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COPY



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

Regular Meeting -- Wednesday, December 13, 2006

at 10:00 A.M.

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

OFFICIAL RECORD.

VOLUME 1

RICHARD M. DALEY
Mayor

MIGUEL DEL VALLE
City Clerk

JOURNAL OF THE PROCEEDINGS OF THE CITY COUNCIL
Regular Meeting -- Wednesday, December 13, 2006

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Attendance At Meeting.

Present -- Aldermen Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schuller, Moore, Stone.

Absent -- Aldermen Flores, Muñoz, Solis, Mell, M. Smith.

Call To Order.

On Wednesday, December 13, 2006 at 10:00 A.M., Alderman Stone, Vice 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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, L. Thomas, Rugai, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Moore, Stone -- 37.

Quorum present.

At this point in the proceedings, Alderman Bernard Stone, Vice Mayor, informed the City Council that The Honorable Richard M. Daley, Mayor, was absent to attend the funeral of Mr. Michael McKenna.

Alderman Burke then rose and informed the City Council that Aldermen Flores, Muñoz and Solis were absent and out of the country on a diplomatic mission.

Pledge Of Allegiance.

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

Invocation.

Father Thomas McCarthy, Principal of Saint Rita High School, opened the meeting with prayer.

At this point in the proceedings, Alderman Burke moved to *Suspend the Rules Temporarily* for the purpose of going out of the regular order of business for the immediate consideration of the Report of the Committee on Finance and the Report of the Committee on Committees, Rules and Ethics. The motion *Prevailed*.

COMMITTEE ON FINANCE.

AUTHORIZATION FOR ISSUANCE OF CITY OF CHICAGO GENERAL
OBLIGATION BONDS, SERIES 2007 A -- K (MODERN SCHOOLS
ACROSS CHICAGO PROGRAM), EXECUTION OF INTER-
GOVERNMENTAL AGREEMENT AND LEVY AND
COLLECTION OF DIRECT ANNUAL TAX FOR
CONSTRUCTION AND/OR RENOVATION
OF ELEMENTARY AND HIGH
SCHOOL FACILITIES.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

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 General Obligation Refunding Bonds, Series 2007 A-K (Modern Schools Across Chicago Program) and

to enter into and execute an intergovernmental agreement with the Chicago Board of Education, amount of bonds not to exceed \$800,000,000, 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 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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyas, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, Moore, Stone -- 39.

Nays -- None.

Alderman E. Smith 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 body politic and corporate under the laws of the State of Illinois and a home rule unit under Article VII of the Illinois Constitution of 1970; and

WHEREAS, Pursuant to the provisions and requirements of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"), the City has created and established, or in the case of one redevelopment

project area, anticipates creating and establishing, the redevelopment project areas listed in Exhibit A attached hereto and hereby made a part hereof (collectively, the "Redevelopment Project Areas"); 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 that the City issue its General Obligation Bonds in multiple series at one or more times as herein provided in an amount not to exceed Eight Hundred Million Dollars (\$800,000,000) (the "Bonds") for one or more of the following purposes:

(a) paying the cost of acquiring, designing, constructing or renovating the elementary and high school facilities and related improvements described in Exhibit B attached hereto and hereby made a part hereof (the "Projects") for the use of The Board of Education of the City of Chicago (the "Board");

(b) paying and retiring certain outstanding Tax Increment Allocation Revenue Notes of the City (the "Prior Notes") and/or the related Unlimited Tax General Obligations of the Board (the "Prior Board Bonds" and, collectively with the Prior Notes, the "Prior Obligations"), and described in Exhibit C attached hereto and hereby made a part hereof;

(c) paying the cost of any Bond Insurance Policy or Credit Facility (as such terms are defined below), if any;

(d) paying a portion of the interest to accrue on the Bonds; and

(e) paying expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Obligations; and

WHEREAS, The Projects are expected to be acquired, designed, constructed and renovated in three distinct phases as shown in Exhibit B (each, a "Phase"), the costs of which are estimated therein; and

WHEREAS, By this ordinance, the City Council has determined that the costs of acquiring, designing, construction and renovating the Projects to be paid from proceeds of the Bonds constitute "capital costs of a taxing district" within the meaning and for the purposes of the Act and that such costs are consistent with the program for accomplishing the objectives of each applicable redevelopment plan for each Redevelopment Project Area; and

WHEREAS, The cost of refunding the Prior Obligations and paying the cost of the Projects is estimated to be not less than Eight Hundred Million Dollars (\$800,000,000), and the City expects to pay a portion of such costs by borrowing money and issuing the Bonds in multiple series at one or more times in the

aggregate principal amount of not to exceed Eight Hundred Million Dollars (\$800,000,000) (plus the amount of any original issue discount as herein provided); and

WHEREAS, Each series of Bonds will be issued hereunder to refund Prior Obligations and/or pay the cost of Projects related to one of the Redevelopment Project Areas listed on Exhibit A, or to the extent of any excess proceeds to pay the cost of such alternate expenses as are authorized by the Act and the applicable redevelopment plans for the respective Redevelopment Project Area; and

WHEREAS, It is intended that the ad valorem taxes ("Ad Valorem Taxes") levied hereunder for each series of Bonds will be abated following the receipt of "Incremental Taxes" (as described in the Act and being defined to mean Ad Valorem Taxes, if any, arising from the tax levies upon taxable real property in a redevelopment project area by any and all taxing districts or municipal corporations having the power to tax real property in such redevelopment project area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in such redevelopment project area over and above the certified initial equalized assessed value of each such piece of property in such redevelopment project area, as determined by the Clerk of the County of Cook, Illinois) from or for the account of each applicable Redevelopment Project Area and deposited by the City as herein provided; and

WHEREAS, The City has determined that it is advisable and necessary to authorize the borrowing of the sum necessary at this time for any or all of the purposes of (i) refunding all or a portion of the Prior Obligations, (ii) paying costs of the Projects, including capitalizing such interest on the Bonds herein authorized for said purpose as may be necessary, and (iii) paying the expense of issuing the Bonds herein authorized for the purposes described herein, and in evidence thereof to authorize the issuance of its Bonds, in multiple series and at one or more times as herein provided, such borrowing being for a proper public purpose and in the public interest, and the City, by virtue of its constitutional home rule powers and all laws applicable thereto, including the Act, has the power to issue such Bonds; now, therefore,

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

SECTION 1. The City Council of the City of Chicago (the "City Council"), after a public meeting heretofore held on this ordinance by the Committee on Finance of the City Council, pursuant to proper notice and in accordance with the findings and recommendations of such Committee, hereby finds that all of the recitals contained in the preambles to this ordinance are full, true and correct and does incorporate them into this ordinance by this reference.

SECTION 2. There shall be borrowed on the credit of and for and on behalf of the City, pursuant to its constitutional home rule powers and all laws applicable thereto, including the Act, in multiple series at one or more times the sum of not to exceed Eight Hundred Million Dollars (\$800,000,000) plus an amount equal to the amount of any net original issue discount used in the marketing of the Bonds (not to exceed ten percent (10%) of the principal amount of each series thereof) for the purposes aforesaid; and the Bonds shall be issued from time to time in said aggregate principal amount, or such lesser amount, as may be determined by an Authorized Officer (the Chief Financial Officer, and if so designated and determined by the Chief Financial Officer, or if there is no person holding the office of Chief Financial Officer, the City Comptroller, each being referred to herein as an "Authorized Officer").

All or any portion of the Bonds may be issued as Bonds payable in one payment on a fixed date ("Capital Appreciation Bonds"). Each series of Capital Appreciation Bonds shall be dated the date of issuance thereof and shall also bear the date of authentication, shall be in fully registered form, shall be numbered as determined by the applicable Bond Registrar (as hereinafter defined), and shall be in denominations equal to the original principal amounts of such Capital Appreciation Bonds or any integral multiple thereof, each such original principal amount representing Compound Accreted Value (as hereinafter defined) at maturity (the "Maturity Amount") of such minimum amounts and integral multiples thereof as shall be agreed upon by an Authorized Officer and the purchasers of such Capital Appreciation Bonds (but no single Bond shall represent Compound Accreted Value maturing on more than one date). As used herein, the "Compound Accreted Value" of a Capital Appreciation Bond on any date of determination shall be an amount equal to the original principal amount (or integral multiple thereof) plus an investment return accrued to the date of such determination at a semiannual compounding rate which is necessary to produce the yield to maturity borne by such Capital Appreciation Bond (the "Yield to Maturity").

All or any portion of the Bonds may be issued as Bonds bearing interest at fixed rates and paying interest semiannually as described below (the "Current Interest Bonds"). Each series of Current Interest Bonds shall be dated such date as shall be agreed upon by an Authorized Officer and the purchasers of such Current Interest Bonds, shall be in fully registered form, shall be in such minimum denominations and integral multiples thereof as shall be agreed upon by an Authorized Officer and the purchasers of such Current Interest Bonds (but no single Current Interest Bond shall represent installments of principal maturing on more than one date), and shall be numbered as determined by the applicable Bond Registrar.

The Bonds may be initially issued as Capital Appreciation Bonds containing provisions for the conversion of the Compound Accreted Value of such Bonds into Current Interest Bonds (the "Convertible Bonds") at such time following the initial issuance as shall be approved by an Authorized Officer. While in the form of Capital

Appreciation Bonds, such Convertible Bonds shall be subject to all of the provisions and limitations of this ordinance relating to Capital Appreciation Bonds and while in the form of Current Interest Bonds, such Convertible Bonds shall be subject to all of the provisions and limitations of this ordinance relating to Current Interest Bonds. In particular, when Convertible Bonds are in the form of Capital Appreciation Bonds prior to their conversion to Current Interest Bonds, the transfer, exchange and replacement provisions of this ordinance with respect to Capital Appreciation Bonds shall apply to such Convertible Bonds; provided that the Convertible Bonds delivered in the form of Capital Appreciation Bonds in connection with any such transfer, exchange or replacement shall have identical provisions for conversion to Current Interest Bonds as set forth in the Convertible Bonds being transferred, exchanged or replaced. In connection with the issuance and sale of any Convertible Bonds, the terms and provisions relating to the conversion of the Compound Accreted Value of such Convertible Bonds into Current Interest Bonds shall be as approved by an Authorized Officer at the time of sale of such Convertible Bonds. Notwithstanding any other provision hereof, any series of Bonds may be issued as Capital Appreciation Bonds, Current Interest Bonds, Convertible Bonds or any combination thereof.

All or any portion of the Bonds may be issued as Bonds bearing interest at variable rates adjustable and payable from time to time as described herein (the "Variable Rate Bonds"). Each series of Variable Rate Bonds shall be dated such date as shall be agreed upon by an Authorized Officer and the purchasers of such Bonds, shall be in fully registered form, shall be in such denominations as shall be agreed upon by an Authorized Officer and the purchasers of the Bonds (but no single Bond shall represent installments of principal maturing on more than one date), and shall be numbered as determined by the applicable Bond Registrar. Each series of Variable Rate Bonds may be issued pursuant to, and have such terms and provisions as are set forth in, a trust indenture between the City and a bank or trust company selected by an Authorized Officer. The Mayor or an Authorized Officer is hereby authorized to enter into such one or more such trust indentures on behalf of the City. Each such trust indenture shall be in substantially the form of trust indentures previously entered into by the City in connection with the sale of general obligation bonds or notes bearing interest at variable rates, but with such revisions in text as the Mayor or the Authorized Officer executing the same shall determine are necessary or desirable, the execution thereof by the Mayor or such Authorized Officer to evidence the City Council's approval of all such revisions. Bonds may be issued to bear interest at an interest rate that reflects inflation and deflation as of a specified date prior to each interest payment date.

The principal of the Bonds of each series shall become due and payable on or before December 1, 2035. Each series of Current Interest Bonds shall bear interest at a rate or rates and each series of Capital Appreciation Bonds shall have Yields to Maturity not to exceed fifteen percent (15%) per annum. Each series of Variable Rate Bonds shall bear interest from time to time at such rates determined by such remarketing or other indexing agent as shall be selected by an Authorized Officer

for that purpose or as provided in the related trust indenture referred to above not to exceed fifteen percent (15%) per annum. Any portion of the Bonds may be issued as bonds the interest on which is includible in the gross income of the owner thereof for federal income tax purposes if determined by an Authorized Officer to be beneficial to the City.

Each Capital Appreciation Bond shall accrue interest from its date at the rate per annum compounded semiannually on each June 1 and December 1, commencing on such June 1 or December 1 as determined by an Authorized Officer at the time of sale of such Capital Appreciation Bonds, which will produce the Yield to Maturity identified therein until the maturity date thereof. Interest on the Capital Appreciation Bonds shall be payable only at the respective maturity dates thereof.

Each Current Interest Bond shall bear interest from the later of its date or the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid, such interest (computed upon the basis of a three hundred sixty (360) day period of twelve (12) thirty (30) day months) being payable on June 1 and December 1 of each year, commencing on such June 1 or December 1 as shall be determined by an Authorized Officer at the time of the sale of each series of Current Interest Bonds. Interest on each Current Interest Bond shall be paid to the person in whose name such Bond is registered at the close of business on the fifteenth (15th) day of the month next preceding the interest payment date, by check or draft of the applicable Bond Registrar, or, at the option of any registered owner of One Million Dollars (\$1,000,000) or more in aggregate principal amount of Current Interest Bonds of a series, by wire transfer of immediately available funds to such bank in the continental United States of America as the registered owner of such Bonds shall request in writing to the applicable Bond Registrar.

Each series of Variable Rate Bonds shall bear interest (computed from time to time at such rates and on such basis as shall be determined by an Authorized Officer or at the time of sale of such series of Variable Rate Bonds) payable on such dates as shall be determined by an Authorized Officer at the time of sale of such Variable Rate Bonds. Any Variable Rate Bonds may be made subject to optional or mandatory tender for purchase by the owners thereof at such times and at such prices (not to exceed one hundred two percent (102%) of the principal amount thereof) as shall be determined by an Authorized Officer at the time of sale of such Variable Rate Bonds. In connection with the remarketing of any Variable Rate Bonds of a series so tendered for purchase under the terms and conditions so specified by an Authorized Officer, the Mayor and an Authorized Officer are hereby authorized to execute on behalf of the City a remarketing agreement with respect to such series of Variable Rate Bonds in substantially the form previously used for variable rate financings of the City with appropriate revisions to reflect the terms and provisions of such Bonds sold as Variable Rate Bonds and such other revisions in text as an Authorized Officer shall determine are necessary or desirable in

connection with the sale of such Bonds as Variable Rate Bonds. The annual fee paid to any remarketing agent serving in such capacity pursuant to any such remarketing agreement with respect to a series of Variable Rate Bonds shall not exceed one-quarter of one percent (0.25%) of the average principal amount of such Variable Rate Bonds of such series outstanding during such annual period.

The Compound Accreted Value of the Capital Appreciation Bonds, the principal of the Current Interest Bonds and the Variable Rate Bonds and any redemption premium shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the applicable Bond Registrar.

Each of the Bonds shall be designated "General Obligation Bonds, Series _____ (Modern Schools Across Chicago Program)", with such additions, modifications or revisions as shall be determined to be necessary by an Authorized Officer at the time of the sale of such Bonds to reflect the calendar year of issuance of the Bonds, the order of sale of the Bonds, the specific series of the Bonds, whether the Bonds are Capital Appreciation Bonds, Current Interest Bonds, Convertible Bonds or Variable Rate Bonds, whether the Bonds are being issued and sold for the purpose of refunding all or a portion of the Prior Obligations, paying costs of the Project or a combination thereof and any other authorized features of the Bonds determined by an Authorized Officer as desirable to be reflected in the title of the Bonds being issued and sold.

The seal of the City or a facsimile thereof shall be affixed to or printed on each of the Bonds, and the Bonds shall be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk or the Deputy City Clerk, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the applicable Bond Registrar as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this ordinance unless and until such certificate of authentication shall have been duly executed by the applicable Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the applicable Bond Registrar if signed by an authorized officer of such Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

SECTION 3. (a) Registration And Transfer. The City shall cause books (the "Bond Register") for the registration and for the transfer of each series of Bonds as provided in this ordinance to be kept at the principal corporate trust office of a bank or trust company designated by an Authorized Officer (the "Bond Registrar"), as the registrar for the City in connection with such series of Bonds. The City is authorized to prepare multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the applicable Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to such Bond Registrar and duly executed by the registered owner or its attorney duly authorized in writing, the City shall execute and such Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees (a) in the case of any Capital Appreciation Bond, a new fully registered Capital Appreciation Bond or Bonds of the same series, maturity and Yield to Maturity of authorized denominations, for a like aggregate original principal amount of Capital Appreciation Bond or Bonds of the same series, maturity and Yield to Maturity of other authorized denominations, or (b) in the case of any other Bonds, one or more fully registered Bonds of the same series, type (Current Interest Bonds or Variable Rate Bonds), interest rate (or in the case of Variable Rate Bonds, method of interest rate determination) and maturity of authorized denominations, for a like principal amount. Any Capital Appreciation Bond or Bonds may be exchanged at said office of the applicable Bond Registrar for a like aggregate original principal amount of Capital Appreciation Bond or Bonds of the same series, maturity and Yield to Maturity of other authorized denominations. Any Current Interest Bond or Bonds may be exchanged at said office of the applicable Bond Registrar for a like aggregate principal amount of Bonds of the same series, type, interest rate and maturity of other authorized denominations. The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the applicable Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; provided that (a) the aggregate original principal amount of outstanding Capital Appreciation Bonds of each series and maturity authenticated by the applicable Bond Registrar shall not exceed the authorized aggregate original principal amount of Capital Appreciation Bonds of such series and maturity less previous retirements and (b) the principal amount of Current Interest Bonds or Variable Rate Bonds of each series and maturity authenticated by the applicable Bond Registrar shall not exceed the authorized principal amount of Current Interest Bonds or Variable Rate Bonds for such series and maturity less previous retirements.

The applicable Bond Registrar shall not be required to transfer or exchange (a) any Capital Appreciation Bond after the close of business on the fifteenth (15th) day of the calendar month next preceding the maturity date for such Bond, (b) any Current Interest Bond during the period beginning at the close of business on the fifteenth (15th) day of the calendar month next preceding any interest payment date

on such Bond and ending on such interest payment date, (c) any Bond after notice calling such Bond for redemption has been mailed, or (d) any Bond during a period of fifteen (15) days next preceding mailing of a notice of redemption of such Bond.

Provisions relating to the transfer or exchange of Variable Rate Bonds of a series shall be as determined by an Authorized Officer at the time of the sale thereof and may be set forth in the trust indenture securing such series of Variable Rate Bonds as authorized in Section 2 hereof.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the Compound Accreted Value of, principal of, redemption premium, if any, or interest on any Bond, as appropriate, shall be made only to or upon the order of the registered owner thereof or its legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the applicable Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except that no such payment may be required in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(b) Book-Entry Only System. If so determined and directed by an Authorized Officer in connection with the sale of any of the Bonds, such Bonds may be issued in book-entry only form. In connection with the issuance of Bonds in book-entry only form, an Authorized Officer is authorized to execute and deliver to the book-entry depository selected by such Authorized Officer such depository's standard form of representation letter. If any of the Bonds are registered in the name of a securities depository which uses a book-entry system, the standing of the beneficial owner to enforce any of the covenants herein may be established through the books and records of such securities depository or a participant therein.

(c) Bonds Lost, Destroyed, Et Cetera. If any Bond, whether in temporary or definitive form, is lost (whether by reason of theft or otherwise), destroyed (whether by mutilation, damage, in whole or in part, or otherwise) or improperly cancelled, the applicable Bond Registrar may authenticate a new Bond of like series, date, maturity date, interest rate (or, in the case of Capital Appreciation Bonds, Yield to Maturity, and in the case of Variable Rate Bonds, method of interest rate determination), denomination and original principal amount (in the case of Capital Appreciation Bonds) or principal amount (in the case of other Bonds) and bearing a number not contemporaneously outstanding; provided that (a) in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the applicable Bond Registrar, and (b) in the case of any lost Bond or Bond destroyed in whole, there shall be first furnished to the applicable Bond Registrar evidence of such loss

or destruction, together with indemnification of the City and such Bond Registrar, satisfactory to such Bond Registrar. If any lost, destroyed or improperly cancelled Bond shall have matured or is about to mature, or has been called for redemption, instead of issuing a duplicate Bond, the applicable Bond Registrar shall pay the same without surrender thereof if there shall be first furnished to such Bond Registrar evidence of such loss, destruction or cancellation, together with indemnity, satisfactory to it. Upon the issuance of any substitute Bond, the applicable Bond Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

(d) Redemption. The Bonds may be made subject to redemption prior to maturity at the option of the City, in whole or in part on any date, at such times and at such redemption prices (to be expressed as a percentage of the principal amount of Current Interest Bonds or Variable Rate Bonds being redeemed and expressed as a percentage of the Compound Accreted Value of Capital Appreciation Bonds to be redeemed) not to exceed one hundred two percent (102%), plus, in the case of Current Interest Bonds and Variable Rate Bonds, accrued interest to the date of redemption, as determined by an Authorized Officer at the time of the sale thereof. If fewer than all of the outstanding Bonds of a series are to be optionally redeemed, the Bonds to be called shall be called from such maturities of such series as may be determined by the City, if less than all of the Bonds of the same series, maturity and interest rate are to be redeemed, then by lot for the Bonds of such series, maturity and interest rate in the manner hereinafter provided. Certain of the Bonds of a series may be made subject to mandatory redemption, at par and accrued interest to the date fixed for redemption, as determined by an Authorized Officer at the time of the sale thereof. Further, an Authorized Officer is hereby authorized to sell (at a price determined by an Authorized Officer to be in the best interests of the City) or waive any right the City may have to call any of the Bonds or Prior Obligations for optional redemption, in whole or in part, and is hereby further authorized to expend the proceeds of any such sales for any purpose for which the proceeds of the Bonds are authorized to be expended, all as determined by an Authorized Officer; provided, however, to the extent that interest on such Bonds or Prior Obligations is excluded from gross income for federal income tax purposes, such expenditures shall not adversely affect such exclusion. If determined to be necessary or appropriate, an Authorized Officer is authorized to solicit the consent of holders of outstanding Bonds or Prior Obligations to any such sale or waiver.

The Current Interest Bonds shall be redeemed only in amounts equal to the respective minimum authorized denominations and integral multiples thereof and the Capital Appreciation Bonds shall be redeemed only in amounts representing the respective minimum authorized Maturity Amounts and integral multiples thereof. In the event of the redemption of fewer than all the Bonds of the same series, maturity and interest rate, the aggregate principal amount or Maturity Amount (as appropriate) thereof to be redeemed shall be the minimum authorized denomination or Maturity Amount (as appropriate) for such series or an integral multiple thereof, and the applicable Bond Registrar shall assign to each Bond of such series, maturity and interest rate a distinctive number for each minimum authorized denomination or Maturity Amount (as appropriate) of such Bond and shall select by

lot from the numbers so assigned as many numbers as, at such minimum authorized denomination or Maturity Amount (as appropriate) for each number, shall equal the principal amount or Maturity Amount (as appropriate) of such Bonds to be redeemed. The Bonds to be redeemed shall be those to which were assigned numbers so selected; provided that only so much of the principal amount or Maturity Amount (as appropriate) of each Bond shall be redeemed as shall equal such minimum authorized denomination or Maturity Amount (as appropriate) for each number assigned to it and so selected. The City shall, at least forty-five (45) days prior to the redemption date (unless a shorter time period shall be satisfactory to the applicable Bond Registrar), notify the applicable Bond Registrar of such redemption date and of the principal amount or Maturity Amount (as appropriate) of Bonds of such series to be redeemed.

In connection with any mandatory redemption of Bonds of a series as authorized above, the principal amounts of Bonds (or the Compound Accreted Value of the Capital Appreciation Bonds) of such series to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds of such series credited against future mandatory redemption requirements in such order of the mandatory redemption dates as an Authorized Officer may determine. In addition, on or prior to the sixtieth (60th) day preceding any mandatory redemption date of Bonds of a series, the applicable Bond Registrar may, and if directed by an Authorized Officer shall, purchase Bonds of such series required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount (or Compound Accreted Value, as appropriate) thereof shall be credited against the payment required on such next mandatory redemption date with respect to such series of Bonds.

The applicable Bond Registrar shall promptly notify the City in writing of the Bonds, or portions thereof, selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount, Compound Accreted Value or Maturity Amount (as appropriate) thereof to be redeemed.

Subject to the limitation on redemption price set forth above, in the case of redemption of any Variable Rate Bonds, the terms of such redemption shall be determined by an Authorized Officer at the time of sale of such Variable Rate Bonds and may be set forth in the trust indenture securing such Variable Rate Bonds as authorized in Section 2 hereof.

SECTION 4. Except as may otherwise be determined as provided below for Variable Rate Bonds, unless waived by any owner of Bonds to be redeemed, notice of the call for any such redemption shall be given by the applicable Bond Registrar on behalf of the City by mailing the redemption notice by first class mail at least thirty (30) days and not more than forty-five (45) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the applicable Bond Register or at such other address as is furnished in writing by such registered owner to such Bond Registrar, but the

failure to mail any such notice or any defect therein as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. Any notice of redemption mailed as provided in this section shall be conclusively presumed to have been given whether or not actually received by the addressee. In the case of redemption of any Variable Rate Bonds of a series, the time and manner of giving such notice shall be determined by an Authorized Officer at the time of sale of such Variable Rate Bonds and may be set forth in the trust indenture securing such Variable Rate Bonds as authorized in Section 2 hereof.

All notices of redemption shall state:

- (1) the series designation of the Bonds to be redeemed,
- (2) the redemption date,
- (3) the redemption price,
- (4) if less than all outstanding Bonds of a series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts, Compound Accreted Values or Maturity Amounts) of the Bonds to be redeemed,
- (5) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue or compound from and after said date,
- (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the applicable Bond Registrar, and
- (7) such other information as shall be deemed necessary by the applicable Bond Registrar at the time such notice is given to comply with law, regulation or industry standard.

With respect to an optional redemption of any series of Bonds, such notice may state that said redemption is conditioned upon the receipt by the applicable Bond Registrar on or prior to the date fixed for redemption of monies sufficient to pay the redemption price of the Bonds of such series. If such monies are not so received, such redemption notice shall be of no force and effect, the City shall not redeem such Bonds and the applicable Bond Registrar shall give notice, in the same manner in which the notice of redemption was given, that such monies were not so received and that such Bonds will not be redeemed. Unless the notice of redemption shall be made conditional as provided above, on or prior to any redemption date for a series of Bonds, the City shall deposit with the applicable Bond Registrar an

amount of money sufficient to pay the redemption price of all the Bonds or portions thereof of such series which are to be redeemed on that date.

