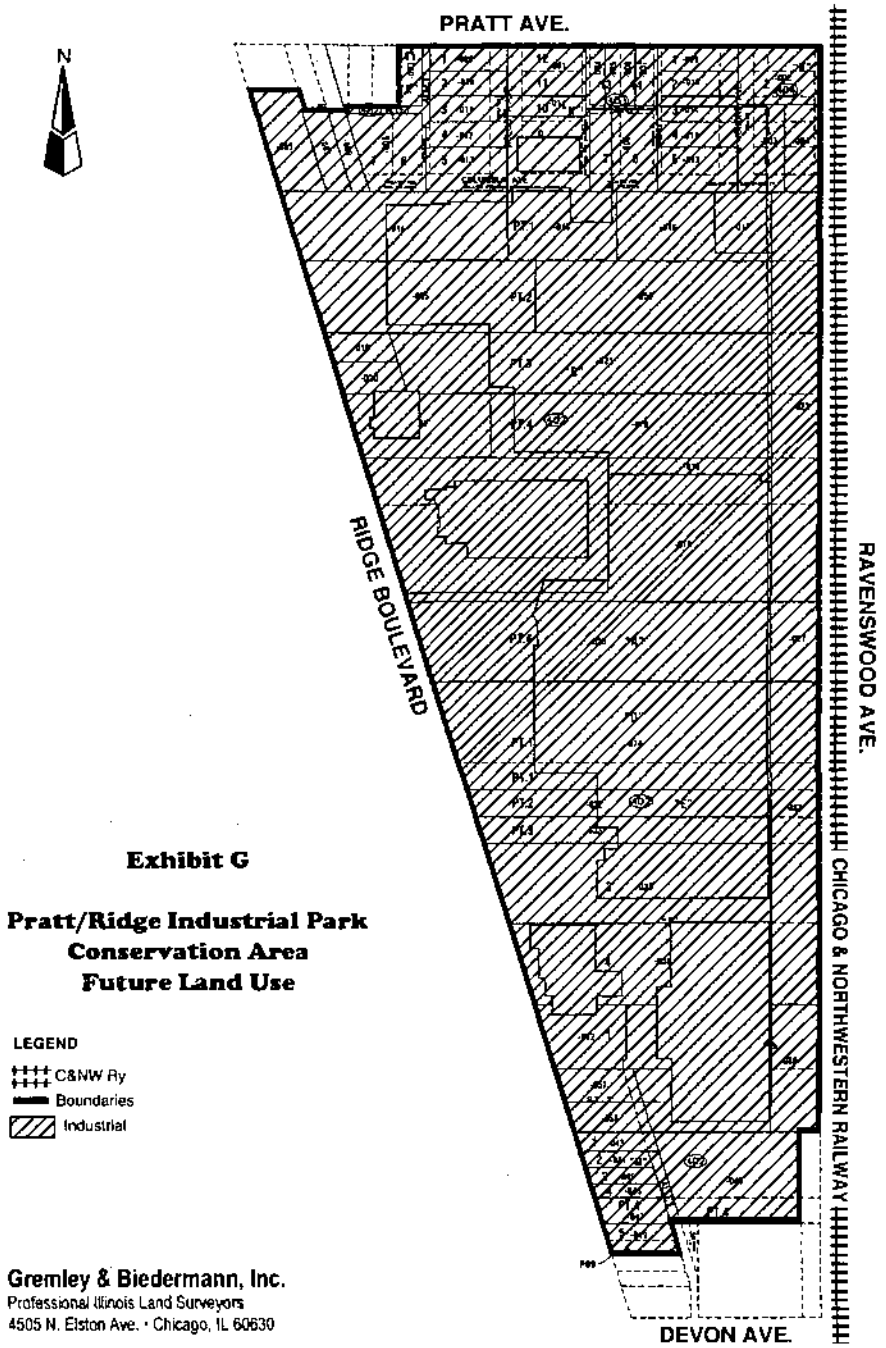
(Sub)Exhibit "F".
(To Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan And Project)

Current Site Plan.



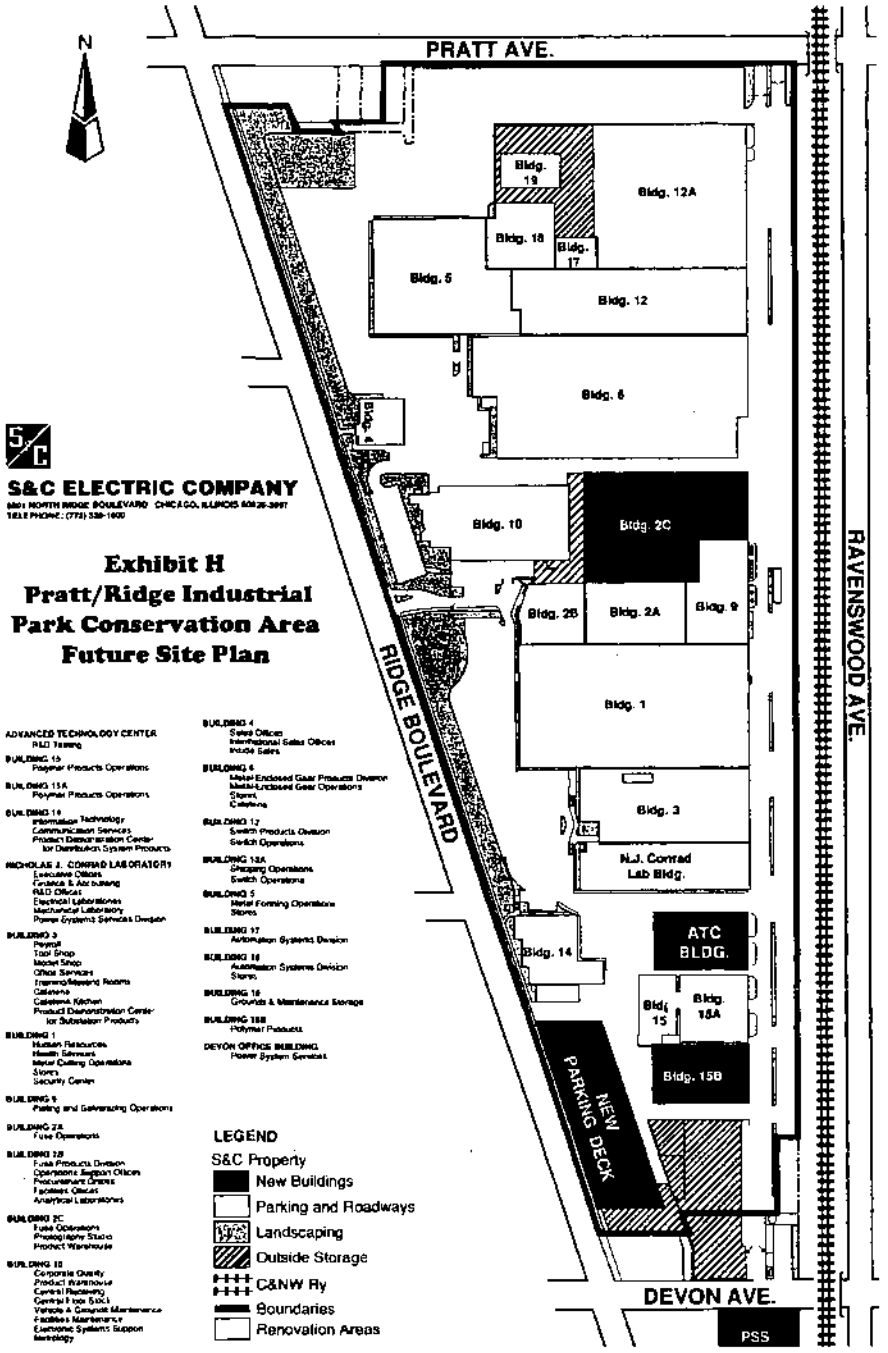
(Sub)Exhibit "G".
(To Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan And Project)

Future Land-Use.



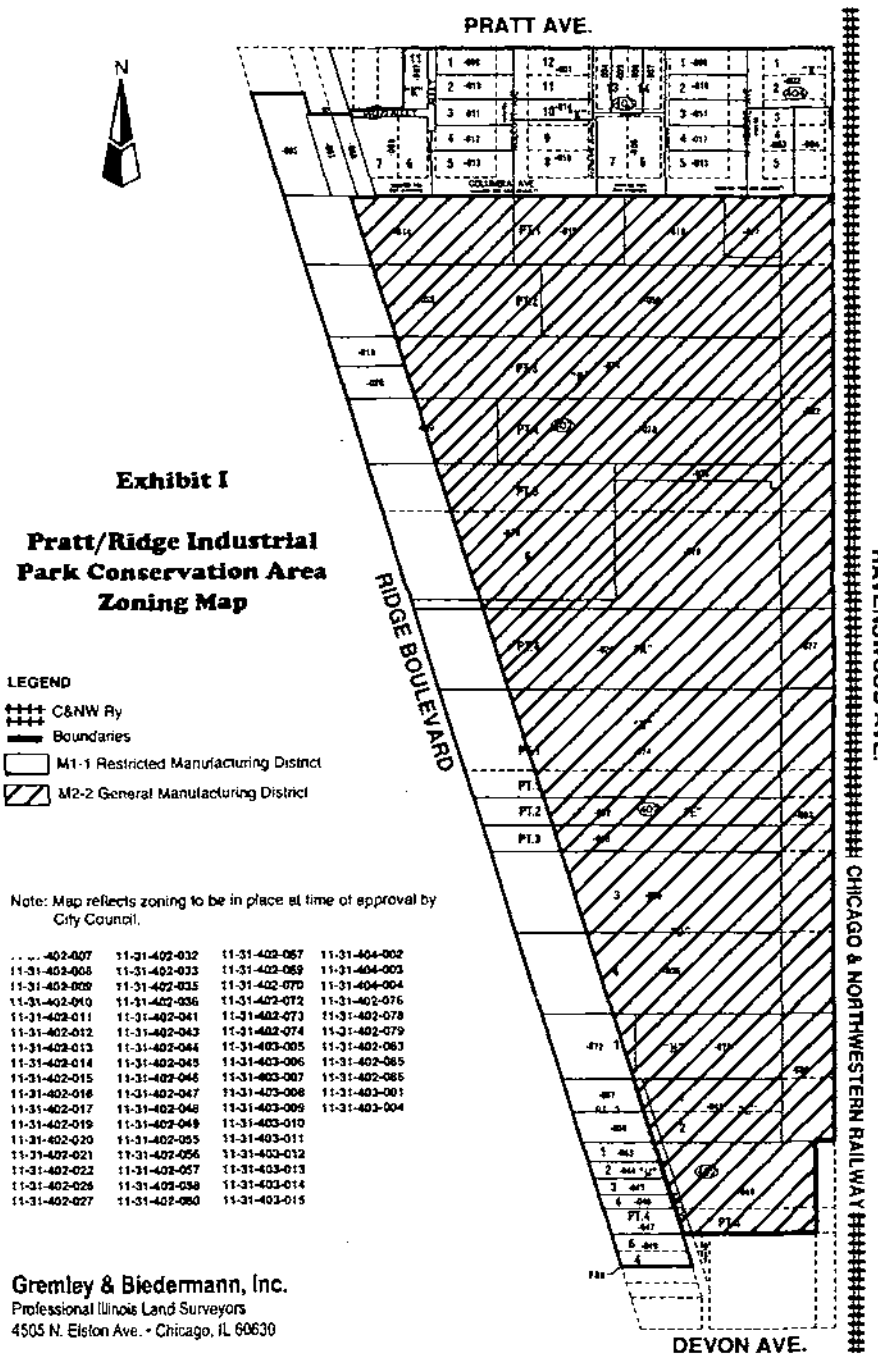
(Sub)Exhibit "H".
(To Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan And Project)

Future Site Plan.



(Sub)Exhibit "I".
(To Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan And Project)

Zoning Map.



(Sub)Exhibit "J".
(To Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan And Project.)

January 26, 2004.

Ms. Alicia Mazur Berg
Commissioner, City of Chicago
Department of Planning and Development
121 North LaSalle Street
Chicago, Illinois 60602

Dear Commissioner Berg:

City Colleges of Chicago is pleased to work with the City of Chicago in the City's establishment of the proposed Pratt/Ridge Industrial Park Conservation Area (I.P.C.A.) Tax Increment Financing District. To help expedite this effort, City Colleges offers its endorsement of the S&C Electric Company training program per the description provided to the City of Chicago Department of Planning and Development to prepare workers for employment and manufacturing operations at its facility. City Colleges of Chicago can also offer the following services in support of the Pratt/Ridge I.P.C.A. District and S&C Electric Company's training program:

1. Training in basic skills, English as a Second Language, and job readiness skills.

2. Over two hundred (200) occupational programs in the areas of manufacturing, information technologies, industrial maintenance, business management, electronics, security, food service, health, transportation, construction, and telecommunications. These programs lead directly to employment, and provide advance opportunities for incumbent workers.

3. Employee training services to companies. This quality, affordable training is customized to meet the needs of the employer and includes management, communication skills, manufacturing technology, basic skills, marketing, small business management and computer applications. Other services include new employee orientation, job task analysis, employee assessment and teleconferences.

We look forward to working with your department in the Pratt/Ridge Conservation Area (I.P.C.A.) Tax Increment Financing District.

Sincerely,

Deidra J. Lewis

Exhibit "B".
(To Ordinance)

Certificate.

State of Illinois)
)SS.
County of Cook)

I, Jennifer Rampke, the duly authorized, qualified and executive secretary of the Community Development Commission of the City of Chicago, and the custodian of the records thereof, do hereby certify that I have compared the attached copy of a resolution adopted by the Community Development Commission of the City of Chicago at a regular meeting held on the eleventh (11th) day of May, 2004, with the original resolution adopted at said meeting and recorded in the minutes of the Commission, and do hereby certify that said copy is a true, correct and complete transcript of said resolution.

Dated this eleventh (11th) day of May, 2004.

(Signed) Jennifer Rampke
Executive Secretary

Resolution 04-CDC-35 referred to in this Certificate reads as follows:

Community Development Commission

Resolution 04-CDC-35

Recommending To The City Council Of The City Of Chicago For The Proposed Pratt/Ridge Industrial Park Conservation Area Redevelopment Project Area:

Approval Of A Redevelopment Plan,

Designation Of A Redevelopment Project Area

And

Adoption Of Tax Increment Allocation Financing.

Whereas, The Community Development Commission (the "Commission") of the City of Chicago (the "City") has heretofore been appointed by the Mayor of the City with the approval of its City Council ("City Council") referred to herein collectively with the Mayor as the ("Corporate Authorities") (as codified in Section 2-0124 of the City's Municipal Code); and

Whereas, The Commission is empowered by the Corporate Authorities to exercise certain powers enumerated in Section 5/11-74.6-15(1) of the Industrial Jobs Recovery Law of the State of Illinois, as amended (65 ILCS 5/11-74.6-1, et seq.) (the "Law"), including the holding of certain public hearings required by the Law; and

Whereas, Staff of the City's Department of Planning and Development has conducted or caused to be conducted certain investigations and studies of the Pratt/Ridge Industrial Park Conservation Area, the street boundaries of which are described in (Sub)Exhibit A hereto (the "Area"), to determine the eligibility of the Area as a redevelopment project area as defined in the Law (a "Redevelopment Project Area") and for tax increment allocation financing pursuant to the Law ("Tax Increment Allocation Financing"), and has presented to the Commission for its review the proposed Pratt/Ridge Industrial Park Conservation Area Redevelopment Plan and Project (the "Plan"); and

Whereas, Prior to the adoption by the Corporate Authorities of ordinances approving a redevelopment plan, designating an area as a Redevelopment Project Area or adopting Tax Increment Allocation Financing for an area, it is necessary that the Commission hold a public hearing (the "Hearing") and convene a meeting of a joint review board (the "Board") pursuant to Section 5/11-74.6-22 of the Law, set the dates of such Hearing and Board meeting and give notice thereof pursuant to Section 5/11-74.6-25 of the Law; and

Whereas, The Plan was made available for public inspection and review prior to the adoption by the Commission of Resolution 04-CDC-20 on March 9,2004 fixing the time and place for the Hearing, at City Hall, 121 North LaSalle Street, Chicago, Illinois in the following offices: City Clerk, Room 107 and Department of Planning and Development, Room 1101; and

Whereas, Notice of the Hearing for publication was given at least twice, the first publication being on April 13, 2004, a date which is not more than thirty (30) days nor less than ten (10) days prior to the Hearing, and the second publication being on April 20, 2004, both in the *Chicago Sun-Times*, being a newspaper of general circulation within the taxing districts levying taxes on real property in the Area; and

Whereas, Notice of the Hearing was given by mail to taxpayers by depositing such notice in the United States mail by certified mail addressed to the persons in whose names the general taxes for the last preceding year were paid on each lot, block, tract or parcel of land lying within the Area, on April 13, 2004, being a date not less than ten (10) days prior to the date set for the Hearing; and where taxes for the last preceding years were not paid, notice was also mailed to the persons most recently listed as the owners of such property in the office of the assessing official in whose jurisdiction the property is situated; and

Whereas, Notice of the Hearing was given by mail to the Illinois Department of Commerce and Economic Opportunity ("D.C.E.O.") and notice of the Hearing (including notice of the convening of the Board) was given by mail to the members of the Board (other than the public member), by depositing such notices in the United States mail by certified mail addressed to D.C.E.O. and all Board members, on March 24,2004, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, Notice of the Hearing and copies of the Plan were sent by mail to taxing districts having taxable property in the Area, by depositing such notice and documents in the United States mail by certified mail addressed to all taxing districts that levy taxes on real property included in the Area, on March 24, 2004, being a date not less than forty-five (45) days prior to the date set for the Hearing; and

Whereas, The Hearing was held on May 11, 2004 at 1:00 P.M. at City Hall, City Council Chambers, 121 North LaSalle Street, Chicago, Illinois, as the official public hearing, and testimony was heard from all interested persons or representatives of any affected taxing district present at the Hearing and wishing to testify, concerning

the Commission's recommendation to City Council regarding approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

Whereas, The Board meeting was convened on April 8, 2004 at 10:00 A.M. (being a date no fewer than fourteen (14) days and no greater than twenty-eight (28) days following the mailing of the notice to all taxing districts on March 24, 2004) in Room 1003A, City Hall, 121 North LaSalle Street, Chicago, Illinois, to consider its advisory recommendation regarding the approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; and

Whereas, The Commission has reviewed the Plan, considered testimony from the Hearing, if any, the recommendation of the Board, if any, and such other matters or studies as the Commission deemed necessary or appropriate in making the findings set forth herein and formulating its decision whether to recommend to City Council approval of the Plan, designation of the Area as a Redevelopment Project Area and adoption of Tax Increment Allocation Financing within the Area; now, therefore,

Be It Resolved by the Community Development Commission of the City of Chicago:

Section 1. The above recitals are incorporated herein and made a part hereof.

Section 2. The Commission hereby makes the following findings pursuant to Section 5/11-74.6-10(1) of the Law or such other section as is referenced herein:

a. the Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed in accordance with public goals stated in the Plan without the adoption of the Plan;

b. the Plan:

(i) conforms to the comprehensive plan for the development of the City as a whole; or

(ii) either: (A) conforms to the strategic economic development or redevelopment plan issued by the Chicago Plan Commission; or (B) includes land uses that have been approved by the Chicago Plan Commission;

c. the Plan is reasonably expected to create or retain a significant number of permanent full-time jobs as set forth in paragraph 3 of subsection (1) of Section 5/11-74.6-10 of the Act;

d. the Plan meets all of the requirements of a redevelopment plan as defined in the Law and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of obligations incurred issued to finance redevelopment project costs is no later than December 31 of the year in which the payment to the municipal treasurer as provided in Section 11-74.6-35 of the Law is to be made with respect to ad valorem taxes levied in the twenty-third (23rd) calendar year after the year in which the ordinance approving the redevelopment project area is adopted and, as required pursuant to Section 5/11-74.6-30 of the Law, no such obligation shall have a maturity date greater than twenty (20) years;

e. the Area includes only those parcels of real property and improvements thereon that area to be substantially benefitted by proposed Plan improvements, as required pursuant to Section 5/11-74.6-15(a) of the Law;

f. as required pursuant to Section 5/11-74.6-10(N) of the Law:

(i) the Area is a contiguous area that is not less, in the aggregate, than one and one-half (1½) acres in size; and

(ii) conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area and an industrial park conservation area as defined in the Law;

g. the City of Chicago qualifies as a labor surplus municipality; and

h. the implementation of the Plan is reasonably expected to create a significant number of permanent full-time new jobs and, by the provision of new facilities, significantly enhance the tax base of the taxing districts that extend into the Area.

Section 3. The Commission recommends that the City Council approve the Plan pursuant to Section 5/11-74.6-15 of the Law.

Section 4. The Commission recommends that the City Council designate the Area as a Redevelopment Project Area pursuant to Section 5/11-74.6-15 of the Law.

Section 5. The Commission recommends that the City Council adopt Tax Increment Allocation Financing within the Area.

Section 6. If any provision of this resolution 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 resolution.

Section 7. All resolutions, motions or orders in conflict with this resolution are hereby repealed to the extent of such conflict.

Section 8. This resolution shall be effective as of the date of its adoption.

Section 9. A certified copy of this resolution shall be transmitted to City Council.

Adopted: May 11, 2004.

[(Sub)Exhibit "A" referred to in this Resolution 04-CDC-35 constitutes Exhibit "D" to the ordinance and is printed on page 26665 of this *Journal*.]

Exhibit "C".
(To Ordinance)

That part of the west half southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, located in the City of Chicago, Cook County, State of Illinois, described as follows:

beginning at the east line of North Ridge Boulevard and the north line of Lot 3 of D. Schreiber's Subdivision of that part of Lots 4 and 5 lying between the Chicago and Northwestern Railway and North Ridge Road except the north 50 feet of Lot 4 of Circuit Court Partition of the south half of the south half of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian being Document Number 4033053; thence east along said north line of Lot 3 to the west line of the alley east of North Ridge Boulevard dedicated on Document Number 4819734; thence northwesterly along said west

line of the alley east of North Ridge Boulevard to the westerly extension of the north line of Lot 6 of aforesaid D. Schreiber's Subdivision; thence east along said north line of Lot 6 and its westerly extension to the east line of said Lot 6; thence north along the northerly extension of said east line of Lot 6 of aforesaid D. Schreiber's Subdivision to a line 371 feet north of and parallel with the north line of West Devon Avenue; thence east along said line 371 feet north of and parallel with the north line of West Devon Avenue to the west line of the Chicago and Northwestern Railway; thence north along the west line of the Chicago and Northwestern Railway to the south line of West Pratt Avenue; thence along the south line of West Pratt Avenue to the west line of Lot 11 in Block 13, in Oakside Subdivision in the northwest quarter of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian; thence southerly along said west line of Lot 11 and its southerly extension to the center of alley south of West Pratt Avenue; thence west along center of alley south of West Pratt Avenue and its westerly extension to a point 80.00 feet west of the west line of Oakside Subdivision, measured along said center of alley; thence northwesterly along a line parallel with the west line of Oakside Subdivision to a line 124 feet south of and parallel with the north line of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, aforesaid; thence west along said line 124 feet south of and parallel with the north line of the southeast quarter of said Section 31 to the east line of North Ridge Boulevard; thence southeasterly along the east line of North Ridge Boulevard to the point of beginning.

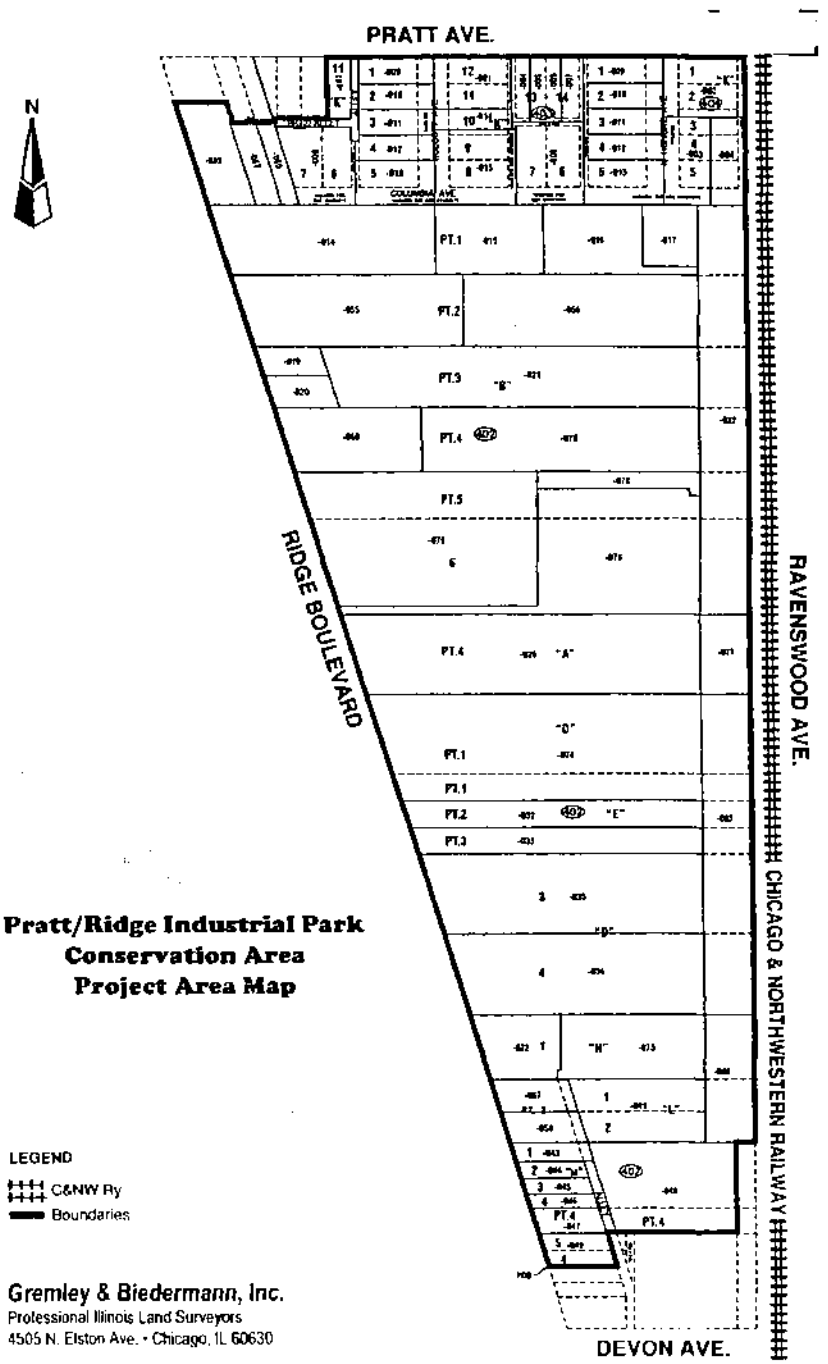
Exhibit "D".
(To Ordinance)

Street Boundary Description Of The Area.

The area is bounded roughly by West Devon Avenue on the south, West Pratt Avenue on the north, North Ridge Boulevard to the west, and the Chicago & North Western Railway to the east.

Exhibit "E".
(To Ordinance)

Project Area Map.



DESIGNATION OF PRATT/RIDGE INDUSTRIAL PARK CONSERVATION AREA AS TAX INCREMENT FINANCING DISTRICT.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing designation of the Pratt/Ridge Industrial Park Conservation Area as an Industrial Park Conservation Area, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, It is desirable and in the best interests of the citizens of the City of Chicago, Illinois (the "City") for the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1, et seq., as amended (the "Act"), for a proposed redevelopment project area to be known as the Pratt/Ridge Industrial Park Conservation Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project (the "Plan"); and

WHEREAS, Pursuant to Sections 5/11-74.6-15 and 5/11-74.6-22 of the Act, the Community Development Commission (the "Commission") of the City, by authority of the Mayor and the City Council of the City (the "City Council", referred to herein collectively with the Mayor as the "Corporate Authorities") called a public hearing (the "Hearing") concerning approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area on May 11, 2004; and

WHEREAS, The Plan was made available for public inspection and review pursuant to Section 5/11-74.6-22(a) of the Act; notice of the Hearing was given pursuant to Section 5/11-74.6-25 of the Act; and a meeting of the joint review board (the "Board") was convened pursuant to Section 5/11-74.6-22(b) of the Act; and

WHEREAS, The Commission has forwarded to the City Council a copy of its Resolution 04-CDC-35, recommending to the City Council the designation of the Area as a redevelopment project area pursuant to the Act, among other things; and

WHEREAS, The Corporate Authorities have reviewed the Plan, testimony from the Hearing, if any, the recommendation of the Board, if any, the recommendation of the Commission and such other matters or studies as the Corporate Authorities have deemed necessary or appropriate to make the findings set forth herein, and are generally informed of the conditions existing in the Area; and

WHEREAS, The City Council has heretofore approved the Plan, which was identified in An Ordinance Of The City Of Chicago, Illinois, Approving A Redevelopment Plan For The Pratt/Ridge Industrial Park Conservation Area; now, therefore,

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

SECTION 1. Recitals. The above recitals are incorporated herein and made a part hereof.

SECTION 2. The Area. The Area is legally described in Exhibit A attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein.

SECTION 3. Findings. The Corporate Authorities hereby make the following findings:

a. the Area includes only those contiguous parcels of real property and improvements thereon that are to be substantially benefitted by proposed Plan improvements, as required pursuant to Section 5/11-74.6-15(a) of the Act;

b. as required pursuant to Section 5/11-74.6-10(n) of the Act:

(i) the Area is a contiguous area that is not less, in the aggregate, than one and one-half (1½) acres in size; and

(ii) conditions exist in the Area that cause the Area to qualify for designation as a redevelopment project area and an industrial park conservation area as defined in the Act;

SECTION 4. Area Designated. The Area is hereby designated as a redevelopment project area pursuant to Section 5/11-74.6-15 of the Act.