Notice of redemption having been given as aforesaid, the Bonds, or portions thereof, so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds, or portions thereof, shall cease to bear, accrue or compound interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the applicable Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption (i) of any Current Interest Bond or Variable Rate Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same series, type (Current Interest Bonds or Variable Rate Bonds), interest rate or, in the case of Variable Rate Bonds, method of interest rate determination, and maturity in the amount of the unpaid principal or (ii) of any Capital Appreciation Bond, there shall be prepared for the registered owner a new Capital Appreciation Bond or Bonds of the same series, Yield to Maturity and maturity date in the amount of the unpaid Maturity Amount.

If any Current Interest Bond or Variable Rate Bond, or portion thereof, called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by such Bond, or portion thereof, so called for redemption. If any Capital Appreciation Bond, or portion thereof, called for redemption shall not be so paid upon surrender thereof for redemption, the Compound Accreted Value at such redemption date shall continue to accrue interest from such redemption date at the Yield to Maturity borne by such Capital Appreciation Bond, or portion thereof, so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the applicable Bond Registrar and shall not be reissued.

If any Bond is not presented for payment when the principal amount, Compound Accreted Value or Maturity Amount thereof becomes due, either at maturity or at a date fixed for redemption thereof or otherwise, and if monies sufficient to pay such Bond are held by the applicable Bond Registrar for the benefit of the registered owner of such Bond, such Bond Registrar shall hold such monies for the benefit of the registered owner of such Bond without liability to the registered owner for interest. The registered owner of such Bond thereafter shall be restricted exclusively to such funds for satisfaction of any claims relating to such Bond.

SECTION 5. The Capital Appreciation Bonds and the Current Interest Bonds of each series shall be prepared in substantially the following forms with such insertions and revisions as shall be necessary to reflect the terms and provisions of the sale of the Bonds of such series pursuant to Section 12 hereof; provided that if the text of any Bond is to be printed in its entirety on the front side of such Bond, then the text shown or appearing on the reverse side of such Bond shall replace paragraph [2] and the legend, "See Reverse Side for Additional Provisions", shall be omitted. The Convertible Bonds shall be prepared incorporating the provisions of

the forms of Capital Appreciation Bonds and Current Interest Bonds set forth below as necessary to reflect the terms and provisions of the sale of the Convertible Bonds pursuant to Section 12 hereof. The Variable Rate Bonds shall be prepared in substantially the form of the Current Interest Bonds set forth below, or as provided in the applicable trust indenture securing such Variable Rate Bonds as authorized in Section 2 hereof, with such insertions and revisions as shall be necessary to reflect the terms and provisions of the sale of the Variable Rate Bonds pursuant to Section 12 hereof.

(Form Of Capital Appreciation Bond -- Front Side)

Registered
Number _____

\$ _____
Compound Accreted
Value at Maturity
("Maturity Amount")

United States Of America

State Of Illinois

City Of Chicago

General Obligation Bond,
Series _____

(Modern Schools Across Chicago Program).

Maturity:	Yield To Maturity:	Original Principal Amount Per \$_,000 Maturity Amount:	Dated Date:	C.U.S.I.P.:
_____	_____	\$ _____	_____	_____

Registered Owner:

[1] The City of Chicago (the "City") hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Maturity Amount identified above. The amount of interest payable on this Bond on the Maturity Date hereof is the amount of interest accrued from the Dated Date hereof at a semiannual compounding rate necessary to produce the Yield to Maturity set forth above, compounded semiannually on each June 1 and December 1, commencing _____ 1, 200 _____. The Maturity Amount of this Bond is payable

in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of _____, Chicago, Illinois, or its successor, as bond registrar and paying agent (the "Bond Registrar"). The Compound Accreted Value of this Bond per \$____,000 Maturity Amount on June 1 and December 1, of each year, commencing _____, 1, 20____, determined by the semiannual compounding described in this paragraph shall be as set forth in the Table of Compound Accreted Value Per \$____,000 of Compound Accreted Value at Maturity on the reverse side hereof.

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the City, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the Maturity Amount hereof at maturity.

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

[5] In Witness Whereof, The City of Chicago by the City Council has caused its corporate seal to be imprinted by facsimile hereon and this Bond to be signed by the duly authorized facsimile signature of the Mayor and attested by the facsimile signature of the City Clerk or the Deputy City Clerk, all as of the Dated Date identified above.

(Facsimile Signature)
Mayor,
City of Chicago

[Seal]

Attest:

(Facsimile Signature)
City of Chicago,
[Deputy] City Clerk

Certificate Of Authentication.

This Bond is one of the Bonds described in the within-mentioned Bond Ordinance and is one of the General Obligation Bonds, Series _____ (Modern Schools Across Chicago Program), of the City of Chicago.

_____,
as bond registrar

By: _____ (Manual Signature)
Authorized Officer

(Form Of Capital Appreciation Bond -- Reverse Side)

City Of Chicago

General Obligation Bond,
Series _____
(Modern Schools Across Chicago Program)

[6] For the prompt payment of the Maturity Amount of this Bond as the same becomes due, and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

[7] This Bond is one of a series of Bonds aggregating the original principal amount of \$_____ issued pursuant to the constitutional home rule powers of the City and the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, et seq.) (the "Act"), and all laws amendatory of the Act, for the purposes of (i) refunding certain outstanding notes of the City, (ii) paying costs of the Projects described in the hereinafter-defined Bond Ordinance, and (iii) paying expenses incidental to the issuance of the Bonds, and was authorized by an ordinance adopted by the City Council of the City on _____, 200_ (the "Bond Ordinance").

[8] The Bonds maturing on or after December 1, _____, are redeemable prior to maturity at the option of the City, in whole or in part on any date on or after _____ 1, ____ and if less than all of the outstanding Bonds are to be redeemed, the Bonds to be called shall be called from such maturities as shall be determined by the City, and if less than all of the Bonds of the same maturity and Yield to

Maturity are to be redeemed, then by lot for the Bonds of the same maturity and Yield to Maturity in the manner hereinafter provided, the Bonds to be redeemed at the redemption prices (being expressed as a percentage of the Compound Accreted Value of the Bonds to be redeemed) set forth below:

Dates Of Redemption

Redemption Price

[9] In the event of the redemption of less than all the Bonds of like maturity and Yield to Maturity, the aggregate Maturity Amount thereof to be redeemed shall be \$____,000 or an integral multiple thereof, and the Bond Registrar shall assign to each Bond of such maturity and Yield to Maturity a distinctive number for each \$____,000 Maturity Amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$____,000 for each number, shall equal the Maturity Amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided that only so much of the Maturity Amount of each Bond shall be redeemed as shall equal \$____ 000 for each number assigned to it and so selected.

[10] Notice of any such redemption shall be sent by first class mail not fewer than thirty (30) days nor more than forty-five (45) days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar; provided that the failure to mail any such notice or any defect therein as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. When so called for redemption, this Bond shall cease to accrue interest on the specified redemption date; provided that funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

[11] This Bond is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations, of the same maturity and Yield to Maturity and for the same aggregate Original Principal Amount will be issued to the transferee in exchange therefor. The Bond Registrar shall not be required to transfer or exchange this Bond (A) during the period beginning at the close of business on the fifteenth (15th) day of the calendar month next preceding the Maturity Date for this Bond, (B) after notice calling this Bond for redemption has been mailed, or (C) during a period of fifteen (15) days next preceding mailing of a notice of redemption of this Bond.

[12] The Bonds are issued in fully registered form in Original Principal Amounts representing \$_,000 Maturity Amount or any integral multiple thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate Original Principal Amount of Bonds of the same series and maturity, upon the terms set forth in the Bond Ordinance.

[13] The City and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of the Maturity Amount hereof and redemption premium, if any, hereon and for all other purposes and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

* * * * *

Table Of Compound Accreted Value
Per \$_,000 Of Compound Accreted Value At Maturity.

* * * * *

(Assignment)

For Value Received, the undersigned sells, assigns and transfers unto _____

(Name And Address Of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

12/13/2006

COMMUNICATIONS, ETC.

93825

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

(Form Of Current Interest Bond -- Front Side)

Registered
Number_____

Registered
\$_____

United States Of America

State Of Illinois

City Of Chicago

General Obligation Bond

Series_____

(Modern Schools Across Chicago Program)

Interest Rate:	Maturity Date:	Dated Date:	C.U.S.I.P.:
_____ %	December 1, 20_	_____, 20_	_____

Registered Owner: _____

Principal Amount: _____

[1] The City of Chicago (the "City") hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months) on such Principal Amount from the later of the date of this Bond or the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on June 1 and December 1 of each year commencing _____ 1, 200_, until said Principal Amount is paid. Principal of this Bond and redemption premium, if any, shall be payable in lawful money of the United States of America upon presentation and surrender at the principal corporate trust office of _____, Chicago, Illinois, as bond registrar and paying agent (the "Bond Registrar"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on

the registration books of the City maintained by the Bond Registrar at the close of business on the fifteenth (15th) day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar or, at the option of any Registered Owner of One Million Dollars (\$1,000,000) or more in aggregate principal amount of the Bonds, by wire transfer of immediately available funds to such bank in the continental United States of America as the Registered Owner hereof shall request in writing to the Bond Registrar.

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the City, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

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

[5] In Witness Whereof, The City of Chicago by the City Council has caused its corporate seal to be imprinted by facsimile hereon and this Bond to be signed by the duly authorized facsimile signature of the Mayor and attested by the facsimile signature of the City Clerk or the Deputy City Clerk, all as of the Dated Date identified above.

(Facsimile Signature)

Mayor,
City of Chicago

[Seal]

Attest:

(Facsimile Signature)

City of Chicago,
[Deputy] City Clerk

Date of Authentication: _____, ____

Certificate Of Authentication.

This Bond is one of the Bonds described in the within-mentioned Bond Ordinance and is one of the General Obligation Bonds, Series _____ (Modern Schools Across Chicago Program), of the City of Chicago.

as bond registrar

By: _____ (Manual Signature)
Authorized Officer

(Form Of Current Interest Bond -- Reverse Side)

City Of Chicago

General Obligation Bond,
Series _____
(Modern Schools Across Chicago Program).

[6] For the prompt payment of this Bond, both principal and interest, as aforesaid, as the same become due, and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

[7] This Bond is one of a series of Bonds aggregating the principal amount of \$_____ issued pursuant to the constitutional home rule powers of the City and the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, et seq.) (the "Act"), and all laws amendatory of the Act, for the purposes of (i) refunding certain outstanding notes of the City, (ii) paying costs of the Projects described in the hereinafter-defined Bond Ordinance, and (iii) paying expenses incidental to the issuance of the Bonds, and was authorized by an ordinance adopted by the City Council of the City on _____, 200_ (the "Bond Ordinance").

[8] The Bonds maturing on or after December 1, _____, are redeemable prior to maturity at the option of the City, in whole or in part on any date on or after _____ 1, _____, and if less than all of the outstanding Bonds are to be redeemed, the Bonds to be called shall be called from such maturities as shall be determined by the City and if less than all of the Bonds of the same maturity and

interest rate are to be redeemed, then by lot for the Bonds of such maturity and interest rate in the manner hereinafter provided, the Bonds to be redeemed at the redemption prices (being expressed as a percentage of the principal amount) set forth below, plus accrued interest to the date of redemption:

Dates Of Redemption

Redemption Price

[9] The Bonds maturing on December 1, ____, are subject to mandatory redemption prior to maturity on December 1 of the years ____ to ____, inclusive, and the Bonds maturing on December 1, ____, are subject to mandatory redemption prior to maturity on December 1 of the years ____ to ____, inclusive, in each case at par and accrued interest to the date fixed for redemption.

[10] In the event of the redemption of less than all the Bonds of like maturity and interest rate, the aggregate principal amount thereof to be redeemed shall be \$__,000 or an integral multiple thereof, and the Bond Registrar shall assign to each Bond of such maturity and interest rate a distinctive number for each \$__,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$__,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal \$__,000 for each number assigned to it and so selected.

[11] Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than forty (45) days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar; provided that the failure to mail any such notice or any defect therein as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. When so called for redemption, this Bond shall cease to bear interest on the specified redemption date, provided that funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

[12] This Bond is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations, of the same interest rate, series and maturity and for the

same aggregate principal amount will be issued to the transferee in exchange therefor. The Bond Registrar shall not be required to transfer or exchange this Bond (A) during the period beginning at the close of business on the fifteenth (15th) day of the calendar month next preceding any interest payment date for this Bond and ending on such interest payment date, (B) after notice calling this Bond for redemption has been mailed, or (C) during a period of fifteen (15) days next preceding mailing of a notice of redemption of this Bond.

[13] The Bonds are issued in fully registered form in the denomination of \$____,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same interest rate, series and maturity of other authorized denominations, upon the terms set forth in the Bond Ordinance.

[14] The City and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and redemption premium, if any, and for all other purposes and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

(Assignment)

For Value Received, The undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed: _____

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

SECTION 6. Each Bond shall be a direct and general obligation of the City for the payment of which (as to Compound Accreted Value, principal, interest and redemption premium, if any, as appropriate) the City pledges its full faith and credit. Each Bond shall be payable (as to Compound Accreted Value, principal, interest and redemption premium, if any, as appropriate) from any monies, revenues, receipts, income, assets or funds of the City legally available for such purpose, including but not limited to the proceeds of the Pledged Taxes (as defined in Section 7 hereof).

SECTION 7. For the purpose of providing the funds required to pay as the same become due (i) the principal of and interest on the Bonds (including the Compound Accreted Value of any Capital Appreciation Bonds), (ii) such amounts as may be payable from the direct annual tax described below under agreements authorized by Section 14 hereof, and (iii) amounts payable to providers of Credit Facilities as described in Section 12 hereof, there is hereby levied and there shall be collected a direct annual tax upon all taxable property in the City for the years and in the amounts as follows:

Year	Amount	Year	Amount
2006	\$100,000,000	2020	\$100,000,000
2007	100,000,000	2021	100,000,000
2008	100,000,000	2022	100,000,000
2009	100,000,000	2023	100,000,000
2010	100,000,000	2024	100,000,000
2011	100,000,000	2025	100,000,000
2012	100,000,000	2026	100,000,000
2013	100,000,000	2027	100,000,000
2014	100,000,000	2028	100,000,000
2015	100,000,000	2029	100,000,000
2016	100,000,000	2030	100,000,000
2017	100,000,000	2031	100,000,000
2018	100,000,000	2032	100,000,000
2019	100,000,000	2033	100,000,000

; provided that collections of such levy for any year in an amount in excess of that necessary to make the payments described in clauses (i), (ii) and (iii) above (a) may be used for any lawful public purpose designated by the City Council or (b) may be reduced and abated by an Authorized Officer if such reduction is deemed desirable by such Authorized Officer in connection with the sale or sales of the Bonds or otherwise, in each case as determined from time to time by an Authorized Officer as provided in Section 12 hereof.

The tax levy made in this Section is not subject to the "Aggregate Levy" limitation contained in the Chicago Property Tax Limitation Ordinance contained in Chapter 3-92 of the Municipal Code of Chicago (the "Municipal Code"), and Section 3-92-020 of the Municipal Code is hereby superceded to exclude the tax levy herein from the definition of "Aggregate Levy" contained therein.

The term "Pledged Taxes" means the taxes hereinabove levied for collection for the purpose of providing the funds required to pay principal of and interest on the Bonds and the term "Pledged Taxes" shall also include any amounts derived from the taxes hereinabove levied and deposited into the hereinafter defined Bond Fund or deposited with the Ad Valorem Tax Escrow Agent (as hereinafter defined) by an Authorized Officer for the purpose of paying principal of and interest on the Bonds and any accrued interest received and deposited in the Bond Fund or the Ad Valorem Tax Escrow Account, if established pursuant to Section 9 hereof.

As provided in Section 12 or otherwise, the City reserves the right to abate all or a portion of the Pledged Taxes required to be levied in any year if and to the extent on or before March 31 of the next succeeding calendar year (or such earlier date as may be required by law), the City has on hand amounts dedicated to the payments described in clauses (i), (ii) and (iii) of the first paragraph of this Section 7 due during the one year period commencing on January 1 of such succeeding calendar year.

SECTION 8. The City shall appropriate, or otherwise provide, amounts sufficient to pay principal of and interest on the Bonds (including the Compound Accreted Value of any Capital Appreciation Bonds) and amounts payable under agreements authorized under Section 12 and Section 14 hereof to the payment of which the City has pledged its full faith and credit for the years such amounts are due, and the City hereby covenants to take timely action as required by law to carry out the provisions of this section, but, if for any such year it fails to do so when otherwise required, this ordinance shall constitute a continuing appropriation ordinance of such amounts without any further action on the part of the City Council.

SECTION 9. An Authorized Officer is authorized to establish with the Bond Registrar a Bond Fund to be held by the Bond Registrar pursuant to a depository agreement between the City and the Bond Registrar. In addition, an Authorized Officer is authorized to establish one or more special accounts, if determined to be necessary in connection with the sale of any of the Bonds, separate and segregated

from all other funds and accounts of the City, which shall be maintained with a bank or trust company to be designated by an Authorized Officer (each an "Ad Valorem Tax Escrow Account") pursuant to an escrow agreement (each an "Ad Valorem Tax Escrow Agreement"), between the City and the applicable Escrow Agent named therein (each an "Ad Valorem Tax Escrow Agent"), and one or more of the Mayor or an Authorized Officer are hereby authorized to execute and deliver one or more Ad Valorem Tax Escrow Agreements in connection with the sale of the Bonds in such form as the officers so executing such agreement may deem appropriate in accordance with the provisions of this ordinance.

In lieu of the proceeds of such taxes being deposited with the City Treasurer, any such Ad Valorem Tax Escrow Agreement may authorize the County Collectors of Cook and DuPage Counties to deposit the proceeds of such taxes directly into the applicable Ad Valorem Tax Escrow Account, if such Account has been created.

SECTION 10. If the Pledged Taxes to be applied to the payment of the Bonds are not available in time to make any payments of principal of or interest on the Bonds when due, then the appropriate fiscal officers of the City are hereby directed to make such payments from any other monies, revenues, receipts, income, assets or funds of the City that are legally available for that purpose in advancement of the collection of such Pledged Taxes, and when the proceeds thereof are received, such other funds shall be replenished, all to the end that the credit of the City may be preserved by the prompt payment of the principal of and interest on the Bonds as the same become due.

SECTION 11. A copy of this ordinance, duly certified by the City Clerk or the Deputy City Clerk, shall be filed in the respective offices of the County Clerks of Cook and DuPage Counties, Illinois (the "County Clerks"), and such filing shall constitute the authority for and it shall be the duty of said County Clerks, in each year beginning in 2007, to and including 2034, to extend the taxes levied pursuant to Section 7 hereof for collection in such year, such taxes to be in addition to and in excess of all other taxes heretofore or hereafter authorized to be levied by the City on its behalf.

A copy of this ordinance, duly certified by the City Clerk or the Deputy City Clerk, shall also be filed with each applicable Ad Valorem Tax Escrow Agent, if any, each applicable Bond Registrar, and if the County Collectors of Cook and DuPage Counties are authorized to deposit the proceeds of the taxes levied pursuant to Section 7 hereof directly with an Ad Valorem Tax Escrow Agent pursuant to Section 9 hereof, with such County Collectors.

SECTION 12. An Authorized Officer is hereby authorized to sell all or any portion of the Bonds, from time to time to or at the direction of an underwriter or group of underwriters to be selected by an Authorized Officer (the "Underwriters"), with the concurrence of the Chairman of the Committee on Finance of the City Council, on such terms as such Authorized Officer may deem to be in the best interests of the City within the limitations set forth in this ordinance.

The principal amount of and the interest on the Bonds (including the Compound Accreted Value of any Capital Appreciation Bonds and based on reasonable estimates of the interest to be paid on Variable Rate Bonds) sold of each series and maturity in the aggregate (after taking into account mandatory redemptions) shall not exceed the amount levied therefor as specified in Section 7 hereof. The Bonds may be sold from time to time as an Authorized Officer shall determine that the proceeds of such sales are needed.

Subsequent to the sale of any series of Bonds, an Authorized Officer shall file in the office of the City Clerk a notification of sale directed to the City Council setting forth (i) the series designation, the aggregate principal amount and authorized denominations of, maturity schedule and redemption provisions for the Bonds sold; (ii) the principal amounts of the Bonds sold as Current Interest Bonds, Capital Appreciation Bonds, Convertible Bonds and Variable Rate Bonds, respectively; (iii) in the case of Bonds sold as Capital Appreciation Bonds, (A) the Original Principal Amounts of and Yields to Maturity on the Capital Appreciation Bonds being sold and (B) a table of Compound Accreted Values per minimum authorized Compound Accreted Value at maturity for any Capital Appreciation Bonds being sold, setting forth the Compound Accreted Value of each such Capital Appreciation Bond on each semiannual compounding date; (iv) the interest rates on the Current Interest Bonds sold or, in the case of variable Rate Bonds, a description of the method of determining the interest rate applicable to such Variable Rate Bonds from time to time; (v) the specific maturities, series and amounts of the Prior Obligations to be refunded with proceeds of the Bonds; (vi) the date on and price at which the Prior Obligations shall be redeemed (if such redemption shall occur prior to stated maturity or pursuant to mandatory sinking fund redemption); (vii) the identity of the insurer or insurers issuing the insurance policy or policies, if any, referred to below, and the identity of the provider or providers of one or more Credit Facilities, as hereinafter defined, if any, for such Bonds; (viii) the identity of the Underwriters selected for such Bonds; (ix) the identity of the applicable Bond Registrar and any trustee or trustees selected by an Authorized Officer for such Bonds; (x) the identity of any remarketing agent retained in connection with the issuance of Variable Rate Bonds, if any; (xi) the compensation paid to the Underwriters in connection with such sale; and (xii) any other matter authorized by this ordinance to be determined by an Authorized Officer at the time of the sale of the Bonds of each series.

There shall also be filed with the City Clerk by an Authorized Officer prior to the issuance of each series of Bonds a Debt Service Payment Schedule setting forth for such series of Bonds (i) the scheduled payments of principal of and interest (or projected interest in the case of Variable Rate Bonds) on such series of Bonds, (ii) the Redevelopment Project Area (and any contiguous redevelopment project areas) that are expected to provide Incremental Taxes for the payment of principal of and interest on such series of Bonds (which may include qualified contiguous redevelopment project areas not yet established as of the date of this ordinance), and (iii) the amount of Incremental Taxes from each Redevelopment Project Area expected to provide for the payment of principal of and interest on such series of

Bonds (which amounts may (x) exceed or be less than the estimated maximum amounts set forth in Exhibit B under the columns entitled "Estimated Maximum Annual Debt Service (Home T.I.F.)" and "Estimated Maximum Annual Debt Service (Contiguous T.I.F.)", and (y) be reallocated among the applicable Redevelopment Project Areas described on Exhibit B relating to a specific school facility). Following the issuance of each series of Bonds and prior to their payment in full, the Debt Service Payment Schedule with respect to each series of Bonds shall be revised and filed with the City Clerk if and to the extent there is a change in the expected sources of funds to be used to pay principal of and interest on such series of Bonds (which may include funds transferred from contiguous redevelopment project areas pursuant to redevelopment plans authorized by this City Council after the date of this ordinance) and such change is expected to exceed the amounts set forth in the Debt Service Schedule filed with the City Clerk upon initial issuance or as such schedule may be revised from time to time as herein authorized. No such revision shall be made unless an Authorized Officer and the Commissioner of the Department of Planning and Development determine that such revision is in the best interest of the City. Any modification which has the effect of preserving the abatement of Ad Valorem Taxes is deemed to be in the best interest of the City. The City Council does hereby authorize the use and expenditure of Incremental Taxes from the sources and for the purposes set forth in this paragraph, as permitted by the Act and the redevelopment plans for such Redevelopment Project Areas (including such contiguous redevelopment project areas). The City Council does hereby also authorize the use of Incremental Taxes (a) to pay costs of administration and servicing the Bonds and the transactions contemplated by this ordinance, and (b) to pay or reimburse Redevelopment Project Costs (as defined in the Act) relating to the Modern Schools Across Chicago Program incurred by third parties such as the Board or other governmental entity, all as determined by an Authorized Officer.

An Authorized Officer is hereby authorized and directed to cause all necessary notices of redemption of the Prior Obligations selected for refunding as provided above in accordance with the terms of the respective ordinances authorizing the Prior Obligations.

The Mayor or an Authorized Officer is hereby authorized to execute and deliver a contract of purchase with respect to each sale of the Bonds to, or at the direction of, the Underwriters in substantially the form previously used for similar general obligation bonds of the City with appropriate revisions to reflect the terms and provisions of the Bonds and such other revisions in text as such Authorized Officer shall determine are necessary or desirable in connection with the sale of the Bonds. The compensation paid to the Underwriters in connection with any sale of Bonds shall not exceed three percent (3%) of the principal amount of the Bonds being sold. Nothing contained in this ordinance shall limit the sale of the Bonds or any maturity or maturities thereof at a price or prices in excess of the principal amount thereof.

In connection with any sale of the Bonds, an Authorized Officer is hereby authorized to obtain one or more policies of bond insurance from recognized bond insurers selected by such Authorized Officer, if such Authorized Officer determines such bond insurance to be desirable in connection with such sale of the Bonds. An Authorized Officer may, on behalf of the City, make covenants with such bond insurer that are not inconsistent with the provisions of this ordinance and are necessary to carry out the purposes of this ordinance.

In connection with any sale of the Bonds, the Mayor or an Authorized Officer is hereby authorized to obtain one or more letters of credit, lines of credit, standby bond purchase agreements, or similar credit or liquidity facilities (a "Credit Facility") with one or more financial institutions. The Mayor or an Authorized Officer is hereby authorized to enter into a reimbursement agreement and/or standby bond purchase agreement and to execute and issue a promissory note in connection with the provisions of each Credit Facility. Any Credit Facility, reimbursement agreement or standby bond purchase agreement shall be in substantially the form of the credit facilities, reimbursement agreements and standby bond purchase agreements previously entered into by the City in connection with the sale of general obligation bonds or notes, but with such revisions in text as the Mayor or Authorized Officer executing the same shall determine are necessary or desirable, the execution thereof by the Mayor or such Authorized Officer to evidence the City Council's approval of all such revisions. The annual fee paid to any financial institution that provides a Credit Facility with respect to all or a portion of a series of the Bonds shall not exceed one-half of one percent (.50%) of the average principal amount of such Bonds outstanding during such annual period. The final form of any reimbursement agreement and/or standby bond purchase agreement entered into by the City with respect to the Bonds shall be attached to the notification of sale filed in the office of the City Clerk pursuant to this section. Each such promissory note shall be a general obligation of the City for the payment of which, both principal and interest, the City pledges its full faith, credit and resources. Each promissory note shall bear interest at a rate not exceeding fifteen percent (15%) per annum and shall mature not later than the final maturity date of the related Bonds secured by such reimbursement agreement or standby bond purchase agreement. The Mayor or an Authorized Officer is hereby authorized to execute and deliver any such reimbursement agreement or standby bond purchase agreement, under the seal of the City affixed and attested by the City Clerk or the Deputy City Clerk.

In the event that Bonds are sold in any year so as to require the levy of taxes in such year for the purpose of making the payments described in clauses (i), (ii) and (iii) of the first paragraph of Section 7 hereof with respect to such Bonds and Bonds sold in prior years (after taking into account mandatory redemptions) in an amount less than the amount specified therefor in the first paragraph of Section 7 hereof after all series of Bonds are sold for such year, then an Authorized Officer shall, on or prior to December 31 of such year, notify the City Council of the determination made pursuant to clauses (a) and (b) of the first paragraph of Section 7 hereof

regarding the application of any excess levy collections resulting from such sale or sales with lesser maturities (after taking into account mandatory redemptions) or at a lower rate or rates of interest, and, in addition, in connection with a determination made pursuant to clause (b) of the first paragraph of Section 7 hereof, an Authorized Officer shall file in the respective offices of the County Clerks certificates of tax abatement for the year. In the event that upon the final sale of the Bonds of all series for such year, such Bonds have been sold so as to require the levy of taxes in that year or any succeeding year for the purpose of making the payments described in clauses (i), (ii) and (iii) of the first paragraph of Section 7 hereof with respect to such Bonds and Bonds sold in prior years (after taking into account mandatory redemptions) in an amount less than the amount specified therefor in Section 7 hereof, then there shall be included, in the final notification of sale to the City Council described in the third (3rd) paragraph of this Section 12, the determination made pursuant to clauses (a) and (b) of the first paragraph of Section 7 hereof regarding the application of any excess levy collections for that year and any succeeding year resulting from such sale or sales with lesser maturities (after taking into account mandatory redemptions) or at a lower rate or rates of interest, and, in addition, in connection with a determination made pursuant to clause (b) of the first paragraph of Section 7 hereof, an Authorized Officer shall file in the respective offices of the County Clerks certificates of tax abatement for such year or years. If any of the Bonds are not to be sold and issued as provided herein as determined by an Authorized Officer, the corresponding taxes herein levied to pay debt service thereon shall be abated in full. Any certificate of abatement delivered pursuant to this paragraph shall refer to the amount of taxes levied pursuant to Section 7 hereof, shall indicate the amount of reduction in the amount of taxes levied by the City resulting from the sale or sales of the Bonds in such year or the non-issuance thereof, which reduced amount is to be abated from such taxes, and shall further indicate the remainder of such taxes which is to be extended for collection by said County Clerks.

In addition to the abatement contemplated in the immediately preceding paragraphs, if and to the extent prior to the deadline for the timely annual abatement of Ad Valorem Taxes, the City Treasurer shall transfer Incremental Taxes to the Bond Registrar (as depository) in amounts sufficient to make the payments described in (i), (ii) and (iii) of the first paragraph of Section 7 with respect to a series of Bonds due during the one year period commencing on January 1 of such succeeding calendar year, with specific directions to apply such monies for such purposes, an Authorized Officer shall direct the abatement of Ad Valorem Taxes to the extent but not in excess) of the amount so transferred and a certificate of abatement as described above shall be filed in the respective offices of the County Clerks. Amounts so transferred to the Bond Registrar are hereby pledged to the payment of the applicable series of Bonds, and shall be used for no other purpose. Such funds shall be free of any pledge, lien or other encumbrance at the time of transfer to the Bond Registrar.

The preparation, use and distribution of a preliminary official statement, an official statement or any other disclosure document relating to each sale and issuance of the Bonds are hereby ratified and approved. The Mayor and an Authorized Officer are each hereby authorized to execute and deliver an official statement or other disclosure document relating to each sale and issuance of the Bonds on behalf of the City. The preliminary official statement, official statement and other disclosure documents herein authorized shall be in substantially the forms previously used for general obligation bonds of the City, or shall contain disclosure information substantially similar to that presented in such forms, and shall reflect the terms and provisions of the Bonds, and describe accurately the current financial condition of the City and the parties to the financing.

In connection with any sale of the Bonds, an Authorized Officer is hereby authorized to execute and deliver one or more Continuing Disclosure Undertakings (each a "Continuing Disclosure Undertaking") evidencing the City's agreement to comply with the requirements of Section (b)(5) of Rule 15c2-12, adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, in a form approved by the Corporation Counsel. Upon its execution and delivery on behalf of the City as herein provided, each Continuing Disclosure Undertaking will be binding on the City, and the officers, employees and agents of the City are hereby authorized to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of each Continuing Disclosure Undertaking as executed. An Authorized Officer is hereby further authorized to amend each Continuing Disclosure Undertaking in accordance with its respective terms from time to time following its execution and delivery as said officer shall deem necessary. In addition, an Authorized Officer is authorized to make all future filings with each Nationally Recognized Municipal Securities Information Repository with respect to any debt obligations of the City, all in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934. Notwithstanding any other provision of this ordinance, the sole remedies for any failure by the City to comply with any Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any applicable Bond to seek mandamus or specific performance by court order to cause the City to comply with its obligations under such Continuing Disclosure Undertaking.

The Bonds shall be duly prepared and executed in the form and manner provided herein and delivered to the purchasers in accordance with the applicable terms of sale.

The form of Intergovernmental Agreement between the City and the Board (the "Intergovernmental Agreement") attached hereto as Exhibit D is hereby approved and the Mayor or an Authorized Officer (or a designee thereof) are each hereby authorized to execute and deliver the Intergovernmental Agreement on behalf of the City with respect to the Phase 1 (or any portion thereof), such Intergovernmental Agreement to be in substantially the form attached hereto and made a part hereof

and hereby approved with such changes therein as shall be approved by the Mayor or an Authorized Officer (or a designee thereof) executing the same, with such execution to constitute conclusive evidence of such officer's approval and this City Council's approval of any changes or revisions therein from the form of Intergovernmental Agreement attached hereto. The Mayor or an Authorized Officer (or a designee thereof) are each further authorized to execute and deliver an Intergovernmental Agreement with respect to Phase 2 and Phase 3 (or any portion thereof) on behalf of the City, such Intergovernmental Agreement to be in substantially the form attached hereto and made a part hereof and hereby approved with such changes therein as shall be approved by the Mayor or an Authorized Officer (or a designee thereof) executing the same, with such execution to constitute conclusive evidence of such officer's approval and this City Council's approval of any changes or revisions therein from the form of Intergovernmental Agreement attached hereto.

The Mayor, an Authorized Officer, the City Treasurer, 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 Bonds and the other documents and agreements authorized hereunder, and 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 13. The proceeds from the sale of any series of the Bonds shall be used as follows:

(a) The sum representing the accrued interest received, if any, shall be used to pay the first interest becoming due on the Bonds sold, and to that end, shall be deposited in the applicable Bond Fund or the applicable Ad Valorem Tax Escrow Account, if established.

(b) From the sale proceeds derived from any such sale of the Bonds, (i) such sum as may be determined by an Authorized Officer to be necessary to pay not more than three (3) years of interest on the Bonds issued to pay costs of the Projects may be used to pay such interest, and to that end, may be deposited in the applicable Bond Fund or the applicable Ad Valorem Tax Escrow Account, if established; (ii) the sum determined by an Authorized Officer to be necessary to pay the costs of the Projects shall be set aside, held and invested at the direction of an Authorized Officer, and shall be deposited into one or more "Project Funds" to be held by the Bond Registrar as Depository pursuant to the terms of a depository agreement (a "Depository Agreement"), and the Mayor, an Authorized Officer, the City Clerk and the Deputy City Clerk, or any of them are hereby authorized to execute and deliver a Depository Agreement in such form as the officer so executing shall deem appropriate; and (iii) the sum determined by an

Authorized Officer to be sufficient to pay the Prior Obligations being refunded at or prior to their respective maturities, at a price of par, the applicable redemption premium and accrued interest thereon up to and including said redemption or maturity dates shall be deposited into one or more "Escrow Accounts" to be held by one or more banks or trust companies to be designated by an Authorized Officer, each pursuant to the terms of an escrow agreement (each a "Refunding Escrow Agreement"), and the Mayor, an Authorized Officer, the City Clerk and the Deputy City Clerk, or any of them, are hereby authorized to execute and deliver each Refunding Escrow Agreement in such form as the officer so executing shall deem appropriate to effect the refunding or refundings described in this paragraph. Notwithstanding any provision of the Municipal Code, investments acquired with proceeds of the Bonds or investment income thereon may mature beyond two (2) years from the date of acquisition, and may include agreements entered into between the City and providers of securities under which agreements providers agree to purchase from or sell to the City specified securities on specific dates at predetermined prices, all as established at the time of execution of any such agreement and as set forth in such agreement.

(c) From the sale proceeds of the Bonds not applied as provided in paragraphs (a) and (b), above, the amount deemed necessary by an Authorized Officer shall be applied to the payment of the costs of issuance of the Bonds and other costs incident to the issuance of the Bonds and the refunding of the Prior Obligations, including the premium or fee for bond insurance or other credit or liquidity enhancement, if any, and any unexpended portion of the sale proceeds shall be paid to the City to be applied to pay Redevelopment Project Costs in accordance with the Act and this ordinance.

If and to the extent that the estimated costs of any Project differs from those utilized to determine the size of the related series of Bonds resulting in excess proceeds, such excess may be applied as determined by an Authorized Officer to fund alternate expenses as are authorized by the Act and the applicable redevelopment plan for the related Redevelopment Project Area. In no event shall any excess proceeds of a series of Bonds be applied to pay a cost or expenses related to any Redevelopment Project Area other than the one initially associated therewith.

An Authorized Officer shall report to the City Council with respect to the expenditure of the proceeds of each series of the Bonds issued hereunder to pay the costs of the Projects (or such alternate uses to the extent of any excess proceeds). Such reports shall be made no later than August 1 of each year, commencing August 1, 2007, with respect to expenditures made during the preceding calendar year. No report shall be required hereunder following any calendar year in which no proceeds of any series of the Bonds are expended to pay costs of the Projects (or alternate uses).

SECTION 14. The Mayor or an Authorized Officer is hereby authorized to execute and deliver from time to time one or more agreements, or options to enter into such agreements, with counterparties selected by an Authorized Officer, the purpose of which is to provide to the City (i) an interest rate basis, cash flow basis, or other basis different from that provided in the Bonds for the payment of interest or (ii) with respect to a future delivery of Bonds, one or more of a guaranteed interest rate, interest rate basis, cash flow basis, or purchase price. Such agreements or contracts include without limitation agreements or contracts commonly known as interest rate exchange, collar, cap, or derivative agreements, forward payment conversion agreements, interest rate locks, forward bond purchase agreements, bond warrant agreements, or bond purchase option agreements and also include agreements or contracts providing for payments based on levels of or changes in interest rates, including a change in an interest rate index, to exchange cash flows or a series of payments, or to hedge payment, rate spread, or similar exposure. The stated aggregate notional amount (net of offsetting transactions) under all such agreements authorized hereunder shall not exceed the principal amount of the Bonds to which such agreements relate. For purposes of the immediately preceding sentence, "offsetting transactions" shall include any transaction which is intended to hedge, modify or otherwise affect another outstanding transaction or its economic results. The offsetting transaction need not be based on the same index or rate option as the related Bonds or the transaction being offset and need not be with the same counterparty as the transaction being offset. Examples of offsetting transactions include, without limitation, a floating-to-fixed rate interest rate swap being offset by a fixed-to-floating rate interest rate swap, and a fixed-to-floating rate interest rate swap being offset by a floating-to-fixed rate interest rate swap or an interest rate cap or floor or a floating-to-floating interest rate swap. Any such agreement to the extent practicable shall be in substantially the form of either the Local Currency -- Single Jurisdiction version or the Multicurrency -- Cross Border version of the 1992 I.S.D.A. Master Agreement accompanied by the United States Municipal Counterparty Schedule published by the International Swaps and Derivatives Association, Inc. (the "I.S.D.A.") or any successor form to either published by the I.S.D.A., and in the appropriate confirmations of transactions governed by that agreement, with such insertions, completions and modifications thereof as shall be approved by the officer of the City executing the same, his or her execution to constitute conclusive evidence of this City Council's approval of such insertions, completions and modifications thereof. Should the I.S.D.A. form not be the appropriate form to accomplish the objectives of the City under this Section 14, then such other agreement as may be appropriate is hereby approved, the execution by the Mayor or an Authorized Officer being conclusive evidence of this City Council's approval of such insertions, completions and modifications thereof. Amounts payable by the City under any such agreement described in this Section 14 shall (i) constitute a general obligation of the City for which is pledged its full faith and credit, (ii) be payable from the tax levy and to the extent described in Section 7 hereof, (iii) constitute operating expenses of the City payable from any monies, revenues, income, assets or funds of the City available for such purpose, or (iv) constitute any combination of (i), (ii), and (iii), all as shall be determined by

an Authorized Officer. Nothing contained in this Section 14 shall limit or restrict the authority of the Mayor or an Authorized Officer to enter into similar agreements pursuant to prior or subsequent authorization of the City Council.

Any amounts received by the City pursuant to any agreement or option described in this Section 14 are hereby authorized to be expended for any purpose for which the proceeds of the applicable series of Bonds are authorized to be expended in accordance with the Act, all as determined by an Authorized Officer.

SECTION 15. The City covenants that it will take no action in the investment of the proceeds of the Bonds (other than Bonds issued as bonds the interest on which is includible in the gross income of the owner thereof for federal income tax purposes) which would result in making the interest payable on any of such Bonds subject to federal income taxes by reason of such Bonds being classified as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as heretofore or hereafter amended (the "Code").

The City further covenants that it will act with respect to the proceeds of Bonds (other than Bonds issued as bonds the interest on which is includible in the gross income of the owner thereof for federal income tax purposes), the earnings on the proceeds of such Bonds and any other monies on deposit in any fund or account maintained in respect of such Bonds, including, if necessary, a rebate of such earnings to the United States of America, in a manner which would cause the interest on such Bonds to continue to be exempt from federal income taxation under Section 103(a) of the Code, or any successor Internal Revenue Code of the United States of America. An Authorized Officer is hereby authorized to execute such agreements as shall be necessary, in the opinion of nationally recognized bond counsel, to evidence the City's compliance with the covenants contained in this paragraph.

SECTION 16. This ordinance is prepared in accordance with the powers of the City as a home rule unit under Article VII of the 1970 Illinois Constitution and as provided in the Act. The appropriate officers of the City are hereby authorized to take such actions and do such things as shall be necessary to perform, carry out, give effect to and consummate the transactions contemplated by this ordinance and the Bonds, including, but not limited to, the exercise following the delivery date of any of the Bonds of any power or authority delegated to such official of the City under this ordinance with respect to the Bonds upon the initial issuance thereof, but subject to any limitations on or restrictions of such power or authority as herein set forth.

SECTION 17. The Mayor and an Authorized Officer may each designate another to act as their respective proxy and, as applicable, to affix their respective signatures to the Bonds whether in temporary or definitive form, and any other instrument, certificate or document required to be signed by the Mayor or such Authorized Officer pursuant to this ordinance and any instrument, certificate or

document required thereby. In such case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor and such Authorized Officer, respectively. A written signature of the Mayor or of such Authorized Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with the signatures attached, shall be recorded in the *Journal of the Proceedings of the City Council of the City of Chicago* and filed in the office of the City Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the Mayor in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of an Authorized Officer is so affixed to an instrument, certificate or document at the direction of such Authorized Officer, the same, in all respects, shall be as binding on the City as if signed by the Authorized Officer in person.

SECTION 18. If requested by the Bond Registrar, the Mayor, an Authorized Officer and the City Clerk or Deputy City Clerk are each authorized to execute the standard form of agreement between the City and the Bond Registrar with respect to the obligations and duties thereof.

SECTION 19. If payment or provision for payment is made, to or for the registered owners of all or a portion of the Bonds, of the Compound Accreted Value of any Capital Appreciation Bond and the principal of and interest due and to become due on any Current Interest Bond or Variable Rate Bond at the times and in the manner stipulated therein, and there is paid or caused to be paid to the applicable Bond Registrar, the applicable Ad Valorem Tax Escrow Agent as provided in Section 9 hereof or such bank or trust company as shall be designated by an Authorized Officer (such bank or trust company hereinafter referred to as a "Defeasance Escrow Agent"), all sums of money due and to become due according to the provisions hereof, then these presents and the estate and rights hereby granted shall cease, determine and be void as to those Bonds or portions thereof except for purposes of registration, transfer and exchange of Bonds and any such payment from such monies or obligations. Any Bond shall be deemed to be paid within the meaning of this section when payment of the Compound Accreted Value of any such Capital Appreciation Bond or the principal of any such Current Interest Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this ordinance or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided for by irrevocably depositing with the applicable Bond Registrar, the applicable Ad Valorem Tax Escrow Agent as provided in Section 9 hereof or a Defeasance Escrow Agent, in trust and exclusively for such payment, (1) monies sufficient to make such payment or (2) (A) direct obligations of the United States of America; (B) obligations of agencies of the United States of America, the timely payment of principal of and interest on which are guaranteed

by the United States of America; (C) obligations of the following government-sponsored agencies that are not backed by the full faith and credit of the United States Government: Federal Home Loan Mortgage Corp. (F.H.L.M.C.) debt obligations, Farm Credit System (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives) debt obligations, Federal Home Loan Banks (F.H.L. Banks) debt obligations, Fannie Mae debt obligations, Financing Corp. (F.I.C.O.) debt obligations, Resolution Funding Corp. (REFCORP) debt obligations, and United States Agency for International Development (U.S.A.I.D.) Guaranteed notes; (D) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; or (E) instruments evidencing an ownership interest in obligations described in the preceding clauses (A), (B) and (C) or (3) a combination of the investments described in clauses (1) and (2) above, such amounts so deposited being available or maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient monies to make such payment (all as confirmed by a nationally recognized firm of independent public accountants). At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this ordinance, except for the purposes of registration, transfer and exchange of Bonds and any such payment from such monies or obligations.

No such deposit under this section shall be made or accepted hereunder and no use made of any such deposit unless, in the case of Bonds (other than Bonds issued as bonds the interest on which is includible in the gross income of the owner thereof for federal income tax purposes), the applicable Bond Registrar, the applicable Ad Valorem Tax Escrow Agent or the applicable Defeasance Escrow Agent, as the case may be, shall have received an opinion of nationally recognized municipal bond counsel to the effect that such deposit and use would not cause any of such Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code or any successor provision thereto.

Nothing in this ordinance shall prohibit a defeasance deposit of escrow securities as provided in this section or a defeasance deposit with respect to the Prior Obligations pursuant to any Refunding Escrow Agreement authorized by Section 13(b) hereof, from being subject to a subsequent sale of such escrow securities and reinvestment of all or a portion of the proceeds of that sale in escrow securities which, together with money to remain so held in trust, shall be sufficient to provide for payment of principal, redemption premium (and other costs as provided in the Prior Obligations), if any, and interest on any of the defeased Bonds or Prior Obligations, as appropriate. Amounts held by the applicable Bond Registrar, the applicable Ad Valorem Tax Escrow Agent, any Defeasance Escrow Agent or any escrow agent pursuant to a Refunding Escrow Agreement (such escrow

agent hereinafter referred to as a "Refunding Escrow Agent") in excess of the amounts needed so to provide for payment of the defeased Bonds or Prior Obligations, as appropriate, may be subject to withdrawal by the City. The Mayor or an Authorized Officer is hereby authorized to execute and deliver from time to time one or more agreements with counterparties selected by an Authorized Officer, with respect to the investment and use of such excess amounts held by the applicable Bond Registrar, the applicable Ad Valorem Tax Escrow Agent, a Defeasance Escrow Agent or a Refunding Escrow Agent.

SECTION 20. Notwithstanding any other provisions of this ordinance, the terms and provisions of the trust indenture securing a series of Variable Rate Bonds as authorized in Section 2 hereof with respect to (a) the authentication, registration, transfer and destruction or loss of such Variable Rate Bonds, (b) subject to the limitation on redemption price set forth in Section 3(d) hereof, the redemption of such Variable Rate Bonds, or (c) the method of payment or defeasance of such Variable Rate Bonds, shall apply to such Variable Rate Bonds issued pursuant to this ordinance.

SECTION 21. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall be controlling. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to render voidable at the option of the City any document, instrument or agreement authorized hereunder or 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 or interest on the Bonds or to impair the security for the Bonds; provided further that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Municipal Code.

In this ordinance, the term "City Clerk" includes any person duly appointed as acting city clerk to fill a vacancy in the office of City Clerk until a successor has been duly elected and qualified.

SECTION 22. Repealer. That certain ordinance adopted on September 29, 2004 entitled "Authorization for Execution of Intergovernmental Agreement with Chicago Board of Education and Issuance of Tax Increment Allocation Revenue Note for Construction of Skinner Elementary School", and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, at pages 32487 to 32587, is hereby repealed in all respects.

SECTION 23. This ordinance shall be published by the City Clerk or the Deputy 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 24. 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" and "B" referred to in this ordinance printed
on pages 93978 and 93979 of this *Journal*.]

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

Exhibit "C".
(To Ordinance)

*Description Of Tax Increment
Allocation Revenue Notes.*

1. Fifty-three Million Seven Hundred Fifty Thousand Dollar (\$53,750,000) maximum principal amount City of Chicago Tax Increment Allocation Revenue Note relating to Fifty-three Million Seven Hundred Fifty Thousand Dollar (\$53,750,000) Board of Education of the City of Chicago Unlimited Tax General Obligation Bonds (Dedicated Revenues -- Westinghouse High School Project), Series2005C.
2. Twenty-five Million Dollar (\$25,000,000) maximum principal amount City of Chicago Tax Increment Allocation Revenue Note relating to Twenty-five Million Dollar (\$25,000,000) Board of Education of the City of Chicago Unlimited Tax General Obligation Bonds (Dedicated Revenues -- Albany Park Academy Project), Series 2004F.
3. Eighteen Million Five Hundred Thousand Dollar (\$18,500,000) maximum principal amount of City of Chicago Tax Increment Allocation Revenue Note relating to Eighteen Million Five Hundred Thousand Dollar (\$18,500,000) Board of Education of the City of Chicago Unlimited Tax General Obligation Bonds (Dedicated Revenues -- DePriest Elementary School Project), Series 2004H.

*Exhibit "D".
(To Ordinance)*

Intergovernmental Agreement

Between

The City Of Chicago

And

The Board Of Education Of The City Of Chicago

Regarding

Phase 1 Of The Modern Schools Across Chicago Program.

This intergovernmental agreement (this "Agreement") is made and entered into as the ____ day of ____, (the "Agreement Date") by and between the City of Chicago (the "City"), a municipal corporation and home rule unit of government under Article VII, Section 6(a) of the 1970 Constitution of the State of Illinois, and the Board of Education of the City of Chicago (the "Board"), a body corporate and politic, organized under and existing pursuant to Article 34 of the School Code of the State of Illinois. A limited joinder hereto is made as of the Agreement Date by the Public Building Commission of Chicago (the "Commission"), an Illinois municipal corporation.

Recitals.