SECTION 5. Invalidity Of Any Section. 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 6. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 7. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "C" referred to in this ordinance printed on page 26672 of this *Journal*.]

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

Exhibit "A".

Pratt/Ridge Industrial Park Conservation Area Legal Description.

That part of the west half southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, located in the City of Chicago, Cook County, State of Illinois, described as follows:

beginning at the east line of North Ridge Boulevard and the north line of Lot 3 of D. Schreiber's Subdivision of that part of Lots 4 and 5 lying between the Chicago and Northwestern Railway and North Ridge Road except the north 50 feet of Lot 4 of Circuit Court Partition of the south half of the south half of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian being Document Number 4033053; thence east along said north line of Lot 3 to the west line of the alley east of North Ridge Boulevard dedicated on Document Number 4819734; thence northwesterly along said west line of the alley east of North Ridge Boulevard to the westerly extension of the north line of Lot 6 of aforesaid D. Schreiber's Subdivision; thence east along said north line of Lot 6 and its westerly extension to the east line of said Lot 6; thence north along the northerly extension of said east line of Lot 6 of aforesaid D. Schreiber's Subdivision to a line 371 feet north of and parallel with the north line of West Devon Avenue; thence east along said line 371 feet north of and parallel with the north line of West Devon Avenue to the west line of the Chicago and Northwestern Railway; thence north along the west line of the Chicago and Northwestern Railway to the south line of West Pratt Avenue; thence along the south line of West Pratt Avenue to the west line of Lot 11 in Block 13, in Oakside Subdivision in the northwest quarter of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian; thence southerly along said west line of Lot 11 and its southerly extension to the center of an alley south of West Pratt Avenue; thence west along the center of an alley south of West Pratt Avenue and its westerly extension to a point 80.00 feet west of the west line of Oakside Subdivision, measured along said center of alley; thence northwesterly along a line parallel with the west line of Oakside Subdivision to a line 124 feet south of and parallel with the north line of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, aforesaid; thence west along said line 124 feet south of and parallel with the north line of the southeast quarter of said Section 31 to the east line of North Ridge Boulevard; thence southeasterly along the east line of North Ridge Boulevard to the point of beginning.

Exhibit "B".

Street Boundary Description Of The Area.

The area is bounded roughly by West Devon Avenue on the south, West Pratt Avenue on the north, North Ridge Boulevard to the west and the Chicago & North Western Railway to the east.

ADOPTION OF TAX INCREMENT ALLOCATION FINANCING FOR PRATT/RIDGE INDUSTRIAL PARK CONSERVATION AREA.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing adoption of Tax Increment Allocation Financing for the Pratt/Ridge Industrial Park Conservation Area, 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 viva voce vote of the members of the Committee, with no dissenting vote.

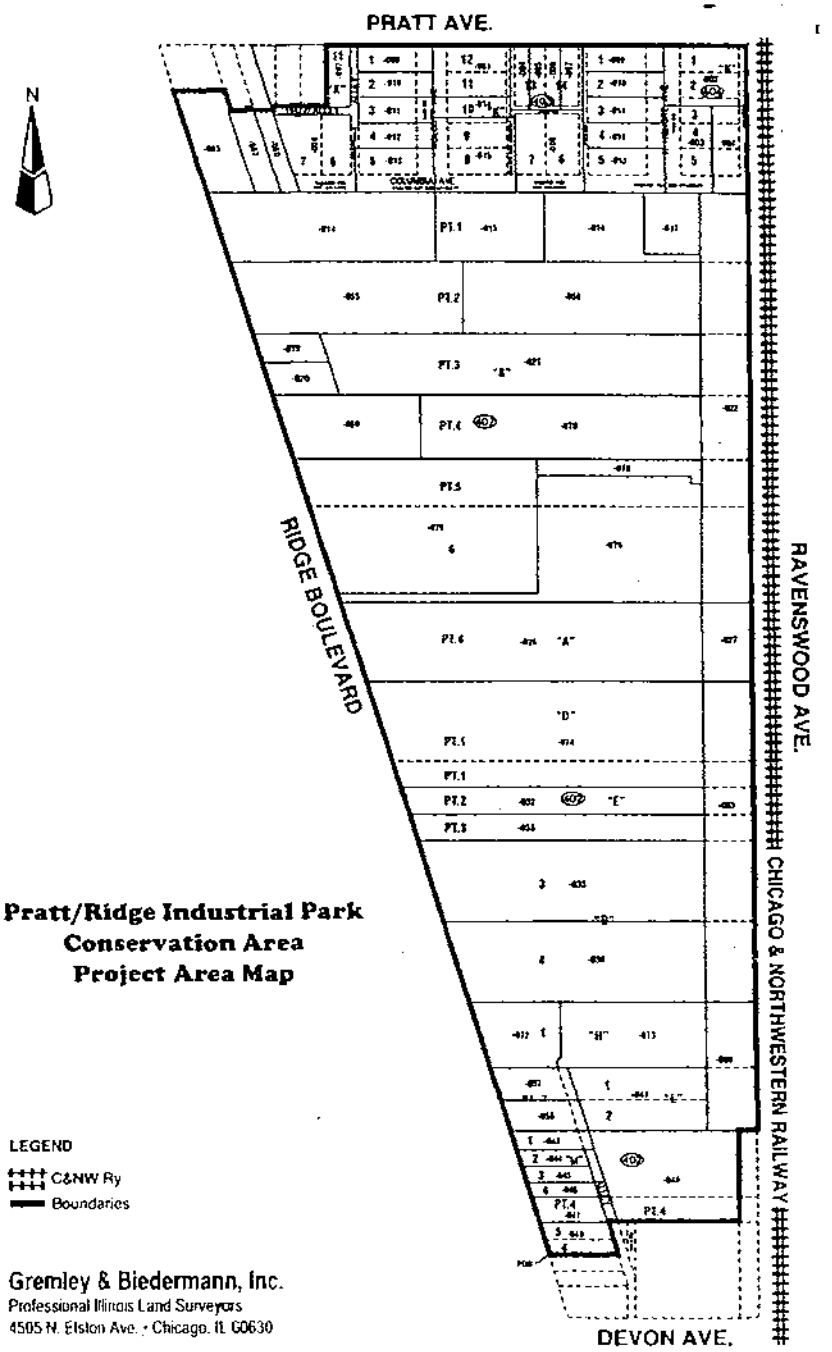
Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

(Continued on page 26673)

Exhibit "C".

Project Area Map.



(Continued from page 26671)

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, It is desirable and in the best interests of the citizens of the City of Chicago, Illinois (the "City") for the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1, et seq., as amended (the "Act"), for a proposed redevelopment project area to be known as the Pratt/Ridge Industrial Park Conservation Area (the "Area") described in Section 2 of this ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project (the "Plan"); and

WHEREAS, The Community Development Commission of the City has forwarded to the City Council of the City ("City Council") a copy of its Resolution 04-CDC-35, recommending to the City Council the adoption of Tax Increment Allocation Financing for the Area, among other things; and

WHEREAS, As required by the Act, the City has heretofore approved the Plan, which was identified in An Ordinance Of The City Of Chicago, Illinois, Approving A Redevelopment Plan For The Pratt/Ridge Industrial Park Conservation Area and has heretofore designated the Area as a redevelopment project area by passage of An Ordinance Of The City Of Chicago, Illinois, Designating The Pratt/Ridge Industrial Park Conservation Area A Redevelopment Project Area Pursuant To The Industrial Jobs Recovery Law and has otherwise complied with all other conditions precedent required by the Act; now, therefore,

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

SECTION 1. Recitals. The above recitals are incorporated herein and made a part hereof.

SECTION 2. Tax Increment Allocation Financing Adopted. Tax Increment Allocation Financing is hereby adopted pursuant to Section 5/11-74.6-35 of the Act to finance redevelopment project costs as defined in the Act and as set forth in the Plan within the Area legally described in Exhibit A attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein. The map of the Area is depicted in Exhibit C attached hereto and incorporated herein.

SECTION 3. Allocation Of Ad Valorem Taxes. Pursuant to the Act, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 5/11-74.6-40(b) of the Act each year after the effective date of this ordinance until redevelopment project costs and all municipal obligations financing redevelopment project costs incurred under the Act have been paid, shall be divided as follows:

a. that portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Area shall be allocated to, and when collected, shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of Tax Increment Allocation Financing; and

b. that portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Area over and above the initial equalized assessed value of each property in the Area shall be allocated to, and when collected, shall be paid to the City treasurer who shall deposit said taxes into a special fund, hereby created, and designated the "Pratt/Ridge Industrial Park Conservation Area Special Tax Allocation Fund" of the City for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof.

SECTION 4. Invalidity Of Any Section. 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 5. Superseder. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 6. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

[Exhibit "C" referred to in this ordinance printed on page 26677 of this *Journal*.]

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

Exhibit "A".

Pratt/Ridge Industrial Park Conservation Area Legal Description.

That part of the west half southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, located in the City of Chicago, Cook County, State of Illinois, described as follows:

beginning at the east line of North Ridge Boulevard and the north line of Lot 3 of D. Schreiber's Subdivision of that part of Lots 4 and 5 lying between the Chicago and Northwestern Railway and North Ridge Road except the north 50 feet of Lot 4 of Circuit Court Partition of the south half of the south half of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian being Document Number 4033053; thence east along said north line of Lot 3 to the west line of the alley east of North Ridge Boulevard dedicated on Document Number 4819734; thence northwesterly along said west line of the alley east of North Ridge Boulevard to the westerly extension of the north line of Lot 6 of aforesaid D. Schreiber's Subdivision; thence east along said north line of Lot 6 and its westerly extension to the east line of said Lot 6; thence north along the northerly extension of said east line of Lot 6 of aforesaid D. Schreiber's Subdivision to a line 371 feet north of and parallel with the north line of West Devon Avenue; thence east along said line 371 feet north of and parallel with the north line of West Devon Avenue to the west line of the Chicago and Northwestern Railway; thence north along the west line of the Chicago and Northwestern Railway to the south line of West Pratt Avenue; thence along the south line of West Pratt Avenue to the west line of Lot 11 in Block 13, in Oakside Subdivision in the northwest quarter of the southeast quarter of

Section 31, Township 41 North, Range 14 East of the Third Principal Meridian; thence southerly along said west line of Lot 11 and its southerly extension to the center of an alley south of West Pratt Avenue; thence west along the center of an alley south of West Pratt Avenue and its westerly extension to a point 80.00 feet west of the west line of Oakside Subdivision, measured along said center of alley; thence northwesterly along a line parallel with the west line of Oakside Subdivision to a line 124 feet south of and parallel with the north line of the southeast quarter of Section 31, Township 41 North, Range 14 East of the Third Principal Meridian, aforesaid; thence west along said line 124 feet south of and parallel with the north line of the southeast quarter of said Section 31 to the east line of North Ridge Boulevard; thence southeasterly along the east line of North Ridge Boulevard to the point of beginning.

Exhibit "B".

Street Boundary Description Of The Area.

The area is bounded roughly by West Devon Avenue on the south, West Pratt Avenue on the north, North Ridge Boulevard to the west and the Chicago & North Western Railway to the east.

AUTHORIZATION TO ENTER INTO AND EXECUTE REDEVELOPMENT AGREEMENT WITH AND TRANSFER OF DONATION TAX CREDITS FOR LIBERTY SQUARE LIMITED PARTNERSHIP.

The Committee on Finance submitted the following report:

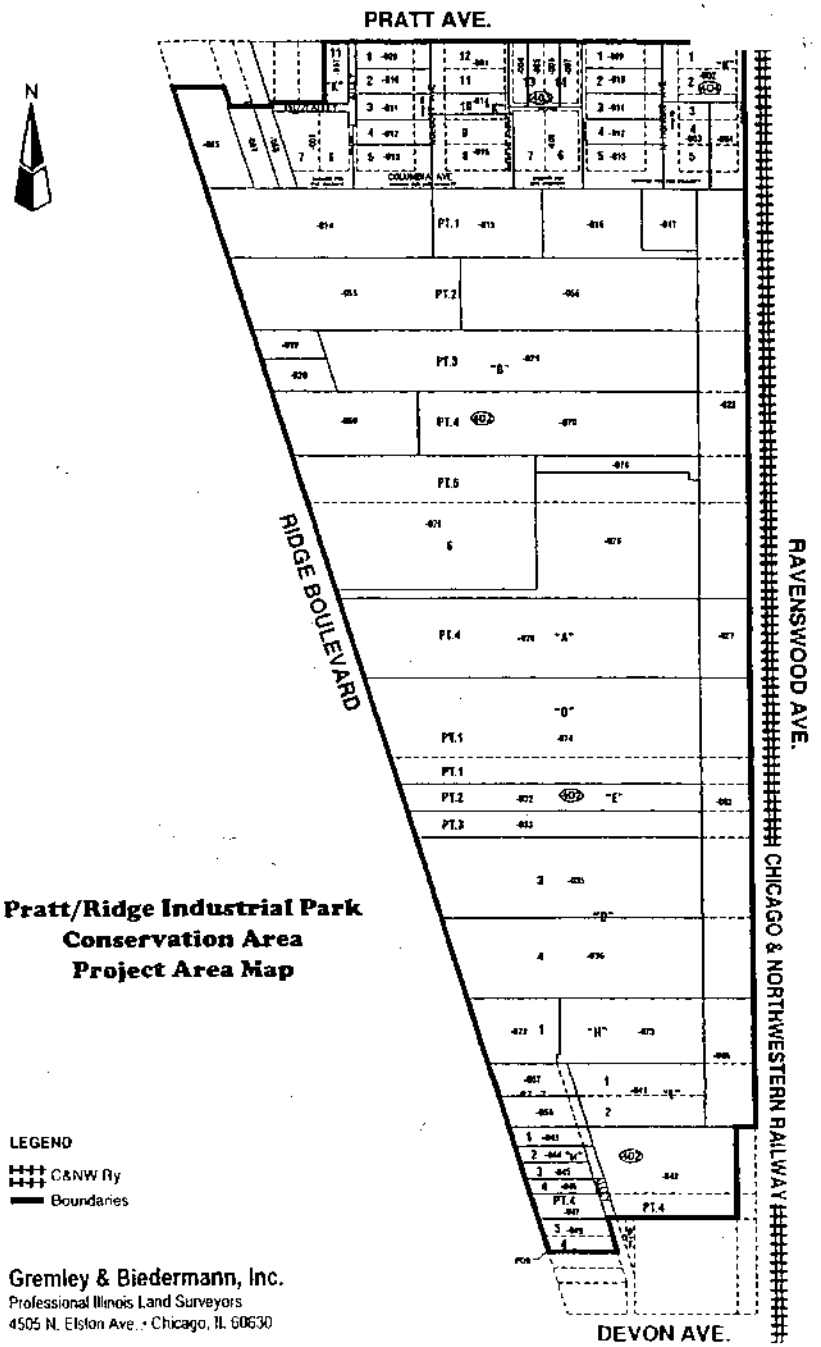
CHICAGO, June 23, 2004.

To the President and Members of the City Council:

(Continued on page 26678)

Exhibit "C".

Project Area Map.



(Continued from page 26676)

Your Committee on Finance, having had under consideration an ordinance authorizing entering into and executing a redevelopment agreement with the Liberty Square Limited Partnership and for the transfer of a donation of tax credits for the Liberty Square Limited Partnership, 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 viva voce vote of the members of the Committee.

Alderman Burke abstained from voting pursuant to Rule 14 of the City Council's Rules of Order and Procedure.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 45.

Nays -- None.

Alderman Beavers moved to reconsider the foregoing vote. The motion was lost.

Alderman Burke invoked Rule 14 of the City Council's Rules of Order and Procedure, disclosing that he had represented parties to this ordinance in previous and unrelated matters.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Exhibit "A".
(To Ordinance)

City Parcels For The Liberty Square Development.

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

* Setback Parcel

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

* Setback Parcel

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

Exhibit "B".
(To Ordinance)

Chicago Transit Authority Parcel For The Liberty Square Development.

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

Exhibit "C".
(To Ordinance)

Redevelopment Agreement

By And Among

The City Of Chicago,

H.I.C.A., Inc.

And

Liberty Square Limited Partnership.

This Redevelopment Agreement (the "Agreement") is made as of _____, 2004, by and between the City of Chicago, an Illinois municipal corporation (the "City"), acting through its Department of Planning and Development ("DPD") and its Department of Housing ("DOH"), H.I.C.A., Inc., an Illinois not-for-profit corporation (the "General Partner"), and Liberty Square Limited Partnership (the "Developer").

RECITALS

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

B. Statutory Authority: The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"), to finance the redevelopment of conservation and blighted areas.

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Hazardous Materials" shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or

by-product material, polychlorinated biphenyls and asbestos in any form or condition.

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

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Ordinances and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by Treasurer into the Incremental Taxes Fund.

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

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

"Lender" shall mean the provider of the Lender Financing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 3. THE PROJECT

3.01 The Project.

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

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

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

3.02 Plans and Specifications. The Plans and Specifications shall conform to the Redevelopment Plan as amended from time to time and shall comply with all applicable state and local laws, ordinances and regulations. As of the date hereof, the Developer has delivered to DOH, and DOH has approved, the Plans and Specifications, a list of which are attached hereto as Exhibit G. The Developer has submitted also all such documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

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

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

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

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

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

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

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

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

SECTION 4. FINANCING FOR THE PROJECT COSTS

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

4.02 Reimbursement for TIF-Funded Interest Costs.

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

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

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

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

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

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

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

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

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

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

SECTION 5. GENERAL PROVISIONS

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

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

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

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

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

SECTION 6. CONDITIONS

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

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

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

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

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

SECTION 7. AGREEMENTS WITH CONTRACTORS

7.01 City Resident Employment Requirement. The Developer agrees for itself and its successors and assigns, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (individually an "Employer" and collectively, "Employers"), as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City of Chicago specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the construction of the Project shall be performed by actual residents of the City of Chicago); provided, however, that in addition to complying with this percentage, the Developer and the other Employers shall be required to make good faith efforts to utilize qualified residents of the City of Chicago in both skilled and unskilled labor positions.

The Developer and the other Employers may request a reduction or waiver of this minimum percentage level of total worker hours performed by actual residents of the City of Chicago as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Purchasing Agent of the City of Chicago.

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

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

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

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

The Developer and the other Employers shall provide full access to their employment records to the Purchasing Agent, the Commissioners of DPD and of DOH, the Superintendent of the Chicago Police Department, the Inspector General, or any duly authorized representative thereof. The Developer and the other Employers shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project as evidenced by the (final) Certificate.

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

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

When work at the Project is completed, in the event that the City has determined that the Developer and the other Employers failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or has failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicago to the degree stipulated in this Section. Therefore, in such case of non-compliance it is agreed that 1/20 of 1 percent (.05%) of the aggregate hard construction costs set forth in the Project Budget (as the same shall be evidenced by approved contract value for the actual contracts), shall be surrendered by the Developer and/or the other Employers to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer and/or the other Employers or employee to prosecution. Any retainage to cover contract performance that may become due to the Developer and the other Employers pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Purchasing Agent's determination whether the Developer and the other Employers must surrender damages as

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

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

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

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

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

SECTION 8. COMPLETION OF CONSTRUCTION

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

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

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

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

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

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

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

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

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF DEVELOPER

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

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

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

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

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

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

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

(f) the General Partner is not aware of any default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which the General Partner is a party or by which the General Partner is bound which would materially affect its ability to perform hereunder;

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

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

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

(a) the Developer is an Illinois limited partnership duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in every other state where, due to

the nature of its activities or properties, such qualification or license is required;

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

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

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

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

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

(g) the Developer is not aware of any default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which the Developer is a party or by which the Developer is bound which would materially affect its ability to perform hereunder;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9.12 Real Estate Provisions.

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

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

(b) Real Estate Taxes.

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

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

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

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

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

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

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

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

SECTION 10. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

10.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 10 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

SECTION 11. EMPLOYMENT OPPORTUNITY

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

(a) No Employer shall discriminate against any employee or applicant for employment on the basis of race, color, sex, age, religion, mental or physical disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status or source of income, as defined in the City of Chicago Human Rights Ordinance adopted December 21, 1988, Municipal Code of Chicago, ch. 2-160, Section 2-160-010 et seq., as amended from time to time (the "Human Rights Ordinance"). Each Employer will take affirmative action to insure that applicants are employed and employees are treated during employment without regard to their race, color, religion, sex, national origin, ancestry, age, mental or physical disability, sexual orientation, marital status, parental status, military discharge status or source of income. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause.

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

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

(d) Consistent with the findings which support the Minority-Owned and Women-Owned Business Enterprise Procurement Program (the "MBE/WBE Program"), Section 2-92-

420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 11, during the course of construction of the Project, at least the following percentages of the MBE/WBE Project Budget attached hereto as Exhibit F-2 shall be expended for contract participation by minority-owned businesses ("MBEs") and by women-owned businesses ("WBEs"):

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

Consistent with Section 2-92-440, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 11.

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

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

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

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

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

SECTION 12. ENVIRONMENTAL MATTERS

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

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

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

SECTION 13. INSURANCE

The Developer shall procure and maintain, or cause to be maintained, at its sole cost and expense, at all times throughout the Term of the Agreement, and until each and every obligation of the Developer contained in the Agreement has been fully performed, the types of insurance specified below, with insurance companies authorized to do business in the State of Illinois covering all operations under this Agreement, whether performed by the Developer, any contractor or subcontractor:

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

(i) Workers' Compensation and Occupational Disease Insurance

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

(ii) Commercial Liability Insurance (Primary and Umbrella)

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

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

(i) Workers' Compensation and Occupational Disease Insurance

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

(ii) Commercial Liability Insurance (Primary and Umbrella)

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

(iii) Automobile Liability Insurance

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

(iv) All Risk Builders Risk Insurance

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

(v) Professional Liability

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

(c) Other Provisions

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

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

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

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

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

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

SECTION 14. INDEMNIFICATION

The Developer agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses including, without limitation, reasonable attorneys' fees and court costs, suffered or incurred by the City arising from or in connection with (i) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) the Developer's or any contractor's failure to pay contractors or materialmen in connection with the Project, or (iii) the existence of any material misrepresentation or omission in the Redevelopment Plan or any other document related to this Agreement and executed by the Developer that is the result of information supplied or omitted by the Developer or its agents, employees, contractors or persons

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

SECTION 15. MAINTAINING RECORDS/RIGHT TO INSPECT

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

15.02 Inspection Rights. Any authorized representative of the City shall have access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

SECTION 16. DEFAULT AND REMEDIES

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

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

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

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

material respect;

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

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

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

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

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

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

16.02 Remedies. (a) Subject to the provisions of paragraph (b) of this section, upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend disbursement of the City Funds. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, secure the specific performance of the agreements contained herein, or may be awarded damages for failure of performance, or both, provided, however, that the City shall not obtain a lien against the Property. Any monetary remedies, including but not limited to judgments, are payable from

distributable Surplus Cash only.

(b) Notwithstanding any other provision in this Agreement, the City shall not terminate this Agreement or suspend disbursement of the City Funds upon the occurrence of an Event of Default unless (i) foreclosure proceedings have been commenced under the mortgage securing the FHA-Insured Loan or a deed in lieu of such foreclosure has been executed and delivered or (ii) HUD consents to such termination or suspension of disbursement.

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

16.04 Right to Cure by Lender. In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in the termination of this Agreement or the cancellation, suspension, or reduction of any payment due from the City under this Agreement, the City shall send notice of such intended exercise to the Lender and the Lender shall have the right (but not the obligation) to cure such an Event of Default under the following conditions:

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

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

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

SECTION 17. NOTICE

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

If to City:	City of Chicago Department of Planning and Development 121 North LaSalle Street, Room 1000 Chicago, IL 60602 Attention: Commissioner
With Copies To:	City of Chicago Department of Law Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602
and:	Department of Finance City of Chicago 33 North LaSalle Street Chicago, Illinois 60602 Attn: City Comptroller
If to Developer or General Partner	Liberty Square Limited Partnership c/o Bonheur Development Corporation _____ Chicago, Illinois 606_____
and:	Prairie Mortgage Company 819 S. Wabash, Suite 508 Chicago, Illinois 60605 Attention: Kenneth B. Marshall
and:	U.S. Department of Housing and Urban Development

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

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

SECTION 18. MISCELLANEOUS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18.16 Force Majeure. For the purposes of any of the provisions of this Agreement, neither the City nor the Developer, as the case may be, nor any successor in interest, shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or quantity for an abnormal duration, tornadoes or cyclones and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its respective obligations hereunder.

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

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

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

LIBERTY SQUARE LIMITED PARTNERSHIP,
an Illinois limited partnership

By: H.I.C.A., Inc., an Illinois not-for-profit corporation and its majority co-general partner

By: _____
Its: _____
Name: _____

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

By: _____
Its: _____
Name: _____

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

By: _____
Denise Casalino, P.E.
Commissioner

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

By: _____
John F. Markowski
Commissioner

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 H.I.C.A., Inc., an Illinois not-for-profit corporation (the "Corporation") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this ___ day of _____, 200_ in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of the Corporation as his/her free and voluntary act and as the free and voluntary act of the Corporation, as majority co-general partner of Liberty Square Limited Partnership, for the uses and purposes therein set forth.

_____
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 H.I.C.A., Inc., an Illinois not-for-profit corporation (the "Corporation") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this ___ day of _____, 200_ in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the Board of Directors of the Corporation as his/her free and voluntary act, for the uses and purposes therein set forth.

_____
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 Denise Casalino, personally known to me to be the Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing

instrument, appeared before me this ____ day of _____, 2004 in person and acknowledged that she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

_____
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 John Markowski, personally known to me to be the _____ Commissioner of the Department of Housing of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this ____ day of _____, 2004 in person and acknowledged that he signed, sealed, and delivered said instrument pursuant to the authority given to him by the City, as his free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

_____
Notary Public

My commission expires_____

(SEAL)

[(Sub)Exhibit "B" referred to in this Redevelopment Agreement with H.I.C.A., Inc. and Liberty Square Limited Partnership constitutes Exhibit "A" to the ordinance and is printed on pages 26683 through 26685 of this *Journal*.]

[H.U.D.-Required Provisions Rider and (Sub)Exhibits "A", "C", "G", "J" and "K" referred to in this Redevelopment Agreement with H.I.C.A., Inc. and Liberty Square Limited Partnership unavailable at time of printing.]

(Sub)Exhibits "D", "E", "F-1", "F-2", "H-1", "H-2" and "I" referred to in this Redevelopment Agreement with H.I.C.A., Inc. and Liberty Square Limited Partnership read as follows:

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

Financing For The Project.

A. Lender Financing:

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

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

   Term: Not to exceed 43 years

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

   Security: First mortgage on the Property

B. Other Funds:

1. Approximately $3,338,070 to be derived from the syndication of $409,995 of Low-Income Housing Tax Credits expected to be allocated by the City.

2. Approximately $6,106,388 to be derived from the syndication of $750,000 of Low-Income Housing Tax Credits expected to be allocated by the Illinois Housing Development Authority ("I.H.D.A.").

3. Approximately $1,000,000 to be derived from Donation Tax Credits, expected to be allocated by I.H.D.A.

4. The general partner of the Developer will also contribute $100.

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

Estimated Schedule Of Maximum Annual Interest Reimbursement.

[to be completed]

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

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

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

Project Budget.

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

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

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

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

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

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

Architect's Opening Certificate.

Date: _____

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

1. Architect is an architect licensed and in good standing in the State of Illinois.

2. Architect has prepared the Plans and Specifications, to the best of the Architect's professional knowledge, the same are, and the Project will be when completed in accordance therewith, in full compliance with all applicable building, zoning and other laws, statutes, codes, regulations and ordinances (collectively, "Laws"), including, without limitation, all applicable pollution control and environmental protection regulations.

3. The Project, when completed in accordance with the Plans and Specifications, will not encroach upon any recorded or visible easement in effect with respect to the Property.

4. The Plans and Specifications are complete in all respects and were prepared in accordance with accepted architectural practices, containing all detail requisite for the Project which, when built and equipped in accordance therewith, shall be ready for occupancy.

5. In the aggregate, the construction contract and the existing subcontracts contain all detail necessary to provide for all labor, material and equipment required by the Plans and Specifications.

6. All permits and other governmental approvals necessary for the construction of the Project and the intended occupancy, use and operation thereof have been obtained as of the date of this Certificate or, if not so obtained, the Architect has no reason to believe same will not be obtained as and when so required. Such permits and other necessary governmental approvals are described in (Sub)Exhibit 1 attached to this Certificate.

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

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

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

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

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

Architect:

[Insert Name]

By: _____

Its: _____

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

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

Architect's Completion Certificate.

Date: _____

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

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

1. Architect is an architect licensed and in good standing in the State of Illinois.

2. The construction of the Project has been "substantially completed" as of the date of this Certificate in accordance with the approved Plans and Specifications. For purposes hereof, the Project being "substantially completed" means that the Project is usable in its present condition for its intended purpose. The Architect's determination of the total cost to complete the construction of such portion of the Project as may be unfinished is $_____.

3. Neither the Property nor the construction of the Project violates or will violate any existing applicable zoning, building, environmental protection or other statutes, ordinances, laws or regulations (collectively, "Laws").

4. All permits and other governmental approvals necessary for the construction of the Project and the intended occupancy, use and operation thereof have been obtained as of the date of this Certificate. Such permits and other necessary governmental approvals are described in Exhibit I attached to this Certificate.

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

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

Architect:

[Insert Name]

By: _____

Its: _____

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

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

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

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

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

A. First Mortgagee

$_____

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

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

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

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

Maximum Amount	Current Annual Amount Accrued	Accrued and Unpaid Prior Requisitions[1]	Balance Accrued and Unpaid[2]	Amount Paid To Date[3]

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

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

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

Prairie Mortgage Company,
an Illinois corporation

By: _____

Its: _____

cc: Liberty Square Limited Partnership

---

[1] Represents the sum of the following unpaid amounts for the specified years: $____ for 200___; $____ for 200___; $___ for 200___.