Whereas, Pursuant to the provisions of an act to authorize the creation of public building commissions and to define their rights, powers and duties under the Public Building Commission Act (50 ILCS 20/1, et seq.), the City Council of the City (the "City Council") created the Commission to facilitate the acquisition and construction of public buildings and facilities; and

Whereas, Pursuant to an ordinance adopted by the City Council on _____ (the "Bond Ordinance"), on the date identified in (Sub)Exhibit A hereto (the "Bond Issuance Date") the City issued certain general obligation bonds as identified in (Sub)Exhibit A hereto (the "Bonds"); and

Whereas, The City has deposited a portion of the proceeds of the sale of the Bonds with a depository (the "Depository", as identified in (Sub)Exhibit A hereto) pursuant

to a depository agreement (the "Depository Agreement") between the City and the Depository dated as of the date identified in (Sub)Exhibit A hereto (the "Depository Agreement Date"); and

Whereas, The City has obtained a commitment for bond insurance and a bond insurance policy (together, the "Insurance Policy") from the insurer identified in (Sub)Exhibit A hereto (the "Insurer") relating to the Bonds; and

Whereas, The Bond Ordinance authorizes the Chief Financial Officer, and if so designated and determined by the Chief Financial Officer, or if there is no person holding the office of Chief Financial Officer, the City Comptroller (the "Authorized Officer"), among other things, to execute an agreement or agreements to make a grant or grants funded from the proceeds of the Bonds (the "Bond Proceeds") to the Board; and

Whereas, The purposes of the grant or grants of Bond Proceeds from the City to the Board shall be to finance: (i) the acquisition of real property by the Board (or the Commission for the benefit of the Board) on which will be constructed new or will be expanded and/or rehabilitated existing public elementary or high schools (each an "Acquisition Project", which may also include initial site preparation for and/or preliminary construction of such improvements); (ii) the design of new public elementary or high schools by the Board (or the Commission for the benefit of the Board) (each a "Design Project", which may also include initial site preparation for and/or preliminary construction of such improvements); (iii) the construction of new public elementary or high schools by the Commission for the benefit of the Board (each a "Construction Project", which, by necessity, may also include the design of such improvements); (iv) the expansion and/or rehabilitation of existing public elementary or high schools by the Board (or the Commission for the benefit of the Board) (each a "Rehabilitation Project"); (v) the paying and retiring of (a) three (3) tax increment allocation revenue notes previously issued by the City to the Board (each a "Prior Note") and/or (b) the related Unlimited Tax General Obligations of the Board (the "Prior Board Bonds" and, collectively with the Prior Notes, the "Prior Obligations") to finance, respectively, the construction of an elementary school to be known as Albany Park Academy, an elementary school to be known as DePriest Elementary School, and a secondary school to be known as Westinghouse High School (the "Westinghouse Project") (each of the three a "Refunding Project"); and/or (vi) the payment of additional costs incurred or to be incurred by the Board in connection with the Westinghouse Project (an "Additional Financing Project"); and

Whereas, Each Acquisition Project, Design Project, Construction Project, Rehabilitation Project, Refunding Project and/or Additional Financing Project shall be known generically as a "Project"; each Project undertaken by the Commission for the Board shall be known generically as a "Commission Project"; and each Project undertaken by the Board on its own account and not through the Commission shall be known generically as a "Board Project"; and

Whereas, Each Project is generally as described in (Sub)Exhibit A hereto; and

Whereas, The real property on which each new or existing public school shall be or is located as part of a Project shall be known generically as a "Property"; and

Whereas, The legal description of each Property is attached as part of (Sub)Exhibit A; and

Whereas, Each new or existing public school and related improvements to be constructed or expanded and/or rehabilitated is described in the applicable portion of (Sub)Exhibit A hereto and shall be known generically as a "Facility"; and

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

Whereas, To induce certain redevelopment pursuant to the Act, the City Council adopted ordinances on the respective dates indicated on (Sub)Exhibit A hereto (each a "T.I.F. Ordinance Date"): approving and adopting tax increment redevelopment plan and redevelopment projects, designating redevelopment project areas pursuant to the Act; and adopting tax increment financing for the redevelopment project areas (the aforesaid ordinances are collectively referred to herein as the "T.I.F. Ordinances", the redevelopment plans approved by the T.I.F. Ordinances are collectively referred to herein as the "Redevelopment Plans" and the redevelopment project areas created by the T.I.F. Ordinances are collectively referred to herein as the "Redevelopment Areas", all as set forth on (Sub)Exhibit A hereto); and

Whereas, The date and page citation in the *Journal of the Proceedings of the City Council of the City of Chicago, Illinois* (the "*Journal*") where the applicable Redevelopment Plan for each Project is published is set forth in (Sub)Exhibit A; and

Whereas, All of each Property lies [or will lie] wholly within the boundaries of a specified applicable Redevelopment Area; and

Whereas, Under 65 ILCS 5/11-74.4-3(q)(7), such ad valorem taxes which pursuant to the Act have been collected and are allocated to pay redevelopment project costs and obligations incurred in the payment thereof ("Increment") may be used to pay all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs (Increment collected from each Redevelopment Area shall be known as "Redevelopment Area Increment"); and

Whereas, The Board is a taxing district under the Act; and

Whereas, The Redevelopment Plans contemplate that tax increment financing assistance would be provided for public improvements, and the rehabilitation, remodeling, renovation and reconstruction thereof, within the boundaries of the applicable Redevelopment Areas; and

Whereas, The City desires to use a portion of the Bond Proceeds for the Projects on the Properties, all of which lie wholly within the boundaries of the applicable Redevelopment Areas; and

Whereas, The City agrees to use a portion of the Bond Proceeds in the amount set forth in the applicable portion of (Sub)Exhibit A hereto (the "City Funds"), to pay for or reimburse the Board for the costs of each Project, to the extent that such costs constitute T.I.F.-Funded Improvements (as defined in Article Three, Section 3 hereof), pursuant to the terms and conditions hereof; and

Whereas, In accordance with the Act, certain of the T.I.F.-Funded Improvements, among other eligible redevelopment project costs under the Act approved by the City pursuant to the Agreement, are and shall be such of the Board's capital costs necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plans, and, pursuant to the Bond Ordinance, the City has found that such T.I.F.-Funded Improvements consist of the cost of the Board's capital improvements for the Facilities that are necessary and directly result from the redevelopment project constituting the Projects and, therefore, constitute "taxing districts' capital costs" as defined in Section 5/11-74.4-03(u) of the Act; and

Whereas, To induce the City to enter into this Agreement, the Board has caused the Commission to sign the limited joinder hereto; and

Whereas, The City and the Board now desire to enter into 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:

Article One.

Incorporation Of Recitals.

The recitals set forth above are incorporated herein by reference and made a part hereof.

Article Two.

The Project.

1. The plans and specifications for the Projects shall: (a) at a minimum meet the general requirements for the Facilities as set forth in the applicable portions of (Sub)Exhibit A hereof, (b) be provided to the City by the Board, and (c) be approved by the City in the City's discretion. The Board shall comply (and with respect to the Commission Projects shall cause the Commission to comply) with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, as well as all policies, programs and procedures of the Board (and of the Commission with respect to the Commission Projects), all as may be in effect from time to time, pertaining to or affecting the Projects or the Board (or the Commission with respect to the Commission Projects) as related thereto, including but not limited to those summarized on (Sub)Exhibit D attached hereto and incorporated herein. The Board shall include a certification of such compliance with each request for City Funds hereunder and at the time each Project is completed. The City shall be entitled to rely on this certification without further inquiry. Upon the City's request, the Board shall provide evidence satisfactory to the City of such compliance.

2. In all contracts relating to the Projects (including the Commission Projects), the Board agrees to require the contractor (including the Commission with respect to the Commission Projects) to name the City as an additional insured on insurance coverages and to require the contractor (including the Commission with respect to the Commission Projects) to indemnify the City from all claims, damages, demands, losses, suits, actions, judgments and expenses including but not limited to attorney's fees arising out of or resulting from work on the applicable Projects (including the Commission Projects) by the contractor (including the Commission with respect to the Commission Projects) or the contractor's (including the Commission's with respect to the Commission Projects) suppliers, employees, or agents.

3. The Board agrees that: (a) the Commission Projects shall be undertaken pursuant to and in compliance with (i) that certain Memorandum of Understanding between the Board and the Commission dated as of June 22, 2006, and (ii) that certain Intergovernmental Agreement between the Board and the Commission regarding the Modern Schools Program dated as of [_____] ((i) and (ii), collectively, the "Board-Commission Agreement"), copies of which are attached hereto as (Sub)Exhibit F (any subsequent, supplementary or amendatory agreement between the Board and the Commission with respect to the Commission Projects shall not be effective without the City's prior written consent if such an agreement impacts or affects the undertakings of the Board pursuant to this Agreement, and a copy of such an agreement shall be provided to the City by the Board and deemed

attached hereto as (Sub)Exhibit F); (b) the City shall be deemed to be a third party beneficiary of the Board-Commission Agreement with respect to the Commission Projects; and (c) in the event of a conflict between this Agreement and the Board-Commission Agreement (including, but not limited to, with respect to the disbursement of City Funds pursuant hereto), this Agreement shall control.

Article Three.

Funding.

1. (a) With respect to each Project other than a Refunding Project, on a monthly basis (or at such other intervals as the City may agree to), the Board shall provide the Depository and the City's Department of Finance (the "Department") with a Requisition Form, in the form of (Sub)Exhibit D hereto, along with: (i) a cost itemization of the applicable portions of the Project budget attached as (Sub)Exhibit B hereto; (ii) evidence of the expenditures upon T.I.F.-Funded Improvements which the Board has paid or will pay; and (iii) all other documentation described in (Sub)Exhibit D. Pursuant to the Depository Agreement, the Depository will make the applicable requested disbursement of City Funds to the Board (or to such other party as the Board may request in writing). The availability of the City Funds is subject to the City's compliance with all applicable requirements regarding the use of such funds and the timing of such use. With respect to each Refunding Project, the City shall disburse, or shall direct the Depository to disburse City Funds into an escrow account in such amounts and at such times so as to pay and retire the Prior Obligations pursuant to the terms thereof.

(b) The Board shall satisfy, to the reasonable satisfaction of the Authorized Officer, prior to the disbursement of any of the City Funds to the Board for costs incurred or to be incurred relative to an Acquisition Project, that the Board (or the Commission for the benefit of the Board) has or will receive satisfactory title to the applicable Property (which may be evidenced by an acceptable title insurance policy), subject only to those title exceptions acceptable to the Authorized Officer in his or her reasonable judgment.

(c) Delivery by the Board of a Requisition Form hereunder shall, in addition to the items therein expressly set forth, constitute a certification, representation and warranty to the Depository and the City, as of the date of such Requisition Form, that:

(i) the total amount of the City Funds requested represents the actual amount paid or to be paid to the general contractor, subcontractors, and other parties who

have performed work on or otherwise provided goods or services in connection with the Project, and/or their payees;

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

(iii) the Board has approved all work and materials for the Requisition Form, and such work and materials conform to the plans and specifications for the Project; and

(iv) the Board is in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, as well as all policies, programs and procedures of the Board, all as may be in effect from time to time, pertaining to or affecting the Project or the Board as related thereto, including but not limited to those summarized on (Sub)Exhibit E of this Agreement.

The City shall have the right, in its discretion, to require the Board 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 or the Depository from relying on such certifications by the Board.

(d) If, at any time, with the approval of the City, the Depository disburses City Funds in advance and in anticipation of the incurrence of costs by the Board, then, upon disbursement by the Depository, such City Funds shall be held in a segregated account for the applicable Project, and the Board shall provide the City with the statements for such segregated Project account as part of the quarterly report for such Project required pursuant to Article Three, Section 5 below.

(e) Payment of City Funds will be made subject to all applicable restrictions on and obligations of the City contained in: (i) the Depository Agreement [and the Insurance Policy], and (ii) all City ordinances relating to the Bonds, including but not limited to the Bond Ordinance and all agreements and other documents entered into by the City pursuant thereto.

(f) The Board 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 any 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 T.I.F.-Funded Improvements ("Other Bonds"); provided, however, that any such amendments shall not reduce the amount of City Funds for a Project or otherwise have a material adverse effect on the Board or the applicable Project. The Board shall, at the Board'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 applicable Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto. The City may, in its sole discretion, use all or a portion of the proceeds of such Other Bonds if issued to pay for all or a portion of the T.I.F.-Funded Improvements.

2. The estimate of the cost of each Project is set forth on the applicable portion of (Sub)Exhibit A hereto. The Board has delivered to the Authorized Officer a detailed preliminary budget attached hereto and incorporated herein as (Sub)Exhibit B. The Board shall deliver to the City an amended budget (if necessary) in connection with each Requisition Form and a final budget (upon Project completion) for each Project, and when approved by the City in writing such amended (if any) and final budgets shall also be attached hereto and incorporated herein as (Sub)Exhibit B. The budget shall identify the sources of and uses for all funds for a Project. The Board certifies that it has identified sources of funds (including the City Funds) sufficient to complete each Project. The Board agrees that the City will only contribute the City Funds to each Project and that all costs of completing each Project over the City Funds (if any) shall be the sole responsibility of the Board. If the Board at any time does not have sufficient funds to complete a Project, the Board shall so notify the City in writing, and the Board may reduce the scope of such Project as agreed with the City in order to complete such Project with the available funds.

3. "T.I.F.-Funded Improvements" shall mean the capital improvements; land assembly costs; relocation costs; rehabilitation, remodeling, renovation and reconstruction costs; financing costs and other costs, if any, recognized and approved in writing by the City as being eligible redevelopment project costs under the Act with respect to each Project, to be paid for out of City Funds. Attached as (Sub)Exhibit C and incorporated herein is a preliminary list of T.I.F.-Funded Improvements. The Board shall deliver to the City an amended list of T.I.F.-Funded Improvements (if necessary) in connection with each Requisition Form and a final list of "T.I.F. Funded Improvements" (upon Project completion), and when approved by the City in writing such amended (if any) and final lists of T.I.F.-Funded Improvements shall also be attached hereto and incorporated herein as (Sub)Exhibit C. To the extent the T.I.F.-Funded Improvements are included as taxing district capital costs under the Act, the Board acknowledges that the T.I.F.-Funded Improvements are costs for capital improvements and the City acknowledges it has determined that these T.I.F.-Funded Improvements are necessary and directly result from the applicable Redevelopment Plans. During the course of a Project, the Authorized Officer, based upon the detailed project budget attached as (Sub)Exhibit B and any necessary modifications thereto, shall make or approve such modifications to (Sub)Exhibit C as he or she wishes in his or her discretion to account for all of the City Funds to be expended under this Agreement; provided, however, that all T.I.F.-Funded Improvements shall (i) qualify as

redevelopment project costs under the Act; (ii) qualify as eligible costs under the applicable Redevelopment Plan; and (iii) be improvements or costs that the Authorized Officer has agreed to pay for out of City Funds, subject to the terms of this Agreement. The Board acknowledges the terms of the Redevelopment Plans.

4. If the aggregate cost of a Project is less than the amount of the City Funds contemplated by this Agreement, the Board shall have no claim to the difference between the amount of the City Funds contemplated by this Agreement and the amount of the City Funds actually paid by the City to the Board and expended by the Board on such Project (the "Excess City Funds"); provided, however, that the foregoing shall not be construed to preclude the Board from requesting all or some of the Excess Proceeds from the City to finance other costs incurred by the Board in the applicable Redevelopment Area, subject to the Act, the Redevelopment Plan, and the City's approval (in the City's sole discretion).

5. The Board shall provide to the City quarterly reports on the progress and status of the Projects and reasonable access to its books and records relating to the Projects.

6. During the Term hereof the Board shall not sell, transfer, convey, lease or otherwise dispose of all or any portion of any Property or any interest therein (a "Transfer"), or otherwise effect or consent to a Transfer, without the prior written consent of the City. The City's consent to any Transfer may, in the City's sole discretion, be conditioned upon (among other things) whether such a Transfer would conflict with the statutory basis for the grant of the City Funds hereunder pursuant to the Act. Subject to applicable law, the Board shall pay any proceeds of any Transfer to the City. Nothing contained in this Article Three, Section 6 shall be construed as prohibiting the City from holding title to any Property for the benefit of the Board as may be permitted or required by law.

Article Four.

Term.

The Term of the Agreement shall commence as of the Agreement Date and shall expire, with respect to each Project, as of the date on which the applicable Redevelopment Project Area is no longer in effect (the "Redevelopment Area Termination Date", as indicated for each Project and applicable Redevelopment Area in the applicable portion of (Sub)Exhibit A hereto).

Article Five.

Indemnity; Default.

1. The Board agrees to indemnify, defend and hold the City, its officers, officials, members, employees and agents 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 Board's failure to comply with any of the terms, covenants and conditions contained within this Agreement, or (ii) the Board's or any contractor's (including the Commission's) failure to pay general contractors (including the Commission), subcontractors or materialmen in connection with any Project.

2. The failure of the Board to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Board with respect to a Project under this Agreement or any related agreement shall constitute an "Event of Default" by the Board hereunder. Upon the occurrence of an Event of Default, the City may terminate this Agreement with respect to the applicable Project or any portion thereof with respect to the applicable Project and all related agreements, and may suspend disbursement of the City Funds with respect to the applicable Project. 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.

In the event the Board shall fail to perform a covenant which the Board 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 Board has failed to cure such default within thirty (30) days after 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 capable of being cured within such thirty (30) day period, the Board 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.

3. The failure of the City to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the City with respect to a Project under this Agreement or any other agreement directly related to this Agreement shall constitute an "Event of Default" by the City hereunder. Upon the occurrence of an Event of Default, the Board may terminate this Agreement with respect to the applicable Project and any other agreement directly related to this Agreement. The Board 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.

In the event the City shall fail to perform a covenant which the City 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 City has failed to cure such default within thirty (30) days after its receipt of a written notice from the Board specifying the nature of the default; provided, however, with respect to those defaults which are not capable of being cured within such thirty (30) day period, the City 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.

Article Six.

Consent.

Whenever the consent or approval of one or both parties to this Agreement is required hereunder, such consent or approval shall not be unreasonably withheld.

Article Seven.

Notice.

Notice To Board Shall Be

Addressed To:

Chief Financial Officer Board of
Education of the City of Chicago
125 South Clark Street, 14th Floor
Chicago, Illinois 60603
Fax: (Omitted for printing purposes)

and

General Counsel
Board of Education of the City of Chicago
125 South Clark Street, 7th Floor
Chicago, Illinois 60603
Fax: (Omitted for printing purposes)

Notice To The City Shall
Be Addressed To:

Chief Financial Officer
Office of the Chief Financial Officer
33 North LaSalle Street, Room 600
Chicago, Illinois 60602
Fax: (Omitted for printing purposes)

and

Corporation Counsel
Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division
Fax: (Omitted for printing purposes)

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

Such addresses may be changed when notice is given to the other party in the same manner as 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 by electronic means. 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, if sent pursuant to subsection (d) shall be deemed received two (2) days following deposit in the mail.

Article Eight.

Assignment; Binding Effect.

This Agreement, or any portion thereof, shall not be assigned by either party without the prior written consent of the other.

This Agreement shall inure to the benefit of and shall be binding upon the City, the Board and their respective successors and permitted assigns. This Agreement is intended to be and is for the sole and exclusive benefit of the parties hereto and such successors and permitted assigns.

*Article Nine.**Modification.*

This Agreement may not be altered, modified or amended except by written instrument signed by all of the parties hereto.

*Article Ten.**Compliance With Laws.*

The parties hereto shall comply with all federal, state and municipal laws, ordinances, rules and regulations relating to this Agreement.

*Article Eleven.**Governing Law And Severability.*

This Agreement shall be governed by the laws of the State of Illinois. If any provision of this Agreement shall be held or deemed to be or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, ordinance, rule of law or public policy, or for any reason, such circumstance shall not have the effect of rendering any other provision or provisions contained herein invalid, inoperative or unenforceable to any extent whatsoever. The invalidity of anyone or more phrases, sentences, clauses, or sections contained in this Agreement shall not affect the remaining portions of this Agreement or any part hereof.

*Article Twelve.**Counterparts.*

This Agreement may be executed in counterparts, each of which shall be deemed an original.

Article Thirteen.

Entire Agreement.

This Agreement constitutes the entire agreement between the parties.

Article Fourteen.

Authority.

Execution of this Agreement by the City is authorized by the Bond Ordinance. Execution of this Agreement by the Board is authorized by Board Report _____. The parties represent and warrant to each other that they have the authority to enter into this Agreement and perform their obligations hereunder.

Article Fifteen.

Headings.

The headings and titles of this Agreement are for convenience only and shall not influence the construction or interpretation of this Agreement.

Article Sixteen.

Disclaimer Of Relationship.

Nothing contained in this Agreement, nor any act of the City or the Board shall be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City and the Board.

Article Seventeen.

Construction Of Words.

The use of the singular form of any word herein shall also include the plural and vice versa. The use of the neuter form of any word herein shall also include the masculine and feminine forms, the masculine form shall include feminine and neuter, and the feminine form shall include masculine and neuter.

Article Eighteen.

No Personal Liability.

No officer, member, official, employee or agent of the City or the Board shall be individually or personally liable in connection with this Agreement.

Article Nineteen.

Representatives.

Immediately upon execution of this Agreement, the following individuals will represent the parties as a primary contact in all matters under this Agreement.

For The Board:

Board of Education of the City of Chicago
125 South Clark Street
Chicago, Illinois 60603
Attention: Chief Financial Officer
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

For The City:

City of Chicago, Department of Finance
33 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: _____
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

Each party agrees to promptly notify the other party of any change in its designated representative, which notice shall include the name, address, telephone number and fax number of the representative for such party for the purpose hereof.

Article Twenty.

The Prior Obligations.

1. Concurrently herewith and as of the date hereof, the Board has (a) cancelled the Prior Notes identified on (Sub)Exhibit A hereto, (b) delivered the cancelled Prior Notes to the City, and (c) waived all restrictions on and conditions to prepayment thereof contained therein.

2. Concurrently herewith and as of the date hereof, the City and the Board hereby terminate (a) that certain intergovernmental agreement between the City and the Board regarding Westinghouse High School dated as of November 1, 2005 (the "Westinghouse Agreement"), (b) that certain intergovernmental agreement between the City and the Board regarding DePriest Elementary School dated as of November 24, 2004, and (c) that certain intergovernmental agreement between the City and the Board regarding Albany Park Academy dated as of November 24, 2004.

3. As contemplated by the Westinghouse Agreement and on the basis of the City's Tax Increment Allocation Note in the amount of Fifty-three Million Seven Hundred Fifty Thousand Dollars (\$53,750,000) (the "Westinghouse Prior Note"), the Board on [_____, 2005] did issue and deliver Fifty-three Million Seven Hundred Fifty Thousand Dollar (\$53,750,000) aggregate principal amount of Unlimited Tax General Obligation Bonds (Dedicated Revenues -- Westinghouse High School Project), Series 2005C (the "Westinghouse Prior Board Bonds"). Concurrently with the execution and delivery of this Agreement, the City is depositing into escrow amounts sufficient, together with certain monies being deposited by the Board, to pay and defease the Westinghouse Prior Board Bonds. As consideration for such deposit by the City, the Board agrees with the City to apply the remaining proceeds of the Westinghouse Prior Board Bonds (in the amount of \$[_____]) to pay the costs of Westinghouse Project in the manner contemplated by this Agreement.

Article Twenty-One.

Tax Matters.

The Board shall not act or fail to act in such a way as to prevent the City from complying with the terms and conditions of that certain [Tax Certificate] entered

into by the City in connection with the Bonds, a copy of which has been provided to the Board.

In Witness Whereof, Each of the parties has caused this Agreement to be executed and delivered as of the date first above written.

City of Chicago, Illinois

By: _____
Chief Financial Officer

The Board of Education of the
City of Chicago

By: _____
President

Attest By: _____
Secretary

Board Report Number: _____

Approved as to Legal Form:

General Counsel

Limited Joinder.

As of the Agreement Date set forth above, with respect to the Commission Projects, the Public Building Commission of Chicago hereby:

- (1) acknowledges the terms of the Agreement and the exhibits thereto; and

- (2) agrees that the City shall be deemed to be a third party beneficiary of the Board-Commission Agreement; and
- (3) agrees that in the event of a conflict between the Agreement and the Board-Commission Agreement (including, but not limited to, with respect to the disbursement of City Funds pursuant to the Agreement), the Agreement shall control.

Public Building Commission of Chicago

By: _____

Name: _____

Title: _____

(Sub)Exhibits "A-__", "A1" through "A13", "B-__", "B1" through "B13", "C-__", "C1" through "C13", "D", "E" and "F" referred to in this Intergovernmental Agreement with the Chicago Board of Education read as follows:

(Sub)Exhibit "A-__".
(To Intergovernmental Agreement With
Chicago Board Of Education)

The _____ Project.

Bond Issuance Date: _____

Bonds: _____

Depository: _____

Depository Agreement Date: _____

Insurer: _____

Type of School: _____

Property Location (attach legal description):

Category of Project (Acquisition, Design, Construction, Rehabilitation, Refunding and/or Additional Financing) and Party Undertaking the Project (Board and/or Commission)*:

Prior Note:

Facility Description:

T.I.F. Ordinance Date:

Redevelopment Area:

Redevelopment Plan *Journal* Citation:

Redevelopment Area Termination Date:

City Funds:

\$

Project Budget:

\$

* A project may encompass more than one category and may be undertaken by more than one party: for example, a Project may encompass both an Acquisition Project and a Design Project, where the Acquisition Project is undertaken by the Board (therefore the Acquisition Project is a Board Project) and the Design Project is undertaken by the Commission (therefore the Design Project is a Commission Project).

(Sub)Exhibit "A-1".
(To Intergovernmental Agreement With
Chicago Board Of Education)

The Collins Project [Preliminary].

Bond Issuance Date:	_____
Bonds:	_____
Depository:	Cole Taylor Bank
Depository Agreement Date:	_____
Insurer:	_____
Type of School:	High School
Property Location (attach legal description):	1313 South Sacramento Avenue
Category of Project (Acquisition, Design, Construction, Rehabilitation, Refunding and/or Additional Financing) and Party Undertaking the Project (Board and/or Commission):	Rehabilitation (Board)
Prior Note:	N.A.
Facility Description:	The renovation of existing schools includes A.D.A. upgrades, science lab upgrades, building envelope and interior finish work, exterior and landscape improvements in order to bring the school facilities up to the latest Board renovation standards
T.I.F. Ordinance Date:	May 17, 2000
Redevelopment Area:	Midwest Redevelopment Project Area
Redevelopment Plan <i>Journal</i> Citation:	May 17, 2000 (pages 30775 -- 30925)
Redevelopment Area Termination Date:	December 31, 2023
City Funds:	\$30,000,000
Project Budget:	\$31,448,773

Legal Description.

School:	George W. Collins High School
Section:	24
Township:	39
Range:	13
Folio:	
Source date:	March 1, 1979

That part of the northwest quarter of Section 24, Township 39 North, Range 13, East of the Third Principal Meridian, bounded and described as follows:

commencing at the point of intersection of the west line of South Albany Avenue with the south line of West Roosevelt Road, the south line of said West Roosevelt Road being distant 50 feet south of the north line of the northwest quarter of said Section 24; thence "due south" along the west line of said South Albany Avenue, said west line of South Albany Avenue is to be used as a base for the following described courses, a distance of 370 feet to a point; thence "due east" a distance of 369.51 feet to the point of beginning of land herein to be described; thence continuing "due east" a distance of 410 feet to a point; thence "due south", a distance of 500 feet to a point; thence "due east", a distance of 115 feet to a point; thence "due south" a distance of 291 feet to a point; thence "due west" a distance of 225 feet to a point; thence "due north" a distance of 148 feet to a point; thence "due west", a distance of 324.19 feet to a point; thence northerly along a curve line convex to the east and having a radius of 1,756 feet, an arc distance of 169.77 feet and having a chord distance of 169.70 feet and bearing of north 08 degrees, 07 minutes, 12 seconds west to a point; thence continuing northerly along a curve line convex to the west, and having a radius of 2,475 feet, an arc distance of 192.11 feet and having a chord distance of 192.05 feet and bearing north 08 degrees, 22 minutes, 39 seconds west to a point; thence continuing northerly along a curve line convex to the west, and having a radius of 405 feet, an arc distance of 301.95 feet and having a chord distance of 295.01 feet, and bearing of north 14 degrees, 58 minutes, 02 seconds east to the point of beginning, all in Cook County, Illinois.

(Sub)Exhibit "A-2".
(To Intergovernmental Agreement With
Chicago Board Of Education)

The Mather Project [Preliminary].

Bond Issuance Date:	_____
Bonds:	_____
Depository:	Cole Taylor Bank
Depository Agreement Date:	_____
Insurer:	_____
Type of School:	High School
Property Location (attach legal description):	5835 North Lincoln Avenue
Category of Project (Acquisition, Design, Construction, Rehabilitation, Refunding and/or Additional Financing) and Party Undertaking the Project (Board and/or Commission):	Rehabilitation (Board)
Prior Note:	N.A.
Facility Description:	The renovation of existing schools includes A.D.A. upgrades, science lab upgrades, building envelope and interior finish work, exterior and landscape improvements in order to bring the school facilities up to the latest Board renovation standards
T.I.F. Ordinance Date:	November 3, 1999, amended May 17, 2000
Redevelopment Area:	Lincoln Avenue Redevelopment Project Area

Redevelopment Plan *Journal*

Citation: November 3, 1999 (pages 13229 -- 13334), May 17, 2000 (pages 31902 -- 31998)

Redevelopment Area Termination

Date: December 31, 2023

City Funds: \$30,000,000

Project Budget: \$31,187,417

Legal Description.

School: Stephen Tyng Mather

Section: 1

Township: 40

Range: 13

Folio:

Source date: February 7, 1990

Parcel 1:

Lots 122 through 140, inclusive, Lots 169 through 178, inclusive, Lots 192 through 204, inclusive, Lots 233 through 245, and Lots 273 through 287, inclusive, in Krenn and Dato's Polo grounds addition to North Edgewater in the southwest quarter of Section 1, Township 40 North, Range 13, East of the Third Principal Meridian, north of Lincoln Avenue, in Cook County, Illinois.

Parcel 2:

All of the north/south 16 foot vacated alley lying east of and adjoining the east line of Lot 122, lying west of and adjoining the west line of Lots 136 through 140 and lying northeasterly of the southwesterly line of Lot 136 extended to the southeast corner of Lot 122 all described in Parcel 1.

Parcel 3:

All that part of vacated North Francisco Avenue lying east of and adjoining the east line of Lots 136 through 140; lying west of and adjoining the west line of Lots 169 through 177; lying northwesterly of and adjoining the northwesterly line of Lot 134; lying east of and adjoining the east line of Lot 135; lying southeast of and adjoining the southeast line of Lot 135; lying southeasterly of the east line of Lot 136 extended to Lot 135; lying northwesterly of the west line of Lot 177 extended to Lot 178; and lying northeasterly of the southwesterly line of Lot 135 extended to Lot 178, all described in Parcel 1.

Parcel 4:

All of the northwesterly/southeasterly 16 foot vacated alley lying northeasterly of adjoining the northeasterly lines of Lots 123 through 135; lying southwesterly of and adjoining the southwesterly lines of Lots 122 and 136; lying southwesterly of and adjoining a line drawn from the southeasterly corner of Lot 122 to the southwesterly corner of Lot 136, lying southeasterly of the west line of Lot 122 extended to the northwesterly corner of Lot 123; lying westerly of the east line of Lot 136 extended to the intersection of the east and northeasterly lines of Lot 135; also lying southeasterly of vacated North Francisco Avenue; lying northeasterly of and adjoining the northeasterly line of Lot 178 (except the southeasterly 16 feet thereof) lying southwesterly of the southwesterly line of Lot 177; and lying northwesterly of the northwesterly line of the southwesterly 16 feet of Lot 178 extended to Lot 177, all described in Parcel 1.

Parcel 5:

All of the north/south 16 foot vacated alley lying east of and adjoining the east line of Lots 169 through 197 and lying west of and adjoining the west line of Lots 192 through 204, all described in Parcel 1.

Parcel 6:

That part of vacated North Mozart Street lying east of and adjoining the east line of Lots 192 through 204; lying west of and adjoining the west line of Lots 233 through 245; lying north of the south line of the north 14 feet of Lot 245 extended to the east lot line of Lot 192; and lying south of a line extended from the north lot line of Lot 204 to the northwest corner of Lot 233, all described in Parcel 1.

Parcel 7:

All of the north/south vacated 16 foot alley lying east of and adjoining the east line of Lots 233 through 244 and the north 14 feet of Lot 245; lying west of and

adjoining the west line of Lots 273 through 287; and lying north of a line extended from the south line of the north 14 feet of Lot 245 to the west line of Lot 272, all described in Parcel 1.

(Sub)Exhibit "A-3".
(To Intergovernmental Agreement With
Chicago Board Of Education)

The Austin Project [Preliminary].

Bond Issuance Date:	_____
Bonds:	_____
Depository:	Cole Taylor Bank
Depository Agreement Date:	_____
Insurer:	_____
Type of School:	High School
Property Location (attach legal description):	231 North Pine Avenue
Category of Project (Acquisition, Design, Construction, Rehabilitation, Refunding and/or Additional Financing) and Party Undertaking the Project (Board and/or Commission):	Rehabilitation (Board)
Prior Note:	N.A.
Facility Description:	The renovation of existing schools includes A.D.A. upgrades, science lab upgrades, building envelope and interior finish work, exterior and landscape improvements in order to bring the school facilities up to the latest Board renovation standards

T.I.F. Ordinance Date:	September 29, 1999, amended November 3, 2004
Redevelopment Area:	Madison/Austin Corridor Redevelopment Project Area
Redevelopment Plan <i>Journal</i> Citation:	September 29, 1999 (pages 11507 -- 11622), November 3, 2004 (pages 34555 --34570)
Redevelopment Area Termination Date:	December 31, 2023
City Funds:	\$30,000,000
Project Budget:	\$32,889,687

Legal Description.

School:	Austin High
Section:	8/9
Township:	39
Range:	13
Folio:	
Source date:	November 16, 1989

Parcel 1:

Block 11 (except the north 210 feet of the east half) in Frinks Resubdivision of the north 36¼ acres of the east half of the southeast quarter of Section 8, Township 39 North, Range 13 East of the Third Principal Meridian, and the north 36¼ acres of the west half of the southwest quarter of Section 9, Township 39 North, Range 13 East of the Third Principal Meridian, being a resubdivision of Lots 1 to 8 of the Superior Court Partition of the above described land known as Frinks Subdivision (except as to the 30 multiplied by 175 feet in the northwest corner of Block 2) also that part of the west half of the vacated Lotus Avenue east and adjoining, in Cook County, Illinois.

Parcel 2:

Lots 1 to 5 and vacated private alley west and adjoining said lots and that part of vacated North Lotus Avenue east of adjoining land in Geo Davis Subdivision of the north 210 feet of the east half of Block 11 in Frinks Resubdivision of the north 36¼ quarter acres of the east half the southeast quarter of Section 8 and the north 36¼ acres of the west half of the southwest quarter of Section 9, Township 39 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 3:

Lots 1 to 38 and the vacated north and south alley in Block 12 in the subdivision of the south 541.37 feet of the east 6 acres of Lot 8 in Frinks Resubdivision of the north 36¼ acres of the east half of the southeast quarter of Section 8, Township 38 North, Range 13 East of the Third Principal Meridian and the north 36¼ acres of the west half of the southwest quarter of Section 9, Township 39 North, Range 13 East of the Third Principal Meridian, being a resubdivision of the Superior Court Partition of the above described land known as Frinks (except as to the 30 multiplied by 175 feet in the northwest corner of Block 2) also that part of the east half of vacated North Lotus Avenue west and adjoining Lots 1 to 19, in Cook County, Illinois.

(Sub)Exhibit "A-4".

(To Intergovernmental Agreement With
Chicago Board Of Education)

The Southwest Elementary Project [Preliminary].

Bond Issuance Date:	_____
Bonds:	_____
Depository:	Cole Taylor Bank
Depository Agreement Date:	_____
Insurer:	_____
Type of School:	Elementary School

Property Location (attach legal description):

West 55th Street and South St. Louis Avenue

Category of Project (Acquisition, Design, Construction, Rehabilitation, Refunding and/or Additional Financing) and Party Undertaking the Project (Board and/or Commission):

Construction (Commission)

Prior Note:

N.A.

Facility Description:

Elementary school facility to accommodate 800 -- 1,000 students with 6 pre-kindergarten/kindergarten classrooms, 24 standard classrooms, computer, science, music and art rooms, administrative/student support center, learning resource center, gymnasium, nurse and student services, kitchen, dining/multi-purpose room, building support spaces and parking. Final design will be based on educational and community input

T.I.F. Ordinance Date:

May 17, 2000

Redevelopment Area:

51st/Archer Redevelopment Project Area

Redevelopment Plan *Journal* Citation:

May 17, 2000 (pages 31097 -- 31215)

Redevelopment Area Termination Date:

December 31, 2024

City Funds:

\$30,000,000

Project Budget:

\$30,791,178

Southwest Elementary, Also Known As Sandoval.

Chicago Title Insurance Company

Owner's Policy (1992)

Schedule A (Continued)

Policy Number: 1401 008056498DG.

Legal Description.

5. The land referred to in this policy is described as follows:

A parcel of land being part of the west 10.04 chains of the southeast quarter of Section 11, Township 38 North, Range 13, East of the Third Principal Meridian further described as follows:

beginning at the intersection of the north line of West 55th Street with the east line of the Grand Trunk Western Railroad right-of-way, said north line being 33.00 feet normally distant north of the south line of said southeast quarter, said east line being 50 feet normally distant east of the west line of said southeast quarter; thence north 01 degree, 14 minutes, 41 seconds west, along said east line, being parallel with the west line of said southeast quarter, 494.00 feet; thence north 88 degrees, 49 minutes, 41 seconds east parallel with the south line of said southeast quarter, 585.58 feet to the west line of South St. Louis Avenue, said west line being 33.00 feet normally distant west of the centerline of South St. Louis Avenue; thence south 01 degree, 14 minutes, 04 seconds east, along said west line 494.00 feet to the aforementioned north line of said West 55th Street; thence south 88 degrees, 49 minutes, 41 seconds west, along said north line, 585.49 feet to the point of beginning.

Permanent Index Number:

19-11-400-006-0000.

(Sub)Exhibit "A-5".

(To Intergovernmental Agreement With
Chicago Board Of Education)

The South Shore High School Project [Preliminary].

Bond Issuance Date:

Bonds:

Depository:

Cole Taylor Bank

Depository Agreement Date:	_____
Insurer:	_____
Type of School:	High School
Property Location (attach legal description):	7529 South Constance Avenue
Category of Project (Acquisition, Design, Construction, Rehabilitation, Refunding and/or Additional Financing) and Party Undertaking the Project (Board and/or Commission):	Construction (Commission)
Prior Note:	N.A.
Facility Description:	High school facility to accommodate 1,200 students comprised of two small schools of 600 students each. Plans include 26 standard classrooms, specialty classrooms, language and computer labs, science labs, music and art rooms, 2 administrative centers, learning resource center, nurse and student services, student dining room and full service kitchen, multi-purpose room, combined gymnasium/auditorium, building support spaces, and parking. Final design will be based on educational and community input
T.I.F. Ordinance Date:	October 7, 1998
Redevelopment Area:	71 st and Stony Island Tax Increment Financing Redevelopment Project Area
Redevelopment Plan <i>Journal</i> Citation:	October 7, 1998 (pages 78139 -- 78211)
Redevelopment Area Termination Date:	October 7, 2021
City Funds:	\$65,000,000
Project Budget:	\$66,646,970

South Shore Community Academy High School.
(Property North Of 76th Street Only)

Legal Description.

Parcel 1:

Lots 1 to 15, both inclusive, in the resubdivision of Lots 7 to 25, inclusive, in Block 3, the west 1 foot of Lots 26 to 40, both inclusive, in Block 3 and all that part of Lots 39 and 40 (except the west 1 foot in Block 3, lying northeasterly of a line which is 16 feet southwesterly of and parallel to the southwesterly right-of-way line of the Baltimore and Ohio Railroad), also Lots 1 to 50, both inclusive, in Block 14, all in James Stinson's Subdivision of East Grand Crossing in the southwest quarter of Section 25, Township 38 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois.

Also,

Parcel 2:

Lots 1 to 11, both inclusive, in Block 4 in James Stinson's Subdivision of East Grand Crossing, being a subdivision in the southwest quarter of Section 25, Township 38 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois.

Also,

Parcel 3:

The east 27.12 feet of the west 28.12 feet (as measured along the south line) of that part of Lots 26 to 40 taken as a tract (except that part of Lot 40 lying northeasterly of a line which is 16 feet south westerly of and parallel to the southwesterly right-of-way line of Baltimore and Ohio Railroad) in Block 3 in Stinson's Subdivision of East Grand Crossing in the southwest quarter of Section 25, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, and vacated alleys.

Permanent Index Numbers:

20-25-304-001; 20-25-304-002; 20-25-304-003; 20-25-304-004;
20-25-304-005; 20-25-304-006; 20-25-304-007; 20-25-304-008;
20-25-304-038; 20-25-305-005; 20-25-305-006; 20-25-305-007;
20-25-305-011; 20-25-305-012; 20-25-305-013; 20-25-305-014; and
20-25-305-019; 20-25-305-020; 20-25-305-021; 20-25-305-022.
20-25-305-023; 20-25-305-025; 20-25-305-026;

Rosenblum Park.
(East 75th Street, South Jeffrey Boulevard, East 76th
Street, South Euclid Avenue, If Extended)

Legal Description:

Lots 1 through 44, inclusive, in Block 1 of James Stinson's Subdivision of East Grand Crossing in the east half of the southwest quarter of Section 25, Township 38 North, Range 14 East of the Third Principal Meridian together with the east/west vacated alley lying south of Lots 1 to 11 and north of Lots 12 and 44 and the north/south alley lying east of Lots 12 through 25 and west of Lots 26 through 44 and the vacated east/west alley lying south of Lot 29 and north of Lot 28 in said Block 1 taken as a tract.

Permanent Index Number:

20-25-307-018-0000.

Legal Description.

School:	South Shore High School
Section:	25
Township:	38
Range:	14

Folio:

Source Date:

January 9, 1987

Parcel 1:

Lots 1 to 51, both inclusive, in the resubdivision of Lots 7 to 25, inclusive, in Block 3, the west 1 foot of Lots 26 to 40, both inclusive, in Block 3 and all that part of Lots 39 and 40 (except west 1 foot in Block 3, lying northeasterly of a line which is 16 feet southwesterly of and parallel to the southwesterly right-of-way of the Baltimore and Ohio Railroad), also Lots 1 to 50, both inclusive, in Block 14, all in James Stinson's Subdivision of East Grand Crossing in the southwest quarter of Section 25, Township 38 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois.

Parcel 2:

Lots 1 to 11, both inclusive, in Block 4 in James Stinson's Subdivision of East Grand Crossing, being a subdivision in the southwest quarter of Section 25, Township 38 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois.

Parcel 3:

The east 27.12 feet of the west 28.12 feet (as measured along the south line) of that part of Lots 26 to 40 taken as a tract (except that part of Lot 40 lying northeasterly of a line which is 16 feet southwesterly of and parallel to the southwesterly right-of-way line of Baltimore and Ohio Railroad) in Block 3 in Stinson's Subdivision of East Grand Crossing in the southwest quarter of Section 25, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, and vacated alleys.

Parcel 4:

The vacated north and south 16 foot alley which lies east of and adjacent to Lots 16 through 33 and west of and adjacent to Lots 34 to 51 in the resubdivision of Lots 7 to 25, inclusive, in Block 3, the west 1 foot of Lots 26 to 40, both inclusive, in Block 3 and all that part of Lots 39 and 40 (except the west 1 foot in Block 3, lying northeasterly of a line which is 16 feet southwesterly of and parallel to the southwesterly right-of-way of the Baltimore and Ohio Railroad), also Lots 1 to 50, both inclusive, in Block 14, all in James Stinson's Subdivision of East Grand Crossing in the southwest quarter of Section 25, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 5:

The vacated north and south 16 foot alley which lies east of and adjacent to Lots 1 through 15 in the resubdivision of Lots 7 to 25, inclusive, in Block 3, the west 1 foot of Lots 26 to 40, inclusive, of Block 3, and all that part of Lots 39 and 40 (except the west 1 foot) of Block 3, lying northeasterly of a line which is 16 feet southwesterly of and parallel to the southwesterly right-of-way line of Baltimore and Ohio Railroad, also Lots 1 to 50, inclusive, of Block 14, all in James Stinson's Subdivision of East Grand Crossing in the southwest quarter of Section 25, Township 38 North, Range 14, East of the Third Principal Meridian, excepting from the above described tract of land the west 1 foot of the north 16 feet of Lot 40 (said north 16 feet measured along the west line of said Lot 40) in James Stinson's Subdivision of East Grand Crossing in the southwest quarter of Section 25, Township 38 North, Range 14, East of the Third Principal Meridian, all in Cook County, Illinois.

267,659 square feet, 6.14 acres

(Sub)Exhibit "A-6".
(To Intergovernmental Agreement With
Chicago Board Of Education)

The Westinghouse Project [Preliminary]

Bond Issuance Date:	_____
Bonds:	_____
Depository:	Cole Taylor Bank
Depository Agreement Date:	_____
Insurer:	_____
Type of School:	High School
Property Location (attach legal description):	The area bounded by Franklin Boulevard, Spaulding Avenue, Sawyer Avenue and the Canadian & North Western Railway

Category of Project (Acquisition,
Design, Construction,
Rehabilitation, Refunding
and/or Additional Financing)
and Party Undertaking the
Project (Board and/or
Commission):

Refunding, Additional Financing for
Construction (Commission)

Prior Note:

\$53,750,000 Tax Increment Allocation
Revenue Note (Chicago/Central Park
Redevelopment Project), Series 2005A

Facility Description:

High school facility to accommodate
1,200 students comprised of two small
schools of 600 students each; a career
academy and a college preparatory high
school. Plans include 28 standard
classrooms, specialty classrooms,
language and computer labs, science
labs, music and art rooms, 2
administrative centers, learning
resource center, nurse and student
services, student dining room and full
service kitchen, multi-purpose room,
auditorium, gymnasium, natatorium,
building support spaces, site athletic
amenities and parking.

T.I.F. Ordinance Date:

February 27, 2002

Redevelopment Area:

Chicago/Central Park Redevelopment
Project Area

Redevelopment Plan *Journal*
Citation:

February 27, 2002 (pages 79794 --
80002)

Redevelopment Area Termination
Date:

December 31, 2026

City Funds:

\$70,000,000

Project Budget:

\$71,648,706

Westinghouse School Project

Property Description.

Parcel 1.

Existing High School Building Site.
(Block Bounded By Franklin Boulevard, Spaulding Avenue,
Homan Avenue And C.N.W. Railroad Right-Of-Way
And That Portion Of Vacated Spaulding Avenue
Used For The Existing School Parking Lot)

Legal Description:

That part lying south of West Franklin Boulevard of the southeast quarter of the northeast quarter of Section 11, Township 39 North, Range 13, East of the Third Principal Meridian except therefrom 20 acres off the east side of said tract conveyed by William Morton to Helen M. Kelly by warranty deed dated August 10, 1864 and recorded August 17, 1864 as Document 84957 and except that part thereof conveyed by George Hancock by warranty deed dated October 17, 1870 and recorded November 15, 1870 as Document 73336 to the West Chicago Park commissioners and except that part thereof belonging to and occupied by the Chicago and Northwestern Railroads Company together with that part of North Spaulding Avenue vacated by ordinance passed January 14, 1918 and recorded January 23, 1918 as Document Number 6264246,

Also Known As,

the southwest quarter of the southeast quarter the northeast quarter of Section 11, Township 39 North, Range 13 East of the Third Principal Meridian except that part taken or dedicated for boulevard and streets.

Common Addresses:

3301 -- 3359 West Franklin Boulevard;

400 -- 446 North Spaulding Avenue; and

401 -- 447 North Homan Avenue.

Permanent Index Numbers:

16-11-228-001;

16-11-228-002; and

16-11-229-022 (vacated Spaulding Avenue).

Parcel 2.

New High School Building Site.

(Bounded By Franklin Boulevard, Kedzie Avenue, Spaulding Avenue
And C.N.W. Right-Of-Way Except Fire Department Property)

Legal Description:

Lots 1 through 23, inclusive, and Lots 34 and 35 in Block One of Hayward's Subdivision of the southeast quarter of the southeast quarter of the northeast quarter of Section 11, Township 39 North, Range 13 East of the Third Principal Meridian and the west half of the north/south alley lying adjacent to and east of Lots 17 through 23 and the east half of vacated North Sawyer Avenue lying west of and adjacent to Lots 17 through 23 vacated by ordinances passed January 14, 1918, recorded January 23, 1918, as Document Number 6264246 and March 2, 1951 recorded May 3, 1951 as Document Number 15067936 and including the north 16 feet of Lot 16 dedicated as an east/west alley by plat of dedication recorded May 3, 1951 as Document Number 15067935.

Also,

Lots 1 through 35, inclusive, in Block 2 in Hayward's Subdivision of the southeast quarter of the southeast quarter of the northeast quarter of Section 11, Township 39 North, Range 13 East of the Third Principal Meridian together with vacated North Sawyer Avenue lying east of and adjacent to Lots 24 through 30, inclusive, vacated by City Council ordinances passed January 14, 1918, recorded January 23, 1918 as Document Number 6264246 and passed March 2, 1951 recorded May 3, 1951 as Document Number 15067936 and the north/south alley lying between Lots 17 through 23, inclusive, and Lots 24 through 30, inclusive, in Block 2 vacated by City Council ordinance passed January 14, 1918, recorded January 23, 1918 as Document Number 6264246.

Common Addresses:

426 -- 446 North Kedzie Avenue;
3201 -- 3225 West Franklin Boulevard;
401 -- 447 North Sawyer Avenue;
400 -- 446 North Sawyer Avenue;
3235 -- 3259 West Franklin Boulevard; and
401 -- 447 North Spaulding Avenue.

Permanent Index Numbers:

16-11-230-001-0000 to and including
16-11-230-023-0000; and

16-11-229-005, 006, 007, 008, 009,
010, 011, 013, 014, 015, 016, 017,
022, 023 and 024.

(Sub)Exhibit "A-7".
(To Intergovernmental Agreement With
Chicago Board Of Education)

The Skinner Project [Preliminary].

Bond Issuance Date:

Bonds:

Depository:

Cole Taylor Bank

Depository Agreement Date:

Insurer:

Type of School:	Elementary School
Property Location (attach legal description):	1219 to 1235 West Monroe Street and 1226 to 1240 West Adams Street
Category of Project (Acquisition, Design, Construction, Rehabilitation, Refunding and/or Additional Financing) and Party Undertaking the Project (Board and/or Commission)	Construction (Commission)
Prior Note:	N.A.
Facility Description:	Elementary school facility to accommodate 742 students with 4 pre-kindergarten/kindergarten classrooms, 19 standard classrooms, computer, science, music and art rooms, administrative/student support center, learning resource center, Chicago Park District partnership gymnasium, nurse and student services, kitchen, dining/multi-purpose room, building support spaces and parking.
T.I.F. Ordinance Date:	February 16, 2000
Redevelopment Area:	Central West Redevelopment Project Area
Redevelopment Plan <i>Journal</i> Citation:	February 16, 2000 (pages 25277 -- 25409)
Redevelopment Area Termination Date:	December 31, 2024
City Funds:	\$34,000,000
Project Budget:	\$34,855,393

New Skinner School Project.

Property Description.

Parcel 1.

Existing Skinner School Property.

Legal Description:

Lots 5, 6, 7, 8 and 9 in G.B. Chandler's Subdivision of Block 11 of Canal Trustees Subdivision of the west half and the west half of the northeast quarter of Section 17, Township 39 North, Range 14 East of the Third Principal Meridian together with the east half of Throop Street vacated by City Council ordinance passed February 23, 1955 and recorded on March 25, 1955 as Document Number 16185262.

Common Addresses:

111 South Throop Street
Chicago, Illinois 60607;

1245 -- 1259 West Monroe Street
Chicago, Illinois 60607; and

1244 -- 1258 West Adams Street
Chicago, Illinois 60607.

Permanent Index Number:

17-17-109-029-0000.

Parcel 2.

Additional Properties To Be Acquired
For The Construction Of A New Skinner School.

Legal Description:

Lot 10 in G.B. Chandler's Subdivision of Block 11 of the west half and the west half of the northeast quarter of Section 17, Township 39 North, Range 14

East of the Third Principal Meridian and Lot 23 in Parson's Subdivision of the interior portion of G.B. Chandler's Subdivision of Block 11 of the west half and the west half of the northeast quarter of Section 17, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Common Address:

1236 -- 1240 West Adams Street
Chicago, Illinois 60607.

Permanent Index Number:

17-17-109-030-0000.

Legal Description:

The west half of Lot 12 and all of Lot 11 in G.B. Chandler's Subdivision of Block 11 in Canal Trustees Subdivision of the west half and the west half of the northeast quarter of Section 17, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois and the west half of Lot 25 and all of Lot 24 in Parson's Subdivision of the interior portion of Chandler's Subdivision of Block 11 in Canal Trustees Subdivision of the west half and the west half of the northeast quarter of Section 17, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Common Address:

1228 -- 1234 West Adams Street
Chicago, Illinois 60607.

Permanent Index Numbers:

17-17-109-019-0000;

17-17-109-020-0000; and

17-17-109-021-0000.

(Sub)Exhibit "A-8".
(To Intergovernmental Agreement With
Chicago Board Of Education)

The DePriest Project [Preliminary].

Bond Issuance Date:	_____
Bonds:	_____
Depository:	Cole Taylor Bank
Depository Agreement Date:	_____
Insurer:	_____
Type of School:	Elementary School
Property Location (attach legal description):	123 -- 125, 138 and 139 South Parkside Avenue
Category of Project (Acquisition, Design, Construction, Rehabilitation, Refunding and/or Additional Financing) and Party Undertaking the Project (Board and/or Commission):	Refunding
Prior Note:	\$18,500,000 Tax Increment Allocation Revenue Note (Madison/Austin Corridor Redevelopment Project), Series 2004H
Facility Description:	Elementary school facility to accommodate 960 students with 6 pre-kindergarten/ kindergarten classrooms, 23 standard classrooms, computer, science, music and art rooms, administrative/student support center, learning resource center, nurse and student services, kitchen, dining/ multipurpose room, building support spaces and parking.
T.I.F. Ordinance Date:	September 29, 1999, amended November 3, 2004

Redevelopment Area:	Madison/Austin Corridor Redevelopment Project
Redevelopment Plan <i>Journal</i> Citation:	September 29, 1999 (pages 11507 -- 11622), November 3, 2004 (pages 34555 -- 34570)
Redevelopment Area Termination Date:	December 31, 2023
City Funds:	\$18,500,000
Project Budget:	\$19,433,720

DePriest School.

The Property.

Legal Description:

Lots 32 and 33 in Block 1 of Austin Heights, a subdivision of Blocks 1, 2, 3 and 4 of Knisely's Addition to Chicago, a subdivision of all that part of the northeast quarter of Section 17, Township 39 North, Range 13 lying north of the south 108 acres thereof, east of the Third Principal Meridian in Cook County, Illinois.