[2] Sum of columns 2 and 3.

[3] After giving effect to the payment covered by this Requisition Form.

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

Exhibit "D".
(To Ordinance)

Fee Waivers.

Department Of Construction And Permits.

Plan Review, Permit and Inspection Fees:

A. Building Permit:

Zoning.

Construction/Architectural/Structural.

Internal Plumbing.

H.V.A.C.

Water for Construction.

Smoke Abatement.

B. Electrical Permit:

Service and Wiring.

C. Elevator Permit (if applicable).

D. Wrecking Permit (if applicable).

E. Fencing Permit (if applicable).

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

Department Of Water Management.

Tap Fees.

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

Permit (connection) and Inspection Fees.

Sealing Permit Fees.

Department Of Transportation.

Street Opening Fees.

Driveway Permit Fees.

Use of Public Way Fees.

Department Of Housing.

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

AUTHORIZATION FOR CORPORATION COUNSEL TO ENTER INTO AND EXECUTE SETTLEMENT AGREEMENT REGARDING CASE OF *ADRIENNE BERGREN V. CESAR GUZMAN AND CITY OF CHICAGO.*

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order authorizing the Corporation Counsel to enter into and execute a settlement order for the following case: *Adrienne Bergren v. Cesar Guzman and City of Chicago*, 02 L 11773, in an amount of $500,000, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Beavers 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: *Adrienne Bergren v. Cesar Guzman and City of Chicago*, 02 L 11773, in an amount of Five Hundred Thousand Dollars ($500,000).

AUTHORIZATION FOR ISSUANCE OF FREE PERMITS, LICENSE FEE EXEMPTIONS AND CANCELLATION OF WATER/SEWER ASSESSMENTS FOR CERTAIN CHARITABLE, EDUCATIONAL AND RELIGIOUS INSTITUTIONS.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, to which had been referred January 14, February 11 and May 26, 2004, sundry proposed ordinances, substitute ordinance and orders transmitted therewith to authorize the issuance of free permits, license fee exemptions and cancellation of water/sewer assessments, for certain charitable, educational and religious institutions, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinances, substitute ordinance and orders transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinances, substitute ordinance and orders transmitted with the foregoing committee report were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following are said ordinances and orders as passed (the italic heading in each case not being a part of the ordinance or order):

FREE PERMITS.

Breaking Ground, Inc.

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

SECTION 1. That the Commissioner of Buildings, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Breaking Ground, Inc. for rehabilitation on the premises known as 3501 West Fillmore Street.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all necessary permits.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Chicago Baptist Institute.

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

SECTION 1. That the Commissioner of Buildings, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to the Chicago Baptist Institute for renovation of existing property on the premises known as 5120 South Dr. Martin Luther King, Jr. Drive.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all necessary permits.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Chicago Sinai Congregation.

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

SECTION 1. That the Commissioner of Buildings, the Executive Director of Construction and Permits, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water Management, the Commissioner of Fire and the Director of Revenue are hereby directed to issue all necessary permits, free of charge, notwithstanding other ordinances of the City Council to the contrary, to Chicago Sinai Congregation, 15 West Delaware place for storage space/three (3) floors and basement, on the premises known as 15 West Delaware Place.

Said building shall be used exclusively for not-for-profit and related purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

City Of Chicago/Department Of Aviation.
(Chicago Mennonite Learning Center)

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

SECTION 1. That the Commissioner of Buildings, the Executive Director of the Department of Construction and Permits, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Environment, the Commissioner of Fire, the Director of Revenue and the Commissioner of the Department of Water Management are hereby authorized and directed to issue all necessary permits, all on-site water/sewer inspection fees, free of charge, and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to the City of Chicago/Department of Aviation for a noise abatement project on the premises known as Chicago Mennonite Learning Center, 4647 West 47th Street.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all necessary permits.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

City Of Chicago/Department Of Aviation.
(Our Lady Of The Snows)

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

SECTION 1. That the Commissioner of Buildings, the Executive Director of the Department of Construction and Permits, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Environment, the Commissioner of Fire, the Director of Revenue and the Commissioner of the Department of Water Management are hereby authorized and directed to issue all necessary permits, all on-site water/sewer inspection fees, free of charge, and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to the City of Chicago/Department of Aviation for noise abatement project on the premises known as Our Lady of the Snows, 4810 South Leamington Avenue.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all necessary permits.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

City Of Chicago/Department Of General Services.
(Various City-Owned Properties)

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

SECTION 1. That the Commissioner of Buildings, the Executive Director of Construction and Permits, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Environment, the Commissioner of Fire, the Director of Revenue and the Commissioner of Water Management are hereby authorized and directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to City of Chicago Department of General Services, 30 North LaSalle Street, for maintenance, inspections and renovation of various City-owned properties on the twenty (20) addresses listed on Exhibit A attached hereto and made a part hereof.

Said building(s) and all appurtenances thereto shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all necessary permits and waiver of said fees.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".

Fire Pump Testing Locations.

Fire Department Administration Building
1338 South Clinton Street
Chicago, Illinois 60607

North Park Village Gymnasium
5801 North Pulaski Road
Chicago, Illinois 60646

North Park Village Administration Building
5801 North Pulaski Road
Chicago, Illinois 60646

Bureau of Electricity
2451 South Ashland Avenue
Chicago, Illinois 60608

Air Sea Rescue Heliport
3945 East Foreman Drive
Chicago, Illinois

Police Academy
1300 West Jackson Boulevard
Chicago, Illinois 60607

Homan Square Police Station
3304 West Fillmore Street
Chicago, Illinois 60624

Police Headquarters
3510 South Michigan Avenue
Chicago, Illinois 60653

Department of Transportation
1501 West Pershing Road
Chicago, Illinois 60609

Fleet Management
2301 West 52nd Street
Chicago, Illinois 60609

911 Emergency Center
1411 West Madison Street
Chicago, Illinois 60607

20th District Police Station
5400 North Lincoln Avenue
Chicago, Illinois 60625

18th District Police Station
1154 North Larrabee Street
Chicago, Illinois 60610

16th District Police Station
5151 North Milwaukee Avenue
Chicago, Illinois 60630

6th District Police Station
7808 South Halsted Street
Chicago, Illinois 60620

Fleet Management
10101 South Stony Island Avenue
Chicago, Illinois 60617

Fleet Management
1685 North Throop Street
Chicago, Illinois 60622

Gallery 37
75 East Randolph Street
Chicago, Illinois 60601

Cultural Center
78 East Washington Street
Chicago, Illinois 60602

City Hall
121 North LaSalle Street
Chicago, Illinois 60602

Holy Family Church.

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

SECTION 1. That the Commissioner of Buildings, Executive Director of Construction and Permits, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Water Management, the Director of Revenue and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Holy Family Church for new construction of a parish center on the premises known as 1080 West Roosevelt Road.

Said building shall be used exclusively for not-for-profit and related purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Living Water Community Church.

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

SECTION 1. That the Executive Director of the Department of Construction and Permits, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Fire, the Commissioner of Sewers, the Commissioner of Water and the Director of Revenue are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Living Water Community Church, 1545 West Pratt Boulevard, Unit 101, for interior renovation of existing structure on the premises known as 1600 West Pratt Boulevard and 6808 North Ashland Avenue.

Said building(s) and other facilities shall be used exclusively for not-for-profit and related purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Cajetan Parish.

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

SECTION 1. That the Commissioner of Construction and Permits and the Director of Revenue are hereby directed to issue all necessary permits, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Saint Cajetan parish, for the installation of a heat detector on the premises known as 2447 West 112th Street.

Said building shall be used exclusively for educational and related purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted.

SECTION 2. This ordinance shall take effect and be in force from and after its passage and publication.

The Salvation Army/Red Shield Center.

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

SECTION 1. That the Commissioner of Buildings, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Fire, the Commissioner of Sewers, the Commissioner of Water, the Zoning Administrator and the Director of Revenue are hereby directed to issue all necessary permits, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against the Salvation Army/Red Shield Center, 845 East 69th Street for construction of new building.

Said building shall be used exclusively for not-for-profit and related purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Shrine Of Our Lady Of Pompeii.

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

SECTION 1. That the Commissioner of Buildings, Executive Director of Construction and Permits, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Water Management, the Director of Revenue and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to the Shrine of Our Lady of Pompeii for restoration of existing structure on the premises known as 1244 West Lexington Street.

Said building shall be used exclusively for not-for-profit and related purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Westside Family Health Center.

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

SECTION 1. That the Commissioner of Buildings, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Westside Family Health Center for new construction and rehabilitation on the premises known as 3752 West 16th Street.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all necessary permits.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

LICENSE FEE EXEMPTIONS.

Retail Food.

Fraternite Notre Dame.

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

SECTION 1. Pursuant to Section 4-84-040 of Municipal Code of Chicago, the following institution, which is not operated for gain, is hereby exempted from the payment of the Annual Retail Food License fee (Code 1006) for the period beginning

February 15, 2004 ($82.50) and ending May 15, 2004 and for the period beginning May 15, 2004 to May 15, 2005 ($330.00):

Fraternite Notre Dame
502 North Central Avenue.

SECTION 2. This ordinance shall take effect upon its passage and publication.

Wholesale Food.

M.E.D.A./Mejorandonos Educandonos Damos Ayuda
(Better Educating, Giving And Helping).

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

SECTION 1. Pursuant to Section 4-8-040 of Municipal Code of the City of Chicago, M.E.D.A./Mejorandonos Educandonos Damos Ayuda (Bettering, Educating, Giving and Helping), a not-for-profit organization, which is not operated for gain, is hereby exempt from payment of the Annual Wholesale Food License fee, for the following periods listed below:

License Code	License Period	Location
1007	February 16, 2003 -- February 15, 2004	2406 South Western Avenue
1007	February 16, 2004 -- February 15, 2005	2406 South Western Avenue

SECTION 2. This ordinance shall take effect and be in force upon its passage and publication.

CANCELLATION OF WATER/SEWER ASSESSMENTS.

Boys And Girls Clubs Of Chicago/
Robert R. Mc Cormick Club.

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of Water Management is hereby authorized and directed to cancel all existing assessments, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Boys and Girls Clubs of Chicago/Robert R. McCormick Club, located at 956 West Gunnison Street (Account Number 440947-440947).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Catholic Bishop Of Chicago/Our Lady Of Fatima Church.

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of Water Management is hereby authorized and directed to cancel existing assessments, notwithstanding other ordinances of the City of Chicago, to the contrary, assessed against Catholic Bishop of Chicago/Our Lady Of Fatima, 2751 West 38th Place (Account Number 440403).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Five Holy Martyrs Parish.
(4324 -- 4328 South Francisco Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Five Holy Martyrs, 4324 -- 4328 South Francisco Avenue (Account Number 428198).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Five Holy Martyrs Parish.
(4330 South Francisco Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Five Holy Martyrs, 4330 South Francisco Avenue (Account Number 428199).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Five Holy Martyrs Parish.
(4305 -- 4307 South Richmond Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Five Holy Martyrs, 4305 -- 4307 South Richmond Street (Account Number 428194).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Five Holy Martyrs Parish.
(4309 -- 4327 South Richmond Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Five Holy Martyrs, 4309 -- 4327 South Richmond Street (Account Number 428195).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Five Holy Martyrs Parish.
(4329 South Richmond Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Five Holy Martyrs, 4329 South Richmond Street (Account Number 428196).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Five Holy Martyrs Parish.
(2901 West 43rd Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Five Holy Martyrs, 2901 West 43rd Street (Account Number 428197).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Harris School.
(6006 South Pulaski Road)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of Water and the Commissioner of Sewers are hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Harris School, 6006 South Pulaski Road (Account Number 562485).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Harris School.
(6010 South Pulaski Road)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of Water and the Commissioner of Sewers are hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Harris School, 6010 South Pulaski Road (Account Number 199595).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Illinois Medical District.
(2225 -- 2241 West Harrison Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of the City of Chicago, the Commissioner of Water and the Commissioner of Sewers are hereby authorized and directed to cancel assessments, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against the Illinois Medical District, 2225 -- 2241 West Harrison Street (Account Number 520528-520528).

SECTION 2. This ordinance shall take effect and be in force from and after its passage and publication.

Illinois Medical District.
(2255 West Harrison Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of the City of Chicago, the Commissioner of Water and the Commissioner of Sewers are hereby authorized and directed to cancel assessments, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against the Illinois Medical District, 2255 West Harrison Street (Account Number 659478-596401).

SECTION 2. This ordinance shall take effect and be in force upon its passage and publication.

Lester And Rosalie Anixter Center.

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of Water Management is hereby authorized and directed to cancel delinquent, existing and future assessments, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Lester and Rosalie Anixter Center, 6050 North California Avenue (Account Number 441043-441043).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Light Of Christ Lutheran Church.
(7045 North Western Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of the City of Chicago, the Commissioner of Water and the Commissioner of Sewers are hereby authorized and directed to cancel existing assessments, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Light of Christ, 7045 North Western Avenue (Account Number 446188-446188 -- Amount: $367.01) (current bill date: January 16, 2004).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Light Of Christ Lutheran Church.
(7049 -- 7055 North Western Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of the City of Chicago, the Commissioner of Water and the Commissioner of Sewers are hereby authorized and directed to cancel existing assessments, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Light of Christ, 7049 -- 7055 North Western Avenue (Account Number 446189-446189 -- Amount: $170.36) (current bill date: January 16, 2004).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Old Saint Mary's Church.

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Old Saint Mary's, 23 East Van Buren Street (Account Number 442373).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Old Saint Patrick's Church.
(700 West Adams Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Old Saint Patrick's, 700 West Adams Street (Account Number 442425).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Old Saint Patrick's Church.
(122 -- 138 South Desplaines Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Old Saint Patrick's, 122 -- 138 South Desplaines Street (Account Number 442482).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Old Saint Patrick's Church.
(711 West Monroe Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Old Saint Patrick's, 711 West Monroe Street (Account Number 588339).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Our Lady Of Fatima Church.
(Formerly Saint Agnes)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Our Lady of Fatima (formerly Saint Agnes), 3932 South Archer Avenue (Account Number 443075).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Queen Of The Universe.
(7130 South Hamlin Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Queen of the Universe, 7130 South Hamlin Avenue (Account Number 442965).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Queen Of The Universe.
(7150 South Hamlin Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Queen of the Universe, 7150 South Hamlin Avenue (Account Number 439395).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Adrian Parish.
(7000 South Fairfield Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Adrian, 7000 South Fairfield Avenue (Account Number 439757).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Adrian Parish.
(7000 -- 7006 South Washtenaw Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Adrian, 7000 -- 7006 South Washtenaw Avenue (Account Number 428316).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Adrian Parish.
(7008 -- 7018 South Washtenaw Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Adrian, 7008 -- 7018 South Washtenaw Avenue (Account Number 428317).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Adrian Parish.
(7020 South Washtenaw Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Adrian, 7020 South Washtenaw Avenue (Account Number 428319).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Adrian Parish.
(7050 South Washtenaw Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Adrian, 7050 South Washtenaw Avenue (Account Number 439747).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Bede The Venerable Parish.
(8244 South Kostner Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Bede the Venerable, 8244 South Kostner Avenue (Account Number 439401).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Bede The Venerable Parish.
(4436 West 83rd Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Bede the Venerable, 4436 West 83rd Street (Account Number 439413).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Benedict The African-West Parish.
(7031 -- 7041 South Honore Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Benedict the African-West, 7031 -- 7041 South Honore Street (Account Number 428304).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Benedict The African-West Parish.
(1818 West 71st Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Benedict the African-West, 1818 West 71st Street (Account Number 428303).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Bruno Parish.
(4757 South Harding Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Bruno, 4757 South Harding Avenue (Account Number 440184).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Bruno Parish.
(4821 South Harding Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Bruno, 4821 South Harding Avenue (Account Number 440202).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Bruno Parish.
(4839 -- 4853 South Harding Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Bruno, 4839 -- 4853 South Harding Avenue (Account Number 428201).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Clare Of Montefalco Parish.
(5400 South Talman Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Clare of Montefalco, 5400 South Talman Avenue (Account Number 440177).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Clare Of Montefalco Parish.
(5442 South Talman Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Clare of Montefalco, 5442 South Talman Avenue (Account Number 440176).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Clare Of Montefalco Parish.
(2656 West 55th Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Clare of Montefalco, 2656 West 55th Street (Account Number 440183).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Denis Parish.
(8301 South St. Louis Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Denis, 8301 South St. Louis Avenue (Account Number 439404).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Denis Parish.
(8336 South St. Louis Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Denis, 8336 South St. Louis Avenue (Account Number 439403).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Denis Parish.
(3456 West 83rd Place)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary,

assessed against Saint Denis, 3456 West 83rd Place (Account Number 439409).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Denis Parish.
(3507 West 83rd)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Denis, 3507 West 83rd (Account Number 442589).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Ethelreda Parish.
(8722 South Paulina Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Ethelreda, 8722 South Paulina Street (Account Number 438988).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Ethelreda Parish.
(8726 -- 8728 South Paulina Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Ethelreda, 8726 -- 8728 South Paulina Street (Account Number 428339).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Ethelreda Parish.
(8747 South Paulina Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Ethelreda, 8747 South Paulina Street (Account Number 438989).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Ethelreda Parish.
(8756 South Paulina Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Ethelreda, 8756 South Paulina Street (Account Number 438980).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Francis XC Parish.

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Francis XC, 743 South Sacramento Avenue (Account Number 440597).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Gall Parish.

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Gall, 5524 South Kedzie Avenue (Account Number 443035).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Killian Parish.
(8732 South Aberdeen Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago, to the contrary, assessed against Saint Killian, 8732 South Aberdeen Street (Account Number 428337).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Killian Parish.
(8736 South Aberdeen Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Killian, 8736 South Aberdeen Street (Account Number 438825).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Killian Parish.
(8750 South Aberdeen Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Killian, 8750 South Aberdeen Street (Account Number 438826).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Killian Parish.
(1125 West 87th Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Killian, 1125 West 87th Street (Account Number 438828).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Margaret Of Scotland Parish.
(9835 South Throop Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Margaret of Scotland, 9835 South Throop Street (Account Number 438846).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Margaret Of Scotland Parish.
(9837 South Throop Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Margaret of Scotland, 9837 South Throop Street (Account Number 428346).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Margaret Of Scotland Parish.
(1209 West 98th)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed

against Saint Margaret of Scotland, 1209 West 98th (Account Numbers 438824 and 576983).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Margaret Of Scotland Parish.
(1246 -- 1258 West 99th)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Margaret of Scotland, 1246 -- 1258 West 99th (Account Number 428345).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Mary Star Of The Sea.
(6317 South Kenneth Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Mary Star of the Sea, 6317 South Kenneth Avenue (Account Number 196432).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Mary Star Of The Sea.
(6430 South Kenneth Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Mary Star of the Sea, 6430 South Kenneth Avenue (Account Number 443037).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Mary Star Of The Sea.
(6435 South Kilbourn Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Mary Star of the Sea, 6435 South Kilbourn Avenue (Account Number 439843).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Mary Star Of The Sea.
(4626 West 63rd Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Mary Star of the Sea, 4626 West 63rd Street (Account Number 562055).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Nicholas Of Tolentine.
(6200 South Lawndale Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Nicholas of Tolentine, 6200 South Lawndale Avenue (Account Number 439796).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Nicholas Of Tolentine.
(3719 -- 3721 West 62nd Place)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Nicholas of Tolentine, 3719 -- 3721 West 62nd Place (Account Number 428245).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Nicholas Of Tolentine.
(3731 West 62nd Place).

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary assessed against Saint Nicholas of Tolentine, 3731 West 62nd Place (Account Number 428246).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Nicholas Of Tolentine.
(3745 West 62nd Place)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed

against Saint Nicholas of Tolentine, 3745 West 62nd Place (Account Number 439802).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Pancratius Parish.
(4021 South Sacramento Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Pancratius, 4021 South Sacremento Avenue (Account Number 440194).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Pancratius Parish.
(4045 South Sacramento Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Pancratius, 4045 South Sacramento Avenue (Account Number 440173).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Pancratius Parish.
(2930 -- 2938 West 40th Place)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Pancratius, 2930 -- 2938 West 40th Place (Account Number 428192).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Pancratius Parish.
(2942 West 40th Place)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Pancratius, 2942 West 40th Place (Account Number 428191).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Sabinas Parish.
(7803 -- 7813 South Throop Street)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Sabinas, 7803 -- 7813 South Throop Street (Account Number 428328).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Sabinas Parish.
(7811 South Racine Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Sabinas, 7811 South Racine Avenue (Account Number 439344).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Sabinas Parish.
(7812 South Racine Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Sabinas, 7812 South Racine Avenue (Account Number 439331).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Simon The Apostle Parish.
(5135 South California Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Simon the Apostle, 5135 South California Avenue (Account Number 440165).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Simon The Apostle Parish.
(5153 -- 5159 South California Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Simon the Apostle, 5153 -- 5159 South California Avenue (Account Number 428235).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Simon The Apostle Parish.
(5146 South Fairfield Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Simon the Apostle, 5146 South Fairfield Avenue (Account Number 428238).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Simon The Apostle Parish.
(2736 West 52nd)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Simon the Apostle, 2736 West 52nd (Account Number Unknown).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Simon The Apostle Parish.
(2742 -- 2752 West 52nd)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Simon the Apostle, 2742 -- 2752 West 52nd (Account Number 428236).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Symphorosa.
(6121 South Austin Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Symphorosa, 6121 South Austin Avenue (Account Number 439823).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Symphorosa.
(6135 South Austin Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Symphorosa, 6135 South Austin Avenue (Account Number 443024).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Symphorosa.
(6159 South Austin Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Symphorosa, 6159 South Austin Avenue (Account Number 439824).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Symphorosa.
(6158 South Mason Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Symphorosa, 6158 South Mason Avenue (Account Number 439842).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Thaddeus Parish.
(9530 South Harvard Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Thaddeus, 9530 South Harvard Avenue (Account Number 438808).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Thaddeus Parish.
(9540 South Harvard Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Thaddeus, 9540 South Harvard Avenue (Account Number 438844).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Thaddeus Parish.
(9558 South Harvard Avenue)

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Thaddeus, 9558 South Harvard Avenue (Account Number 438809).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Thomas More.

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

SECTION 1. Pursuant to Section 11-12-540 of the Municipal Code of Chicago, the Commissioner of the Department of Water Management is hereby authorized and directed to cancel all assessments as of the effective date of this ordinance, notwithstanding other ordinances of the City of Chicago to the contrary, assessed against Saint Thomas More, 8128 South California Avenue (Account Number 442958).

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

EXEMPTION OF ADVOCATE RAVENSWOOD MEDICAL CENTER AT 4600 NORTH RAVENSWOOD AVENUE FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Schulter (47th Ward) exempting Advocate Ravenswood Medical Center, at 4600 North Ravenswood Avenue, from payment of all city permit, license and inspection fees for the year ending August 15, 2005, 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 viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Director of Revenue, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the

Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Advocate Ravenswood Medical Center, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at 4600 North Ravenswood Avenue.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Advocate Ravenswood Medical Center, a not-for-profit Illinois corporation located at 4600 North Ravenswood Avenue, engaged in medical, educational and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Advocate Ravenswood Medical Center shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year from August 15, 2004 and ending August 15, 2005.

EXEMPTION OF ADVOCATE RAVENSWOOD MEDICAL CENTER AT 4550 NORTH WINCHESTER AVENUE AND 1945 WEST WILSON AVENUE FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Schulter (47th Ward) exempting Advocate Ravenswood Medical Center at 4550 North Winchester Avenue and 1945 West Wilson Avenue from payment of all city permit, license and inspection fees for the period ending August 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Director of the Department of Revenue, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Advocate Ravenswood Medical Center, a not-for-profit Illinois corporation, related to the erection and maintenance of the building(s) and fuel storage facilities at 4550 North Winchester and 1945 West Wilson Avenues.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Advocate Ravenswood Medical Center, a not-for-profit Illinois corporation located at 4550 North Winchester and 1945 West Wilson Avenues; engaged in medical, educational and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Advocate Ravenswood Medical Center shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year from August 15, 2004 and ending August 15, 2005.

EXEMPTION OF ADVOCATE RAVENSWOOD MEDICAL CENTER DAY CARE CENTER FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Schulter (47th Ward) exempting Advocate Ravenswood Medical Center Day Care Center from payment of all city permit, license and inspection fees for the period ending August 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Director of the Department of Revenue, the Commissioner of Transportation, the Commissioner of Streets and

Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Advocate Ravenswood Medical Center Day Care Center, a not-for-profit Illinois corporation, related to the erection and maintenance of the building(s) and fuel storage facilities at 4500 North Winchester Avenue.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Advocate Ravenswood Medical Center Day Care, a not-for-profit, Illinois corporation located at 4500 North Winchester Avenue, engaged in medical, educational and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Advocate Ravenswood Medical Center Day Care Center shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year from August 15, 2004 and ending August 15, 2005.

EXEMPTION OF ARTISTIC HOME FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Schulter (47th Ward) exempting Artistic Home from payment of all city permit, license and inspection fees for the period ending August 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Director of the Department of Revenue, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge,

notwithstanding other ordinances of the City of Chicago to the contrary, to the Artistic Home, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at 1420 West Irving Park Road.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Artistic Home, a not-for-profit Illinois corporation located at 1420 West Irving Park Road, engaged in not-for-profit community center and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Artistic Home shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year from August 15, 2004 and ending August 15, 2005.

EXEMPTION OF BETHANY RETIREMENT COMMUNITY FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Schulter (47th Ward) exempting the Bethany Retirement Community from payment of all city permit, license and inspection fees for the period ending August 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Director of the Department of Revenue, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to the Bethany Retirement Community, a not-for-profit Illinois corporation, related to the

erection and maintenance of building(s) and fuel storage facilities at 4950 North Ashland Avenue.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Bethany Retirement Community, a not-for-profit Illinois corporation located at 4950 North Ashland Avenue, engaged in Home for the Aged and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Bethany Retirement Community shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year from August 15, 2004 and ending August 15, 2005.

EXEMPTION OF CASA CENTRAL FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING NOVEMBER 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Ocasio (26th Ward) exempting Casa Central, from

payment of all city permit, license and inspection fees for the period ending November 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Commissioner of the Department of Permits and Construction, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Environment, the Commissioner of Fire, the Commissioner of Revenue, the Commissioner of Sewers and the Commissioner of Water are hereby authorized and directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Casa Central, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at 1335 North California Avenue.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Casa Central, a not-for-profit Illinois corporation located at 1335 North California Avenue, engaged in medical, educational and related activities, shall be exempt from the payment of city license fees and building permits and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Casa Central shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year but in no event beyond November 15, 2005.

EXEMPTION OF CENTRO MEDICO FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FOR PERIOD ENDING MAY 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Muñoz (22nd Ward) exempting Centro Medico from payment of all city permit, license and inspection fees for the period ending May 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Centro Medico, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at 3700 West 26th Street.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of

appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Centro Medico, a not-for-profit Illinois corporation located at 3700 West 26th Street, engaged in medical, educational and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Centro Medico shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year but in no event beyond May 15, 2005.

EXEMPTION OF CHICAGO HOUSING AUTHORITY/ARMOUR SQUARE APARTMENTS FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Balcer (11th Ward) exempting the Chicago Housing Authority/Armour Square Apartments from payment of all city permit, license and inspection fees, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Environment, the Commissioner of Fire, the Director of Revenue, the Commissioner of Sewers and the Commissioner of Water are hereby authorized and directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Chicago Housing Authority, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at Armour Square Apartments, 3120, 3146, 3216 and 3250 South Wentworth Avenue.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all necessary permits and licenses.

SECTION 2. The Chicago Housing Authority, a not-for-profit Illinois corporation engaged in low-income senior housing, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. The Chicago Housing Authority shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall take effect and be enforced upon its passage and publication.

EXEMPTION OF CHICAGO SYMPHONY ORCHESTRA FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING DECEMBER 31, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Natarus (42nd Ward) exempting the Chicago Symphony Orchestra from payment of all city permit, license and inspection fees for the period ending December 31, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Executive Director of Construction and Permits, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water Management and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to the Chicago Symphony Orchestra, a not-for-profit Illinois corporation, related to the erection and maintenance of the building(s) and fuel storage facilities locations at 200 South Michigan Avenue, 220 South Michigan Avenue, 65 East Adams Street, 67 East Adams Street, 201 South Wabash Avenue and 228 South Wabash Avenue.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. The Chicago Symphony Orchestra, a not-for-profit Illinois corporation, also doing business engaged in cultural, educational and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. The Chicago Symphony Orchestra shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year but in no event beyond December 31, 2005.

EXEMPTION OF FUTURE WORLD FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Hairston (5th Ward) exempting Future World from payment of all city permit, license and inspection fees for the period ending August 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Future World, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) located at 1744 East 55th Street.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all necessary permits and licenses.

SECTION 2. Future World, a not-for-profit Illinois corporation located at 1744 East 55th Street, engaged in medical, educational and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Future World shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year during the period between August 16, 2004 and August 15, 2005.

EXEMPTION OF JANE ADDAMS RESOURCE CORPORATION AT 4229 NORTH HONORE STREET AND 4222 NORTH RAVENSWOOD AVENUE FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Schulter (47th Ward) exempting Jane Addams Resource Corporation at 4229 North Honore Street and 4222 North Ravenswood Avenue from payment of all city permit, license and inspection fees for the period ending August 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Director of the Department of Revenue, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to the Jane Addams Resource Corporation, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at 4229 North Honore Street and 4222 North Ravenswood Avenue.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Jane Addams Resource Corporation, a not-for-profit Illinois corporation located at 4229 North Honore Street and 4222 North Ravenswood Avenue, engaged in mechanical, educational and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Jane Addams Resource Corporation shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year from August 15, 2004 and ending August 15, 2005.