Also,

Lots 44 and 45 in Block 2 of Austin Heights, a subdivision of Blocks 1, 2, 3 and 4 of Knisely's Addition to Chicago, a subdivision of all that part of the northeast quarter of Section 17, Township 39 North, Range 13 lying north of the south 108 acres thereof, east of the Third Principal Meridian in Cook County, Illinois.

Addresses:

123 -- 125 South Parkside Avenue;

138 South Parkside Avenue; and

139 South Parkside Avenue
Chicago, Illinois 60644.

Permanent Index Numbers:

16-17-205-021;

16-17-205-022; and

16-17-204-038.

(Sub)Exhibit "A-9".
(To Intergovernmental Agreement With
Chicago Board Of Education)

The Albany Park Project [Preliminary].

Bond Issuance Date:	_____
Bonds:	_____
Depository:	Cole Taylor Bank
Depository Agreement Date:	_____
Insurer:	_____
Type of School:	Middle School
Property Location (attach legal description):	4901 -- 4957 North Sawyer Avenue and 4900 North Kedzie Avenue
Category of Project (Acquisition, Design, Construction, Rehabilitation, Refunding and/or Additional Financing) and Party Undertaking the Project (Board and/or Commission):	Refunding
Prior Note:	\$25,000,000 Tax Increment Allocation Revenue Note (Lawrence/Kedzie Redevelopment Project), Series 2004F

Facility Description:	Middle school facility to accommodate 700 students with 24 standard classrooms, 8 academic classrooms, computer, science, music and art rooms, administrative/student support center, learning resource center, gymnasium, nurse and student services, kitchen, dining/multi-purpose room, building support spaces and parking.
T.I.F. Ordinance Date:	February 16, 2000
Redevelopment Area:	Lawrence/Kedzie Redevelopment Project Area
Redevelopment Plan <i>Journal</i> Citation:	February 16, 2000 (pages 24803 -- 24898)
Redevelopment Area Termination Date:	December 31, 2024
City Funds:	\$25,000,000
Project Budget:	\$31,355,774

Albany Park School.

The Property.

Legal Description:

Lots 61 through 80 in Thomasson's Fifth Ravenswood Addition in Blocks 21 and 28 of Jackson's Subdivision of the southeast quarter of Section 11, Township 40 North, Range 13 and the southwest quarter of Section 12, Township 40 North, Range 13 East of the Third Principal Meridian in Cook County, Illinois.

And,

Lots 21 through 24 in Thomasson's Fourth Ravenswood Addition in Blocks 21 and 28 of Jackson's Subdivision of the southeast quarter of Section 11, Township 40

North, Range 13 and the southwest quarter of Section 12, Township 40 North,
Range 13 East of the Third Principal Meridian in Cook County, Illinois.

Addresses:

4901 -- 4957 North Sawyer Avenue; and

4900 North Kedzie Avenue
Chicago, Illinois 60632.

Permanent Index Numbers:

13-11-423-001 through 13-11-423-017; and

13-11-423-025.

(Sub)Exhibit "A-10".
(To Intergovernmental Agreement With
The Chicago Board Of Education)

The Avondale/Irving Park Project [Preliminary].

Bond Issuance Date:

Bonds:

Depository:

Cole Taylor Bank

Depository Agreement Date:

Insurer:

Type of School:

Elementary School

Property Location (attach legal
description):

Milwaukee Avenue and Avers Avenue

Category of Project (Acquisition,
Design, Construction,
Rehabilitation, Refunding
and/or Additional Financing)
and Party Undertaking the
Project (Board and/or
Commission):

Acquisition (Commission), Design
(Commission)

Prior Note:

N.A.

Facility Description:

Elementary school facility to
accommodate 800 -- 1,000 students
with 6 pre-kindergarten/kindergarten
classrooms, 24 standard classrooms,
computer, science, music and art
rooms, administrative/student support
center, learning resource center,
gymnasium, nurse and student
services, kitchen, dining/multi-
purpose room, building support
spaces, and parking. Final design will
be based on educational and
community input.

T.I.F. Ordinance Date:

February 16, 2000, amended May 11,
2005

Redevelopment Area:

Fullerton/Milwaukee Redevelopment
Project Area

Redevelopment Plan *Journal*
Citation:

February 16, 2000 (pages 25064 --
25205), May 11, 2005 (pages 47331 --
47471)

Redevelopment Area Termination
Date:

December 31, 2023

City Funds:

\$10,000,000

Project Budget:

\$10,000,000 (Acquisition and Design)
(\$31,300,553 total including future
construction)

Avondale/Irving Park Area School.

Chicago Title Insurance Company

Commitment For Title Insurance

Schedule A

Order Number: 1401 008322554 DG.

Legal Description:

5. The land referred to in this commitment is described as follows:

Parcel 1:

Lots 20, 21 and 26 in William J. Sweeney's Milwaukee Avenue Addition, a subdivision of Lots 1 to 4 in Circuit Court Commissioners' Division, being that part east of North Milwaukee Avenue of the west half of the south half of the south half of the southwest quarter of Section 23, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

Lots 16 and 17 in William J. Sweeney's Third Addition to Chicago, a subdivision of Lot 12 in Circuit Court Commissioners' Division of the estate of John Sweeney, being that part east of North Milwaukee Avenue or the west half of the south half of the south half of the southwest quarter of Section 23, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 3:

That part of Lots 7 and 8, lying west of the west line of North Avers Avenue in Circuit Court Commissioners' Division of the estate of John Sweeney, being that part east of North Milwaukee Avenue of the west half of the south half of the south half of the southwest quarter of Section 23, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 4:

Lots 17, 18, 19, 22, 23, 24 and 25 in William J. Sweeney's Milwaukee Avenue Addition to Chicago, a subdivision of Lots 1 to 4 in Circuit Court Commissioners' Division of the estate of John Sweeney in the southwest quarter of Section 23 Township 40 North, Range 13 East of the Third Principal Meridian, in Cook County' Illinois.

Parcels 2 and 3 are also described as follows:

That part of Section 23, Township 40 North , Range 13 East of the Third Principal Meridian, described by commencing at the intersection of the west line of North Avers Avenue with the north line of West Belmont Avenue; thence north 00 degrees, 52 minutes, 09 seconds east on said west line, a distance of 234.35 feet to a point on the northeasterly line of Lot 5 in the Circuit Court Commissioners's Division and the point of beginning; thence north 48 degrees, 27 minutes, 56 seconds west, on said point of beginning; thence north 48 degrees, 27 minutes, 56 seconds west on said northeasterly line of Lot 5, 18.48 feet to the easternmost corner of Lot 17 in William J. Sweeney's Third Addition to Chicago; thence south 41 degrees, 25 minutes, 10 seconds west on the southeast line of said Lot 17, 64.43 feet (65.00 feet, record) to southerly corner thereof; thence north 48 degrees, 35 minutes, 16 seconds west on a southwesterly line of said Lot 17, 29.98 feet (30.00 feet, record) to an angle point in said lot; thence south 41 degrees, 24 minutes, 43 seconds west, along a southerly line of said 14.00 feet to the northeasterly line of a 16 foot public alley; thence north 48 degrees, 35 minutes, 16 seconds east on the northeast line of said alley and the southwest line of said Lot 17, 235.60 feet to the east line of North Springfield Avenue; thence north 00 degrees, 52 minutes, 09 seconds east, on said east line, 98.46 feet (98.37 feet, record) to the northwest corner of Lot 16 in said William J. Sweeney's Third Addition to Chicago and the south line of a 16foot public alley; thence south 88 degrees, 53 minutes, 28 seconds east on said south line 266.83 feet (266.80 feet, record) to the west line of North Avers Avenue; thence south 00 degrees, 52 minutes, 09 seconds west on said west line 222.42 feet to the point of beginning, in Cook County, Illinois.

Parcels 1 and 4 are also described as follows:

That part of Section 23, Township 40 North, Range 13 East of the Third Principal Meridian, described by beginning at the intersection of the southeast line of North Springfield Avenue with the northeast line of North Milwaukee Avenue; said point also being the westernmost corner of Lot 17 in William J. Sweeney's Milwaukee Avenue Addition to Chicago; thence north 41 degrees, 25 minutes, 10 seconds east on the northwest line of said Lot 17, 124.96 feet (125.00, record) to the northernmost corner of said Lot 17 and the southwesterly line of a public alley; thence south 48 degrees, 35 minutes, 16 seconds east on said southwesterly line, 250.00 feet to the northeast corner of Lot 25 in William J. Sweeney's Milwaukee Avenue Addition to Chicago; thence south 41 degrees, 25 minutes, 10 seconds west on the southeast line of said Lot 26, 125.00 feet to the northeasterly line of North Milwaukee Avenue; thence north 49 degrees, 34 minutes, 55 seconds west on said northeasterly line, 250.00 feet to the point of beginning, in Cook County, Illinois.

Permanent Index Numbers:

13-23-327-012 through and
including 327 - 022 and, 327- 026; and
13-23-328-032.

Avondale/Irving Park.

Commitment For Title Insurance

Schedule A (Continued)

Order Number: 1401 008322555 DG.

Legal Description:

5. The land referred to in this commitment is described as follows:

Lots 13, 14, 15 and 16 in William J. Sweeney's Milwaukee Avenue Addition to Chicago, a subdivision of Lots 1 to 4 in Circuit Court Commissioners' Division of the estate of John Sweeney in the southwest quarter of Section 23, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Index Numbers:

13-23-326-015;
13-23-326-016;
13-23-326-017; and
13-23-326-018.

(Sub)Exhibit "A-11".

(To Intergovernmental Agreement With
Chicago Board Of Education)

The Boone Clinton Project [Preliminary].

Bond Issuance Date:

Bonds:

Depository:	Cole Taylor Bank
Depository Agreement Date:	_____
Insurer:	_____
Type of School:	Elementary School
Property Location (attach legal description):	North Whipple Street and West North Shore Avenue
Category of Project (Acquisition, Design, Construction, Rehabilitation, Refunding and/or Additional Financing) and Party Undertaking the Project (Board and/or Commission):	Acquisition (Board), Design (Commission)
Prior Note:	N.A.
Facility Description:	Elementary school facility to accommodate 800 -- 1,000 students with 6 pre-kindergarten/kindergarten classrooms, 24 standard classrooms, computer, science, music and art rooms, administrative/student support center, learning resource center, gymnasium, nurse and student services, kitchen, dining/multi-purpose room, building support spaces, and parking. Final design will be based on educational and community input.
T.I.F. Ordinance Date:	September 13, 2006
Redevelopment Area:	Touhy/Western Redevelopment Project Area
Redevelopment Plan <i>Journal</i> Citation:	September 13, 2006 (pages 83668 -- 83673)
Redevelopment Area Termination Date:	December 31, 2030
City Funds:	\$7,500,000

Project Budget: \$7,500,000 (Acquisition and Design)
(\$30,745,622 total including future construction)

Boone/Clinton Area School.

Chicago Title Insurance Company
Owner's Policy (1992)

Schedule A

Policy Number: 1401 008177338 DG.

Legal Description:

5. The land referred to in this policy is described as follows:

That part of the following described tract of land:

Lot 15 (except the north 16 feet thereof); all of Lots 16 to 27 and Lot 28 (except the south 16 feet thereof); all that part of the north and south alley vacated by Document Number 10549013, lying west of and adjoining Lots 15 to 26 (except the north 16 feet of Lot 15 and except the south 16 feet of Lot 28); all that part of West North Shore Avenue vacated by Document Number 10549013, lying south of and adjoining Lot 19 and the south line of Lot 19 produced west to the west line of the north and south alley lying west and adjoining the west line of said Lot 19 and lying north and adjoining the north line of Lot 20 and the north line of said Lot 20 produced west to the west line of the north and south alley lying west and adjoining the west line of said Lot 20 in Salinger and Hubbard's Second Addition to Rogers Park; and that part of Lot 2 in the subdivision of the west half (in area) of the southwest fractional quarter of Section 36, Township 41 North, Range 13, East of the Third Principal Meridian, lying north of the Indian Boundary Line, and part of Lot 1 in Assessor's Division in the southwest quarter, Section 36, Township 41 North, Range 13, East of the Third Principal Meridian in Cook County, Illinois, described as follows:

beginning at the southeast corner of said Lot 2; thence south 89 degrees 51 minutes, 56 seconds west, 103.03 feet; thence north 02 degrees 40 minutes, 47 seconds east, 489.77 feet; thence north 89 degrees, 51 minutes, 56 seconds east, 134.84 feet; thence south 02 degrees, 34 minutes, 16 seconds west, 7.60 feet; thence north 89 degrees, 51 minutes, 56 seconds east, 118.16 feet to the west right-of-way line of North Whipple Street; thence south 01 degree, 40 minutes, 44 seconds west along said right-of-way of North Whipple Street, 453.30 feet; thence south

89 degrees, 51 minutes, 56 seconds west, 125.23 feet; thence south 02 degrees, 34 minutes, 10 seconds west, 28.64 feet; thence south 89 degrees, 51 minutes, 56 seconds west, 32.74 feet to the point of beginning.

Permanent Index Numbers:

10-36-300-054-0000;

10-36-301-005-0000; and

10-36-301-015-0000.

(Sub)Exhibit "A-12".

(To Intergovernmental Agreement With
Chicago Board Of Education)

The Belmont/Cragin Project [Preliminary].

Bond Issuance Date:	_____
Bonds:	_____
Depository:	Cole Taylor Bank
Depository Agreement Date:	_____
Insurer:	_____
Type of School:	Elementary School
Property Location (attach legal description):	West Grand Avenue and North Central Avenue
Category of Project (Acquisition, Design, Construction, Rehabilitation, Refunding and/or Additional Financing) and Party Undertaking the Project (Board and/or Commission):	Acquisition (Board), Design (Commission)
Prior Note:	N.A.

Facility Description: Elementary school facility to accommodate 800 -- 1,000 students with 6 pre-kindergarten/kindergarten classrooms, 24 standard classrooms, computer, science, music and art rooms, administrative/student support center, learning resource center, gymnasium, nurse and student services, kitchen, dining/multi-purpose room, building support spaces, and parking. Final design will be based on educational and community input

T.I.F. Ordinance Date: July 7, 1999

Redevelopment Area: Galewood/Armitage Industrial Redevelopment Project Area

Redevelopment Plan *Journal*
Citation: July 7, 1999 (pages 6235 -- 6323)

Redevelopment Area Termination
Date: July 7, 2022

City Funds: \$7,500,000

Project Budget: \$7,500,000 (Acquisition and Design)
(\$30,780,185 total, including future construction)

Belmont/Cragin Area School.

Legal Description:

The west half of the northwest quarter of Section 33, Township 40 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois (except railroad and except parts taken for streets).

(Does not include those parcels underlying Hanson Park Elementary School, Prosser High School or Hanson Park Stadium)

Permanent Index Number:

13-33-100-002-0000.

Boundary:

West Grand Avenue on the south, West Palmer Street on the north, North Central Avenue on the west and North Luna Avenue on the east.

(Sub)Exhibit "A-13".

(To Intergovernmental Agreement With
Chicago Board Of Education)

The Peterson Project [Preliminary].

Bond Issuance Date:

Bonds:

Depository:

Depository Agreement Date:

Insurer:

Type of School:

Elementary School

Property Location (attach legal
description):

5510 North Christiana Avenue

Category of Project (Acquisition,
Design, Construction,
Rehabilitation, Refunding
and/or Additional Financing)
and Party Undertaking the
Project (Board and/or
Commission):*

Construction (Board), (new addition to
existing facility, which may require
rehabilitation to accommodate the new
addition)

Prior Note:

N.A.

Facility Description:

Building addition to include 3 pre-kindergarten/kindergarten classrooms, 6 standard classrooms, dining room and kitchen facility. Renovations shall include mechanical, electrical and plumbing upgrades, structural improvements, new roof and elevator for building accessibility.

T.I.F. Ordinance Date:	February 16, 2000
Redevelopment Area:	Lawrence/Kedzie Redevelopment Project Area
Redevelopment Plan <i>Journal</i> Citation:	February 16, 2000 (pages 24803 -- 24898)
Redevelopment Area Termination Date:	December 31, 2024
City Funds:	\$15,000,000
Project Budget:	\$15,560,000

Legal Description.

School:	Peterson
Section:	11
Township:	40
Range:	13
Folio:	_____
Source date:	October 13, 1965

Lots 1 to 40, in Block 2 of South Milton Eichberg's Subdivision of Lot 2 (except the west 33 feet thereof) and Lot 3 (except the east 33 feet thereof) in the subdivision by the City of Chicago of the north half of Section 11-40-13 and vacated alleys.

157,556 square feet, 3.61 acres.

(Sub)Exhibit "B-__".
 (To Intergovernmental Agreement With
 Chicago Board Of Education)

[Preliminary] [Amended] [Final]
 _____ Project Budget.

Use Of Funds	Source (City Or Board)	Cost
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL:		\$ _____

(Sub)Exhibit "B-1".
 (To Intergovernmental Agreement With
 Chicago Board Of Education)

Preliminary Collins Project Budget.

Use Of Funds	Source (City Or Board)	Cost
Project Initiation		
Design and Management	City	\$ 2,289,750
Pre-Purchase Materials	City	487,562
F.F. and E.	Board	1,414,461
Miscellaneous	City	0
Subtotal:		\$ 4,191,773

12/13/2006

COMMUNICATIONS, ETC.

93903

Use Of Funds	Source (City Or Board)	Cost
General Construction		
Construction	City	\$25,450,000
Contingency	City	1,757,000
Administration Fees	City	50,000
Subtotal:		\$27,257,000
TOTAL:		\$31,448,773

(Sub)Exhibit "B-2".
 (To Intergovernmental Agreement With
 Chicago Board Of Education)

Preliminary Mather Project Budget.

Use Of Funds	Source (City Or Board)	Cost
Project Initiation		
Design and Management	City	\$ 2,184,000
Pre-Purchase Materials	City	443,525
F.F. and E.	Board	1,176,392
Miscellaneous	City	0
Subtotal:		\$ 3,803,917
General Construction		
Construction	City	\$25,950,000
Contingency	City	1,333,500

Use Of Funds	Source (City Or Board)	Cost
Administration Fees	City	\$ 100,000
Subtotal:		\$27,383,500
TOTAL:		\$31,187,417

(Sub)Exhibit "B-3".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Preliminary Austin Project Budget.

Use Of Funds	Source (City Or Board)	Cost
Project Initiation		
Design and Management	City	\$ 2,242,604
Pre-Purchase Materials	City	760,000
F.F. and E.	Board	2,880,083
Miscellaneous	City	0
Subtotal:		\$ 5,882,687
General Construction		
Construction	City	\$25,150,000
Contingency	City	1,757,000
Administration Fees	City	100,000
Subtotal:		\$27,007,000
TOTAL:		\$32,889,687

(Sub)Exhibit "B-4".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Preliminary Southwest Elementary Project Budget.

Use Of Funds	Source (City Or Board)	Cost
Project Initiation		
Land Acquisition	City	\$ 1,750,000
Professional Fees	City	250,000
Site Preparation/ Remediation	City	1,718,857
Design and Management	City	872,126
Pre-Purchased Materials	City	312,500
F.F. and E.	Board	790,000
Miscellaneous	City	200,000
Subtotal:		\$ 5,893,483
General Construction		
Construction	City	\$21,310,803
Contingency	City	1,200,540
Administration Fees	City	660,324
Professional Services	City	1,726,028
Subtotal:		\$24,897,695
TOTAL:		\$30,791,178

(Sub)Exhibit "B-5".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Preliminary South Shore High Project Budget.

Use Of Funds	Source (City Or Board)	Cost
Project Initiation		
Land Acquisition	City	\$ 0
Professional Fees	City	0
Site Preparation/ Remediation	City	5,071,970
Design and Management	City	2,100,000
Pre-Purchased Materials	City	525,000
F.F. and E.	Board	1,615,000
Miscellaneous	City	400,000
Subtotal:		\$ 9,711,970
General Construction		
Construction	City	\$44,800,000
Contingency	City	7,000,000
Professional Fees		3,500,000
PBC Administration Fees	City	1,635,000
Subtotal:		\$56,935,000
TOTAL:		\$66,646,970

(Sub)Exhibit "B-6".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Preliminary Westinghouse Project Budget.

Use Of Funds	Source (City Or Board)	Cost
Project Initiation		
Land Acquisition	City	\$ 2,420,002
Professional Fees	City	250,000
Site Preparation/ Remediation	City	3,611,704
Design and Management	City	1,850,000
Pre-Purchased Materials	City	525,000
F.F. and E.	Board	1,600,000
Miscellaneous	City	3,550,000
Subtotal:		\$13,806,706
General Construction		
Construction	City	\$52,000,000
Contingency	City	1,957,000
PBC Administration Fees	City	1,590,000
Professional Fees	City	2,295,000
Subtotal:		\$57,842,000
TOTAL:		\$71,648,706

(Sub)Exhibit "B-7".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Preliminary Skinner Elementary Project Budget.

Use Of Funds	Source (City Or Board)	Cost
Project Initiation		
Land Acquisition	City	\$ 4,100,000
Professional Fees	City	250,000
Site Preparation/ Remediation	City	2,420,734
Design and Management	City	918,582
Pre-Purchased Materials	City	325,407
F.F. and E.	Board	790,000
Miscellaneous	City	200,000
Subtotal:		\$ 9,004,723
General Construction		
Construction	City	\$21,835,196
Contingency	City	1,542,759
Administration Fees	City	685,665
Professional Services	City	1,787,050
Subtotal:		\$25,850,670
TOTAL:		\$34,855,393

(Sub)Exhibit "B-8".
(To Intergovernmental Agreement With
Chicago Board Of Education)

DePriest Elementary Project Budget.

Use Of Funds	Source (City Or Board)	Cost
Project Initiation		
Land Acquisition	City	\$ 477,401
Professional Fees	City	40,698
Site Preparation/ Remediation	City	1,068,465
Design and Management	City	1,745,851
Pre-Purchased Materials	City	592,152
F.F. and E.	Board	681,280
Miscellaneous	City	393,110
Subtotal:		\$ 4,998,957
General Construction		
Construction	City	\$13,321,818
Contingency	City	0
Administration Fees	City	476,000
Professional Services	City	636,945
Subtotal:		\$14,434,763
TOTAL:		\$19,433,720

(Sub)Exhibit "B-9".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Albany Park School Project Budget.

Use Of Funds	Source (City Or Board)	Cost
Project Initiation		
Land Acquisition	City	\$ 6,376,288
Professional Fees	City	134,889
Site Preparation/ Remediation	City	871,832
Design and Management	City	1,007,765
Pre-Purchased Materials	City	175,000
F.F. and E.	Board	790,000
Miscellaneous	City	0
Subtotal:		\$ 9,355,774
General Construction		
Construction	City	\$19,380,100
Contingency	City	401,053
Administration Fees	City	581,000
Professional Fees	City	1,637,847
Subtotal:		\$22,000,000
TOTAL:		\$31,355,774

12/13/2006

COMMUNICATIONS, ETC.

93911

(Sub)Exhibit "B-10".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Avondale Irving Park School Project Budget.

Use Of Funds	Source (City Or Board)	Cost
Project Initiation		
Land Acquisition	City	\$5,000,000
Professional Fees	City	250,000
Site Preparation/ Remediation	City	1,849,146
Design and Management	City	831,600
Pre-Purchase Materials	City	312,500
F.F. and E.	Board	790,000
Miscellaneous	City	200,000
Subtotal:		\$9,233,246
General Construction		
Construction	City	\$18,000,000
Contingency	City	1,782,000
Administration Fees	City	647,460
Professional Services	City	1,637,847
Subtotal:		\$22,067,307
TOTAL:		\$31,300,553

(Sub)Exhibit "B-11".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Boone Clinton School Project Budget.

Use Of Funds	Source (City Or Board)	Cost
Project Initiation		
Land Acquisition	City	\$3,250,000
Professional Fees	City	0
Site Preparation/ Remediation	City	527,732
Design and Management	City	831,000
Pre-Purchase Materials	City	312,500
F.F. and E.	Board	790,000
Miscellaneous	City	200,000
Subtotal:		\$5,911,232
General Construction		
Construction	City	\$20,800,000
Contingency	City	1,749,400
Administration Fees	City	629,640
Professional Services	City	1,655,350
Subtotal:		\$24,834,390
TOTAL:		\$30,745,622

12/13/2006

COMMUNICATIONS, ETC.

93913

(Sub)Exhibit "B-12".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Belmont Cragin School Project Budget.

Use Of Funds	Source (City Or Board)	Cost
Project Initiation		
Land Acquisition	City	\$ 0
Professional Fees	City	0
Site Preparation/ Remediation	City	411,695
Design and Management	City	831,600
Pre-Purchase Materials	City	312,500
F.F. and E.	Board	790,000
Miscellaneous	City	200,000
Subtotal:		\$2,545,795
General Construction		
Construction	City	\$22,950,000
Contingency	City	2,049,400
Administration Fees	City	629,640
Professional Services	City	2,605,350
Subtotal:		\$28,234,390
TOTAL:		\$30,780,185

(Sub)Exhibit "B-13".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Peterson School Addition Project Budget.

Use Of Funds	Source (City Or Board)	Cost
Project Initiation		
Land Acquisition	City	\$ 0
Professional Fees	City	0
Site Preparation/ Remediation	City	135,000
Design and Management	City	1,560,000
Pre-Purchase Materials	City	50,000
F.F. and E.	Board	305,000
Miscellaneous	City	260,000
Subtotal:		\$ 2,310,000
General Construction		
Construction	City	\$12,600,000
Contingency	City	600,000
Administration Fees	City	50,000
Professional Services	City	0
Subtotal:		\$13,250,000
TOTAL:		\$15,560,000

12/13/2006

COMMUNICATIONS, ETC.

93915

(Sub)Exhibit "C-____".
(To Intergovernmental Agreement With
Chicago Board Of Education)

[Preliminary] [Amended] [Final]
_____ Project T.I.F.-Fund
Improvements.

Use Of Funds	Cost
_____	\$ _____
_____	_____
_____	_____
_____	_____
TOTAL:	\$ _____

(Sub)Exhibit "C-1".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Preliminary Collins Project
T.I.F.-Eligible Improvements.

Use Of Funds	Cost
Project Initiation	
Design and Management	\$2,289,750
Pre-Purchase Materials	487,562
F.F. and E.	0

Use Of Funds	Cost
Miscellaneous	\$ 0
Subtotal:	\$2,777,312
General Construction	
Construction	\$25,450,000
Contingency	1,757,000
P.B.C. Administration Fees	50,000
Subtotal:	\$27,257,000
TOTAL:	\$30,034,312

(Sub)Exhibit "C-2".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Preliminary Mather Project
T.I.F.-Eligible Improvements.