EXEMPTION OF JANE ADDAMS RESOURCE CORPORATION AT 4428 NORTH RAVENSWOOD AVENUE FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Schulter (47th Ward) exempting Jane Addams Resource Corporation at 4428 North Ravenswood Avenue from payment of all city permit, license and inspection fees for the year ending August 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Director of the Department of Revenue, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Jane Addams Resource Corporation, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at 4428 North Ravenswood Avenue.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Jane Addams Resource Corporation, a not-for-profit Illinois corporation located at 4428 North Ravenswood Avenue, engaged in medical, educational and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Jane Addams Resource Corporation shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year from August 15, 2004 and ending August 15, 2005.

EXEMPTION OF JAPANESE AMERICAN SERVICE COMMITTEE FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a the proposed ordinance presented by Alderman Schulter (47th Ward) exempting the Japanese American Service Committee from payment of all city permit, license and inspection fees for the period ending August 15, 2005, 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 viva voce vote of the members of the committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Director of the Department of Revenue, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to the Japanese American Service Committee, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at 4427 North Clark Street.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Japanese American Service Committee, a not-for-profit Illinois corporation located at 4427 North Clark Street, engaged in senior citizen and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Japanese American Service Committee shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year from August 15, 2004 and ending August 15, 2005.

EXEMPTION OF LYDIA HOME ASSOCIATION FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Allen (38th Ward) exempting Lydia Home Association from payment of all city permit, license and inspection fees for the period ending August 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Director of Construction and Permits, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Water Management, the Commissioner of Fire and the Director of Revenue are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Lydia Home Association, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) located at 4300 West Irving Park Road.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Lydia Home Association, a not-for-profit Illinois corporation, also doing business in educational and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Lydia Home Association shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for the period of August 16, 2004 to August 15, 2005.

EXEMPTION OF STATE REPRESENTATIVE LARRY MC KEON FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Schulter (47th Ward) exempting State Representative Larry McKeon from payment of all city permit, license and inspection fees for the period ending August 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Director of the Department of Revenue, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to the State Representative Larry McKeon, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at 1967 West Montrose Avenue.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. State Representative Larry McKeon, a not-for-profit Illinois corporation located at 1967 West Montrose Avenue, engaged in state representative and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. State Representative Larry McKeon shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year from August 15, 2004 and ending August 15, 2005.

EXEMPTION OF METHODIST HOSPITAL OF CHICAGO FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Schulter (47th Ward) exempting Methodist Hospital of Chicago from payment of all city permit, license and inspection fees for the period ending August 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Director of the Department of Revenue, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to the Methodist Hospital of Chicago, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at 5025 North Paulina Street and 4917 North Paulina Street.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Methodist Hospital of Chicago, a not-for-profit Illinois corporation located at 5025 North Paulina Street and 4917 North Paulina Street, engaged in medical and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Methodist Hospital of Chicago shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year from August 15, 2004 and ending August 15, 2005.

EXEMPTION OF NORTHEASTERN ILLINOIS UNIVERSITY FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING MAY 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Laurino (39th Ward) exempting Northeastern Illinois University from payment of all city permit, license and inspection fees for the period ending May 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Executive Director of Construction and Permits, the Commissioner of Health, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Environment, the Commissioner of Fire, the Director of Revenue, the Zoning Administrator and the Commissioner of Water Management are hereby authorized and directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Northeastern Illinois University, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and related parking areas located at 5500 North St. Louis Avenue.

Said building(s) and all appurtenances thereto shall be used exclusively for educational and related purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Northeastern Illinois University, a not-for-profit Illinois corporation located at 5500 North St. Louis Avenue, also doing business engaged in community,

educational and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Northeastern Illinois University shall be entitled to a refund of city fees that it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year but in no event beyond May 15, 2005.

EXEMPTION OF PILGRIM LUTHERAN CHURCH AND SCHOOL FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Schulter (47th Ward) exempting Pilgrim Lutheran Church and School from payment of all city permit, license and inspection fees for the period ending August 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Director of the Department of Revenue, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to the Pilgrim Lutheran Church and School, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at 4300 North Winchester Avenue.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Pilgrim Lutheran Church and School, a not-for-profit Illinois corporation located at 4300 North Winchester Avenue, engaged in religious, educational and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Pilgrim Lutheran Church and School shall be entitled to a refund of city fees which it has paid and to which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year from August 15, 2004 and ending August 15, 2005.

EXEMPTION OF PRAISE TABERNACLE CHURCH FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Schulter (47th Ward) exempting Praise Tabernacle Church from payment of all city permit, license and inspection fees for the period ending August 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Director of the Department of Revenue, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Praise Tabernacle, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at 1424 West Irving Park Road.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Praise Tabernacle, a not-for-profit Illinois Municipal corporation located at 1424 West Irving Park Road, engaged in religious and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Praise Tabernacle shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year from August 15, 2004 and ending August 15, 2005.

EXEMPTION OF TRAVELERS AND IMMIGRANTS AID-CHICAGO CONNECTIONS FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Schulter (47th Ward) exempting Travelers and Immigrants Aid-Chicago Connections from payment of all city permit, license and inspection fees for the period ending August 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Director of the Department of Revenue, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to the Travelers and Immigrants Aid-Chicago Connections, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at 4411 North Ravenswood Avenue.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Travelers and Immigrants Aid-Chicago Connections, a not-for-profit Illinois corporation located at 4411 North Ravenwood Avenue, engaged in social services and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. Travelers and Immigants Aid-Chicago Connections shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year from August 15, 2004 and ending August 15, 2005.

EXEMPTION OF VISION HOUSE FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING MAY 26, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Tillman (3rd Ward) exempting Vision House from payment of all city permit, license and inspection fees for the period ending May 26, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Vision House, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) located at 514 East 50th Street.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. Vision House, a not-for-profit Illinois corporation, also doing business engaged in medical, educational and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection.

SECTION 3. Vision House shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year but in no event beyond May 26, 2005.

EXEMPTION OF WESTSIDE FAMILY HEALTH CENTER FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING MAY 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Chandler (24th Ward) exempting Westside Family Health Center from payment of all city permit, license and inspection fees for the period ending May 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. Westside Family Health Center located at 3752 West 16th Street, a not-for-profit Illinois corporation, engaged in medical, educational and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

Said building(s) and all appurtenances thereto shall be exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all necessary permits and licenses.

SECTION 2. Westside Family Health Center located at 3752 West 16th Street shall be entitled to a refund of city fees, which it has paid and from which it is exempt pursuant to Section 1 of this ordinance.

SECTION 3. This ordinance shall be in force for the period of one (1) year but in no event beyond May 15, 2005.

EXEMPTION OF WOMEN'S TREATMENT CENTER FROM PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION FEES FOR PERIOD ENDING AUGUST 15, 2005.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Burnett (27th Ward) exempting the Women's Treatment Center from payment of all city permit, license and inspection fees for the period ending August 15, 2005, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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:

SECTION 1. That the Commissioner of Buildings, the Commissioner of Transportation, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, the Commissioner of Water and the Commissioner of Fire are hereby directed to issue all necessary permits, all on-site water/sewer inspection fees and all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to the Women's Treatment Center, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at 140 North Ashland Avenue.

Said building(s) and all appurtenances thereto shall be used exclusively for charitable purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted and all of the appropriate provisions of the Municipal Code of the City of Chicago and departmental requirements of various departments of the City of Chicago, and said building(s) and all appurtenances thereto shall be constructed and maintained so that they shall comply in all respects with the requirements of the appropriate provisions of the Municipal Code of the City of Chicago for the issuance of all permits and licenses.

SECTION 2. The Women's Treatment Center, a not-for-profit Illinois corporation located at 140 North Ashland Avenue, engaged in medical, educational and related activities, shall be exempt from the payment of city license fees and shall be entitled to the cancellation of warrants for the collection of inspection fees.

SECTION 3. The Women's Treatment Center shall be entitled to a refund of city fees which it has paid and from which it is exempt pursuant to Sections 1 and 2 of this ordinance.

SECTION 4. This ordinance shall be in force for a period of one (1) year but in no event beyond August 15, 2005.

AUTHORIZATION FOR CANCELLATION OF WARRANTS FOR COLLECTION ISSUED AGAINST CERTAIN CHARITABLE, EDUCATIONAL AND RELIGIOUS INSTITUTIONS.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, to which had been referred sundry proposed orders for cancellation of specified warrants for collection issued against certain charitable, educational and religious institutions, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed substitute order transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed substitute order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the City Comptroller is hereby authorized and directed to cancel specified warrants for collection issued against certain charitable, educational and religious institutions, as follows:

Name And Address	Warrant Number And Type Of Inspection	Amount
Resurrection Day Nursery 1849 North Hermitage Avenue	BR-567622 (Boiler)	$155.00

Name And Address	Warrant Number And Type Of Inspection	Amount
Saint Nicholas Albanian Orthodox Church 2701 North Narragansett Avenue	B3-400223 (Pub. Place of Assemb.)	$120.00
	B3-400224 (Pub. Place of Assemb.)	120.00
Vision House 514 East 50th Place	Ins. Number 577363 (Boiler Insp.)	425.00
	P1-304434 (Fuel Burn. Equip.)	250.00

REDUCTION IN ANNUAL LICENSE FEES FOR SPECIAL POLICE EMPLOYED BY VARIOUS CHARITABLE INSTITUTIONS.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration two ordinances authorizing the reduction in license fees for the employment of special police at various charitable institutions, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinances transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinances transmitted with the foregoing committee report were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following are said ordinances as passed (the italic heading in each case not being a part of the ordinance):

Faith Tabernacle Of Chicago.

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

SECTION 1. Pursuant to Section 4-340-050 of the Municipal Code of the City of Chicago, the following charitable institution which employs four (4) special police and shall pay a fee of Ten and no/100 Dollars ($10.00) per license for the year 2004:

Faith Tabernacle of Chicago
3750 North Halsted Street.

SECTION 2. This ordinance shall take effect and be in force upon its passage and publication.

Northwestern University Police.

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

SECTION 1. Pursuant to Section 4-340-050 of the Municipal Code of Chicago, the following charitable institution employs twenty-four (24) Special Police and shall pay a fee of Ten and no/100 Dollars ($10.00) per license for the year 2004:

Northwestern University Police
211 East Superior Street.

SECTION 2. This ordinance shall take effect and be in force from and after its passage and publication.

AUTHORIZATION FOR PAYMENT OF HOSPITAL, MEDICAL AND NURSING SERVICES RENDERED CERTAIN INJURED MEMBERS OF POLICE AND FIRE DEPARTMENTS.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order authorizing the payment of hospital and medical expenses of police officers and fire fighters injured in the line of duty, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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 issue vouchers, in conformity with the schedule herein set forth, to physicians, hospitals, nurses or other individuals, in settlement for hospital, medical and nursing services rendered to the injured members of the Police Department and/or the Fire Department herein named. The payment of any of these bills shall not be construed as an approval of any previous claims pending or future claims for expenses or benefits on account of any alleged injury to the individuals named. The total amount of said claims is set opposite the names of the injured members of the Police Department and/or the Fire Department, and vouchers are to be drawn in favor of the proper claimants and charged to Account Number 100.9112.937:

[Regular orders printed on pages 26831 through 26844 of this *Journal*.]

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CITY COUNCIL ORDERS

COUNCIL MEETING OF 6/23/2004

REGULAR ORDERS

********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOU T
ABUZANAT	ABDULLA H	POLICE OFFICER	EIGHTH DISTRICT	11/21/2003	10
ACEVEDO	MARTIN	POLICE OFFICER	TENTH DISTRICT	4/01/2004	43
ADAMS	JOHN W	POLICE OFFICER	SECOND DISTRICT	1/01/2004	217
AGRON	EDWIN	POLICE OFFICER	RECRUIT TRAINING	3/18/2004	69
AIRHART	JOE M	POLICE OFFICER	DETECTIVE DIVISION - AREA 2	8/28/2001	4882
ALGARIN	JOEL S	POLICE OFFICER	FIFTEENTH DISTRICT	5/03/2004	26
ALLEN	RAYMOND	POLICE OFFICER	TWENTY-SECOND DISTRICT	12/03/2003	75
ALMAGUER	XAVIER	POLICE OFFICER	TENTH DISTRICT	12/16/1990	20
ALMDALE	LLOYD	POLICE OFFICER	EIGHTEENTH DISTRICT	4/01/2004	62
ALONSO	JAVIER	POLICE OFFICER	TWENTY-SECOND DISTRICT	5/04/2003	90
AMADOR	ANGEL	POLICE OFFICER	NARCOTICS SECTION	1/24/2004	25
ANDERSON	ARNOLD L	POLICE OFFICER	FIFTH DISTRICT	2/07/1994	242
ANDERSON	MAURICE	POLICE OFFICER	SIXTH DISTRICT	4/10/2004	104
ANDERSON	RHONDA M	POLICE OFFICER	NINTH DISTRICT	9/04/2003	89
ANDREWS	PATRICK A	POLICE OFFICER	TWENTIETH DISTRICT	1/03/2004	9
ANNERINO	JOSEPH	POLICE OFFICER	FOURTEENTH DISTRICT	4/08/2004	24
APACIBLE	JONATHAN	POLICE OFFICER	FIFTEENTH DISTRICT	4/22/2003	1
ARDITO	KEVIN B	POLICE OFFICER	TWENTY-THIRD DISTRICT	12/13/2003	14
ARMSTEAD	TRAVIS B	POLICE OFFICER	SEVENTH DISTRICT	9/14/2003	20
ARNOTE	JAN G	POLICE OFFICER	NINETEENTH DISTRICT	3/24/2003	7
ARPAIA	PETER	POLICE OFFICER	NINETEENTH DISTRICT	2/18/2004	29
ARROYO	RICHARD	POLICE OFFICER	FOURTH DISTRICT	8/03/2003	3
AUBERT	LANNELL	POLICE OFFICER	THIRD DISTRICT	1/23/2004	138
AUSTIN	LATRICE J	POLICE OFFICER	FOURTH DISTRICT	1/05/2004	6
AVILA	RAUL	POLICE OFFICER	ELEVENTH DISTRICT	1/19/2004	26
BAC	ANDREW D	POLICE OFFICER	SIXTEENTH DISTRICT	8/06/2002	8
BAKOPOULOS	JOHN T	POLICE OFFICER	SECOND DISTRICT	11/09/2003	181
BALBONTIN	RAFAEL	POLICE OFFICER	FIFTEENTH DISTRICT	4/28/2004	83
BANASZKIEWICZ	RICHARD	POLICE OFFICER	ELEVENTH DISTRICT	11/03/2002	17
BANKS	YOLANDA L	POLICE OFFICER	FIFTH DISTRICT	4/23/2004	35
BANSLEY	ANTHONY	POLICE OFFICER	EIGHTH DISTRICT	4/18/2004	48
BARCLAY	IAN C	POLICE OFFICER	SEVENTH DISTRICT	10/11/2002	2
BARNER	VINCENT L	POLICE OFFICER	SEVENTH DISTRICT	3/30/2004	31
BATISTE	JAMES L	POLICE OFFICER	SECOND DISTRICT	3/24/2004	280
BATTAGLIA	MICHAEL A	POLICE OFFICER	EIGHTEENTH DISTRICT	4/09/2003	59
BAUMANN	ANTHONY C	POLICE OFFICER	ELEVENTH DISTRICT	8/02/2003	24
BAUMANN	ANTHONY C	POLICE OFFICER	ELEVENTH DISTRICT	12/06/2003	105
BAUMGARTNER	DANIEL G	POLICE OFFICER	NINTH DISTRICT	3/10/2004	3
BECVAR	LANCE	POLICE OFFICER	TENTH DISTRICT	12/29/2003	29
BENIGNO	JOSEPH C	POLICE OFFICER	DETECTIVE DIVISION - AREA 5	7/08/2003	196
BENIGNO	MATTHEW J	POLICE OFFICER	EIGHTEENTH DISTRICT	3/19/2004	6
BENVENUTI-NOTO	JAMIE	POLICE OFFICER	UNKNOWN	5/13/2004	1
BERG	DANIEL R	POLICE OFFICER	SEVENTEENTH DISTRICT	4/25/2004	39
BEVAN	HERBERT H	POLICE OFFICER	FIRST DISTRICT	3/25/1987	215
BICKNELL	GEORGE A	POLICE OFFICER	NINETEENTH DISTRICT	3/06/2004	51
BIRKENMAYER	MARGARET	POLICE OFFICER	THIRTEENTH DISTRICT	3/13/2004	37
BLASZCZYK	JAMES S	POLICE OFFICER	EIGHTH DISTRICT	4/16/2004	40
BLOCK	TAMMRA J	POLICE OFFICER	FOURTH DISTRICT	4/15/2004	23
BOEHMER	ALLEN J	POLICE OFFICER	UNKNOWN	4/30/2004	20

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CITY COUNCIL ORDERS

COUNCIL MEETING OF 6/23/2004

REGULAR ORDERS

********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOU T
BOROFF	JOSEPH S	POLICE OFFICER	TWENTIETH DISTRICT	5/04/2004	53
BOVE	CHRISTOPHER E	POLICE OFFICER	RECRUIT TRAINING	4/23/2004	94
BOYD	STEPHEN E	POLICE OFFICER	THIRD DISTRICT	3/18/2003	27
BOYLAN	JAMES T	POLICE OFFICER	TWENTY-FIRST DISTRICT	6/17/2003	1698
BOYLE	PATRICK J	POLICE OFFICER	TWENTY-FIRST DISTRICT	3/01/2004	23
BRACAMONTES	EVERARDO	POLICE OFFICER	TWENTY-FIRST DISTRICT	3/07/2004	18
BRANTLEY	DARREL I	POLICE OFFICER	THIRD DISTRICT	3/01/2004	28
BRIGHT	KAREN D	POLICE OFFICER	FIFTH DISTRICT	2/20/2004	60
BRONSKI	RAYMOND	POLICE OFFICER	EIGHTH DISTRICT	10/29/2003	863
BROWN	DAVID S	POLICE OFFICER	SECOND DISTRICT	3/08/2003	627
BROWN	RAIMONDO L	POLICE OFFICER	SIXTH DISTRICT	12/20/2000	36
BRUMMETT	PAMELA K	POLICE OFFICER	SIXTEENTH DISTRICT	5/02/2004	44
BRZEZICKI	MARK R	POLICE OFFICER	EIGHTH DISTRICT	1/24/2004	42
BUBACZ	MICHAEL	POLICE OFFICER	SIXTH DISTRICT	1/26/2004	16
BUCIO	MARIA	POLICE OFFICER	FIRST DISTRICT	3/15/2004	10
BUFFORD-FARRIS-FISHER	YVONNE O	POLICE OFFICER	SEVENTH DISTRICT	10/13/1997	10
BURKE	DANIEL E.	POLICE OFFICER	EIGHTEENTH DISTRICT	6/28/1997	4
BURKE	MARGARET	POLICE OFFICER	EIGHTH DISTRICT	9/22/2003	300
BURKE	MICHAEL	POLICE OFFICER	TWENTIETH DISTRICT	2/25/2004	4
BURKE	MICHAEL F.	POLICE OFFICER	TWENTY-FIFTH DISTRICT	12/20/2003	62
BURKE	WILLIAM P	POLICE OFFICER	SEVENTEENTH DISTRICT	3/31/2001	7
BURKS	TRAYCE	POLICE OFFICER	EIGHTH DISTRICT	3/27/2004	22
BURNS	JAMES	POLICE OFFICER	EIGHTH DISTRICT	4/22/2004	1174
CALABRESE	WILLIAM	POLICE OFFICER	TWENTIETH DISTRICT	12/20/2003	22
CAMPBELL	SEAN P	POLICE OFFICER	SEVENTH DISTRICT	1/10/2004	18
CAPRON	ALMA	POLICE OFFICER	SIXTEENTH DISTRICT	4/21/2004	43
CAREY	THOMAS P	POLICE OFFICER	ELEVENTH DISTRICT	1/28/2004	67
CARLSON	SABRINA	POLICE OFFICER	NINTH DISTRICT	5/15/2004	44
CASSARO	ANDREW M	POLICE OFFICER	FIFTEENTH DISTRICT	5/10/2004	41
CASTILLO	CARLOS E	POLICE OFFICER	THIRTEENTH DISTRICT	9/25/2003	132
CELEDON	ORLANDO	POLICE OFFICER	NINTH DISTRICT	4/30/2004	28
CHERNIK	MICHAEL	POLICE OFFICER	RECRUIT TRAINING	6/05/1999	14
CHIAGKOURIS	CHRISTINE	POLICE OFFICER	PUBLIC TRANSPORTATION SECTION	4/06/2004	294
CHIN	KURHO	POLICE OFFICER	SEVENTH DISTRICT	3/31/2004	146
CHINCHILLA	BANEOND	POLICE OFFICER	ELEVENTH DISTRICT	3/31/2004	36
CLAUDIO	CESAR	POLICE OFFICER	EIGHTH DISTRICT	8/14/2000	2
CLAVIJO	PAUL	POLICE OFFICER	TWENTY-THIRD DISTRICT	2/25/2004	68
COBB	TERRENO	POLICE OFFICER	ELEVENTH DISTRICT	5/10/2004	19
COLEMAN	GARLAND	POLICE OFFICER	THIRD DISTRICT	4/24/2004	152
COLLADO	JEFFREY R.	POLICE OFFICER	UNKNOWN	4/11/2004	94
COLLINS	LARRY D	POLICE OFFICER	FIFTH DISTRICT	1/16/1999	20
CONLON	CATHY M	POLICE OFFICER	ELEVENTH DISTRICT	4/06/2004	109
CONNELLY	DENNIS M	POLICE OFFICER	TWENTY-FIRST DISTRICT	10/27/2003	33
CORNELIUS	DON	POLICE OFFICER	FIFTH DISTRICT	8/08/2000	2
CORTEZ	GABINO	POLICE OFFICER	TENTH DISTRICT	12/12/2003	25
CRANFIELD	BERTRAM D	POLICE OFFICER	TWENTY-FIFTH DISTRICT	2/02/2004	159
CROW	KATHERINE	POLICE OFFICER	TWENTY-THIRD DISTRICT	3/24/2004	27
CRUZ	MICHAEL A	POLICE OFFICER	PUBLIC HOUSING UNIT-NORTH	8/17/2003	1088
CRUZ	PETER	POLICE OFFICER	EIGHTH DISTRICT	4/23/2004	84

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********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOU T
CUNNINGHAM	MARK T	POLICE OFFICER	EIGHTH DISTRICT	4/07/2004	80
CUOMO	ANDREW	POLICE OFFICER	ELEVENTH DISTRICT	4/24/2004	18
CZARNIK	JOHN P	POLICE OFFICER	PUBLIC HOUSING UNIT-NORTH	1/31/2004	178
DALCABON	JOHN P	POLICE OFFICER	UNKNOWN	4/11/2004	194
DALEY	GERALD K	POLICE OFFICER	EIGHTH DISTRICT	1/24/2004	34
DANDREA	MICHAEL A	POLICE OFFICER	DETECTIVE DIVISION - AREA 4	5/23/2002	8
DARCY	MARK P	POLICE OFFICER	NINTH DISTRICT	4/04/2004	73
DAVID	LYZETTE	POLICE OFFICER	THIRTEENTH DISTRICT	1/14/2003	23
DAVOREN	JAMES P	POLICE OFFICER	NARCOTICS SECTION	1/07/2004	271
DAVROS	GEORGE	POLICE OFFICER	FOURTH DISTRICT	5/11/2000	11
DEL CID	ROBERTO	POLICE OFFICER	FIFTEENTH DISTRICT	8/03/2002	3
DELACRUZ	ALEJANDRO	POLICE OFFICER	SECOND DISTRICT	9/27/2000	13
DELANEY	ANDREA M	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/02/2002	1
DELDERFIELD	GEOFFREY J	POLICE OFFICER	SEVENTEENTH DISTRICT	1/27/2004	83
DELGADO	THOMAS E	POLICE OFFICER	SEVENTH DISTRICT	7/13/2002	1
DELGADO	XAVIER	POLICE OFFICER	SPECIAL OPERATIONS SECTION	1/09/2002	8
DEMBOWSKI	WAYNE	POLICE OFFICER	SEVENTEENTH DISTRICT	3/30/2004	186
DEMCAK	MICHAEL	POLICE OFFICER	TWENTY-SECOND DISTRICT	11/19/2002	7
DEMCAK	MICHAEL	POLICE OFFICER	TWENTY-SECOND DISTRICT	4/04/2004	110
DEVINE	PETER C	POLICE OFFICER	ELEVENTH DISTRICT	8/20/2003	3
DIFRANCO	MARCO	POLICE OFFICER	FIFTEENTH DISTRICT	12/05/2003	69
DINWIDDLE	JAYCETTA	POLICE OFFICER	TWENTY-SECOND DISTRICT	8/16/2002	4
DISTEL	DALE L	POLICE OFFICER	BOMB AND ARSON SECTION	7/11/1997	14
DOMAGALA	BERNARD	POLICE OFFICER	UNKNOWN	7/14/1988	4585
DOWLING	JOHN	POLICE OFFICER	NINTH DISTRICT	2/06/2000	9
DUFFY	PAUL	POLICE OFFICER	EIGHTH DISTRICT	1/20/2000	14
DUKES	REGINALD	POLICE OFFICER	NARCOTICS SECTION	5/02/2000	27
DVORATCHEK	JENNIFER	POLICE OFFICER	FIFTEENTH DISTRICT	2/17/2004	62
EDINGBURG	AJA D	POLICE OFFICER	SECOND DISTRICT	10/26/2003	11
EDWARDS	ELMORE	POLICE OFFICER	EIGHTEENTH DISTRICT	4/02/2004	49
EDWARDS	RAYMOND	POLICE OFFICER	RECRUIT TRAINING	3/03/2004	6
ELDRIDGE	JAMES L	POLICE OFFICER	SPECIAL OPERATIONS SECTION	9/22/2003	78
ENG	MARVIN	POLICE OFFICER	THIRTEENTH DISTRICT	5/12/2004	44
ENRIQUEZ	JESUS	POLICE OFFICER	TWELFTH DISTRICT	3/03/2004	19
ESTER	MICHAEL	POLICE OFFICER	EIGHTH DISTRICT	3/11/2004	99
FAHEY	PATRICK	POLICE OFFICER	FOURTH DISTRICT	4/22/2004	22
FARMER	MARK B	POLICE OFFICER	SIXTH DISTRICT	4/30/2004	35
FEENEY	NOREEN L	POLICE OFFICER	FIRST DISTRICT	10/14/2003	205
FELICIANO	WILLIAM	POLICE OFFICER	SIXTEENTH DISTRICT	3/29/2004	12
FELL	TODD	POLICE OFFICER	TWENTY-FOURTH DISTRICT	2/25/2004	46
FERNANDEZ	RICARDO A	POLICE OFFICER	NINETEENTH DISTRICT	3/07/2004	23
FERRARO	JOSEPH	POLICE OFFICER	TWENTY-FIFTH DISTRICT	9/22/2001	4
FERRARO	PHILLIP V	POLICE OFFICER	TWENTY-FOURTH DISTRICT	9/01/2003	959
FICHT	LEONARD	POLICE OFFICER	TWENTY-FOURTH DISTRICT	3/23/2003	47
FIELDS	RYAN C	POLICE OFFICER	SEVENTH DISTRICT	11/19/2003	28
FINERAN	EDWARD W	POLICE OFFICER	UNKNOWN	12/02/2003	172
FIORINO	RICHARD	POLICE OFFICER	TWENTY-FIFTH DISTRICT	10/15/2003	82
FIORITO	RICHARD	POLICE OFFICER	TWENTY-THIRD DISTRICT	1/01/2004	84
FLEMING	MICHAEL P	POLICE OFFICER	SPECIAL OPERATIONS SECTION	4/26/2004	74

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********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOU T
FLEMING	PATRICK	POLICE OFFICER	SEVENTH DISTRICT	3/27/2004	18
FLORES	RUBEN R	POLICE OFFICER	THIRD DISTRICT	4/17/2004	12
FOGLE	HUGH	POLICE OFFICER	PUBLIC TRANSPORTATION SECTION	5/01/2004	81
FOLEY	DONALD R	POLICE OFFICER	TRAFFIC SECTION - LOOP TRAFFIC	3/21/1990	10
FRANKS	ROBERT D	POLICE OFFICER	PUBLIC HOUSING UNIT-SOUTH	10/10/2003	447
FREAR	GARY	POLICE OFFICER	RECRUIT TRAINING	4/09/2004	25
FUENTES	HECTOR M	POLICE OFFICER	EIGHTH DISTRICT	3/25/2004	75
FULKS	SHEILA R	POLICE OFFICER	TWENTY-SECOND DISTRICT	2/24/2004	22
FUNDAREK	TIMOTHY J	POLICE OFFICER	PUBLIC TRANSPORTATION SECTION	4/06/2004	117
GADE	LAWRENCE R	POLICE OFFICER	SPECIAL OPERATIONS SECTION	11/24/2002	1
GALLEGOS	ALVARA	POLICE OFFICER	FOURTH DISTRICT	12/17/2003	19
GAMBLE	YOLANDA K	POLICE OFFICER	SIXTH DISTRICT	4/09/2004	186
GAMBOA	GUILLERMO	POLICE OFFICER	TENTH DISTRICT	3/31/2004	26
GARCIA	ENRIQUE	POLICE OFFICER	SEVENTEENTH DISTRICT	10/09/2003	142
GARRITY	KIMBERLY	POLICE OFFICER	SIXTH DISTRICT	4/07/2004	56
GARZA	DAVID	POLICE OFFICER	THIRD DISTRICT	12/27/2003	7
GARZA	RUDOLPH	POLICE OFFICER	RECRUIT TRAINING	12/01/2003	3
GASPAR	ELADIO	POLICE OFFICER	TENTH DISTRICT	11/19/2003	1
GATES JR	SILAS	POLICE OFFICER	RECRUIT TRAINING	12/17/2003	3
GAVIN	JAMES	POLICE OFFICER	FOURTEENTH DISTRICT	3/30/2004	4
GAWLIK	JOSEPH	POLICE OFFICER	TWENTY-FOURTH DISTRICT	3/13/2003	13
GEORGE	MARK A	POLICE OFFICER	SEVENTEENTH DISTRICT	8/13/2003	20
GHORBANIAN	GEORGE	POLICE OFFICER	FIFTEENTH DISTRICT	6/02/2002	150
GIANOPULOS	JOHN C	POLICE OFFICER	NINETEENTH DISTRICT	8/18/2002	7
GILLERLAIN	TODD C	POLICE OFFICER	NARCOTICS SECTION	2/20/2004	62
GILLIAM	MANUEL	POLICE OFFICER	FIFTH DISTRICT	12/19/2003	1
GILMORE	PATRICK J	POLICE OFFICER	SEVENTH DISTRICT	11/23/2001	10
GLASS	LINDA	POLICE OFFICER	THIRD DISTRICT	1/01/2004	72
GLYNN-JOHNSON	MARY M	POLICE OFFICER	FIRST DISTRICT	3/04/2004	24
GOFF	GERALD	POLICE OFFICER	EIGHTH DISTRICT	8/11/2001	32
GOLDEN	MICHAEL G	POLICE OFFICER	RECRUIT TRAINING	3/19/2004	81
GOLOSINSKI	MARK	POLICE OFFICER	ELEVENTH DISTRICT	1/06/2004	778
GONZALEZ	FRANK	POLICE OFFICER	SEVENTH DISTRICT	9/27/2003	145
GONZALEZ	JACINTO	POLICE OFFICER	TWENTY-FIFTH DISTRICT	2/16/2004	57
GRABOWSKI	HENRY	POLICE OFFICER	FOURTH DISTRICT	9/25/2003	293
GRAHAM-BRANDON	JANET L	POLICE OFFICER	PATROL DIVISION-ADMINISTRATION	3/01/2004	51
GRAJEWSKI	RICHARD	POLICE OFFICER	ELEVENTH DISTRICT	2/08/2002	18
GRAJEWSKI	RICHARD	POLICE OFFICER	ELEVENTH DISTRICT	4/03/2004	113
GRANDY	PATRICK	POLICE OFFICER	RECRUIT TRAINING	8/03/2003	42
GREENWOOD	WILLIAM	POLICE OFFICER	SECOND DISTRICT	9/28/2003	74
GRIFFIN	JOHN L	POLICE OFFICER	THIRD DISTRICT	9/23/1999	7
GRIFFIN	MARK K	POLICE OFFICER	EIGHTEENTH DISTRICT	3/25/2003	19
GRIMALDO	LINDA	POLICE OFFICER	RECRUIT TRAINING	11/12/2003	10
GRINING	ROBERT W	POLICE OFFICER	DETECTIVE DIVISION - AREA 4	9/04/2003	201
GRZYB	ALLAN J	POLICE OFFICER	EIGHTH DISTRICT	11/02/2003	16
GUARDI	NANO	POLICE OFFICER	TWENTY-THIRD DISTRICT	2/06/2004	7
GURKAN	HAKKI	POLICE OFFICER	ELEVENTH DISTRICT	11/09/2003	461
HABIAK	PAUL J.	POLICE OFFICER	THIRD DISTRICT	3/08/2004	47
HALEEM	MAHMOUD	POLICE OFFICER	EIGHTH DISTRICT	11/01/2003	23

CITY OF CHICAGO

CITY COUNCIL ORDERS

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REGULAR ORDERS

********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOU T
HALLIHAN	JOE F	POLICE OFFICER	TWENTY-FOURTH DISTRICT	12/01/2003	36
HAMILTON	MELINDA	POLICE OFFICER	SIXTH DISTRICT	5/08/2004	15
HAMPTON	TRACY	POLICE OFFICER	FIFTH DISTRICT	9/29/2003	90
HANLEY	HAROLD J	POLICE OFFICER	FOURTH DISTRICT	1/17/2004	55
HANSEN	NEIL T	POLICE OFFICER	EIGHTH DISTRICT	10/09/2002	266
HARB	NELLIE	POLICE OFFICER	ELEVENTH DISTRICT	11/25/2003	7
HARPER	JERRY J	POLICE OFFICER	TWENTY-SECOND DISTRICT	11/25/2003	3467
HARRIS	ANGELA D	POLICE OFFICER	SEVENTH DISTRICT	1/04/2004	20
HARRIS	DANIEL	POLICE OFFICER	TWENTY-FOURTH DISTRICT	5/09/2003	266
HARRIS	JOSEPH E	POLICE OFFICER	FIFTH DISTRICT	1/23/2003	72
HARRISON	TOMMY	POLICE OFFICER	SIXTH DISTRICT	3/12/2004	61
HATTENBERGER	CHRISTIAN	POLICE OFFICER	SEVENTEENTH DISTRICT	2/24/2004	4
HAYNES	DEREK A	POLICE OFFICER	SEVENTH DISTRICT	2/05/2004	36
HAYS	ROBERT T	POLICE OFFICER	TWENTY-FOURTH DISTRICT	2/07/2004	7
HEDBERG	JULIANNE	POLICE OFFICER	RECRUIT TRAINING	3/25/2003	29
HEGER	RICHARD W	POLICE OFFICER	TWENTY-THIRD DISTRICT	5/02/2004	31
HERNANDEZ	JONATHON A	POLICE OFFICER	SIXTEENTH DISTRICT	3/25/2004	12
HERNANDEZ	NICHOLAS J	POLICE OFFICER	SPECIAL OPERATIONS SECTION	4/28/2004	14
HERRERA	RICARDO	POLICE OFFICER	NARCOTICS SECTION	12/14/2000	15
HERRING	PATRICIA	POLICE OFFICER	SEVENTH DISTRICT	8/25/1993	40
HETMAN-PACINO	WENDY A	POLICE OFFICER	PUBLIC HOUSING UNIT-SOUTH	1/19/2004	17
HICKS	NATHAN	POLICE OFFICER	RECRUIT TRAINING	1/15/2004	493
HITZ	JONI M	POLICE OFFICER	FOURTH DISTRICT	2/18/2004	91
HODGES	DANIEL J	POLICE OFFICER	FOURTH DISTRICT	3/08/2004	38
HOFER	ROBERT L	POLICE OFFICER	SPECIAL OPERATIONS SECTION	9/11/2003	1
HOFER	ROBERT L	POLICE OFFICER	SPECIAL OPERATIONS SECTION	3/28/2004	2
HOFFMAN	THERESE A	POLICE OFFICER	SEVENTEENTH DISTRICT	9/23/2001	17
HOLLIDAY	DAVID W	POLICE OFFICER	SIXTH DISTRICT	9/28/2003	8
HOOVER	TERRY	POLICE OFFICER	SIXTH DISTRICT	12/16/2003	707
HOUSER	LOWELL P	POLICE OFFICER	FIFTH DISTRICT	12/28/2003	578
HOWARD	TERRY	POLICE OFFICER	FOURTEENTH DISTRICT	7/07/2000	56
HUERTA	JOSE	POLICE OFFICER	FOURTH DISTRICT	1/13/2004	33
HUERTAS	CARLOS M	POLICE OFFICER	FIFTEENTH DISTRICT	7/02/2001	16
HUNT	DAVID M	POLICE OFFICER	FOURTH DISTRICT	4/03/2002	115
HURLEY	JOHN	POLICE OFFICER	SPECIAL OPERATIONS SECTION	2/07/2004	26
HYBL	RICHARD	POLICE OFFICER	TWENTY-FIFTH DISTRICT	2/25/2001	17
IGLESIAS	CARLOS	POLICE OFFICER	NARCOTICS SECTION	12/27/2003	75
IRONS	DARREN L	POLICE OFFICER	SECOND DISTRICT	9/08/2001	2
IRVIN	KEITH F	POLICE OFFICER	SIXTH DISTRICT	5/04/2001	1
IVORY	JERRY L	POLICE OFFICER	SIXTH DISTRICT	3/24/2000	6
IVY	CURTIS	POLICE OFFICER	SECOND DISTRICT	4/14/2004	172
JABER	RABI	POLICE OFFICER	TWENTY-FOURTH DISTRICT	8/22/2003	16
JACKSON	ERIC	POLICE OFFICER	SIXTH DISTRICT	10/28/1999	10
JACKSON	TALMITCH	POLICE OFFICER	THIRD DISTRICT	9/10/1994	28
JACOBS	GREGORY S	POLICE OFFICER	FIFTH DISTRICT	3/19/2004	35
JACONETTI	WILLIAM	POLICE OFFICER	FOURTEENTH DISTRICT	4/13/2004	70
JALAKAS	ERIK	POLICE OFFICER	NINETEENTH DISTRICT	11/05/2003	34
JANNOTTA	ANTHONY J	POLICE OFFICER	TWENTY-FIFTH DISTRICT	3/23/2004	70
JANUS	MARK	POLICE OFFICER	FOURTEENTH DISTRICT	3/05/2004	61

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********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOU T
JAROMIN	JOANNA	POLICE OFFICER	FIFTEENTH DISTRICT	8/25/2003	20
JASICA	RONALD A	POLICE OFFICER	SPECIAL OPERATIONS SECTION	11/17/1999	42
JEDD	STEVE	POLICE OFFICER	PUBLIC HOUSING UNIT-NORTH	2/07/2004	20
JEFFERSON	TYRONE M	POLICE OFFICER	EIGHTH DISTRICT	5/09/2004	57
JENKINS	JUDITH M	POLICE OFFICER	FIFTH DISTRICT	2/13/2004	23
JESIONOWSKI	DALE R	POLICE OFFICER	NINTH DISTRICT	11/07/2003	25
JOHNSON	ERIK B	POLICE OFFICER	SEVENTH DISTRICT	6/05/2003	23
JOHNSON	KATHY M	POLICE OFFICER	FOURTH DISTRICT	4/22/2004	3
JOHNSON	KENNETH A	POLICE OFFICER	SIXTH DISTRICT	12/01/2003	1
JOHNSON	RICHARD	POLICE OFFICER	EIGHTH DISTRICT	3/26/2001	14
JOHNSON	RUTH A	POLICE OFFICER	SIXTH DISTRICT	4/29/2004	28
JOHNSON	SHIRLEY	POLICE OFFICER	TWELFTH DISTRICT	7/10/2000	2
JOHNSON	SHIRLEY	POLICE OFFICER	TWELFTH DISTRICT	10/13/2003	18
JOHNSON	WILLIAM A	POLICE OFFICER	TWENTY-THIRD DISTRICT	1/07/2004	49
JONES	ERIN E	POLICE OFFICER	RECRUIT TRAINING	11/12/2003	18
JONES	FELICIA	POLICE OFFICER	TWENTY-SECOND DISTRICT	11/25/2003	326
JONES	GLORIA	POLICE OFFICER	SEVENTH DISTRICT	12/13/2002	1359
JONES	LOUIS	POLICE OFFICER	FIFTH DISTRICT	7/06/1999	7
JONES	ROY	POLICE OFFICER	TWENTY-THIRD DISTRICT	2/09/2004	191
JONES	TONITA S	POLICE OFFICER	RECRUIT TRAINING	4/29/2000	14
JORITZ	MATTHEW	POLICE OFFICER	FIFTH DISTRICT	3/12/2004	18
JORITZ	MATTHEW	POLICE OFFICER	FIFTH DISTRICT	3/22/2004	315
JOYCE	JULIE D	POLICE OFFICER	EIGHTEENTH DISTRICT	12/09/2003	8
JUGO	STEVEN M	POLICE OFFICER	TENTH DISTRICT	12/27/2003	7
KALAFUT	KEITH	POLICE OFFICER	TENTH DISTRICT	12/19/2003	1001
KALFAS	GEORGE	POLICE OFFICER	TWENTIETH DISTRICT	4/23/2004	78
KANE	MARILYN V.	POLICE OFFICER	SEVENTH DISTRICT	11/09/2003	390
KASPUT	MATTHEW J.	POLICE OFFICER	SIXTH DISTRICT	2/24/2004	66
KEEFE	KEVIN	POLICE OFFICER	PUBLIC HOUSING UNIT-NORTH	3/26/2004	123
KEENAN	BRIAN	POLICE OFFICER	FIFTEENTH DISTRICT	3/19/2004	76
KELLINGER	ROBERT R	POLICE OFFICER	TWENTY-FIFTH DISTRICT	9/11/2003	4
KERR	LAWRENCE W.	POLICE OFFICER	TWENTY-SECOND DISTRICT	5/04/2004	65
KILGORE	RASHAD	POLICE OFFICER	FIRST DISTRICT	11/23/2003	9
KILGORE	RASHAD	POLICE OFFICER	FIRST DISTRICT	3/09/2004	20
KING	ANGELA	POLICE OFFICER	ELEVENTH DISTRICT	10/04/2003	7
KING	CHRISTORIA	POLICE OFFICER	RECRUIT TRAINING	10/26/2000	1
KING	ROBERT	POLICE OFFICER	SEVENTEENTH DISTRICT	2/15/2004	247
KINZIE	GAIL R	POLICE OFFICER	SEVENTH DISTRICT	2/08/2001	12
KIRKILAS	GARY S	POLICE OFFICER	TWELFTH DISTRICT	3/17/2004	3
KLUPS	GREGORY	POLICE OFFICER	PUBLIC HOUSING UNIT-SOUTH	11/21/2003	32
KOLODZIEJSKI	DANIEL	POLICE OFFICER	SIXTEENTH DISTRICT	1/06/2004	22
KOLOVITZ	KATHLEEN C	POLICE OFFICER	TWENTY-FOURTH DISTRICT	4/11/2004	26
KONIARSKI	JENNIFER L	POLICE OFFICER	RECRUIT TRAINING	10/15/2003	140
KOS	EDWARD	POLICE OFFICER	TWENTY-SECOND DISTRICT	4/22/2004	148
KOZACK	DAVID L	POLICE OFFICER	FIRST DISTRICT	7/25/2003	162
KOZEK	MARIE D	POLICE OFFICER	SEVENTH DISTRICT	7/04/2003	9
KRAMER	WAYNE	POLICE OFFICER	EIGHTEENTH DISTRICT	4/05/2004	11
KROK	KENNETH M	POLICE OFFICER	SIXTH DISTRICT	3/10/2001	3
KROSKI	DONALD L	POLICE OFFICER	FIFTEENTH DISTRICT	5/10/2004	20

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********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOU T
KUPRIANCZYK	STANLEY	POLICE OFFICER	MARINE UNIT	2/07/2004	73
KUSINSKI	KEVIN E	POLICE OFFICER	THIRTEENTH DISTRICT	1/21/2004	38
KUSSMANN	GARY	POLICE OFFICER	SPECIAL OPERATIONS SECTION	9/11/2003	7
KUZMANOVSKI	GEORGE	POLICE OFFICER	FOURTEENTH DISTRICT	4/04/2004	96
LACNY	VINCENT M	POLICE OFFICER	ELEVENTH DISTRICT	5/22/2003	2
LADOW	DOROTHY	POLICE OFFICER	TWENTIETH DISTRICT	12/04/2002	4
LADUZINSKY	MARK J	POLICE OFFICER	SPECIAL OPERATIONS SECTION	4/03/2004	118
LALLY	JOHN	POLICE OFFICER	FIFTEENTH DISTRICT	4/28/2004	197
LALLY	THOMAS	POLICE OFFICER	DETACHED SERVICES-MISCELLANEOU	5/03/2000	1
LAMB	THOMAS	POLICE OFFICER	SPECIAL OPERATIONS SECTION	1/19/2004	521
LAMPKIN	ELAINE	POLICE OFFICER	SIXTH DISTRICT	2/12/2004	67
LANGE	JIMMIE	POLICE OFFICER	PUBLIC TRANSPORTATION SECTION	3/07/2003	145
LANGONE	ANTHONY	POLICE OFFICER	UNKNOWN	1/13/2000	1
LAPPE	MICHAEL	POLICE OFFICER	SIXTEENTH DISTRICT	4/23/1988	208
LARDINO	DANIEL P	POLICE OFFICER	TWENTIETH DISTRICT	9/13/2002	304
LATSOS	GEORGE	POLICE OFFICER	EIGHTH DISTRICT	5/01/2004	25
LAWSON	ERIC D	POLICE OFFICER	SEVENTH DISTRICT	8/25/2003	1188
LEAL	ERIC	POLICE OFFICER	FIFTEENTH DISTRICT	10/21/2003	28
LEAL	ERIC	POLICE OFFICER	FIFTEENTH DISTRICT	3/15/2004	30
LEONARD	AQUARIUS M	POLICE OFFICER	FOURTH DISTRICT	12/21/2003	107
LESNICKI	JOHN P	POLICE OFFICER	THIRTEENTH DISTRICT	10/15/2003	78
LEVEILLE	STEVEN Q	POLICE OFFICER	RECRUIT TRAINING	4/08/2004	17
LEVI	KEFIRAH	POLICE OFFICER	THIRD DISTRICT	3/28/2004	130
LEWIS	ANDRAE B	POLICE OFFICER	THIRD DISTRICT	9/01/2003	10
LEWIS	DONNA L	POLICE OFFICER	THIRD DISTRICT	3/13/2003	14
LIBERTI	GINA S	POLICE OFFICER	FIFTEENTH DISTRICT	4/28/2004	73
LIEBERMAN	MORTON E	POLICE OFFICER	TWENTY-FIRST DISTRICT	9/11/1991	8
LIEDERMAN	STEVE	POLICE OFFICER	SEVENTEENTH DISTRICT	12/19/2003	5
LINDBERG	MIKE	POLICE OFFICER	TWENTY-FOURTH DISTRICT	4/26/2004	86
LIVERGOOD	GEORGE K	POLICE OFFICER	SPECIAL OPERATIONS SECTION	9/10/2001	26
LIVINGSTONE	DOUGLAS	POLICE OFFICER	TWENTY-SECOND DISTRICT	4/04/2004	161
LOAIZA-ARTEAGA	ROSEMARY	POLICE OFFICER	TWELFTH DISTRICT	9/26/2002	111
LOGAN	NEKETTA	POLICE OFFICER	TWENTY-FIRST DISTRICT	11/09/1999	31
LOGGIN	DAVINA	POLICE OFFICER	SEVENTH DISTRICT	2/06/2004	104
LOPEZ-PEREZ-STANFORD	ESTELLA M	POLICE OFFICER	PUBLIC HOUSING UNIT-SOUTH	3/10/2004	70
LORENZ	WILLIAM R	POLICE OFFICER	NINETEENTH DISTRICT	12/24/2000	8
LOUDEN	MELISSA R	POLICE OFFICER	THIRD DISTRICT	11/22/2003	10
LOWISZ	MARK	POLICE OFFICER	FOURTEENTH DISTRICT	3/21/2004	21
LOZADA-REYES	LIZETTE	POLICE OFFICER	THIRTEENTH DISTRICT	8/09/2002	2
LUCKI	JOHN P	POLICE OFFICER	DETECTIVE DIVISION MISCELLANEO	5/15/2003	21
LUTHER	PATRICIA L	POLICE OFFICER	NINETEENTH DISTRICT	1/27/2000	32
MACIAS	ALFONSO	POLICE OFFICER	SECOND DISTRICT	3/24/2004	56
MALDONADO	DEANNA	POLICE OFFICER	PUBLIC TRANSPORTATION SECTION	4/05/2004	103
MALDONADO	OSWALDO	POLICE OFFICER	EIGHTEENTH DISTRICT	12/18/1999	121
MALLOY	MATTHEW C	POLICE OFFICER	NINTH DISTRICT	3/28/2004	64
MALONE	REGINALD T	POLICE OFFICER	FIFTH DISTRICT	3/07/2004	78
MARTIN	TIMOTHY P	POLICE OFFICER	SECOND DISTRICT	3/31/2004	1236
MARTIN	TIMOTHY S	POLICE OFFICER	SEVENTEENTH DISTRICT	4/25/2004	40
MATHEWS	RODNEY S	POLICE OFFICER	SECOND DISTRICT	1/10/2004	6

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MATTERA	PASQUALE	POLICE OFFICER	AIRPORT LAW ENFORCEMENT NORTH	2/01/2004	161
MAXWELL	LLOYD	POLICE OFFICER	UNKNOWN	8/11/2003	191
MAYNARD	JOHNATHAN	POLICE OFFICER	TWENTIETH DISTRICT	3/30/2004	118
MAZUR	THOMAS	POLICE OFFICER	EIGHTEENTH DISTRICT	10/01/2003	948
MC KENNA	MICHAEL	POLICE OFFICER	TWENTY-THIRD DISTRICT	11/22/2003	15
MCCAIN	THOMAS A	POLICE OFFICER	TWENTY-FIFTH DISTRICT	1/07/2004	88
MCCLAY	DARRELL	POLICE OFFICER	ELEVENTH DISTRICT	1/13/2004	12
MCCORMICK	DONALD E	POLICE OFFICER	SECOND DISTRICT	12/30/2002	69
MCCORMICK	DONALD E	POLICE OFFICER	SECOND DISTRICT	12/17/2003	23
MCCORMICK	DONALD E	POLICE OFFICER	SECOND DISTRICT	4/06/2004	20
MCELRATH	DORI	POLICE OFFICER	SEVENTH DISTRICT	5/26/1998	26
MCKENNA	TOMAS	POLICE OFFICER	TWENTY-FIRST DISTRICT	2/27/2004	43
MCMILLEN-STONE	KATHERINE	POLICE OFFICER	TWENTY-THIRD DISTRICT	2/21/2004	140
MELEAN	FREDERICK	POLICE OFFICER	THIRD DISTRICT	7/29/2003	10
MESSINO	WILLIAM	POLICE OFFICER	RECRUIT TRAINING	4/14/2004	14
MHEENBEEK	ADRIA	POLICE OFFICER	EIGHTEENTH DISTRICT	10/10/2000	26
MICKLEBOROUGH	MICHAEL	POLICE OFFICER	NINETEENTH DISTRICT	2/18/2004	413
MIESZCAK	DANIEL J	POLICE OFFICER	TWENTY-FIFTH DISTRICT	10/05/2003	11
MILNER	BRIAN G	POLICE OFFICER	FOURTEENTH DISTRICT	9/06/2003	790
MORENO	NANCY S	POLICE OFFICER	SIXTEENTH DISTRICT	1/13/2004	17
MORIARTY	JOHN J	POLICE OFFICER	THIRTEENTH DISTRICT	3/02/2004	7
MORIN	TONIA	POLICE OFFICER	SPECIAL OPERATIONS SECTION	4/13/2004	68
MORRIS	BOBBY R	POLICE OFFICER	PUBLIC HOUSING UNIT-NORTH	11/03/2000	6
MORRIS	RICHARD	POLICE OFFICER	RECRUIT TRAINING	7/03/2000	99
MROZEK	DEBRA M	POLICE OFFICER	STAFF SERVICES - ADMINISTRATIO	1/20/2004	88
MUI	ANDY	POLICE OFFICER	EIGHTH DISTRICT	4/22/2004	53
MULLANE	KEVIN T	POLICE OFFICER	DETECTIVE DIVISION - AREA 5	4/25/2004	11
MULLEN	JAMES	POLICE OFFICER	TWENTY-FOURTH DISTRICT	10/16/1996	10482
MURPHY	DANIEL J	POLICE OFFICER	EIGHTH DISTRICT	3/06/2004	392
MURTAUGH	JOSEPH	POLICE OFFICER	FOURTH DISTRICT	5/16/2003	211
MYSLIWIEC	JASON A	POLICE OFFICER	FIFTEENTH DISTRICT	5/19/2003	66
NALLS	TERRANCE	POLICE OFFICER	SEVENTH DISTRICT	9/25/1998	10
NAPOLITANO	THOMAS	POLICE OFFICER	SIXTEENTH DISTRICT	4/15/2004	27
NATIVIDAD	MARTIN G	POLICE OFFICER	TWENTY-FIFTH DISTRICT	4/11/2004	41
NAVEZ	PETAIN	POLICE OFFICER	SEVENTEENTH DISTRICT	6/06/2003	21
NICHOLS	CYNTHIA	POLICE OFFICER	TRAINING DIVISION	12/28/2000	2
NICHOLS	JAMES	POLICE OFFICER	SIXTH DISTRICT	1/14/2000	2
NIELSON	AMY	POLICE OFFICER	NINTH DISTRICT	2/16/2004	47
NORBERG	THOMAS J	POLICE OFFICER	SEVENTEENTH DISTRICT	3/13/2004	65
OCASIO	ROYLAND M	POLICE OFFICER	THIRD DISTRICT	6/29/2003	99
OCONNELL	DANIEL	POLICE OFFICER	RECRUIT TRAINING	2/01/2001	1
OFFETT	EUGENE H	POLICE OFFICER	PUBLIC HOUSING UNIT-SOUTH	10/17/2000	2
OFLAHERTY	MARTIN	POLICE OFFICER	EIGHTEENTH DISTRICT	2/10/2000	10
OFLAHERTY	MARTIN	POLICE OFFICER	EIGHTEENTH DISTRICT	8/02/2003	21
OLBRICH	MICHAEL F.	POLICE OFFICER	EIGHTH DISTRICT	4/22/2004	45
OLEN	JOHN C	POLICE OFFICER	RECRUIT TRAINING	1/02/2004	506
OLIVER	ANTHONY J	POLICE OFFICER	SPECIAL OPERATIONS SECTION	2/28/2001	16
OLIVER	ANTHONY J	POLICE OFFICER	SPECIAL OPERATIONS SECTION	9/02/2003	3
OLIVER	ANTHONY J	POLICE OFFICER	SPECIAL OPERATIONS SECTION	4/27/2004	48

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OLIVER	DAVIDA T	POLICE OFFICER	NINTH DISTRICT	1/27/2004	25
OLSON	ERIC	POLICE OFFICER	SEVENTEENTH DISTRICT	4/03/2004	34
OMURO	DAVID	POLICE OFFICER	TWENTIETH DISTRICT	9/15/2003	53
ONEAL	RICKEY L	POLICE OFFICER	SIXTH DISTRICT	2/19/2004	771
ORKOWSKI	JAYSEN	POLICE OFFICER	RECRUIT TRAINING	3/11/2004	21
ORTIZ	JUAN A.	POLICE OFFICER	EIGHTH DISTRICT	2/17/2004	46
OSBORN	KEVIN D	POLICE OFFICER	SPECIAL OPERATIONS SECTION	7/28/2002	25
OSKVAREK	JOSEPH	POLICE OFFICER	TENTH DISTRICT	3/17/2004	25
OSWALD	MICHAEL J	POLICE OFFICER	TWELFTH DISTRICT	4/13/2004	100
PADALINO	MICHAEL	POLICE OFFICER	NINTH DISTRICT	4/03/2004	63
PALIDER	PATRICK J	POLICE OFFICER	SPECIAL OPERATIONS SECTION	2/07/2004	23
PARKINSON	MICHELLE C	POLICE OFFICER	RECRUIT TRAINING	12/02/2003	3
PASZOWSKI	THOMAS A	POLICE OFFICER	EIGHTH DISTRICT	6/06/1997	467
PATRICK	ANTHONY C	POLICE OFFICER	EIGHTEENTH DISTRICT	7/19/2003	18
PATTERSON	JOHNNY	POLICE OFFICER	PUBLIC HOUSING UNIT-SOUTH	5/10/1998	10
PAYNE	GREGORY H	POLICE OFFICER	SPECIAL OPERATIONS SECTION	6/25/2003	30
PEARSON	DEL	POLICE OFFICER	FOURTH DISTRICT	4/13/2004	36
PECORA	JOSEPH M	POLICE OFFICER	EIGHTEENTH DISTRICT	5/02/2004	14
PEMBERTON	SCOTT R	POLICE OFFICER	TWENTIETH DISTRICT	3/03/2004	77
PENDLETON	JACQUELINE	POLICE OFFICER	FIFTH DISTRICT	4/18/2001	1
PERDUE	MICHAEL E	POLICE OFFICER	TWENTY-THIRD DISTRICT	11/26/2003	42
PEREZ	GERARDO	POLICE OFFICER	ELEVENTH DISTRICT	3/06/2004	33
PEREZ	MANUEL	POLICE OFFICER	SIXTH DISTRICT	1/04/2000	4
PEREZ	MICHELLE	POLICE OFFICER	FOURTEENTH DISTRICT	2/23/2001	8
PERKINS	JUANITA B	POLICE OFFICER	SEVENTH DISTRICT	5/16/2003	1755
PERRY	BRADFORD	POLICE OFFICER	SECOND DISTRICT	3/16/2004	22
PET	DAWN M	POLICE OFFICER	SEVENTEENTH DISTRICT	3/30/2004	109
PETRANCOSTA	ANTHONY	POLICE OFFICER	SEVENTH DISTRICT	4/13/2004	33
PETRULIS	AARON P	POLICE OFFICER	UNKNOWN	7/30/2003	16
PETTIS	CHRISTOPHER	POLICE OFFICER	FOURTH DISTRICT	6/16/1999	4
PIAZZA	PETER J	POLICE OFFICER	NARCOTICS SECTION	4/08/2004	42
PICICCO	RALPH J	POLICE OFFICER	DETECTIVE DIVISION - AREA 4	2/19/2004	72
PIENIK	ADAM	POLICE OFFICER	TWENTY-THIRD DISTRICT	1/01/2004	55
PIENTA	RONALD L	POLICE OFFICER	EIGHTH DISTRICT	3/31/2003	175
PIETRUCHA	MICHAEL A	POLICE OFFICER	RECRUIT TRAINING	9/19/1997	4
POBLADOR	MARC	POLICE OFFICER	RECRUIT TRAINING	12/04/2000	34
POCIASK	DENNIS W	POLICE OFFICER	THIRTEENTH DISTRICT	11/08/2003	317
PODLO	FRANK W	POLICE OFFICER	EIGHTEENTH DISTRICT	6/24/2001	6
POLOVINA	NED R	POLICE OFFICER	RECRUIT TRAINING	1/13/2004	11
PONTI	MICHAEL	POLICE OFFICER	SIXTEENTH DISTRICT	12/25/2000	6
POOLE	SHARON	POLICE OFFICER	FIFTH DISTRICT	10/23/2003	5
POWELL	REGINALD	POLICE OFFICER	SEVENTH DISTRICT	2/22/2004	40
PRAZMOWSKI	MACIEJ	POLICE OFFICER	RECRUIT TRAINING	4/03/2001	6
PRICE	TORREY	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/04/2003	77
PRINGLE	TERRY J	POLICE OFFICER	TWENTY-SECOND DISTRICT	12/15/2002	526
PULLAPPALLY	JASON J	POLICE OFFICER	ELEVENTH DISTRICT	12/30/2003	29
PULLAPPALLY	JASON J	POLICE OFFICER	ELEVENTH DISTRICT	4/30/2004	24
QUATTROCCHI	MICHAEL	POLICE OFFICER	EIGHTEENTH DISTRICT	1/11/2003	21
QUINN	FRANK E	POLICE OFFICER	SEVENTH DISTRICT	4/01/2002	6