Use Of Funds	Cost
Project Initiation	
Design and Management	\$ 2,184,000
Pre-Purchase Materials	443,525
F.F. and E.	0
Miscellaneous	0
Subtotal:	\$ 2,627,525

12/13/2006

COMMUNICATIONS, ETC.

93917

Use Of Funds	Cost
General Construction	
Construction	\$25,950,000
Contingency	1,333,500
Administration Fees	100,000
Subtotal:	\$27,383,500
 TOTAL:	 \$30,011,025

(Sub)Exhibit "C-3".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Preliminary Austin Project
T.I.F.-Eligible Improvements.

Use Of Funds	Cost
Project Initiation	
Design and Management	\$ 2,242,604
Pre-Purchase Materials	760,000
F.F. and E.	0
Miscellaneous	0
Subtotal:	\$ 3,002,604
 General Construction	
Construction	\$25,150,000
Contingency	1,757,000

Use Of Funds	Cost
P.B.C. Administration Fees	\$ 100,000
Subtotal:	\$27,007,000
TOTAL:	\$30,009,604

(Sub)Exhibit "C-4".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Preliminary Southwest Elementary Project
T.I.F.-Eligible Improvements.

Use Of Funds	Cost
Project Initiation	
Land Acquisition	\$1,750,000
Professional Fees	250,000
Site Preparation/Remediation	1,718,857
Design and Management	872,126
Pre-Purchase Materials	312,500
F.F. and E.	0
Miscellaneous	200,000
Subtotal:	\$ 5,103,483
General Construction	
Construction	\$21,310,803
Contingency	1,200,540

12/13/2006

COMMUNICATIONS, ETC.

93919

Use Of Funds	Cost
Administration Fees	\$ 660,324
Professional Services	1,726,028
Subtotal:	\$24,897,695
TOTAL:	\$30,001,178

(Sub)Exhibit "C-5".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Preliminary South Shore Project
T.I.F.-Eligible Improvements.

Use Of Funds	Cost
Project Initiation	
Land Acquisition	\$ 0
Professional Fees	0
Site Preparation/ Remediation	5,071,970
Design and Management	2,100,000
Pre-Purchased Materials	525,000
F.F. and E.	0
Miscellaneous	400,000
Subtotal:	\$ 8,096,970
General Construction	
Construction	\$44,800,000

Use Of Funds	Cost
Contingency	\$ 7,000,000
P.B.C. Administration Fees	3,500,000
Professional Fees	1,635,000
Subtotal:	\$56,935,000
 TOTAL:	 \$65,031,970

(Sub)Exhibit "C-6".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Preliminary Westinghouse Project
T.I.F.-Eligible Improvements.

Use Of Funds	Cost
Project Initiation	
Land Acquisition	\$ 2,420,002
Professional Fees	250,000
Site Preparation/Remediation	3,611,704
Design and Management	1,850,000
Pre-Purchased Materials	525,000
F.F. and E.	0
Miscellaneous	3,550,000
Subtotal:	\$12,206,706
 General Construction	
Construction	\$52,000,000

Use Of Funds	Cost
Contingency	\$ 1,957,000
P.B.C. Administration Fees	1,590,000
Professional Fees	2,295,000
Subtotal:	\$57,842,000
TOTAL:	\$70,048,706

(Sub)Exhibit "C-7".
 (To Intergovernmental Agreement With
 Chicago Board Of Education)

Preliminary Skinner Elementary Project
T.I.F.-Eligible Improvements.

Use Of Funds	Cost
Project Initiation	
Land Acquisition	\$ 4,100,000
Professional Fees	250,000
Site Preparation/Remediation	2,420,734
Design and Management	918,582
Pre-Purchased Materials	325,407
F.F. and E.	0
Miscellaneous	200,000
Subtotal:	\$ 8,214,723
General Construction	
Construction	\$21,835,196

Use Of Funds	Cost
Contingency	\$ 1,542,759
Administration Fees	685,665
Professional Services	1,787,050
Subtotal:	\$25,850,670
 TOTAL:	 \$34,065,393

(Sub)Exhibit "C-8".
 (To Intergovernmental Agreement With
 Chicago Board Of Education)

Preliminary DePriest Elementary Project
T.I.F.-Eligible Improvements.

Use Of Funds	Cost
Project Initiation	
Land Acquisition	\$ 477,401
Professional Fees	40,698
Site Preparation/Remediation	1,068,465
Design and Management	1,745,851
Pre-Purchased Materials	592,152
F.F. and E.	0
Miscellaneous	393,110
Subtotal:	\$ 4,317,677
 General Construction	
Construction	\$13,321,818

12/13/2006

COMMUNICATIONS, ETC.

93923

Use Of Funds	Cost
Contingency	\$ 0
Administration Fees	476,000
Professional Services	636,945
Subtotal:	\$14,434,763
TOTAL:	\$18,752,440

(Sub)Exhibit "C-9".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Preliminary Albany Park School Project
T.I.F.-Eligible Improvements.

Use Of Funds	Cost
Project Initiation	
Land Acquisition	\$ 6,376,288
Professional Fees	134,889
Site Preparation/Remediation	871,832
Design and Management	1,007,765
Pre-Purchased Materials	175,000
F.F. and E.	0
Miscellaneous	0
Subtotal:	\$ 8,565,774
General Construction	
Construction	\$19,380,100

Use Of Funds	Cost
Contingency	\$ 401,053
Administration Fees	581,000
Professional Services	1,637,847
Subtotal:	\$22,000,000
 TOTAL:	 \$30,565,774

(Sub)Exhibit "C-10".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Avondale Irving Park School Project
T.I.F.-Eligible Improvements.

Use Of Funds	Cost
Project Initiation	
Land Acquisition	\$ 5,000,000
Professional Fees	250,000
Site Preparation/Remediation	1,849,146
Design and Management	831,600
Pre-Purchased Materials	312,500
F.F. and E.	0
Miscellaneous	200,000
Subtotal:	\$ 8,443,246
 General Construction	
Construction	\$18,000,000

12/13/2006

COMMUNICATIONS, ETC.

93925

Use Of Funds	Cost
Contingency	\$ 1,782,000
Administration Fees	647,460
Professional Services	1,637,847
Subtotal:	\$22,067,307
TOTAL:	\$30,510,553

(Sub)Exhibit "C-11".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Boone Clinton School Project
T.I.F.-Eligible Improvements.

Use Of Funds	Cost
Project Initiation	
Land Acquisition	\$ 3,250,000
Professional Fees	0
Site Preparation/Remediation	527,732
Design and Management	831,000
Pre-Purchase Materials	312,500
F.F. and E.	0
Miscellaneous	200,000
Subtotal:	\$ 5,121,232

Use Of Funds	Cost
General Construction	
Construction	\$20,800,000
Contingency	1,749,400
Administration Fees	629,647
Professional Services	1,655,350
Subtotal:	\$24,834,397
TOTAL:	\$29,955,629

(Sub)Exhibit "C-12".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Belmont Cragin School Project
T.I.F.-Eligible Improvements.

Use Of Funds	Cost
Project Initiation	
Land Acquisition	\$ 0
Professional Fees	0
Site Preparation/Remediation	411,695
Design and Management	831,600
Pre-Purchase Materials	312,500
F.F. and E.	0
Miscellaneous	200,000
Subtotal:	\$ 1,755,795

Use Of Funds	Cost
General Construction	
Construction	\$22,950,000
Contingency	2,049,400
Administration Fees	629,640
Professional Services	2,605,350
Subtotal:	\$28,234,390
TOTAL:	\$29,990,185

(Sub)Exhibit "C-13".
 (To Intergovernmental Agreement With
 Chicago Board Of Education)

Peterson School Addition Project
T.I.F.-Eligible Improvements.

Use Of Funds	Cost
Project Initiation	
Land Acquisition	\$ 0
Professional Fees	0
Site Preparation/Remediation	135,000
Design and Management	1,560,000
Pre-Purchase Materials	50,000
F.F. and E.	0
Miscellaneous	260,000
Subtotal:	\$ 2,005,000

Use Of Funds	Cost
General Construction	
Construction	\$12,600,000
Contingency	600,000
Administration Fees	50,000
Professional Services	0
Subtotal:	\$13,250,000
 TOTAL:	 \$15,255,000

(Sub)Exhibit "D".
(To Intergovernment Agreement With
Chicago Board Of Education)

General Obligation Bonds, Series _____
(Modern Schools Across Chicago Program)

_____ Project
Requisition Form Number _____.

State of Illinois)
)SS.
County of Cook)

The affiant, _____, _____ of the Board of Education of the City of Chicago, a body corporate and politic (the "Board"), hereby certifies to Cole Taylor Bank (the "Depository") and the City of Chicago (the "City") that with respect to that certain Intergovernmental Agreement between the Board and the City dated _____, _____ 2006 (the "Agreement"):

A. The following is a true and complete statement of all costs incurred for the Project by the Board:

Total: \$_____

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 paid for by the City to date (if any):

\$_____

C. The Board requests disbursement for the following cost of T.I.F.-Funded Improvements:

\$_____

D. None of the costs referenced in paragraph C above has been previously reimbursed by the City.

E. The Board 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 Board is in compliance with all applicable covenants contained therein.

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

3. The Board is in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, codes and executive orders, as well as all policies, programs and procedures of the Board, all as may be in effect from time to time, pertaining to or affecting the Project or the Board as related thereto, including but not limited to those summarized on (Sub)Exhibit E of the Agreement.

F. Attached hereto are: (1) a cost itemization of the applicable portions of the budget attached as (Sub)Exhibit B to the Agreement; and (2) evidence of the expenditures upon T.I.F.-Funded Improvements for which the Board hereby seeks disbursement.

H. The Board hereby requests that the Depository direct disbursement to:

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

The Board of Education of the City of
Chicago, a body corporate and politic

By: _____

Name: _____

Title: _____

Subscribed and sworn before me this
_____ day of _____, _____.

My commission expires: _____.

(Sub)Exhibit "E".

(To Intergovernmental Agreement With
Chicago Board Of Education)

*Law, Rules And Regulations Applicable To The
Board/Board Policies, Program And Procedures.*

Chicago Public Schools Policy Manual.

Title: New Remedial Program for Minority and Women-owned Business
Enterprise Participation in Construction Projects

Section: 401.17

Board Report: 06-0726-PO9

Date Adopted: July 26, 2006

Policy: _____

The Chief Executive Officer Recommends:

That the Board adopt a new Remedial Program for Minority and Women-Owned

Business Enterprises Participation in Construction Projects (the "Program") which is attached hereto. The Program will become effective August 1, 2006.

History. The Board's current affirmative action program, the Minority and Women Business Enterprises ("M./W.B.E.") Plan for Goods and Services Contracts was adopted in 1991 ("1991 Plan"). At the same time, the Board adopted a resolution that set forth its rationale for developing the Plan. Specifically, after weighing the evidence related to discrimination against Black, Hispanic, Asian and Women-owned businesses in the construction, purchasing, and professional services industries, the Board determined that there was a sufficient basis for and a compelling interest in the adoption of a remedial plan encompassing each of those combinations of a race/gender group and an industry and that to remedy the discrimination and resulting competitive disadvantages suffered by those businesses, it was necessary to adopt the 1991 Plan. The 1991 Plan addressed the requirements and procedures for monitoring the compliance of M./W.B.E. goals for goods/services contracts and construction projects.

On May 26, 2004, the City of Chicago adopted, a revised affirmative action program for its construction contracting procedures to remedy ongoing discrimination and the effects of past discrimination. The Chicago City Council, after considering evidence presented to the Budget Committee found a strong basis in evidence to support a narrowly tailored, remedial affirmative action program in City construction contracting. Following this revision, the Board reviewed its own affirmative action remedial plan and determined that it was necessary to develop a new program that is similar to the City of Chicago's program and that focuses on affirmative action which will help extinguish discrimination towards M./W.B.E. in the construction industry.

Purpose. The Board has determined that it has a compelling interest in preventing its construction projects from returning to the near monopoly-domination by white male firms that existed before 1991. Additionally, the Board has concluded that although it has undertaken since 1991 a variety of race- and gender-neutral measures, such programs have not been sufficient to ameliorate the effects of racial and gender discrimination in the construction marketplace. Accordingly, the attached Program is adopted to serve the Board's compelling interest in not being a passive participant in the discriminatory Chicago construction market and to create measures that remain narrowly tailored to accomplish that interest.

Description. The new Program reflects the current organizational structure at the Board and administration of the Program; establishes a time frame for assessment and for reporting on the Program's objectives and progress and enhances the

Program to reflect current practice in affirmative action programs that help extinguish discrimination toward M./W.B.E.s when working on construction projects.

The attached Program will apply for all Board construction contracts valued over Ten Thousand Dollars (\$10,000). The attached plan outlines:

1. the construction contracts that are subject to the plan;
2. how the goals for M./W.B.E. participation will be determined and measured;
3. the Office of Business Diversity's administrative responsibilities in monitoring activity under the new program;
4. the allocation of responsibilities for all aspects of the Program;
5. methods of fulfillment of contract specific goals for M./W.B.E. participation;
6. methods of demonstrating program compliance in bid documents; and
7. recommended sanctions for noncompliance.

The principal components of the Program include:

1. A sunset provision that requires the Program to be reviewed and provides that it will expire in 2011 unless there is a finding that the remedial purposes of the Program have not been fully achieved and that there continues to be a compelling interest in tailoring narrow remedies to redress discrimination against M./W.B.E.s.
2. The assignment of responsibility to the Chief Executive Officer for overall implementation of the Program.
3. The assignment of various responsibilities to the Office of Business Diversity related to the administration, enforcement and monitoring of the Program. The Office of Business Diversity will submit annual reports to

the Board on the progress being made towards elimination of discrimination in the procurement of goods and services through this Program and any possible modifications for improvement.

4. A requirement that the Office of Business Diversity submit quarterly and annual reports to the Board concerning M./W.B.E. participation and implementation of the Program.
5. A requirement that as a condition of payment from the Board, any Prime Contractor or Supplier must provide proof of payment to subcontractors for the prior payment request received. This requirement seeks to address slow payment to subcontractors which ultimately has an adverse effect on the sustainability of small M./W.B.E. firms that subcontract on Board construction projects.
6. A set of race and gender neutral measures designed to ensure that a non-biased relationship can be created with all firms.
7. A set of non-restrictive affirmative action measures which highlight the non-restrictive methods used to alleviate the effects of discrimination.
8. A process for the establishment of aspirational and flexible contract specific goals. The process begins with a Goal Committee that will compile and analyze available data to derive aspirational goals, review existing goals and create new contract specific goals based on the capacity of M./W.B.E.s in the marketplace and the Board's purchasing history and characteristics. Goals will be expressed as percentages by fraction of the total dollar amount of transactions.
9. A sheltered market program under which certain transactions will be reserved for competitive bidding amongst the M./W.B.E.s.
10. The addition of minority and women owned firms with Class II certification in an effort to increase the amount of M./W.B.E.s eligible to participate in the Program.
11. The expansion of methods firms can use to fulfill specific goals, including indirect participation, programs for public school students and joint ventures.

New Remedial Program for Minority and Women-owned Business Enterprise Participation in Construction Projects referred to in this Law, Rules and Regulations Applicable to the Chicago Board of Education/Board Policies, Program and Procedures reads as follows:

New Remedial Program For Minority-And Women-Owned Business
Enterprise Participation In Construction Projects.
(To Law, Rules And Regulations Applicable
To Board/Board Policies, Program
And Procedures)

Board Of Education Of The City Of Chicago

Remedial Program For
Minority-And Women-Owned Business
Enterprise Participation
In Construction Projects

July, 2006.

This Program is adopted by the Chicago Board of Education (the "Board"), upon recommendation of the Chief Executive Officer ("C.E.O."), based upon (1) the Board's findings that it has been a passive participant in discriminatory practices against racial and ethnic minorities and women in the construction industry in Chicago, and that it has a compelling interest in remedying that passive discrimination, and (2) its desire to adopt narrowly tailored remedies to address that compelling interest.

I. Findings.

1.1

The Board adopted a Remedial Plan for Minority and Women Business Enterprise Economic Participation in January, 1991. The Plan provided measures to assist Minority and Women Business Enterprises in the procurement of goods and services by the Board. The benefits of the Plan were provided to Black-, Hispanic-, Asian- and women-owned firms whose principal place of business was within the six (6) county Chicago metropolitan area. The Plan provided for race-neutral remedial measures and for non-restrictive affirmative action measures, to be used to the extent effective in alleviating the effects of discrimination. The Plan mandated the establishment of specific goals for M./W.B.E. participation on Board contracts, including construction, and waivers were available for prime contractors unable to meet the goals.

1.2

On May 26, 2004, the City of Chicago adopted a revised affirmative action program for its construction contracting procedures to remedy ongoing

discrimination and the effects of past discrimination. The Chicago City Council, after considering evidence presented to the Budget Committee, including evidence elicited at trial in *Builders Association of Greater Chicago (B.A.G.C.) v. City of Chicago*, Number 96 C 1122 (North District Illinois), during May and June 2003; statistical evidence of continuing discrimination against Blacks, Hispanics and women in the Chicago construction marketplace, which was not available during the B.A.G.C. trial; the report of the Mayoral Task Force on M.B.E./W.B.E.; anecdotal evidence of discrimination against minorities and women in the Chicago construction marketplace; the testimony of experts and anecdotal witnesses; as well as written reports and submissions, found a strong basis in evidence to support a narrowly tailored, remedial affirmative action program in City construction contracting.

1.3

While the City Council found that the City has made substantial progress in its efforts to ameliorate discrimination in its own construction contracting practices, private companies that contract on public projects continue to discriminate against minorities and women. As a result of this discrimination, the City has been a passive participant in a system of discrimination against minorities and women in the Chicago construction marketplace, and absent remedial programs, would continue to be a passive participant in such a system.

1.4

During the B.A.G.C. trial, the court heard strong evidence that: (a) past and current discriminatory practices continue to place racial and ethnic minorities and women in positions of social and economic disadvantage, limiting opportunities for them to form and control construction businesses, as well as reducing the level and availability of employment opportunities for minorities and women in trade unions which serve the Chicago construction marketplace; (b) such current and past discriminatory practices, and the continuing effects of such discrimination, have impeded the growth and success of the businesses which minorities and women do form, as well as the level and availability of employment opportunities in the construction trade unions; and (c) these discriminatory practices include direct and indirect racial, ethnic and gender slurs and harassment; discrimination by lending institutions and other sources of capital; reduced opportunities for minority and women subcontractors to bid or quote to majority prime contractors; exclusion from and discriminatory treatment by the construction trade unions; exclusion from business and professional networks critical to entrepreneurial success; and discrimination by surety bonding companies, insurance companies and other entities that are integral to the contracting marketplace.

1.5

In the B.A.G.C. case, Judge James B. Moran held that the City has a compelling interest in implementing a remedial race- and gender-conscious affirmative action program in the Chicago construction market, but that its 1990 ordinance was not sufficiently narrowly tailored as applied to construction in 2003.

1.6

There is ample availability of ready, willing and able minority- and women-owned firms to participate in Board and private-sector construction contracting and subcontracting opportunities.

1.7

Minority and women workers' participation in the Chicago construction marketplace declined from 1980 to 1990.

1.8

Other jurisdictions, including Cook County, Illinois, have experienced drastic reductions in minority and women business participation after terminating race and gender-conscious remedial measures.

1.9

Private companies that contract on public projects continue to discriminate against minorities and women and financial institutions that provide necessary funding to minority and women contractors continue to maintain lending practices that have a disparate discriminatory impact on minorities and women. As a result of this discrimination, the Board has been a passive participant in a system of discrimination against minorities and women in the Chicago construction marketplace, and in the absence of programs to eliminate such discrimination, would continue to be a passive participant in such a system.

1.10

The Board has a compelling interest in preventing its construction projects from returning to the near monopoly-domination by white male firms that existed before 1991.

1.11

Although the Board has undertaken since 1991 a variety of race- and gender-neutral measures, such as reducing bid deposit requirements and simplifying documentation required by procurement departments, such programs have not been sufficient to ameliorate the effects of racial and gender discrimination in the construction marketplace.

1.12

Evidence at the B.A.G.C. trial demonstrated that flexible race- and gender-conscious remedial measures do not overly burden construction firms owned by majority males.

1.13

In April 2006, C.P.S. convened a series of focus groups during which various representatives from business enterprises discussed their beliefs regarding the Chicago construction market. The findings from the C.P.S. focus groups indicate that barriers to participation in the Chicago construction market still exist for Minority and Women Business Enterprises entering into C.P.S. contracts. Those barriers, as reported by focus group participants, include:

- Perceptions and stereotypes about the competence of M./W.B.E.s and higher performance standards set for M./W.B.E.s.
- Race, ethnicity and gender make it difficult to obtain work as prime contractors on public sector projects.
- Race, ethnicity and gender make it difficult to obtain work as prime contractors or subcontractors on private sector projects.

1.14

It has been determined that implementation of various race-neutral measures would help the procurement program to overcome those barriers and assist in the growth and development of financially stable M./W.B.E.s, including the following measures (see Section V for more detail):

- Improving the timing of payments.
- "Unbundling" or downsizing contracts to facilitate participation by smaller businesses.
- Providing longer bid lead times.

1.15

Based upon a thorough review of the results of the Board's 1991 Remedial Plan; the evidence presented and findings made at the B.A.G.C. trial; the information presented to the City Council and its consequent decision to revise the City of Chicago's ordinance; other recent judicial decisions regarding the constitutional standards for affirmative action programs; information presented during the April, 2006 C.P.S. focus groups and compiled in a report by Collette Holt; and a report entitled, "Availability and Utilization of Minority- and Women-Owned Businesses in the Procurement Activities of the Chicago Public Schools", prepared by Dr. David G. Blanchflower, Professor of Economics, Dartmouth College, the Board hereby adopts the following Business Diversity Program for Construction Projects (the "Program").

II. Definitions.

2.1 Affiliate.

A person or entity that directly or indirectly through one or more intermediaries controls or is controlled by, or is under common control with, the person or entity. In determining whether persons or entities are affiliates, the Board shall consider all appropriate factors, including common ownership, common management and contractual relationships. Affiliates shall be considered together in determining whether a firm is a Small Business Enterprise.

2.2 Appeals Process.

The C.E.O. shall designate one or more individuals to convene on an as needed basis to review Program compliance and waiver decisions made by the Office of Business Diversity in accordance with the Program. These individuals shall make recommendations to the C.E.O., who will render the final decisions.

2.3 Chicago Board Of Education Or The District.

The body politic and corporate, known as "the Board of Education of the City of Chicago" and also known as School District 299.

2.4 Commercially Useful Function.

Responsibility for the execution of a distinct element of the work of the contract which is carried out by actually performing, managing and supervising the work involved, or fulfilling responsibilities as a joint venturer.

2.5 Construction Contract Or Transaction.

Any contract, purchase order or agreement (other than a lease of real property) awarded by the Board for the construction, rehabilitation, repair or improvement of any building, sidewalk, alley, other structure or infrastructure and any other construction-related procurement over Ten Thousand and no/100 Dollars (\$10,000.00).

2.6 Contractor.

Any person or business entity that seeks to enter into a construction contract with the Board, and includes all partners, affiliates and joint ventures of such person or entity.

2.7 Contract Specific Goals.

The subcontracting goals for Minority Business Enterprise ("M.B.E.") and Women Business Enterprise ("W.B.E.") participation established for a particular contract based upon the availability of M.B.E.s. and W.B.E.s to perform the anticipated scopes of work of the contract, and the Board's progress towards meeting its aspirational goals. Contract Specific Goals shall be established for all contracts over One Million Dollars (\$1,000,000).

2.8 Disadvantaged Business Enterprise ("D.B.E.").

A socially and economically disadvantaged business that is certified as a Disadvantaged Business Enterprise by the City of Chicago (the "City") or any other Class II certification entity. Only a D.B.E.'s participation on federally funded contracts will count towards participation in this Program.

2.9 Good Faith Efforts.

Actions undertaken by a contractor to achieve a contract specific goal that, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the program's requirements.

2.10 Joint Venture.

An association of two (2) or more persons or entities, or any combination of types of business enterprises and persons numbering two (2) or more, proposing to perform a single for-profit business enterprise, in which each joint venture partner contributes property, capital, efforts, skill and knowledge, and in which the M.B.E.

or W.B.E. is responsible for a distinct, clearly defined portion of the work of the contract and whose share in the capital contribution, control, management, risks and profits of the joint venture is equal to its ownership interest. Partners to a joint venture must have a written agreement specifying the terms and conditions of the relationships between them and their relationship and responsibilities to the contract.

2.11 Minority.

The Board adopts the definition of "minority" contained in the City of Chicago's M./W.B.E. ordinance:

- (a) any individual in the following racial or ethnic groups, members of which are rebuttably presumed to be socially disadvantaged:
 - (i) African-Americans or Blacks, which includes persons having origins in any of the Black racial groups of Africa;
 - (ii) Hispanics, which includes persons of Spanish culture with origins in Mexico, South or Central America or the Caribbean islands, regardless of race; and
- (b) individual members of other groups, including but not limited to Asian-Americans, Arab-Americans and Native-Americans, who have submitted an affidavit to the City indicating that they are socially disadvantaged by having suffered racial or ethnic prejudice or cultural bias within American society, without regard to individual qualities, resulting in decreased opportunities to compete in Chicago area markets or to do business with the Board.

2.12 Minority-Owned Business Enterprise ("M.B.E.").

A business that is certified as a Minority-owned Business Enterprise. Such certification shall designate the race or ethnicity of the firm's ownership.

2.13 M./W.B.E.

A collective term used when the context includes both M.B.E.s and W.B.E.s.

2.14 Office Of Business Diversity ("O.B.D.").

The department with primary responsibility for administering and monitoring the Program at the Board.

2.15 Prime Construction Contractor Or Supplier.

A person or entity that enters into a construction-related contract, purchase order or agreement with the Board to perform services.

2.16 Subcontractor Or Supplier.

A person or entity that enters into a construction-related contract with a Prime Construction Contractor to provide goods or services pursuant to a contract between the Prime Construction Contractor and C.P.S.

2.17 Women-Owned Business Enterprise ("W.B.E.").

A business that is certified as a Women-Owned Business Enterprise.

2.18 Workforce Projections.

The projected number of individuals identified by race, gender and skill levels needed to complete the scope of work for the construction project.