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RAKE	ELLEN F	POLICE OFFICER	SEVENTH DISTRICT	2/09/2001	9
RAMIREZ	JOSE	POLICE OFFICER	PUBLIC HOUSING UNIT-SOUTH	4/26/2004	17
RAMIREZ	RUBEN	POLICE OFFICER	TWELFTH DISTRICT	1/29/2004	10
RAMOS	DAVID	POLICE OFFICER	SEVENTEENTH DISTRICT	11/13/2002	6
RAMOS	GEORGE	POLICE OFFICER	FIFTEENTH DISTRICT	3/05/2004	24
RAMOS	YASIR C	POLICE OFFICER	NINTH DISTRICT	4/02/2004	92
REIDY	BRIAN	POLICE OFFICER	EIGHTH DISTRICT	11/18/2003	73
RESCHKE	DANIEL A.	POLICE OFFICER	TWENTY-THIRD DISTRICT	3/13/2004	2
REYES	BEVERLY	POLICE OFFICER	SEVENTH DISTRICT	3/03/2004	19
REYES	FELIPE	POLICE OFFICER	THIRD DISTRICT	1/21/2004	96
REYES	RICARDO	POLICE OFFICER	NINTH DISTRICT	3/23/2002	3
RICHARD-KAMALU	JANICE L	POLICE OFFICER	PUBLIC HOUSING UNIT-SOUTH	9/27/2001	8
RICHARD-KAMALU	JANICE L	POLICE OFFICER	PUBLIC HOUSING UNIT-SOUTH	4/12/2003	18
RICHARDSON	RONALD H	POLICE OFFICER	CENTRAL DETENTION SECTION	4/23/2001	19
RIMKUS	MICHAEL	POLICE OFFICER	EIGHTH DISTRICT	11/19/2003	17
RIVERA	STEVEN	POLICE OFFICER	EIGHTEENTH DISTRICT	11/11/2003	93
RIZZO	VERONICA	POLICE OFFICER	TWENTIETH DISTRICT	9/07/2003	7
ROBERTS	DAVID W	POLICE OFFICER	TWENTY-FIFTH DISTRICT	3/31/2004	137
ROBERTS	MICHELLE M	POLICE OFFICER	NINTH DISTRICT	6/13/1999	7
ROBERTSON	HIMMIE	POLICE OFFICER	FIFTEENTH DISTRICT	8/05/2003	39
ROBINSON	JUAN	POLICE OFFICER	EIGHTH DISTRICT	12/19/2000	14
RODRIGUEZ	ABNER	POLICE OFFICER	SIXTEENTH DISTRICT	3/19/2004	45
RODRIGUEZ	DAVID M	POLICE OFFICER	ELEVENTH DISTRICT	1/26/2004	96
RODRIGUEZ	ORLANDO	POLICE OFFICER	FOURTEENTH DISTRICT	4/08/2004	24
RODRIGUEZ	HAROLD	POLICE OFFICER	TENTH DISTRICT	1/31/2004	34
ROLSTON	LEONARD T	POLICE OFFICER	DETECTIVE DIVISION - AREA 1	7/20/2003	10
ROSALES	RAUL	POLICE OFFICER	RECRUIT TRAINING	10/07/2003	6
ROSITO	ATILIO A	POLICE OFFICER	ELEVENTH DISTRICT	3/12/2004	3
SADOWSKY	DANIEL V	POLICE OFFICER	TENTH DISTRICT	6/07/1999	11
SALCEDO	MARIA E	POLICE OFFICER	EIGHTH DISTRICT	8/08/1999	8
SALINAS	GUADALUPE	POLICE OFFICER	SPECIAL OPERATIONS SECTION	11/06/2002	25
SALINAS	GUADALUPE	POLICE OFFICER	SPECIAL OPERATIONS SECTION	5/12/2003	23
SALINAS	GUADALUPE	POLICE OFFICER	SPECIAL OPERATIONS SECTION	5/07/2004	66
SALYERS	JOHN C	POLICE OFFICER	TWENTIETH DISTRICT	12/16/1999	6
SAMPIM	SAHARAT	POLICE OFFICER	FOURTEENTH DISTRICT	3/18/2004	50
SANCHEZ	RICARDO	POLICE OFFICER	TWENTY-FOURTH DISTRICT	2/01/2004	11
SANDOVAL	VICTOR M	POLICE OFFICER	TENTH DISTRICT	10/22/2003	211
SANDUSKY	MICHAEL P	POLICE OFFICER	ELEVENTH DISTRICT	6/22/2003	8
SARABIA	FRANK	POLICE OFFICER	TENTH DISTRICT	4/21/2004	11
SAUCEDO	MARISA	POLICE OFFICER	FIRST DISTRICT	3/05/2004	8
SCATENA	PETER	POLICE OFFICER	TWENTY-FOURTH DISTRICT	3/02/2004	8
SCHAEFER	RUSSELL O	POLICE OFFICER	TWENTY-FIRST DISTRICT	1/23/2004	34
SCHIELD	WILLIAM A	POLICE OFFICER	PUBLIC HOUSING UNIT-SOUTH	3/23/2004	77
SCHMITZ	MICHAEL J	POLICE OFFICER	SEVENTEENTH DISTRICT	2/15/2004	77
SCHNIER	BRIAN T	POLICE OFFICER	FIFTEENTH DISTRICT	3/09/2004	63
SCHOEFF	ANDREW J	POLICE OFFICER	PUBLIC HOUSING UNIT-SOUTH	11/20/2003	3
SEABERRY	ROBERT L	POLICE OFFICER	FIFTEENTH DISTRICT	4/04/2004	119
SEPULVEDA	DAVID M	POLICE OFFICER	TWENTY-FIRST DISTRICT	12/12/2003	188
SESKI	WILLIAM A	POLICE OFFICER	SPECIAL OPERATIONS SECTION	11/24/2003	6

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REGULAR ORDERS

********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOU T
SHANNON JR.	PATRICK P	POLICE OFFICER	SPECIAL OPERATIONS SECTION	12/14/2002	3
SHEETZ	KEVIN M	POLICE OFFICER	FOURTH DISTRICT	4/28/2004	30
SHEPARD	DON	POLICE OFFICER	FIRST DISTRICT	2/04/2000	14
SHIELDS	MICHAEL	POLICE OFFICER	ELEVENTH DISTRICT	3/27/2004	19
SICILIANO	MICHAEL J	POLICE OFFICER	TWENTY-FIFTH DISTRICT	3/24/2004	150
SILVA	ANTONIO	POLICE OFFICER	TENTH DISTRICT	3/26/2004	41
SMITH	JOHN W.	POLICE OFFICER	UNKNOWN	2/14/2004	40
SMITH	MERCEDES M	POLICE OFFICER	TWENTY-FIFTH DISTRICT	3/08/2001	4
SMITH-HOLMES	NECOLE	POLICE OFFICER	FOURTH DISTRICT	6/12/2003	174
SOLAVA	JUDITH M	POLICE OFFICER	NARCOTICS SECTION	3/05/2004	83
SOTO	LOUIS	POLICE OFFICER	TENTH DISTRICT	4/01/2004	27
SPATAFORA	ANTHONY	POLICE OFFICER	SEVENTEENTH DISTRICT	1/17/2004	79
SPAULDING	MICHAEL C	POLICE OFFICER	BOMB AND ARSON SECTION	3/25/2004	60
STANCESCU-JOHNSON	CARMEN B	POLICE OFFICER	SIXTH DISTRICT	7/26/2003	219
STEHLIK	SCOTT E	POLICE OFFICER	PUBLIC TRANSPORTATION SECTION	9/24/2001	5
STEWART	LAWRENCE	POLICE OFFICER	TWENTY-SECOND DISTRICT	8/04/2001	10
STEWART	LYZETTE M	POLICE OFFICER	THIRD DISTRICT	4/03/2004	327
STOREY	RICARDO T	POLICE OFFICER	SECOND DISTRICT	10/01/2003	127
STORRIE	BRIAN A.	POLICE OFFICER	TWENTY-FIFTH DISTRICT	3/11/2004	3
STRANDBERG	DAVID L	POLICE OFFICER	MARINE UNIT	9/05/2000	33
STRIEGEL	DAVID	POLICE OFFICER	NINTH DISTRICT	4/25/2004	22
SUCHOCKI	CARL M	POLICE OFFICER	SPECIAL OPERATIONS SECTION	5/07/2004	51
SUDERSKI	GARETT	POLICE OFFICER	FOURTEENTH DISTRICT	8/07/2003	6
SULLIVAN	DANIEL	POLICE OFFICER	SPECIAL OPERATIONS SECTION	2/27/2004	144
SULLIVAN	JAMES	POLICE OFFICER	NINTH DISTRICT	2/06/2000	99
SUTTER	FRANCIS J	POLICE OFFICER	FOURTH DISTRICT	9/20/2003	49
SWALINA	DAVID	POLICE OFFICER	FIFTH DISTRICT	3/07/2004	1
SWEENEY	GREGORY K	POLICE OFFICER	TWENTY-THIRD DISTRICT	7/11/2000	3
TAIT-DAVROS	CAROL	POLICE OFFICER	FOURTH DISTRICT	6/24/2002	5
TAMEZ	JORGE	POLICE OFFICER	TENTH DISTRICT	4/28/2004	8
TARARA	JAMES	POLICE OFFICER	SEVENTEENTH DISTRICT	5/13/2004	71
TATE	SHARON	POLICE OFFICER	TWENTY-SECOND DISTRICT	3/20/2004	28
TAYLOR	SABRINA	POLICE OFFICER	RECRUIT TRAINING	11/03/2001	3
THOMAS	DARLENE	POLICE OFFICER	FIFTEENTH DISTRICT	2/24/2004	3
THOMAS	ELBERT	POLICE OFFICER	FIFTH DISTRICT	3/23/2004	90
THOMPSON	MALCOLM	POLICE OFFICER	TWENTY-SECOND DISTRICT	3/12/2004	106
THURMOND	HUGO	POLICE OFFICER	SEVENTH DISTRICT	3/18/2004	4
TOKICH	SUSAN M	POLICE OFFICER	RECRUIT TRAINING	1/19/2000	9
TOMA	LUCAS	POLICE OFFICER	FIFTEENTH DISTRICT	9/14/2003	1
TORBICK	PAUL J	POLICE OFFICER	RECRUIT TRAINING	10/09/2003	3
TREMAINE	TIMOTHY	POLICE OFFICER	PUBLIC TRANSPORTATION SECTION	10/25/2001	6
TREVINO	ANTONIO	POLICE OFFICER	FIFTH DISTRICT	12/13/2001	19
TROMAN	ALICIA A	POLICE OFFICER	EIGHTEENTH DISTRICT	12/25/2003	20
TUNKL	DEBORA J	POLICE OFFICER	SECOND DISTRICT	3/13/2004	27
TURNER	RONALD	POLICE OFFICER	EIGHTH DISTRICT	10/13/2003	4
VALENTINE	MICHAEL R	POLICE OFFICER	FIFTEENTH DISTRICT	3/09/2004	18
VANVEGTEN	ANDRE H	POLICE OFFICER	EIGHTH DISTRICT	1/08/1997	1914
VAUGHN	CAROLL A	POLICE OFFICER	FIFTH DISTRICT	1/08/2004	276
VAVAL	YASMINA	POLICE OFFICER	THIRD DISTRICT	2/07/2004	27

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 6/23/2004

REGULAR ORDERS

********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOU T
VERDIN	ROBERTO F	POLICE OFFICER	THIRD DISTRICT	4/18/2004	214
VERGARA	FRANCISCA	POLICE OFFICER	RECRUIT TRAINING	12/27/2000	4
VIA	HENRY B	POLICE OFFICER	THIRTEENTH DISTRICT	5/05/2003	20
VICK	KIMBERLY	POLICE OFFICER	MOUNTED UNIT	2/28/2004	160
VINCENT	MAUREEN L	POLICE OFFICER	SPECIAL OPERATIONS SECTION	2/24/2002	7
VITELLARO	MICHAEL A	POLICE OFFICER	SIXTEENTH DISTRICT	2/26/2004	222
VOGEL	MARTIN A	POLICE OFFICER	TWENTY-FIFTH DISTRICT	11/06/2003	220
VOIGHT	WILLIAM M	POLICE OFFICER	SPECIAL OPERATIONS SECTION	1/14/2004	6
VUCKO	JASON	POLICE OFFICER	EIGHTH DISTRICT	3/07/2004	57
WALKER	WILLIAM R	POLICE OFFICER	TENTH DISTRICT	1/24/2004	212
WALSH	MICHAEL	POLICE OFFICER	EIGHTH DISTRICT	5/09/2004	19
WALSH	THOMAS	POLICE OFFICER	NINETEENTH DISTRICT	4/02/2004	65
WALTON	LINDA	POLICE OFFICER	FIFTEENTH DISTRICT	4/28/2004	64
WARNKE	JOSEPH P	POLICE OFFICER	EIGHTEENTH DISTRICT	3/27/2004	35
WARREN	DANIEL E.	POLICE OFFICER	ELEVENTH DISTRICT	3/22/2004	4
WASHINGTON	NICOLE M	POLICE OFFICER	FIFTH DISTRICT	3/21/2004	7
WATSON	RODERICK	POLICE OFFICER	EIGHTEENTH DISTRICT	7/06/2003	6
WEATHERSBY-LEE	KAREN	POLICE OFFICER	FIFTH DISTRICT	10/23/2003	100
WELCH-POTTS	KAREN Y	POLICE OFFICER	SECOND DISTRICT	12/15/2003	42
WEST	CASSIE D.	POLICE OFFICER	RECRUIT TRAINING	1/31/2003	53
WEXLER	PHILIP	POLICE OFFICER	PUBLIC TRANSPORTATION SECTION	5/01/2004	49
WHITE	ERIC B	POLICE OFFICER	THIRD DISTRICT	10/09/2003	9
WHITE	PETER G	POLICE OFFICER	FIFTEENTH DISTRICT	3/18/2004	55
WICKRAMASEKERA	CHARLES T	POLICE OFFICER	AIRPORT LAW ENFORCEMENT NORTH	12/24/2003	153
WILKE	RAYMOND H	POLICE OFFICER	TWENTY-SECOND DISTRICT	1/01/2004	87
WILLIAMS	TROY V	POLICE OFFICER	SECOND DISTRICT	4/10/2003	86
WILLIAMS-COLLINS	ELEANOR D	POLICE OFFICER	CENTRAL DETENTION SECTION	2/14/2004	134
WILLIAMS-LEE	SALINDA	POLICE OFFICER	THIRD DISTRICT	1/30/2004	7
WILLIAMSON	MICHAEL P	POLICE OFFICER	PUBLIC HOUSING UNIT-NORTH	1/08/2004	156
WOJCIK	RICHARD	POLICE OFFICER	PUBLIC HOUSING UNIT-SOUTH	10/13/2003	37
WORTHEM	THOMAS	POLICE OFFICER	TWENTY-FOURTH DISTRICT	7/29/2003	8
WOZNIAK	LEE	POLICE OFFICER	PUBLIC TRANSPORTATION SECTION	12/30/2002	19
WRIGHT	ERNEST M	POLICE OFFICER	THIRD DISTRICT	5/05/2002	41
WRIGHT	NANCY C	POLICE OFFICER	THIRD DISTRICT	2/25/2004	36
WYATT-WHITE-BOWENS	MICHELLE	POLICE OFFICER	TWENTY-FIRST DISTRICT	9/24/2002	6
WYMAN	DANIEL S	POLICE OFFICER	TWELFTH DISTRICT	3/28/2004	11
YANEZ	CARLOS	POLICE OFFICER	TENTH DISTRICT	3/28/2004	196
YOUNG	BRUCE	POLICE OFFICER	FIFTH DISTRICT	7/16/2003	147
ZAWIS	RANDALL W	POLICE OFFICER	EIGHTEENTH DISTRICT	11/16/2000	18
ZELITZKY	ADAM	POLICE OFFICER	ELEVENTH DISTRICT	4/23/2004	37
ALVARADO	ARTURO	PARAMEDIC	EMERGENCY PREPAREDNESS DISASTE	12/17/2003	1722
ANSELMINI	GERALD	FIREFIGHTER	ENGINE COMPANY 106	10/04/2002	504
BARBER	GENNARD	FIREFIGHTER	TRUCK 34	10/13/2003	143
BELL	DENNIS	FIREFIGHTER	TRUCK 51	5/08/1975	1951
BREAUX	DANIEL	PARAMEDIC	SQUAD 3	8/05/2003	789
CIESSAU	RICHARD	LIEUTENANT	ENGINE COMPANY 56	7/30/2003	731
CRUZ	RAYMOND	LIEUTENANT	DISTRICT RELIEF 2	6/26/2003	41
EDWARDS	JOHN	CAPTAIN	BATTALION 23	4/07/1999	3
EVENSON	LEEANNE	FIREFIGHTER	ENGINE COMPANY 72	2/02/2004	115

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CITY COUNCIL ORDERS

COUNCIL MEETING OF 6/23/2004

REGULAR ORDERS

********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOU T
GALLAPO	WILLIAM	FIREFIGHTER	TRUCK 16	7/19/2003	77
GRASSMUCK	SHARISSE	PARAMEDIC	AMBULANCE 15	10/12/2003	929
GRICUS	JOHN E	FIREFIGHTER	ENGINE COMPANY 49	6/07/2002	32
GUBRICKY	MICHAEL	CAPTAIN	ENGINE COMPANY 1/42	10/17/2003	174
GUTH	SARAH	PARAMEDIC	AMBULANCE 38	9/21/2003	2190
GUZZARDO	JOSEPH	FIREFIGHTER	UNKNOWN	11/28/2003	243
HANNON	SEAN	PARAMEDIC	AMBULANCE 29	2/10/2004	26
HAYNES	PATRICK	FIREFIGHTER	TRUCK 7	11/12/1999	71
HENRY	LIAM	FIREFIGHTER	ENGINE COMPANY 11	11/21/2003	83
HESSBERGER	LOUIS J	FIREFIGHTER	UNKNOWN	1/31/2003	6
HOWARD	LAUREN	CAPTAIN	ENGINE COMPANY 97	8/19/2003	25
IZZO	GARY	FIREFIGHTER	TRUCK 60	9/25/2003	515
JOHNSON	BRIAN	PARAMEDIC	UNKNOWN	1/03/2004	22
JONES	WILLIAM	ENGINEER	ENGINE COMPANY 64	11/30/2003	16
KAPPLE	RAYMOND J.	FIREFIGHTER	ENGINE COMPANY 28	9/13/2003	15
KELLY	DANIEL W	PARAMEDIC	UNKNOWN	8/27/2003	123
KOCH	JEROME	FIREFIGHTER	ENGINE COMPANY 79	6/11/2001	10
KWITKA	VICTOR	ENGINEER	DISTRICT RELIEF 3	10/25/2003	99
LEDERER	JOHN	LIEUTENANT	TRUCK 20	9/05/2003	75
LEE	JAFEDEN	FIREFIGHTER	TRUCK 44	2/26/2004	16
LEHNER	FRANK	FIREFIGHTER	ENGINE COMPANY 63	7/19/2003	77
LYMAN	GLEN P.	LIEUTENANT	ENGINE COMPANY 88	2/21/2003	18
MCKENDRY	KEVIN	ENGINEER	ENGINE COMPANY 123	3/30/2004	70
MCMILLIN	MARK	CAPTAIN	TRUCK 20	1/06/2004	78
MCNICHOLAS	DANIEL	PARAMEDIC	UNKNOWN	3/13/2004	32
MCSHANE	TERRENCE	LIEUTENANT	TRUCK 17	10/12/2000	146
MILOTA	MAUREEN	PARAMEDIC	AMBULANCE 10	11/23/2003	273
NEWMAN	JOHN	FIREFIGHTER	TRUCK 24	3/26/2003	196
ODONNELL	PAUL	FIREFIGHTER	ENGINE COMPANY 11	12/31/2002	142
PEROVIC	JEFF	FIREFIGHTER	ENGINE COMPANY 123	1/13/2004	25
PETERS	MICHAEL	FIREFIGHTER	ENGINE COMPANY 97	1/21/2004	55
PORTER	JOSEPH	PARAMEDIC	AMBULANCE 22	1/04/2004	25
PULINS-GLENNON	DAUMA	PARAMEDIC	UNKNOWN	6/06/2003	6
REDMOND	KEVIN J	PARAMEDIC	AMBULANCE 13	10/05/2001	31
REEVES	CHARLES	PARAMEDIC	AMBULANCE 5	6/21/2003	149
RHOADES	RONDALEA	PARAMEDIC	AMBULANCE 43	9/18/2003	53
RIZZI	JOHN M	FIREFIGHTER	ENGINE COMPANY 113	5/30/2003	36
ROBINSON	JOYCE	PARAMEDIC	AMBULANCE 15	6/08/1994	46
ROCHE	THOMAS	PARAMEDIC	UNKNOWN	3/13/2004	32
ROBUS	ANDREW	FIREFIGHTER	ENGINE COMPANY 117	12/06/2003	7942
SANTIAGO	JOSE	FIREFIGHTER	TRUCK 32	11/21/2000	84
SCOTT	ROBERT	PARAMEDIC	AMBULANCE 48	8/28/2003	508
SIPICH	ANTHONY	FIREFIGHTER	TRUCK 20	12/06/2001	104
SOMMER	DEBORAH	PARAMEDIC	AMBULANCE 13	4/07/2004	102
SOPKO	ANDREW	ENGINEER	ENGINE COMPANY 78	10/04/2001	16
SOSTAK	JOHN	FIREFIGHTER	TRUCK 44	4/02/2004	108
STEINMETZ	JOHN	FIREFIGHTER	TRUCK 47	12/30/2003	44
SWANSON	GREGORY	PARAMEDIC	ENGINE COMPANY 68	2/24/2004	91
THOMASON	KERRY P	FIREFIGHTER	ENGINE COMPANY 11	12/18/2003	114

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CITY COUNCIL ORDERS

COUNCIL MEETING OF 6/23/2004

REGULAR ORDERS

********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VDU T
VACI	WILLIAM	FIREFIGHTER	TRUCK 4	11/12/2003	274
VALKENBURG	SUSAN	FIREFIGHTER	MEDICAL LAY UP	7/05/2000	130
WALSH	MICHAEL J	FIREFIGHTER	TRUCK 20	1/03/2004	24
WIECLAWEK	MATTHEW	FIREFIGHTER	TRUCK 58	12/03/2003	226
WILSON	RODNEY	FIREFIGHTER	ENGINE COMPANY 122	6/06/2003	112
YORK	JAMES	PARAMEDIC	AMBULANCE 46	12/04/2003	2229

; and

Be It Further Ordered, That the City Comptroller is authorized and directed to issue warrants, in conformity with the schedule herein set forth, to physicians, hospitals, nurses or other individuals, in settlement for hospital, medical and nursing services rendered to the injured members of the Police Department and/or Fire Department herein named, provided such members of the Police Department and/or Fire Department shall enter into an agreement in writing with the City of Chicago to the effect that, should it appear that any of said members of the Police Department and/or Fire Department have received any sum of money from the party whose negligence caused such injury, or have instituted proceedings against such party for the recovery of damage on account of such injury or medical expenses, then in that event the City shall be reimbursed by such member of the Police Department and/or Fire Department out of any sum that such member of the Police Department and/or Fire Department has received or may hereafter receive from such third party on account of such injury or medical expenses, not to exceed the expense in accordance with Opinion Number 1422 of the Corporation Counsel of said City, dated March 19, 1926. The payment of any of these bills shall not be construed as approval of any previous claims pending or future claims for expenses or benefits on account of any alleged injury to the individuals named. The total amount of such claims, as allowed, is set opposite the names of the injured members of the Police Department and/or Fire Department and warrants are to be drawn in favor of the proper claimants and charged to Account Number 100.9112.937:

[Third party orders printed on pages 26846 through 26849 of this *Journal.*]

C I T Y O F C H I C A G O

CITY COUNCIL ORDERS

COUNCIL MEETING OF 6/23/2004

THIRD PARTY ORDERS

********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOU T
AGUIRRE	ANTHONY	POLICE OFFICER	SEVENTH DISTRICT	3/29/2004	38
ALAMIN	HASSAN	POLICE OFFICER	FIRST DISTRICT	2/08/2004	4
ALONZO	FERNANDO	POLICE OFFICER	TWELFTH DISTRICT	3/10/2004	84
ALONZO	FERNANDO	POLICE OFFICER	TWELFTH DISTRICT	12/17/1994	18
ANTHONY	WANDA	POLICE OFFICER	SIXTEENTH DISTRICT	7/28/2001	32
BAR	PAUL	POLICE OFFICER	EIGHTEENTH DISTRICT	4/28/2004	51
BLAS	JUSTIN A	POLICE OFFICER	RECRUIT TRAINING	12/24/2003	33
BOLIN	RICHARD E	POLICE OFFICER	FIFTH DISTRICT	3/23/2004	40
BOTHFELD	CONSTANCE	POLICE OFFICER	TWENTIETH DISTRICT	9/01/2002	593
BOYLE	PATRICK J	POLICE OFFICER	TWENTY-FIRST DISTRICT	5/12/2004	48
BROWN	WILLIAM R	POLICE OFFICER	EIGHTH DISTRICT	6/29/2000	2
BRUMLEY	CEDRIC	POLICE OFFICER	FOURTH DISTRICT	8/15/2002	2267
BURSONI	ERNEST	POLICE OFFICER	SIXTEENTH DISTRICT	9/06/2000	12
CAIN	PATRICK J	POLICE OFFICER	TWENTIETH DISTRICT	3/04/2004	16
CAMPBELL	BRIAN P	POLICE OFFICER	AIRPORT LAW ENFORCEMENT NORTH	4/19/2004	39
CANTORE	DOMINIC F	POLICE OFFICER	SEVENTEENTH DISTRICT	3/03/2004	50
CARLSON-GOLAB	MARIE P	POLICE OFFICER	DETECTIVE DIVISION-ADMINISTRAI	6/09/2002	138
CARTER	JAMES	POLICE OFFICER	NARCOTICS SECTION	1/13/2000	2
CERDA	JORGE	POLICE OFFICER	EIGHTEENTH DISTRICT	2/18/2004	41
CHMIELIK	JOSEPH	POLICE OFFICER	EIGHTEENTH DISTRICT	6/10/2000	17
CONNELLY	DENNIS M	POLICE OFFICER	FOURTH DISTRICT	2/14/2004	14
COTTON	AUGUSTA	POLICE OFFICER	TWENTY-FIRST DISTRICT	4/19/2004	19
CRAIG	NIAGARA	POLICE OFFICER	ELEVENTH DISTRICT	1/07/2004	25
CRANE	ROBERT J	POLICE OFFICER	SIXTEENTH DISTRICT	3/30/2003	8
CROWLEY	JAMES	POLICE OFFICER	SECOND DISTRICT	9/04/1987	1573
DANIEL	HEATHER	POLICE OFFICER	TWENTY-FIFTH DISTRICT	11/22/2003	6
DAVID	ERIC	POLICE OFFICER	NINETEENTH DISTRICT	6/28/2002	25
DAVID	RONALD A	POLICE OFFICER	FOURTH DISTRICT	4/23/2004	67
DOMINICK	PAUL	POLICE OFFICER	EIGHTEENTH DISTRICT	12/15/2003	33
DONOVAN	DAVID	POLICE OFFICER	EIGHTEENTH DISTRICT	3/25/2004	1
DORSCH	BRIAN K	POLICE OFFICER	TWENTY-FIFTH DISTRICT	5/13/2004	359
DUERSON-CARTER	AUDREY	POLICE OFFICER	THIRD DISTRICT	10/11/2003	132
DURHAM	SHENETTA R	POLICE OFFICER	TWELFTH DISTRICT	7/23/2003	10
DYKSTRA-DUFFING	NANCY	POLICE OFFICER	SIXTEENTH DISTRICT	5/02/2004	60
ESBITT	JOHN	POLICE OFFICER	ELEVENTH DISTRICT	3/27/2004	57
ESPINO	EUGENIO	POLICE OFFICER	SIXTEENTH DISTRICT	11/13/2003	9
ETTI	KAREN	POLICE OFFICER	EIGHTH DISTRICT	6/01/2003	67
EVANGELIDES	NICHOLAS J	POLICE OFFICER	PUBLIC HOUSING UNIT-NORTH	8/22/2003	62
FEDDOR	ELIZABETH J	POLICE OFFICER	SIXTEENTH DISTRICT	2/02/2004	269
FINNIGAN	JEROME A	POLICE OFFICER	SPECIAL OPERATIONS SECTION	3/07/2004	98
FOUCH	CORDY L	POLICE OFFICER	FIFTH DISTRICT	3/19/2004	6
FRANKS	ROBERT D	POLICE OFFICER	SEVENTH DISTRICT	10/13/1999	4
FUDA	FRANK J	POLICE OFFICER	SEVENTH DISTRICT	1/14/2003	254
GADZIK	NATHAN D	POLICE OFFICER	FIFTH DISTRICT	12/24/2003	23
GALVAN	LOUISE	POLICE OFFICER	FIFTH DISTRICT	4/13/2000	4
GARCIA	WILLIAM	POLICE OFFICER	EIGHTEENTH DISTRICT	4/11/2004	56
GIBBELINA	JOHN M	POLICE OFFICER	SPECIAL OPERATIONS SECTION	12/27/2003	25
GOREE	DALIAH	POLICE OFFICER	SEVENTH DISTRICT	9/15/2003	23
GORSKI	JASON M	POLICE OFFICER	PUBLIC HOUSING UNIT-NORTH	12/09/2002	35

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CITY COUNCIL ORDERS

COUNCIL MEETING OF 6/23/2004

THIRD PARTY ORDERS

********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOU T
GRANADO	BERNICE	POLICE OFFICER	TENTH DISTRICT	10/30/2003	4
GRANATO	MICHAEL	POLICE OFFICER	SPECIAL OPERATIONS SECTION	3/13/2004	136
GULLEY	LORETTA	POLICE OFFICER	THIRTEENTH DISTRICT	3/13/2000	14
HAMIDEH	ZAID	POLICE OFFICER	NARCOTICS SECTION	3/25/2004	72
HARRIS	CHARLESTON	POLICE OFFICER	PUBLIC HOUSING UNIT-SOUTH	4/21/2000	38
HARRIS	DAVID	POLICE OFFICER	THIRD DISTRICT	12/31/2003	27
HARRIS	DAVID L	POLICE OFFICER	SIXTH DISTRICT	5/09/2004	88
HENDRICKS	CHERIE N	POLICE OFFICER	EIGHTEENTH DISTRICT	10/16/2003	720
HERRERA	KEITH A	POLICE OFFICER	SPECIAL OPERATIONS SECTION	3/07/2004	13
HILL	DONALD	POLICE OFFICER	NARCOTICS SECTION	3/25/2004	73
HILLBRING	GEORGE H	POLICE OFFICER	TWENTY-FIRST DISTRICT	4/19/2004	37
HITIRIS	EVANGELOS	POLICE OFFICER	NINETEENTH DISTRICT	4/01/2004	3
HORAN	MARIANNE	POLICE OFFICER	FOURTEENTH DISTRICT	2/28/2004	92
HORTON	CASSIUS	POLICE OFFICER	UNKNOWN	8/23/2000	30
HORTON	YOLANDA	POLICE OFFICER	SECOND DISTRICT	12/13/2003	134
HURLEY	JOHN	POLICE OFFICER	SPECIAL OPERATIONS SECTION	3/07/2004	16
IVERY-PADRO	MARIA L	POLICE OFFICER	THIRTEENTH DISTRICT	5/31/2002	48
JACINTO	JUAN	POLICE OFFICER	RECRUIT TRAINING	1/25/1998	80
JACKSON	ROBERT A	POLICE OFFICER	TWENTY-FIFTH DISTRICT	1/17/2000	10
JANKOWSKI	PAUL T	POLICE OFFICER	SPECIAL OPERATIONS SECTION	7/21/2002	222
JASTRZEBSKI	GERALD	POLICE OFFICER	TWENTY-FOURTH DISTRICT	7/27/2002	2
JENKINS	HAROLD	POLICE OFFICER	SEVENTH DISTRICT	8/25/2002	234
JENKINS	JOHNNY B	POLICE OFFICER	DISTRICT REINSTATEMENTS	1/12/2003	931
JENKINS	THOMAS D	POLICE OFFICER	NINETEENTH DISTRICT	8/27/2000	18
JOHNSON	LESLIE E	POLICE OFFICER	FIFTH DISTRICT	11/12/2001	22
JOHNSON	TERRANCE M	POLICE OFFICER	NINTH DISTRICT	3/17/2004	45
JONES	CALVIN D	POLICE OFFICER	FIFTEENTH DISTRICT	5/03/2004	25
JONES	EDWIN	POLICE OFFICER	UNKNOWN	2/21/2004	201
JONES	THERON M	POLICE OFFICER	RECRUIT TRAINING	11/14/2003	38
JONES	TYRONE	POLICE OFFICER	FIFTEENTH DISTRICT	1/30/2004	12
JUCHA	WALTER	POLICE OFFICER	NINETEENTH DISTRICT	5/04/2004	26
KEITH	CLARENCE E	POLICE OFFICER	NARCOTICS SECTION	7/06/2000	7
KELLER	ROBERT A	POLICE OFFICER	TWENTY-FOURTH DISTRICT	4/20/2004	33
KENDZIOR	KEVIN	POLICE OFFICER	SEVENTEENTH DISTRICT	3/03/2004	67
KITOWSKI	NICHOLAS	POLICE OFFICER	EIGHTEENTH DISTRICT	8/21/2003	347
KLEES	JAMES G	POLICE OFFICER	TWENTY-THIRD DISTRICT	6/24/2000	3
KONET	NICOLE C.	POLICE OFFICER	TWENTY-FIRST DISTRICT	12/29/2003	14
KUCHAY	ROBERT J	POLICE OFFICER	NINTH DISTRICT	12/24/2003	25
KUMIGA	DONALD J	POLICE OFFICER	UNKNOWN	4/23/2004	39
LABRIOLA	RICHARD A	POLICE OFFICER	EIGHTH DISTRICT	9/24/2003	148
LADENDORF	LEROY W	POLICE OFFICER	SIXTEENTH DISTRICT	10/22/1999	2
LAURETO	STEVEN S	POLICE OFFICER	FIFTEENTH DISTRICT	5/03/2004	380
LINDAHL	CHRISTOPHER	POLICE OFFICER	TWELFTH DISTRICT	12/29/2001	17
LOPEZ	RUTH P	POLICE OFFICER	NINTH DISTRICT	9/18/2003	365
MACKEY	PATRICIA J	POLICE OFFICER	RECRUIT TRAINING	5/16/1999	130
MANSOR	MICHAEL	POLICE OFFICER	FOURTEENTH DISTRICT	1/16/2004	26
MARTIN	GWENDOLYN	POLICE OFFICER	SEVENTH DISTRICT	2/07/1995	64
MARTINEZ	JOSE C	POLICE OFFICER	EIGHTH DISTRICT	6/21/1999	14
MATIJEVICH	MICHAEL N	POLICE OFFICER	FIFTEENTH DISTRICT	5/21/2000	3

C I T Y O F C H I C A G O

CITY COUNCIL ORDERS

COUNCIL MEETING OF 6/23/2004

THIRD PARTY ORDERS

********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUT
MCGHEE	JOYCE	POLICE OFFICER	FIFTH DISTRICT	4/28/2004	149
MCGOVERN	JAMES I	POLICE OFFICER	SPECIAL OPERATIONS SECTION	3/07/2004	58
MCGREAL	PATRICK J	POLICE OFFICER	EIGHTH DISTRICT	7/30/2003	59
MEEHAN	JOHN T	POLICE OFFICER	NINTH DISTRICT	2/15/2004	88
MERRIWEATHER	SHEILA A	POLICE OFFICER	FIFTH DISTRICT	3/07/2002	18
MIZULA	MARK	POLICE OFFICER	UNKNOWN	6/22/2003	17
MORAN	JOHN W	POLICE OFFICER	SPECIAL OPERATIONS SECTION	1/02/2003	69
MORENO	GISELA	POLICE OFFICER	FIFTEENTH DISTRICT	4/20/2004	526
MULHEARN	JAMES	POLICE OFFICER	SEVENTH DISTRICT	3/29/2004	15
MUNOZ	ARTHUR	POLICE OFFICER	AIRPORT LAW ENFORCEMENT NORTH	4/21/2004	112
NAUGHTON	EILEEN	POLICE OFFICER	TWENTY-FOURTH DISTRICT	4/20/2004	53
NELSON	RICHARD W	POLICE OFFICER	TWENTY-FIFTH DISTRICT	10/21/1999	12
NIEVES	CYNTHIA C	POLICE OFFICER	NINTH DISTRICT	4/21/2001	11
OCONNELL	DENNIS L	POLICE OFFICER	SIXTH DISTRICT	2/24/1998	454
OCONNOR	DANIEL	POLICE OFFICER	FOURTH DISTRICT	8/10/2003	17
OCONNOR	KAREN	POLICE OFFICER	TWENTY-FOURTH DISTRICT	8/17/2002	431
OLIVARES	DAVID	POLICE OFFICER	FOURTH DISTRICT	4/16/2004	38
ORTA	RUBEN	POLICE OFFICER	NARCOTICS SECTION	11/22/2001	101
ORTIZ	JUAN	POLICE OFFICER	FIFTEENTH DISTRICT	4/11/2004	89
PAMON	BISHOP	POLICE OFFICER	TWENTY-FIRST DISTRICT	12/09/2000	16
PARKER	JOE	POLICE OFFICER	TRAFFIC SECTION-DETAIL UNIT	4/29/2003	959
PAYNE	FELICIA	POLICE OFFICER	TWENTY-THIRD DISTRICT	12/12/2003	7
PETERSON	SUSAN	POLICE OFFICER	TWENTY-FIFTH DISTRICT	12/12/2003	16
PETROWSKI	STEVEN M	POLICE OFFICER	EIGHTH DISTRICT	2/28/2004	112
RENTNER	ROBERT J	POLICE OFFICER	FIFTEENTH DISTRICT	3/25/2004	80
REYNO	HECTOR A	POLICE OFFICER	FOURTEENTH DISTRICT	10/12/2003	29
RICAN	KRISTOPHER	POLICE OFFICER	TWENTY-FIFTH DISTRICT	12/28/2003	70
RODRIGUEZ	JUAN	POLICE OFFICER	THIRTEENTH DISTRICT	8/11/2003	48
RODRIGUEZ	MARCELO	POLICE OFFICER	TRAFFIC SECTION - ENFORCEMENT	4/21/2004	5
RODRIGUEZ	THOMAS	POLICE OFFICER	FOURTEENTH DISTRICT	8/08/1992	14
ROSALES	DANIEL	POLICE OFFICER	TENTH DISTRICT	2/26/2004	216
ROWAN	JAMES	POLICE OFFICER	PUBLIC TRANSPORTATION SECTION	10/29/2001	185
RUHL	WILLIAM	POLICE OFFICER	TWENTY-SECOND DISTRICT	9/16/2000	3
RUIZ	ANNETTE S	POLICE OFFICER	SIXTEENTH DISTRICT	2/02/2004	138
RUSSELL	CLIFFORD	POLICE OFFICER	TENTH DISTRICT	11/29/1999	4
SALAZAR	CARLOS	POLICE OFFICER	FOURTH DISTRICT	4/16/2004	40
SAMUELS	YOUNIB K	POLICE OFFICER	SECOND DISTRICT	2/11/2004	9
SANCHEZ	RICHARD W	POLICE OFFICER	NARCOTICS SECTION	2/13/2002	1374
SHAAR	KHALED W	POLICE OFFICER	SECOND DISTRICT	1/25/2004	27
SHERMAN	BRAIN	POLICE OFFICER	FIFTEENTH DISTRICT	4/20/2004	38
SHOGREN	RONALD	POLICE OFFICER	DETECTIVE DIVISION - AREA 3	2/29/2004	39
SIMIK	DEBORAH R	POLICE OFFICER	DETECTIVE DIVISION - AREA 4	1/06/2003	58
SINGLETON	SHAWN T	POLICE OFFICER	ELEVENTH DISTRICT	11/20/2000	8
SMITH	ROBERT J	POLICE OFFICER	TWENTY-FIFTH DISTRICT	5/09/1998	86
SOLTIS	DAVID	POLICE OFFICER	SECOND DISTRICT	2/11/2004	285
SOPER	MARIA	POLICE OFFICER	TWENTY-SECOND DISTRICT	9/01/2002	713
SOTAK	WILLIAM	POLICE OFFICER	DETECTIVE DIVISION - AREA 2	8/29/2000	21
SOTO	RICHARD	POLICE OFFICER	NINTH DISTRICT	6/05/2002	13
SPACEK	GEORGE W	POLICE OFFICER	SEVENTH DISTRICT	3/13/2003	13

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 6/23/2004

THIRD PARTY ORDERS

********** EMPLOYEE NAME **********		******* RANK *******	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUT
TATRO-MENDOZA	CRUZ	POLICE OFFICER	PATROL DIVISION-ADMINISTRATION	9/19/2001	13
THOLL	ROBERT J	POLICE OFFICER	PUBLIC HOUSING UNIT-NORTH	4/29/2003	22
TOJONG	LESTER G	POLICE OFFICER	SEVENTEENTH DISTRICT	8/17/2003	6
TOWNSEND	ALPHONSO	POLICE OFFICER	FIFTEENTH DISTRICT	1/30/2004	28
VASQUEZ	PABLO	POLICE OFFICER	THIRTEENTH DISTRICT	11/21/1999	19
VAZQUEZ	JESUS	POLICE OFFICER	FOURTEENTH DISTRICT	3/17/2004	6
VITTORI	LOUIS J	POLICE OFFICER	DETECTIVE DIVISION - AREA 3	5/11/2002	409
WAGNER	JOSEPH A	POLICE OFFICER	ELEVENTH DISTRICT	12/25/2003	5
WARD	MATTHEW	POLICE OFFICER	EIGHTH DISTRICT	2/28/2004	33
WATKINS	EDWARD	POLICE OFFICER	FOURTH DISTRICT	7/03/2000	30
WILLIAMS	KATHERINE	POLICE OFFICER	ELEVENTH DISTRICT	4/21/2003	7
WILLIAMS-LEE	BALINDA	POLICE OFFICER	THIRD DISTRICT	2/11/2000	47
WILSON	SCOTT D	POLICE OFFICER	SIXTEENTH DISTRICT	11/06/2003	8
YANCY	SANDRA N	POLICE OFFICER	FOURTH DISTRICT	8/31/2003	43
ZAWADA	RICHARD A	POLICE OFFICER	PUBLIC HOUSING UNIT-NORTH	9/29/2002	21
ZYRKOWSKI	CARLO E	POLICE OFFICER	TWENTIETH DISTRICT	3/04/2004	4
HANNON-KOCHNIARCZYK	MICHELLE	FIREFIGHTER	ENGINE COMPANY 127	11/24/2003	873
PROKOP	DEAN	LIEUTENANT	ENGINE COMPANY 78	1/28/2004	279

AUTHORIZATION FOR PAYMENT OF MISCELLANEOUS REFUNDS, COMPENSATION FOR PROPERTY DAMAGE, ET CETERA.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order authorizing the payment of various small claims against the City of Chicago, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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 on each claim on the date and location by type of claim, with said amount to be charged to the activity and account specified as follows:

Damage To Property.

Department Of Police/Office Of Emergency Communication: Account Number 100-99-2005-0934-0934.

Name And Address	Date And Location	Amount
Moel and Maria Areizaga 2046 North Laporte Avenue Chicago, Illinois 60639	10/22/03 2046 North Laporte Avenue	$ 585.00
Edna Steen 3515 West Adams Street Chicago, Illinois 60624	6/26/03 3515 West Adams Street	1,410.00

Damage To Vehicle.

Department Of Police/Office Of Emergency Communication: Account Number 100-99-2005-0934-0934.

Name And Address	Date And Location	Amount
Zofia Brzezinska and State Farm Insurance 185 North Randall Road, Suite S Batavia, Illinois 60510	3/30/03 West Sunnyside Avenue and North Lavergne Avenue	$ 210.00 60.00*

* To City of Chicago, Bureau of Parking

Name And Address	Date And Location	Amount
Tina Marie Chavez 9656 South Avenue N Chicago, Illinois 60617	7/21/03 3338 East 99th Street	$1,261.00
Michael T. Springer 1349 East Washington Des Plaines, Illinois 60016	5/19/03 5500 North Mont Clare Avenue (alley)	792.00 50.00*
Joe Stafford, Jr. 830 East 88th Street Chicago, Illinois 60619	10/4/03 830 East 88th Street	885.00
Mary Stapleton 4418 South Shields Avenue Chicago, Illinois 60609	2/24/03 6320 South St. Louis Avenue	218.00

Damage To Vehicle.

Department Of Sewers:
Account Number 314-99-2005-0934-0934.

Name And Address	Date And Location	Amount
Racquel Jones 8206 South Luella Avenue Chicago, Illinois 60617	11/14/03 7300 South South Chicago Avenue	$ 32.00

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* To City of Chicago, Bureau of Parking

Damage To Vehicle.

Department Of Streets And Sanitation/Bureau Of Streets: Account Number 300-99-2005-0934-0934.

Name And Address	Date And Location	Amount
Allison Davis and USAA Insurance P.O. Box 33490 Central Claims San Antonio, Texas 78265	11/26/02 1245 West Webster Avenue	$1,009.00
Nanette May 1917 South 16th Avenue Broadview, Illinois 60155	12/5/03 1500 North Oakley Avenue	106.00
Loren Mell 6417 South Minerva Avenue Unit 2 Chicago, Illinois 60637	12/4/03 4700 South Woodlawn Avenue	47.00
Warner Oliver 1519 South Spaulding Avenue Chicago, Illinois 60623	8/20/03 1902 South Spaulding Avenue	88.00
Crystal Leigh Pinsky 3743 North Sheffield Avenue Unit 1 Chicago, Illinois 60613	12/11/03 300 South Lake Shore Drive	108.00
John Sherman 3914 North Kedvale Avenue Chicago, Illinois 60641	7/24/03 4000 North California Avenue	50.00

Name And Address	Date And Location	Amount
Bernice Thompson 10658 South Vernon Avenue Chicago, Illinois 60628	11/26/03 3301 East 106th Street	$260.00
Doris White 9341 South Indiana Avenue Chicago, Illinois 60619	10/26/03 558 West 87th Street	516.00

Damage To Vehicle.

Department Of Streets And Sanitation/Bureau Of Electricity: Account Number 100-99-2005-0934-0934.

Name And Address	Date And Location	Amount
Mark Clifton 419 Lee Street Unit 2W Evanston, Illinois 60202	10/30/03 2350 North Lake Shore Drive	$748.00

Damage To Vehicle.

Department Of Streets And Sanitation/Bureau Of Equipment: Account Number 300-99-2005-0934-0934.

Name And Address	Date And Location	Amount
Guillermina Bautista 2641 North Major Avenue Chicago, Illinois 60639	11/20/03 During towing	$652.00

Name And Address	Date And Location	Amount
Paul A. Brandt 152 West Schiller Street Chicago, Illinois 60610	11/28/03 During towing	$442.00
Budget Rent A Car P.O. Box 598205 Claim Number Bud-0380135 Orlando, Florida 32859	4/22/03 During towing	608.00
Enterprise Rent A Car 3270 Lincoln Highway Park Forest, Illinois 60466	11/26/03 During towing	725.00
Dellanira Lopez 4813 South Central Avenue Chicago, Illinois 60638	10/8/03 During towing	665.00

Damage To Property.

Department Of Streets And Sanitation/Bureau Of Forestry: Account Number 100-99-2005-0934-0934.

Name And Address	Date And Location	Amount
Jesus Del Valle 1336 North Leavitt Street Chicago, Illinois 60622	3/24/03 1335 North Leavitt Street	$ 800.00
Mark D. Langenderfer 2020 West Farragut Avenue Chicago, Illinois 60625	8/21/03 2020 West Farragut Avenue	100.00

Name And Address	Date And Location	Amount
Lela Parnell 12331 South Wentworth Avenue Chicago, Illinois 60628	10/8/02 12331 South Wentworth Avenue	$480.00
Ernestine Townes 9655 South Carpenter Street Chicago, Illinois 60643	7/20/03 9655 South Carpenter Street	70.00 190.00*

Damage To Vehicle.

Department Of Streets And Sanitation/Bureau Of Forestry: Account Number 100-99-2005-0934-0934.

Name And Address	Date And Location	Amount
Goran E. Anderson 3504 North Bell Avenue Chicago, Illinois 60618	5/31/03 3510 North Bell Avenue	$990.00
Maquilla Anderson 2217 South Kedvale Avenue Chicago, Illinois 60623	5/11/03 1625 South Lawndale Avenue	930.00
Thomas Davis 3151 West Fulton Street Chicago, Illinois 60612	4/9/03 3151 West Fulton Street	539.00 200.00*

* To City of Chicago, Bureau of Parking

Name And Address	Date And Location	Amount
Jeff Koehler 3444 North Hoyne Avenue Unit 3 Chicago, Illinois 60618	11/13/03 3444 North Hoyne Avenue	$ 857.00 100.00*
Janice Kondos 4846 North Moody Avenue Chicago, Illinois 60630	7/15/03 4648 North Moody Avenue	1,450.00
Reese Raphine 4832 West Iowa Street Chicago, Illinois 60651	8/21/03 West Le Moyne Street and North Luna Avenue	111.00

Damage To Property

Department Of Streets And Sanitation/Bureau Of Sanitation: Account Number 300-99-2005-0934-0934.

Name And Address	Date And Location	Amount
Wruskyj Bohdan 2313 West Walton Street Chicago, Illinois 60622	1/8/04 2313 West Walton Street (alley)	$ 640.00
John Taccio 1645 West Gregory Street Chicago, Illinois 60635	2/11/04 1645 West Gregory Street	450.00

* To City of Chicago, Bureau of Parking

Damage To Vehicle.

Department Of Streets And Sanitation/Bureau Of Sanitation: Account Number 300-99-2005-0934-0934.

Name And Address	Date And Location	Amount
Donna Kleiman 1819 North Fremont Street Chicago, Illinois 60614	1/26/04 515 North State Street	$ 707.00
Eunice Laguna-Torres 3009 West Howard Street Chicago, Illinois 60645	1/4/04 3009 West Howard Street	415.00
Didsdado Medrano 6359 West George Street Chicago, Illinois 60634	1/4/04 6359 West George Street	650.00
Veronica Sanchez 4314 South Washtenaw Avenue Chicago, Illinois 60632	2/11/04 4352 South Washtenaw Avenue (alley)	1,179.00 145.00*
Bob Thomas and State Farm Insurance 2702 Ireland Grove Road P.O. Box 2311 Bloomington, Illinois 61702	9/25/03 418 South Dearborn Street	597.00

; and

Be It Further Ordered, That the Commissioner of Water is authorized to decrease the amount due by the amount set opposite the name of the claimant on account of underground leaks:

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* To City of Chicago, Bureau of Parking

Name And Address	Location	Amount
Irene Mandock 1935 West Shiller Street Chicago, Illinois 60622	1935 West Schiller Street	$400.00

AUTHORIZATION FOR PAYMENT OF SUNDRY CLAIMS FOR CONDOMINIUM REFUSE REBATES.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order authorizing the payment of various condominium refuse rebate claims against the city, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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 as follows and charged to Account Number 100-99-2005-0939-0939:

[List of claimants printed on pages 26861 through 26863 of this *Journal.*]

AUTHORIZATION FOR PAYMENT OF SENIOR CITIZEN SEWER REBATE CLAIMS.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

(Continued on page 26864)

CITY OF CHICAGO
COMMITTEE ON FINANCE
REFUSE REBATE COUNCIL ORDERS--PASSED

MEETING DATE 6/23/2004

CONDOMINIUM/ COOPERATIVE NAME	NO. OF ELGIBLE UNITS	TYPE		AMOUNT OF REBATE	******* SPONSOR **********
AINSLIE SIGNATURE CONDO. ASSOC.	6	ANNUAL	2000	450.00	MARY ANN SMITH
ASTOR-BANKS CONDOMINUM ASSN.	12	ANNUAL	2000	900.00	VI DALEY
ATHELING CONDOMINIUM ASSN.	10	ANNUAL	2000	750.00	THOMAS TUNNEY
BELLMORE SOUTH CONDO ASSOC.	18	ANNUAL	2000	1,350.00	BERNARD L. STONE
CAMPMANILE CONDO. ASSOC.	8	ANNUAL	2000	600.00	EUGENE C. SCHULTER
CARL SANDBURG VILLAGE CONDO. 1	567	ANNUAL	2000	29,180.20	BURTON F. NATARUS
CARL SANDBURG VILLAGE CONDO. 7	616	SEMI-ANNUAL	2000	17,874.00	BURTON F. NATARUS
CASSIEL CONDOMINIUM ASSOC	30	ANNUAL	2000	2,250.00	BRIAN G. DOHERTY
CHATHAM PARK VILLAGE CO-OP	532	SEMI-ANNUAL	2000	12,639.27	FREDDRENNA LYLE
CHESTERFIELD ON TOUHY CONDO	60	ANNUAL	2000	4,500.00	BERNARD L. STONE
CITY TOWNE CONDOMINIUM ASSOC.	63	ANNUAL	2000	3,677.40	WALTER BURNETT JR.
CLIFTON LANDMARK CONDO. ASSOC.	24	ANNUAL	2000	1,800.00	THEODORE MATLAK
DEARBORN TERRACE CONDO. ASSN.		ADJUSTMENT	1998	1,155.00	BURTON F. NATARUS
DELAWARE PLACE CONDO ASSOC.	16	ANNUAL	1998	1,200.00	BURTON F. NATARUS
DICKENS POINTE CONDO ASSOC.	10	ANNUAL	2000	750.00	VI DALEY
EASTWOOD PLAZA CONDO. ASSN.	26	ANNUAL	2000	1,361.00	THOMAS ALLEN
EDDY COURT HOMEOWNERS ASS'N.	11	ANNUAL	2000	825.00	THOMAS TUNNEY
EDGEWOOD MANOR #1	11	SEMI-ANNUAL	2000	412.50	BRIAN G. DOHERTY
EDGEWOOD MANOR II	11	ANNUAL	2000	825.00	BRIAN G. DOHERTY
FIRESIDE CONDOMINIUM ASSN.	16	ANNUAL	2000	1,200.00	THOMAS TUNNEY
FOSTER CONDO ASSOCIATION	30	ANNUAL	2000	2,250.00	BRIAN G. DOHERTY
FULTON HOUSE CONDOMINIUM	111	ANNUAL	2000	8,325.00	BURTON F. NATARUS
GALEWOOD NORTH CONDOMINIUMS	12	ANNUAL	2000	900.00	WILLIAM JP BANKS
GEORGE COURT CONDOMINIUM	24	ANNUAL	2000	1,800.00	THEODORE MATLAK
GLENWOOD HOMES CONDO ASSOC.	6	SEMI-ANNUAL	2000	225.00	PATRICK J O'CONNOR
HAMPTON COURT NORTH CONDO	6	ANNUAL	2000	450.00	TONI , PRECKWINKLE
HIGGINS TERRACE CONDO ASSN.	8	ANNUAL	2000	600.00	BRIAN G. DOHERTY
JARVIS COURT CONDO ASSN.	22	ANNUAL	2000	1,650.00	JOE MOORE
JEFFERSON COURTE CONDO. ASSN.	44	ANNUAL	2000	1,984.00	PATRICK J. LEVAR
KATHLEEN CONDOMINIUM	9	ANNUAL	2000	675.00	BRIAN G. DOHERTY
LAFAYETTE PLAZA HOUSING COOP	196	SEMI-ANNUAL	2000	5,454.00	FREDDRENNA LYLE
LAKESIDE MANOR CONDO ASSN	8	ANNUAL	2000	600.00	HELEN SHILLER
LAKESIDE PLACE CONDO ASSOC.	33	ANNUAL	2000	2,475.00	MARY ANN SMITH
LOYOLA BEACH CONDO. ASSOC.	16	ANNUAL	2000	1,200.00	JOE MOORE
LUNT LANE CONDOMINIUM ASSN.	9	ANNUAL	2000	675.00	JOE MOORE
MAGNOLIA MANOR CONDO. ASSN.	6	ANNUAL	2000	450.00	HELEN SHILLER
MAPLE LEAF SQUARE CONDOMINIUM	16	ANNUAL	2000	1,200.00	EUGENE C. SCHULTER
MASON TERRACE CONDOMINIUM	18	ANNUAL	2000	880.00	PATRICK J. LEVAR
MENARD MANOR CONDO ASSOC.	11	ANNUAL	2000	825.00	PATRICK J. LEVAR
METRO POINTE LOFT CONDO ASSOC.	32	ANNUAL	2000	1,434.00	PATRICK J O'CONNOR
MICHAELS TERRACE CONDO ASSN.	80	ANNUAL	2000	4,105.64	WALTER BURNETT JR.
MONTAUK MANOR CONNDO. ASSOC.	6	ANNUAL	2000	450.00	MANUEL FLORES
NORTH SHORE BEACH CONDO. ASSN.	19	ANNUAL	2000	1,425.00	JOE MOORE
NORTHGATE LANDING CONDO. ASS'N.	40	ANNUAL	2000	2,111.10	JOE MOORE
NORWOOD MANOR CONDO. ASSN.	26	ANNUAL	2000	1,950.00	BRIAN G. DOHERTY

C I T Y O F C H I C A G O
COMMITTEE ON FINANCE
REFUSE REBATE COUNCIL ORDERS--PASSED

MEETING DATE 6/23/2004

CONDOMINIUM/ COOPERATIVE NAME	NO. OF ELGIBLE UNITS	TYPE		AMOUNT OF REBATE	******* SPONSOR **********
ORCHARD PARK TOWNHOMES	54	ANNUAL	2000	4,050.00	WALTER BURNETT JR.
PARK SHORE EAST COOPERATIVE	147	ANNUAL	2000	11,025.00	LESLIE HAIRSTON
PAULINA CONDOMINIUM ASSOC.	14	ANNUAL	2000	875.77	EUGENE C. SCHULTER
PLAZA VISTA CONDOMINIUM	17	ANNUAL	2000	393.26	THEODORE MATLAK
POINTE AT LINCOLN PARK CONDO.	152	ANNUAL	2000	11,400.00	VI DALEY
RIDGEMOOR ESTATES CONDO. ASSN. 5	44	SEMI-ANNUAL	2000	1,650.00	THOMAS ALLEN
RITCHIE TOWER CONDOMINIUM	105	ANNUAL	2000	7,875.00	VI DALEY
RIVER WEST 2 CONDO. ASSN.	36	ANNUAL	2000	2,304.00	WALTER BURNETT JR.
RIVIERA CONDOMINIUM	18	ANNUAL	2000	1,350.00	JOE MOORE
ROSEMONT APARTMENTS CONDO.	36	ANNUAL	2000	2,684.00	BERNARD L. STONE
SEMINARY COURT CONDO. ASS'N.	26	ANNUAL	2000	1,950.00	THEODORE MATLAK
SHEFFIELD CONDO ASSOCIATION	12	ANNUAL	2000	900.00	THOMAS TUNNEY
SHEFFIELD LILL TOWNHOUSE CONDO	20	ANNUAL	2000	1,500.00	VI DALEY
SHENANDOAH CONDO ASSOC INC	9	ANNUAL	2000	675.00	BRIAN G. DOHERTY
SOUTHPORT SQUARE CONDO. ASSN.	10	ANNUAL	2000	750.00	THEODORE MATLAK
SOUTHWOLD CONDOMINIUM	9	ANNUAL	2000	675.00	TONI . PRECKWINKLE
STATE STREET CONDOMINIUM	6	ANNUAL	2000	450.00	FREDDRENNA LYLE
TERRACE CONDOMINIUM	12	ANNUAL	2000	900.00	VI DALEY
TERRACES ON LASALLE	14	ANNUAL	2000	1,050.00	WALTER BURNETT JR.
THE DRAKE TOWER APTS., INC.	68	ANNUAL	2000	4,744.08	BURTON F. NATARUS
THE SHERIDAN-BUENA CONDO	25	ANNUAL	2000	1,875.00	HELEN SHILLER
THORNDALE BEACH NORTH CONDO.	131	ANNUAL	2000	9,300.00	MARY ANN SMITH
TUDOR COMMONS CONDO. ASSN.	19	ANNUAL	2000	1,425.00	JOE MOORE
TUDOR GABLES BUILDING CORP.	114	ANNUAL	2000	3,840.00	TONI . PRECKWINKLE
VILLA COURT CONDOMINIUM ASSN.	9	ANNUAL	2000	675.00	MICHAEL R. ZALEWSKI
WEBSTER PARK CONDO. ASSN.	14	ANNUAL	2000	1,050.00	VI DALEY
WINSTON TOWERS #5 CONDO ASSOC	218	ANNUAL	2000	9,346.83	BERNARD L. STONE
WINSTON TOWERS I ASSOCIATION	195	ANNUAL	2000	11,380.55	BERNARD L. STONE
1 EAST SCHILLER CONDO. ASSN.	76	ANNUAL	2000	5,700.00	VI DALEY
119 W. CHESTNUT CONDO ASSOC.	9	ANNUAL	2000	675.00	BURTON F. NATARUS
1209 ASTOR BUILDING CORP.	30	ANNUAL	2000	2,250.00	VI DALEY
1214 N ASTOR CONDO	4	ANNUAL	2000	300.00	VI DALEY
1540 STATE PARKWAY CONDO.	62	ANNUAL	2000	4,650.00	BURTON F. NATARUS
1901-1903 W. ARMITAGE CONDO	5	ANNUAL	2000	375.00	THEODORE MATLAK
2 EAST OAK CONDO ASSC.	299	ANNUAL	2000	13,786.15	BURTON F. NATARUS
2007 N. SEDGWICK CONDOMINIUM	40	ANNUAL	2000	3,000.00	VI DALEY
2151 NORTH HARLEM BUILDING	12	SEMI-ANNUAL	2000	450.00	WILLIAM JP BANKS
2225 N. HALSTED CONDO. ASSN.	24	ANNUAL	2000	1,800.00	VI DALEY
2500 N. LAKEVIEW ASSOCIATION	158	ANNUAL	2000	11,850.00	VI DALEY
330 N. CLINTON CONDOMINIUM	40	ANNUAL	2000	3,000.00	WALTER BURNETT JR.
333 N. JEFFERSON CONDOMINIUM	40	ANNUAL	2000	3,000.00	WALTER BURNETT JR.
400 E. OHIO CONDO. ASSOCIATION	102	SEMI-ANNUAL	2000	6,825.00	BURTON F. NATARUS
4621-23 N. MALDEN CONDO. ASSN.	6	ANNUAL	2000	450.00	HELEN SHILLER
4900 N. LESTER CONDOMINIUM	8	ANNUAL	2000	600.00	PATRICK J. LEVAR
4923 N. LESTER CONDO	9	ANNUAL	2000	675.00	PATRICK J. LEVAR

CITY OF CHICAGO
COMMITTEE ON FINANCE
REFUSE REBATE COUNCIL ORDERS--PASSED

MEETING DATE 6/23/2004

CONDOMINIUM/ COOPERATIVE NAME	NO. OF ELGIBLE UNITS	TYPE		AMOUNT OF REBATE	******* SPONSOR **********
5241 N. EAST RIVER RD. CONDO		ADJUSTMENT	1998	675.00	BRIAN G. DOHERTY
5406 HARPER CONDO. ASS'N.	14	ANNUAL	2000	1,050.00	TONI . PRECKWINKLE
550 W. FULTON CONDOMINIUM	40	ANNUAL	2000	1,043.90	WALTER BURNETT JR.
5526-28 BLACKSTONE CONDO. CORP.	6	ANNUAL	2000	450.00	LESLIE HAIRSTON
560 W. FULTON CONDOMINIUM	40	ANNUAL	2000	3,000.00	WALTER BURNETT JR.
5758 W. HIGGINS CONDO ASSOC.	9	ANNUAL	2000	525.74	PATRICK J. LEVAR
5940 BUILDING ASSOCIATION	13	ANNUAL	2000	975.00	BRIAN G. DOHERTY
5989-91 N. NORTHWEST HIGHWAY	9	ANNUAL	2000	675.00	BRIAN G. DOHERTY
6334 N. SHERIDAN ROAD CONDO	42	ANNUAL	2000	3,150.00	JOE MOORE
6550-52 N. GLENWOOD CONDO	6	ANNUAL	2000	450.00	PATRICK J O'CONNOR
656 W. BUCKINGHAM CONDO ASSN	6	ANNUAL	2000	450.00	THOMAS TUNNEY
6740 W. 64TH PLACE CORPORATION	6	ANNUAL	2000	450.00	MICHAEL R. ZALEWSKI
6742 WEST 64TH PL. CONDO. ASS'N.	6	ANNUAL	2000	450.00	MICHAEL R. ZALEWSKI
72ND PLACE CONDO ASSOCIATION	18	ANNUAL	2000	1,350.00	LESLIE HAIRSTON
743-755 W. BROMPTON CONDOMINIUM	31	ANNUAL	2000	2,325.00	HELEN SHILLER
8734 W. SUMMERDALE CONDOMINIUM	6	ANNUAL	2000	450.00	BRIAN G. DOHERTY
879-881 N. LASALLE CONDO. ASS'N	8	ANNUAL	2000	600.00	BURTON F. NATARUS
909 WEST WISCONSIN CONDO	11	ANNUAL	2000	825.00	VI DALEY
916-918 W. FLETCHER CONDO. ASSN	6	ANNUAL	2000	450.00	THOMAS TUNNEY

(Continued from page 26860)

Your Committee on Finance, having had under consideration an order authorizing the payment of senior citizen sewer rebate claims, 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus 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 as follows and charged to Account Number 314-99-2005-9148-0938:

[List of claimants printed on pages 26865 through 26868 of this *Journal.*]

COMMITTEE ON FINANCE
SMALL CLAIMS, CITY OF CHICAGO
SEWER REBATE JOURNAL

NAME	PIN NUMBER	ALDERMAN	AMOUNT
AHMAD, S. NASEEM	11-32-115-021-1008	49 MOORE	50.00
APPEL, ARLENE FAY	11-32-114-084-1086	49 MOORE	50.00
ARCHER, JANE	11-30-212-022-1006	49 MOORE	50.00
ASHER, HELEN	17-03-204-044-1121	42 MATARUS	50.00
BAILEY, THOMAS	11-32-109-011-0000	49 MOORE	50.00
BALGEMANN, JANICE	17-21-211-205-1007	02 MAYNCOCK	50.00
BALGEMANN, JANICE	17-21-211-205-1007	02 MAYNCOCK	50.00
BASCH, CAROL G.	17-10-202-083-1020	42 MATARUS	50.00
BASSETT, DOLORES M.	11-29-308-018-1016	49 MOORE	50.00
BENDUSKY, MILDRED V.	13-09-216-040-1010	45 LEVAR	50.00
BERKOWITZ, IRVING	11-29-308-020-1003	49 MOORE	50.00
BIELAWSKI, BARBARA	14-05-208-011-1300	49 MOORE	50.00
BOGAN, NADINE F.	20-11-204-058-0000	04 PECKHYMLE	50.00
BOWEN, JEANNE	17-03-214-014-1071	42 MATARUS	50.00
BOWMAN, BILLIE J.	14-05-215-015-1123	48 SMITH	50.00
BOWYER, THOMAS S.	14-05-403-022-1089	48 SMITH	50.00
BRADLEY, GEORGE	17-03-226-045-1239	42 MATARUS	50.00
BRANCATINI, GEORGETTE	14-05-202-019-1054	49 MOORE	50.00
BRAUS, BEVERLY	14-05-208-012-1048	49 MOORE	50.00
BROECKER, MOURENE S.	14-05-203-011-1081	49 MOORE	50.00
BROWN, EVELYN	20-34-413-040-0000	06 LYLE	50.00
CARAZIN, PHYLLIS	13-16-114-045-1047	45 LEVAR	50.00
CARLOCK, HELEN L.	11-29-102-001-0000	49 MOORE	50.00
CARPENETTE, VIRGINIA M.	14-05-208-011-1348	49 MOORE	50.00
CHIPEL, GEORGE	13-09-128-061-1004	45 LEVAR	50.00
CLINAN, JOAN C.	14-05-208-011-1076	49 MOORE	50.00
COCKIN, THOMAS	11-30-307-213-1016	49 MOORE	50.00
COHEN, HANNAH F.	11-32-111-014-0000	49 MOORE	50.00
COLLINS, LORRAINE M.	11-31-214-055-1001	49 MOORE	50.00
COMESCU, ALICE	11-29-308-020-1016	49 MOORE	50.00
COMENOM, NORMAN L.	14-05-211-016-1086	48 SMITH	50.00
DAHLSTROM, IRWIN A.	11-32-200-004-1007	49 MOORE	50.00
DEBBLER, BETTY M.	14-05-208-011-1105	49 MOORE	50.00
DOBSON, PHYLLIS L.	11-32-111-014-0000	49 MOORE	50.00
DREIZEN, BETTY	10-34-120-008-1009	50 STONE	50.00
DUNDES, ROLAND	14-05-202-019-1107	49 MOORE	50.00
DUSHANE, RAYMOND M.	14-05-215-015-1199	48 SMITH	50.00
FARRELL, JOAN T.	14-05-208-011-1348	49 MOORE	50.00
FELDMAN, NATALIE S.	11-32-111-014-0000	49 MOORE	50.00
FIRMEGAN, ANNA	14-05-202-019-1001	49 MOORE	50.00

COMMITTEE ON FINANCE
SMALL CLAIMS, CITY OF CHICAGO
SEWER REBATE JOURNAL

NAME	PIN NUMBER	ALDERMAN	AMOUNT
FULTON, ELIZABETH J.	17-10-400-012-1035	42 NATARUS	50.00
GABRIEL, HARRY L.	14-05-202-019-1087	49 MOORE	50.00
GEETER, JOSEPH H.	20-11-206-058-0000	04 FRECKWINKLE	50.00
GOLBUS, ADA F.	11-29-110-008-0000	49 MOORE	50.00
GOLDBERG, DONNA	14-05-203-012-1021	49 MOORE	50.00
GOLDSTEIN, SHANEY L.	10-34-118-005-1042	50 STONE	50.00
GOODMAN, SELWYN	11-29-314-040-0000	49 MOORE	50.00
GROSS, CARMEN B.	14-05-203-011-1028	49 MOORE	50.00
GUNN, ANNE	14-09-203-015-1180	48 SMITH	50.00
HABER, NORMA	11-32-111-014-0000	49 MOORE	50.00
HAHN, MYLES JR.	14-05-403-022-1068	48 SMITH	50.00
HAHN, MYLES JR.	14-05-403-022-1068	48 SMITH	50.00
HAHN, MYLES JR.	14-05-403-022-1068	48 SMITH	50.00
HAHN, MYLES JR.	14-05-403-022-1068	48 SMITH	50.00
HAHN, MYLES JR.	14-05-403-022-1068	48 SMITH	50.00
HARRIS, GRACE	20-12-100-008-1218	04 FRECKWINKLE	50.00
HARRIS, RAY H.	11-29-308-020-1004	49 MOORE	50.00
HARRIS, SOPHIE	14-05-203-011-1282	49 MOORE	50.00
HARTOG, KURT	14-05-202-019-1050	49 MOORE	50.00
HENDERSON, INGARD A.	11-32-200-034-1011	49 MOORE	50.00
HERMER, BERLENE	14-05-208-011-1229	49 MOORE	50.00
HESKETT, MILDRED B.	17-08-222-015-0000	42 NATARUS	50.00
HINES, JOAN	14-05-203-011-1305	49 MOORE	50.00
HIRSH, BERNARD	14-05-202-019-1090	49 MOORE	50.00
HOLLUB, HELENE R.	14-05-203-011-1257	49 MOORE	50.00
HORNER, MARGARET	11-30-307-097-0000	49 MOORE	50.00
JOHNS, BRUCE	11-30-307-213-1012	49 MOORE	50.00
KAHN, ESTHER	14-05-208-011-1246	49 MOORE	50.00
KANTOR, DORIS B.	11-29-308-018-1007	49 MOORE	50.00
KAYE, MARY C.	14-05-403-022-1069	48 SMITH	50.00
KIRLAND, VERONICA M.	14-05-208-011-1156	49 MOORE	50.00
KNIECIK, LAWRENCE	14-21-101-034-1155	46 SHILLER	50.00
KOEN, EVA	11-30-302-030-1005	49 MOORE	50.00
KRAMER, ALLEN	14-05-211-016-1045	48 SMITH	50.00
KROSNE, RAYMARD	11-32-111-024-0000	49 MOORE	50.00
KRETSKE, FRANCES	14-05-208-011-1041	49 MOORE	50.00
KUPFERSCHMIDT, REGINA	14-05-208-011-1248	49 MOORE	50.00
KWASICHOCK, JAMES M.	13-16-116-030-1003	45 LEVAR	50.00
LALJI, MOORBANU	14-05-208-011-1097	49 MOORE	50.00
LATOSZYNSKI, HALINA	13-08-430-080-1022	45 LEVAR	50.00

COMMITTEE ON FINANCE
SMALL CLAIMS, CITY OF CHICAGO
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NAME	PIN NUMBER	ALDERMAN	AMOUNT
LEE, NORMA S.	14-08-203-015-1219	48 SMITH	50.00
LENNEMAN, CARL J.	14-05-202-019-1080	49 MOORE	50.00
LEVITT, MELVIN	14-21-314-053-1151	44 TUNNEY	50.00
LEVY, HAROLD	14-05-202-019-1042	49 MOORE	50.00
LINDNER, FLORA	14-05-203-011-1322	49 MOORE	50.00
LITMAN, DOROTHY	14-05-203-011-1101	49 MOORE	50.00
LOWY, IRMI J.	11-30-322-030-1011	49 MOORE	50.00
MALMAN, HOWELL J.	14-05-215-017-1029	48 SMITH	50.00
MARANDIUC, PARASCHIVA	14-08-408-035-0000	48 SMITH	50.00
MARKHARDT, FRANCES J.	14-21-111-007-1199	46 SHILLER	50.00
MASTERS, DOLORES	11-31-214-055-1006	49 MOORE	50.00
MAYER, MARIAN	11-29-320-051-1016	49 MOORE	50.00
MCGRAVIE, ANNE V.	11-32-111-014-0000	49 MOORE	50.00
MERCHUT, THERESA	13-09-328-061-1008	45 LEVAR	50.00
MEYER, CHERYL	14-05-203-011-1260	49 MOORE	50.00
MOORE, DONITA J.	10-31-409-062-1032	49 MOORE	50.00
MYERS, MARLENE A.	11-29-308-020-1014	49 MOORE	50.00
NEGRON, BEATRIZ B.	14-05-215-017-1220	48 SMITH	50.00
NIEMIEC, JEAN	13-16-117-045-1021	45 LEVAR	50.00
NIMITZ, GEORGE T.	14-05-215-017-1069	48 SMITH	50.00
NORMAN, DORIS A.	14-05-203-011-1171	49 MOORE	50.00
PENAHERRERA, GEORGE E.	14-05-215-017-1194	48 SMITH	50.00
PHILLIPS, SUE	17-10-401-003-1444	42 NATARUS	50.00
PILENSKI, ALICE M.	21-30-418-004-0000	07 BEAVERS	50.00
POWELL, DONALD D.	17-03-222-018-0000	42 NATARUS	50.00
PROCTOR, DONALD T.	14-05-211-016-1087	48 SMITH	50.00
RAPPAPORT, ROCHELLE	11-29-308-020-1005	49 MOORE	50.00
RINGEN, PAULINE M.	20-11-206-058-0000	04 PRECKWINKLE	50.00
ROMRS, MARY	14-05-202-019-1036	49 MOORE	50.00
ROSS, MARY	11-30-307-207-1043	49 MOORE	50.00
ROUSE, CAROLYNN	14-05-203-011-1372	49 MOORE	50.00
SACKS, TERENCE J.	11-30-413-030-1001	49 MOORE	50.00
SANDERS, JACQUELYN	20-14-223-032-0000	05 HOIRSTON	50.00
SASS, HERBERT M.	11-30-322-038-1005	49 MOORE	50.00
SAYAD, VIRGINIA	11-30-307-219-1017	49 MOORE	50.00
SCHACHTEL, DAVID	14-05-203-011-1044	49 MOORE	50.00
SCHLOSBERG, ALICE E.	11-32-111-014-0000	49 MOORE	50.00
SCHULTZ, ALEX & MILDRED	11-29-320-051-1009	49 MOORE	50.00
SEGAL, ANNETTE	14-05-203-011-1303	49 MOORE	50.00
SEKERA, MILDRED L.	11-32-111-014-0000	49 MOORE	50.00

COMMITTEE ON FINANCE
SMALL CLAIMS, CITY OF CHICAGO
SEWER REBATE JOURNAL

NAME	PIN NUMBER	ALDERMAN	AMOUNT
SHAW, MARIAN M.	14-08-208-017-1117	48 SMITH	50.00
SHER, HELEN I.	14-05-209-011-1100	49 MOORE	50.00
SHUMTLEFF, JOSEPHINE S.	14-05-215-017-1031	48 SMITH	50.00
SIMON, MARY B.	14-05-203-011-1348	49 MOORE	50.00
SKUTERIS, IRENE	14-05-202-011-1080	49 MOORE	50.00
SMITH, JOSEPHINE M.	14-05-203-011-1252	49 MOORE	50.00
SNOWHITE, JOHN	11-30-307-097-0000	49 MOORE	50.00
SOBUL, CHARLOTTE	14-05-202-019-1119	49 MOORE	50.00
SOSSON, SYLVIA	11-31-214-035-1014	49 MOORE	50.00
SOSSON, SYLVIA L.	11-31-214-005-1014	49 MOORE	50.00
SPEARMAN, HARRIET	25-10-419-017-0000	08 STROGER	50.00
STARL, ZORALYN	11-32-111-014-0000	49 MOORE	50.00
STERN, HELGA M.	14-05-202-019-1114	49 MOORE	50.00
STREICH, ARNOLD J.	14-05-208-011-1280	49 MOORE	50.00
SULEYMAN, SAFA	14-05-211-023-1180	48 SMITH	50.00
TANAKA, MARY T.	14-05-208-011-1276	49 MOORE	50.00
TERRONES, JOHN M.	11-32-111-014-0000	49 MOORE	50.00
THOMAS, RICHARD J.	11-32-404-017-1011	49 MOORE	50.00
THOMPSON, ROBERT S.	14-05-215-017-1243	48 SMITH	50.00
TUCKOR, JACK	14-08-208-015-1130	48 SMITH	50.00
TUOHY, WENDELL H.	11-30-322-028-1082	49 MOORE	50.00
TZOU, SHOOU LI	14-05-403-022-1005	48 SMITH	50.00
UDELHOFEN, LORRAINE	11-31-214-055-1003	49 MOORE	50.00
VARNAVAS, DOROTHY K.	11-31-107-028-1003	49 MOORE	50.00
VARPA, AUSEKLIS,	11-29-308-028-0000	49 MOORE	50.00
VUJOSEVICH, VERA	14-05-208-011-1149	49 MOORE	50.00
WALASIAK, THAD S.	14-05-208-011-1102	49 MOORE	50.00
WALDMAN, DORCEE B	10-34-100-011-1028	50 STONE	50.00
WEINBERG, LILA B.	14-05-209-011-1208	49 MOORE	50.00
WERCHUM, ZOFIA J.	14-05-208-011-1243	49 MOORE	50.00
WILEY, ROBERT H.	14-05-403-019-1035	48 SMITH	50.00
WILLIAMS, ALBERT Y.	17-16-108-033-1047	02 HAITHCOCK	50.00
WITTE, MARION	11-32-111-014-0000	49 MOORE	50.00
WOLF, EDMUND J.	11-32-111-017-0000	49 MOORE	50.00
WOLFF, DOROTHY	14-05-208-011-1074	49 MOORE	50.00
ZELDEN, ALICE	14-05-208-011-1210	49 MOORE	50.00
ZIMMERMAN, ANNE	11-30-307-213-1001	49 MOORE	50.00
ZITNIK, ETHEL	17-09-222-015-0000	42 NATARUS	50.00
		* TOTAL AMOUNT	7,900.00

Do Not Pass -- SUNDRY CLAIMS FOR VARIOUS REFUNDS.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, Small Claims Division, to which was referred on July 27, 2003 and on subsequent dates, sundry claims as follows:

Chavez, Charles

Cusack, Carole

Filipiak, William

Fullilove, Bernice

Gannon, Thomas

Gavanescu, Cosmin Adrian

Guiterrez, Eduardo

Henaghan, Geralyn

Hill, Daryl

Horgan, Santiago and Allstate Insurance Company

Kudelka, Andrew and State Farm Insurance Company

Lester, Daniel

Martinez, Ralph and State Farm Insurance Company

Myers, Cheryl M.

Profit, Rosie

Solofra, James

having had 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 viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the committee's recommendation was *Concurred In* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

APPROVAL OF APPLICATIONS FOR CITY OF CHICAGO CHARITABLE SOLICITATION (TAG DAY) PERMITS.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration applications for the City of Chicago charitable solicitation (tag day) permits:

A. Little Brothers -- Friends of the Elderly
July 1, 2004 through July 31, 2004 and
August 1, 2004 through August 31, 2004 -- citywide;

B. Aids Foundation of Chicago
various dates in 2004 -- citywide; and

C. Misericordia Heart of Mercy Village
April 29, 2005 through April 30, 2005 -- citywide,

having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Approve* the proposed applications transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the committee's recommendation was *Concurred In* and said applications transmitted with the foregoing committee report were *Approved* by yeas and nays as follows:

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Placed On File -- REPORT OF SETTLEMENT OF SUITS AGAINST CITY DURING MONTH OF APRIL, 2004.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order transmitting a list of various cases in which judgements were entered or cases were settled during the month of April, 2004, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Place on File* the proposed list of cases transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the committee's recommendation was *Concurred In* and said list of cases and report were *Placed on File.*

Placed On File -- REPORT OF SETTLEMENT OF SUITS AGAINST CITY DURING MONTH OF MAY, 2004.

The Committee on Finance submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order transmitting a list of various cases in which judgements were entered or cases were settled during the month of May, 2004, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Place on File* the proposed list of cases transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the committee's recommendation was *Concurred In* and said list of cases and report were *Placed on File.*

COMMITTEE ON AVIATION.

AUTHORIZATION FOR EXECUTION OF AGREEMENTS FOR WETLANDS MITIGATION SITE DEVELOPMENT AND MAINTENANCE AT CHICAGO O'HARE INTERNATIONAL AIRPORT.

The Committee on Aviation submitted the following report:

CHICAGO, June 23, 2004.

To the President and Members of the City Council:

Your Committee on Aviation, having under consideration a communication from the Executive Director of the O'Hare Modernization Program (which was referred on May 26, 2004) transmits an ordinance authorizing the execution of agreements with wetland developers, begs leave to recommend that Your Honorable Body *Pass* the proposed ordinance which is transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee, with no dissenting vote.

Respectfully submitted,

(Signed) PATRICK J. LEVAR,
Chairman.

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

Yeas -- Aldermen Flores, Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Stroger, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Coleman, L. Thomas, Murphy, Rugai, Troutman, Brookins, Muñoz, Zalewski, Chandler, Solis, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Mell, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schulter, Moore, Stone -- 46.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City is a home rule unit of local government existing under the Constitution of the State of Illinois; and

WHEREAS, The City has identified a number of proposed improvements over the next several years to Chicago O'Hare International Airport (the "Airport"), including the O'Hare Modernization Program ("O.M.P."); and

WHEREAS, The improvements proposed under the O.M.P. will include, among other things, the addition of a new runway, the relocation of three (3) runways and the extension of two (2) runways, the creation of a new western terminal and parking facilities, and the connection of the western terminal facility to the existing terminal core by an automated people mover system; and

WHEREAS, The O.M.P. improvements will provide numerous benefits, including the reduction of weather related delays at the Airport by an estimated ninety-five percent (95%) and overall delays by an estimated seventy-nine percent (79%) (which will have the effect of providing savings to consumers an estimated Three Hundred Eighty Million Dollars ($380,000,000) per year) and the projected creation of one hundred ninety-five thousand (195,000) jobs and an additional Eighteen Billion Dollars ($18,000,000,000) a year in economic activity; and

WHEREAS, No local or State of Illinois taxpayer dollars will be used to fund the O.M.P.; and

WHEREAS, The O.M.P. will have an impact on wetlands and other waters of the United States, and the City has developed a wetland mitigation plan under which the City will (i) obtain wetland mitigation credits to satisfy the requirements of the United States Army Corps of Engineers ("U.S.A.C.E."), the Federal Aviation Administration ("F.A.A.") and DuPage County by providing for the development and maintenance of wetlands in other areas to compensate for the wetlands and other waters of the United States that would be affected by the O.M.P. and (ii) apply for permits and approvals from U.S.A.C.E., F.A.A. and DuPage County to remove and alter wetlands and other waters of the United States to facilitate development of the O.M.P. improvements at the Airport; and

WHEREAS, In order to satisfy certain requirements of U.S.A.C.E., the F.A.A., and DuPage County with respect to those wetlands at the Airport, the City may be required to provide up to four hundred thirty-six (436) wetland impact mitigation credits (the "Credits"); and

WHEREAS, In furtherance of obtaining the Credits, the City has issued a request for proposals ("R.F.P.") and wishes to retain wetland developers selected pursuant to the R.F.P. process to secure property for the creation of wetlands and to develop and maintain wetlands mitigation sites on such property in a manner sufficient to secure the Credits; and

WHEREAS, Also in furtherance of obtaining the Credits, the City has initiated a process with DuPage County for approval of wetland impacts and associated wetlands mitigation in a manner sufficient to secure the Credits; and

WHEREAS, The City contemplates that, to secure land or interests in land for the creation of wetlands in order to obtain the Credits, the City may need to enter into agreements with wetland developers and other governmental entities to advance funds for payments to property owners and/or to make payments to the property owners directly, both to preserve and maintain the land availability for the development of the wetlands and to enter into agreements for wetlands mitigation site development and maintenance (individually and collectively "Agreements"); and

WHEREAS, The City wishes to authorize the expenditure of funds in this ordinance for payments to be made under such Agreements; and

WHEREAS, The management of the O.M.P. is being carried out by its designated Executive Director, and the City wishes to authorize the O.M.P.'s Executive Director to enter into such Agreements in order to effect the purposes of this ordinance and advance the development of the O.M.P.; now, therefore,

Be It Ordained by the City Council of the City of Chicago, as follows:

SECTION 1. The above recitals are incorporated into the terms of this ordinance.

SECTION 2. The Executive Director of the O.M.P. is hereby authorized to select wetland developers through the R.F.P. process for the purposes of securing land or interests in land for use as wetlands and for the purposes of developing and maintaining such land as wetlands mitigation sites. The Executive Director is authorized to enter into the Agreements with wetland developers and/or property owners and/or other governmental entities, to secure lands or interests in land or the availability of such lands or interests in land and the development of wetlands as contemplated by this ordinance, as necessary or desirable to obtain the Credits. The Executive Director is authorized to execute all agreements and ancillary documents, with such terms as are appropriate in the judgment of the Executive Director, to effect the transactions contemplated by this ordinance, including, without limitation, options and escrow agreements.

SECTION 3. Payments due or obligations undertaken by the City under the Agreements shall be made or satisfied solely from Airport funds available for O.M.P. purposes.

SECTION 4. This ordinance is effective upon its passage and approval.

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