III. Effective Dates.

3.1

The Program for Construction Projects is effective as of August 1, 2006, and on that date shall supersede entirely the program adopted on February 1, 1991 for all contracts, renewals and extensions entered into on or after the effective date. Existing contracts will adhere to the compliance standards outlined in contracts dated prior to August 1, 2006.

3.2

This revised Program shall be reviewed no later than five (5) years from August 1, 2006, and shall expire December 31, 2011, unless the Board finds that its remedial purposes have not been fully achieved and it continues to have a compelling interest in tailoring narrow remedies to redress discrimination against M./W.B.E.s, so that the Board will not function as a passive participant in the discriminatory construction marketplace in Chicago.

IV. Administration, Monitoring And Review Of The Program.

4.1 Aspirational Goals.

Upon the effective date of this article, the annual Aspirational Goals shall be to award thirty percent (30%) of the annual dollar value of all construction contracts to qualified M.B.E.s and seven percent (7%) of the annual dollar of all construction contracts to qualified W.B.E.s.

4.2 Contract Specific Goals.

The O.B.D., Department of Procurement and Contracts and School Support Services will establish Contract Specific Goals for M./W.B.E. participation for all contracts over One Million Dollars (\$1,000,000).

4.3 Appeals Process.

The C.E.O. shall designate one or more individuals to convene on an as needed basis to review Program compliance and waiver decisions made by the O.B.D. in accordance with the Program. These individuals shall make recommendations to the C.E.O., who will render the final decisions.

4.4 School Support Services Responsibilities.

The O.B.D. is the principal implementation and management office for the Program. The Office of School Support Services duties with regard to this Program shall include:

- a. Promulgating administrative rules to implement the provisions of the Program.
- b. Forecasting procurement opportunities annually.
- c. Supervising and evaluating staff in the School Support Services to ensure that they are implementing the Program.
- d. Recommending methods to increase M./W.B.E. participation and diminish the burdens of achieving M./W.B.E. compliance, while still meeting Aspirational Goals.
- e. Identifying and correcting any problems with O.B.D.'s implementation of the Program.
- f. Including M./W.B.E.s on solicitation mailing lists.

4.5 O.B.D. Responsibilities.

The O.B.D. is the office responsible for administering and monitoring the Program. O.B.D.'s duties shall include:

- a. Enforcing Program rules.
- b. Submitting quarterly reports to the Board, C.E.O., Department of Procurement and Contracts and School Support Services, which include data on M./W.B.E. participation as it relates to commitments made in bid packages versus the actual utilization of M./W.B.E.s on contracts; a discussion of O.B.D. efforts to administer the Program, implement current initiatives and resolve problems with Program implementation; and recommendations for improvements in Program implementation.
- c. Submitting an annual report to the Board, C.E.O., Department of Procurement and Contracts and School Support Services on its administration of the Program, its Progress in meeting the Aspirational Goals and any recommendations it may have for improving the Program.
- d. Assuring that M./W.B.E.s are informed of C.P.S. contracting opportunities.
- e. Providing M./W.B.E.s information and assistance related to C.P.S. procurement practices and procedures, and bid specifications, requirements and prerequisites.
- f. Providing interested Prime Construction Contractors or Suppliers with information regarding M./W.B.E. directories.
- g. Providing training and assistance to C.P.S. staff and other interested persons on Program objectives and requirements.
- h. Establishing "Contract Specific Goals" for any contracts over One Million Dollars (\$1,000,000).
- i. Monitoring contracts to ensure compliance with Contract Specific Goals, contractual commitments and Program objectives.
- j. Determining whether contractors have made Good Faith Efforts.
- k. Reviewing and facilitating the resolution of issues concerning the Program.
- l. Collecting data to evaluate the Program, including data on prime contractors, consultants, suppliers and subcontractor bids and awards of C.P.S. projects. Periodically reviewing this data to ensure that the Board continues to have a compelling interest in remedying discrimination and

that the measures it has chosen remain narrowly tailored to accomplish that interest.

- m. Providing information to M./W.B.E.s about City-sponsored small business loan programs and other programs providing access to capital to M./W.B.E.s.
- n. Promoting the Program through appropriate means in order to attract qualified M./W.B.E.s.
- o. Acting as a voting member on all diversity compliance issues during evaluation process time.
- p. Reviewing waiver requests and decide whether to grant or deny the request in accordance with the procedures of the Program.

V. Race- And Gender-Neutral Measures.

5.1. The Board shall implement race- and gender-neutral measures to the greatest extent feasible to facilitate the participation of M./W.B.E.s in its contracting activities, so that it can meet its Aspirational Goals. These measures shall include, but are not limited to the following:

- a. provision of timely information on contracting procedures, bid preparation and specific contracting opportunities;
- b. arrangement of solicitation times for the presentation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation of interested contractors and subcontractors;
- c. simplification of documentation required by the Office of School Support Services;
- d. unbundling of contracts so as to facilitate the participation of smaller businesses;
- e. review of bonding, insurance and retainage requirements to eliminate unnecessary barriers to contracting with the Board, consistent with the Board's interest in financial security;
- f. reduction of bid deposit requirements, or arrangements for a standing bid deposit to cover multiple procurements;
- g. closing out of construction contracts in a timely manner;

- h. adoption of prompt payment procedures that require Prime Construction Contractors or Suppliers to agree in writing to promptly pay subcontractors;
- i. holding of pre-bid conferences, where appropriate, to explain the projects and to encourage contractors to use small business enterprises as subcontractors;
- j. letting of a representative sample of Board construction contracts without goals to determine M.B.E. and W.B.E. utilization in their absence;
- k. limitation of the self-performance of prime contractors, where appropriate;
- l. advertisement of invitations to bid and about the existence and purposes of the Program in minority, women's and small business media, when appropriate;
- m. collection of information from all prime contractors on C.P.S. construction contracts, which details the bids received from all subcontractors for C.P.S. construction contracts and the payments to subcontractors utilized by prime contractors on C.P.S. construction contracts;
- n. provision of technical assistance concerning Board procurement policies and procedures;
- o. leveraging of the Board's relationships with bonding, insurance and financial companies to encourage those institutions to aid M./W.B.E.s and other small Prime Construction Contractors or Suppliers;
- p. referral of complaints of discrimination against M./W.B.E.s to appropriate authorities for investigation and resolution.

VI. Bid Approval Process.

6.1 Bid Specifications.

The Department of Procurement and Contracts shall insert within the specifications for each contract with an estimated value in excess of Ten Thousand Dollars (\$10,000), which is let through competitive bidding and which has Contract Specific Goals:

- a. A description of the Program, including the requirement of an approved Compliance Plan; the requirements related to achieving the goals and counting M.B.E. or W.B.E. participation towards meeting the goals; if the goals are not met, the requirement of documentation of the contractor's

good faith efforts to achieve the goals, including the good faith efforts of M.B.E.s and W.B.E.s to achieve the goal for which they do not qualify; and a requirement that the contractor commit to the expenditure of at least the dollar value of the contract specific goals with one or more M.B.E.s and one or more W.B.E.s or make good faith efforts to do so. This commitment may be met by the contractor's status as an M.B.E. or W.B.E., a joint venture with one or more M.B.E.s or W.B.E.s as prime contractor (to the extent of the M.B.E.'s or W.B.E.'s participation in such joint venture), subcontracting a portion of the work to one or more M.B.E.s or W.B.E.s, purchasing materials or services for the work from one or more M.B.E.s or W.B.E.s, or by any combination of the foregoing.

- b. A requirement that prime contractors on Board construction contracts notify M.B.E.s and W.B.E.s utilized on those contracts about opportunities on contracts without affirmative action contracting goals.
- c. A requirement that where the contractor cannot achieve the contract specific goals, it must document its good faith efforts to do so.

6.2 Compliance Proposal.

- a. The Department of Procurement and Contracts will specify M./W.B.E. participation requirements as special conditions in invitations for bids and bid documents. These specifications will include a listing of all documentation that must be submitted with the bid or proposal and a description of the reporting requirements applicable during the contract period. All solicitation and contract documents will also stipulate that the requirements of the Compliance Plan become part of each contract between C.P.S. and the Prime Construction Contractor or Supplier.
- b. For all solicitations, the Prime Construction Contractor or Supplier shall submit an M./W.B.E. Compliance Proposal (Compliance Plan) identifying all M./W.B.E. and non-M./W.B.E. subcontractors from which the Prime Construction Contractor or Supplier solicited bids or quotations, and detailing its plan to achieve the Goals or its Good Faith Efforts to do so. M.B.E.s and W.B.E.s proposed by the Prime Construction Contractor or Supplier must be certified by the City of Chicago and/or any other governmental certifying agencies as of the date of bid submittal. The Compliance Proposal shall be due at the time and in the manner set out in the solicitation documents.
- c. On construction projects with federal funding, the use of certified D.B.E. subcontractors will count towards fulfilling goals.
- d. The O.B.D. Director has the authority to recommend to the Office of Procurement and Contracts that any bid or quotation that does not include an appropriate Compliance Proposal be rejected.

- e. Any agreement between a Prime Construction Contractor or Supplier and an M./W.B.E. in which the Prime Construction Contractor or Supplier requires that the M./W.B.E. not provide subcontracting quotations to other Prime Construction Contractor or Suppliers is prohibited.
- f. The Compliance Proposal must demonstrate that each M.B.E. or W.B.E. will perform a Commercially Useful Function.

6.3 O.B.D. Review And Approval Of Compliance Proposal.

- a. Prior to contract award, O.B.D. shall timely review the Compliance Proposal, including the scope of work and the letters of intent from M./W.B.E.s. O.B.D. may request clarification in writing of items listed in the Compliance Proposal, provided such clarification shall not include the opportunity to augment listed M./W.B.E. participation.
- b. If O.B.D. determines that the Compliance Proposal demonstrates that the Contract Specific Goals have been achieved or Good Faith Efforts have been made, O.B.D. shall recommend that the bidder be deemed responsive and recommend award during the evaluation process to the School Support Services and Purchasing.
- c. If the Prime Construction Contractor or Supplier fails to meet the Contract Specific Goal(s), O.B.D. will review its Good Faith Efforts to do so. If O.B.D. determines that a Prime Construction Contractor or Supplier did not make sufficient Good Faith Efforts, O.B.D. shall communicate its finding to the School Support Services and Purchasing and recommend that the bid/proposal be deemed to be non-responsive. A Prime Construction Contractor or Supplier may protest this determination by filing a written appeal in accordance with the Appeals Process within fourteen (14) business days of receipt of O.B.D.'s determination, stating the grounds for such appeal and including all relevant information and documentation.
- d. The C.E.O.'s designees for the Appeals Process shall review the O.B.D.'s determination and make a recommendation to the C.E.O.. The C.E.O.'s decision will be final.

6.4 Good Faith Efforts To Meet Contract Goals And Waiver Requests.

- a. Where the Prime Construction Contractor or Supplier cannot achieve the Contract Specific Goals, the O.B.D. will determine whether the Prime Construction Contractor or Supplier has made Good Faith Efforts to do so.

- b. A Prime Construction Contractor or Supplier may also submit to the O.B.D. Director a request for reduction or waiver of the obligations created under the Compliance Plan or related requirements. Any such request must be accompanied by documentation evidencing the Contractor or Supplier's "Good Faith Efforts".
- c. The O.B.D. has the discretion to approve or deny a request for a waiver. Approval of a waiver may be conditioned upon the agreement to undertake additional "Good Faith Efforts" as specified by O.B.D.
- d. If the Prime Construction Contractor or Supplier fails to meet the goals, but meets or exceeds the average M./W.B.E. participation obtained by other Prime Construction Contractor or Suppliers, this may be evidence of their Good Faith Efforts.
- e. In making the determination of Good Faith Efforts, O.B.D. will consider, at a minimum, the Prime Construction Contractor or Supplier's efforts to:
 - 1. Solicit through reasonable and available means (e.g., attendance at pre-bid meetings, advertising and written notices) the interest of M.B.E.s and W.B.E.s that have the capability to perform the work of the contract and/or that are certified in the scopes of the contract work; to make this solicitation within sufficient time to allow the M./W.B.E.s to respond; and to take appropriate steps to follow up initial solicitations with interested M./W.B.E.s;
 - 2. Provide interested M./W.B.E.s adequate information about the plans, specifications and requirements of the contract, including addenda, in a timely manner to assist them in responding to the solicitation;
 - 3. Negotiate in good faith with interested M./W.B.E.s that have submitted bids. Documentation of negotiation must include the names, addresses and telephone numbers of M./W.B.E.s that were solicited; the date of each such solicitation; a description of the information provided about the plans and specifications for the work selected for subcontracting; and evidence as to why agreements could not be reached with M./W.B.E.s to perform the work. A contractor may not use the fact that additional costs may be involved in soliciting and using M./W.B.E.s as a reason for failing to meet the goals, as long as such additional costs are reasonable;
 - 4. Not reject M./W.B.E.s as being unqualified without sound reasons based upon a thorough investigation of their capabilities. The M./W.B.E.s' standing within its industry, membership in specific

groups, organizations, or associations, or its political or social affiliations are not legitimate reasons for rejecting or failing to solicit bids to meet the goals;

5. Make a portion of the work available to M./W.B.E. subcontractors and suppliers and to select those portions of the work or material consistent with the available M./W.B.E. subcontractors and suppliers, as to facilitate meeting the goals;
6. Make good faith efforts, despite the ability or desire of the contractor to perform the work of a contract with its own organization. A contractor who desires to self-perform the work of a contract must demonstrate good faith efforts unless the goals have been met;
7. Select portions of the work to be performed by M./W.B.E.s in order to increase the likelihood that the goals will be met. This includes, where appropriate, unbundling contract work items into economically feasible units to facilitate M./W.B.E. participation, even when the contractor might otherwise prefer to perform these work items with its own forces;
8. Make efforts to assist interested M./W.B.E.s in obtaining bonding, lines of credit or insurance as required by the Board or the contractor;
9. Make efforts to assist interested M./W.B.E.s in obtaining necessary equipment, supplies, materials or related assistance or services;
10. Effectively use the services of O.B.D., minority or women community organizations; minority or women contractors' groups; local, state and federal minority or women business assistance offices; and other organizations to provide assistance in the recruitment and placement of M./W.B.E.s;
11. Make efforts to employ graduates of the Chicago Public Schools.

6.4.1 Apprenticeship Initiatives.

For any construction project in excess of One Hundred Thousand Dollars (\$100,000), the Board may ask the Prime Construction Contractor or Supplier to participate in an Apprenticeship Initiative that would secure employment for minorities and women workers in specific trades and permit those workers to obtain hours that would count toward an apprentices' sponsorship into a trade or labor organization.

6.4.2 Programs For Public School Students.

O.B.D. will also consider granting waivers to vendors who, at the bid submission, include a strategy for the training, employment or continuing education of present or former C.P.S. students. The purpose of this alternate method is to induce vendors to undertake such programs, which will benefit students and ultimately foster the formation of additional M./W.B.E.s. When determining whether to grant a waiver for vendors who institute such a program for C.P.S. students, O.B.D. will consider the following: whether the proposed program is substantial in terms of the number of students served and the resources devoted by the private firm; that the program is significant in terms of its training, employment or continuing education objectives; and that the program is feasible and effective.

6.5 Contract Award.

Upon acceptance of a bid or quotation, the School Support Services shall send a notice of award to the successful bidder and a Workforce Projection to O.B.D.

VII. Contract Performance Procedures.

7.1 School Support Services Responsibilities.

To achieve the Contract Specific Goals, the School Support Service shall undertake, in addition to other measures provided herein, the following measures:

- a. Every contract shall include a standard contract provision that:
 1. Permits the Board to terminate the contract:
 - i. upon the disqualification of the contractor as an M.B.E. or W.B.E., if the contractor's status as M.B.E. or W.B.E. was a factor in the award of the contract and the contractor misrepresented that status; and
 - ii. upon the disqualification of any M.B.E. or W.B.E., if the subcontractor's or supplier's status as an M.B.E. or W.B.E. was a factor in the award of the contract, and the contractor misrepresented the status of the subcontractor or supplier. If the School Support Services or O.B.D. determines that the contractor was not involved in any such misrepresentation, then the contractor shall discharge the disqualified subcontractor or supplier and make good faith efforts to engage a qualified M.B.E. or W.B.E. replacement.

2. Allows the O.B.D., with or without notice:

- i. to conduct on-site inspections of any performance site or place of business of any Prime Contractor or Supplier, and which provides that other Board staff may accompany O.B.D. on this inspection to determine findings that the contractor has not complied with its obligations and has not engaged in fraudulent misrepresentation; and
- ii. to access to contractor's books and records including, without limitation, payroll records, tax returns and records and books of account, to determine the contractor's compliance with its commitment to M./W.B.E. participation and the status of any M.B.E. or W.B.E. performing any portion of the contract.

3. Requires Prime Contractors or Suppliers:

- i. to maintain records on the utilization of subcontractors and fulfillment of the Compliance Plan, and to retain those records for three (3) years after the Board's final acceptance of the work;
- ii. to periodically report to O.B.D. all expenditures to achieve compliance;
- iii. to obtain prior written approval from the O.B.D. Director before changing M./W.B.E. commitments or substituting M./W.B.E. subcontractors;
- iv. upon the issuance of required certificates, to pay promptly all subcontractors the amount allowed and paid to the Prime Contractor or Supplier on account of the subcontractor's work to the extent of subcontractor's interest in the work; and
- v. to provide a sworn statement with each payment request, listing all M./W.B.E. and non-M./W.B.E. subcontracts used in the performance of the contract, and providing proof of payment to subcontractors from prior payments received by the Prime Contractor/Supplier. Proof of payment shall be in the form of cancelled checks to the subcontractor, a sworn statement from the subcontractor verifying receipt of payment or other format specified by the O.B.D.. For example:

-- First (1st) and second (2nd) pay requests submitted by Prime Contractor are processed by the Board and paid.

-- Third (3rd) and all subsequent pay requests submitted by Prime Contractor include proof of payment to subcontractors listed on all previous pay requests.

4. To require approval or ratification of all change orders by the Board in accordance with Board rules, including that:
 - i. no change orders shall be authorized that exceed, individually or cumulatively, ten percent (10%) of the Base Contract Price; and
 - ii. any additional work and/or change orders requested by the Prime Construction Contractor or Supplier should not affect the contractors who have already completed work on the project.

7.2 O.B.D. Responsibilities.

To achieve the Contract Specific Goals, the Director of O.B.D. shall review and approve any request by a Prime Contractor or Supplier to substitute an M./W.B.E. subcontractor, and shall enforce the following requirements:

- a. A Prime Construction Contractor or Supplier may not substitute an M./W.B.E. subcontractor or perform the work designated for a subcontractor with its own forces unless and until O.B.D. approves such substitution in writing. A Prime Construction Contractor or Supplier shall not allow a substituted subcontractor to begin work until the substitution request has been formally approved.
- b. All requests for changes or substitutions of any M./W.B.E. subcontractor named in the Compliance Plan shall be made to the Director of O.B.D. in writing, and shall clearly and fully set forth the basis for the request. Each request shall include the name, address and principal official of any proposed substitute M.B.E. or W.B.E. and the dollar value and scope of work of the proposed subcontract. All documentation required of bidders for the Compliance Plan must be attached.
- c. The facts supporting the request to change an M./W.B.E. subcontractor must not have been known nor reasonably foreseeable by either party prior to the submission of the Compliance Proposal. Prior to requesting a change, the Prime Construction Contractor or Supplier must negotiate with the subcontractor to resolve the problem. If requested by either party,

O.B.D. shall facilitate such a meeting. Where there has been a mistake or disagreement about the scope of work, the M./W.B.E. may be substituted only where an agreement cannot be reached for a reasonable price for the correct scope of work.

- d. Unauthorized changes or substitutions, including performing the work with the Prime Construction Contractor's or Supplier's own forces, may constitute grounds for rejection of the bid or proposal, cause termination of the executed contract for breach, may result in the withholding of payment and/or subject the Prime Contractor or Supplier to contract remedies or sanctions.
- e. The following are acceptable bases for the substitution of M./W.B.E. subcontractors and/or suppliers:
 - 1. unavailability after receipt of reasonable notice to proceed;
 - 2. failure of performance;
 - 3. financial incapacity;
 - 4. refusal by the subcontractor to honor the bid or proposal price;
 - 5. mistake of fact or law about the elements of the scope of work of a solicitation where agreement upon a reasonable price cannot be reached;
 - 6. decertification of the M./W.B.E.;
 - 7. failure of the subcontractor to meet insurance, licensing or bonding requirements; or
 - 8. the subcontractor's withdrawal of its bid or proposal.
- f. O.B.D. shall forward its approval decision on a substitution request to the Office of Student Support Services. The final decision on a substitution request shall be communicated in writing as soon as practicable to the parties. The Director may request more information or schedule an interview to clarify or mediate the problem. The Director may reject any request in its entirety or impose conditions upon any approval.
- g. A contractor may protest any determination by O.B.D. that it has not made Good Faith Efforts by utilizing the Appeals Process.

VIII. O.B.D.'s Determination Whether Contract Specific Goals For M./W.B.E. Participation Have Been Met.

8.1 M.B.E. Or W.B.E. Prime Construction Contractors.

O.B.D. shall count toward the Contract Specific Goal the amount paid to an M.B.E. or W.B.E. Prime Construction Contractor for self-performing work, general conditions, overhead and profit. An M.B.E. or W.B.E. Prime Construction Contractor must make Good Faith Efforts to meet the M.B.E. or W.B.E. goal for which it does not qualify, through subcontracts with other M.B.E.s or W.B.E.s.

8.2 M.B.E. Or W.B.E. Subcontractors And Suppliers.

O.B.D. shall count toward a Prime Construction Contractor's Contract Specific Goal only the amount that has actually been paid to an M.B.E. or W.B.E. subcontractor or supplier.

8.3. Joint Ventures.

When an M./W.B.E. performs as a participant in a Joint Venture, O.B.D. shall count toward the Contract Specific Goal only the portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the Joint Venture's contract that the M./W.B.E. performs with its own forces and for which it is separately at risk.

8.4 Limitation To Commercially Useful Functions.

O.B.D. shall count toward the Contract Specific Goal only expenditures to an M./W.B.E. that is performing a Commercially Useful Function. To determine whether a firm is performing a Commercially Useful Function, O.B.D. will evaluate the amount of work subcontracted, industry practices, whether the amount the firm is to be paid under the contract is commensurate with the work it is actually performing, and other relevant factors. To perform a Commercially Useful Function, the M./W.B.E. must be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material, performing installations, where applicable, and paying for the material itself. An M./W.B.E. does not perform a Commercially Useful Function if its role is limited to that of an extra participant in the contract through which funds are passed in order to obtain the appearance of M./W.B.E. participation. If an M./W.B.E. subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice, it is presumed not to be performing a Commercially Useful Function, but it may present evidence to rebut this presumption.

8.5 Effect Of Decertification.

If a firm ceases to be a certified M./W.B.E. during the course of a contract, the dollar value of work performed under a contract with that firm after it has ceased to be certified shall not be counted toward the Contract Specific Goal.

IX. Noncompliance And Sanctions.

9.1 Determination Of Noncompliance By O.B.D.

- a. O.B.D. shall monitor the Compliance Plan, as well as the fulfillment of any special conditions, work order goals or other obligations by contract awardees. This responsibility shall extend to equal employment opportunity goals for contracts of less than One Hundred Thousand Dollars (\$100,000), employment opportunity goals for work orders of One Hundred Thousand Dollars (\$100,000) or more and the requirements of the City of Chicago Residency Program.
- b. At the end of every contract, O.B.D. shall determine at contract closeout whether a Contractor or Supplier has complied with the obligations created under its Compliance Plan and other related requirements, The Prime Construction Contractor or Supplier has the burden of proving compliance with all obligations and requirements.
- c. If the Prime Construction Contractor or Supplier is failing to fulfill its Compliance Plan, or other Compliance-related contractual obligations, O.B.D. will notify the Prime Construction Contractor or Supplier of the deficiencies. Following notification, the Prime Construction Contractor or Supplier shall have sixty (60) days to identify how they will cure the deficiencies. If the deficiencies are not cured, O.B.D. shall make a determination of noncompliance and recommend the imposition of sanctions.

9.2 Sanctions For Noncompliance And Failure To Make Good Faith Efforts.

- a. Sanctions for noncompliance may include, but are not limited to the following:
 1. Withholding of payments under the contract.
 2. Termination of the contract.
 3. Debarment from future business with the Board.

- b. A Prime Construction Contractor or Supplier may protest the O.B.D.'s determination of Section 9.2 sanctions by filing a written appeal in accordance with the Appeals Process within fourteen (14) business days of receipt of O.B.D.'s determination, stating the grounds for such appeal and including all relevant information and documentation.
- c. The C.E.O.'s designees for the Appeals Process shall review the O.B.D.'s determination and make a recommendation to the C.E.O.. The C.E.O.'s decision will be final. Sanctions will not be imposed until the C.E.O.'s final decision has been made.
- d. All debarment recommendations will be processed according to the Board's debarment policy.

9.3 Sanctions For Fraudulent Misrepresentations, Acts Involving A Lack Of Business Integrity, Violation Of Statutes Or Regulations Or Repeated Failures To Make Good Faith Efforts.

- a. The following actions may be taken upon a finding that a firm has engaged in fraudulent misrepresentation, acts demonstrating a lack of business integrity, violations of statute or regulations or has repeatedly failed to make good faith efforts as required by this program:
 - 1. Referral by O.B.D. to the Inspector General (I.G.) for investigation.
 - 2. Initiation of proceedings to debar the Prime Contractor or Supplier and all persons or entities affiliated with them if warranted by I.G. investigation.
 - 3. Reporting the debarment of any person or entity to other governmental agencies.
 - 4. Referral to appropriate law enforcement authorities for investigation and possible prosecution.
- b. Prime Construction Contractor or Supplier may protest the O.B.D.'s determination of Section 9.3 sanctions by filing a written appeal in accordance with the Appeals Process within fourteen (14) business days of receipt of O.B.D.'s determination, stating the grounds for such appeal and including all relevant information and documentation.
- c. The C.E.O.'s designees for the Appeals Process shall review the O.B.D.'s determination and make a recommendation to the C.E.O.. The C.E.O.'s decision will be final. Sanctions will not be imposed until the C.E.O.'s final decision has been made.

X. Review.

The Board intends to periodically review the remedies adopted herein to ensure that it continues to have a compelling interest in not being a passive participant in the discriminatory Chicago construction market and that these measures remain narrowly tailored to accomplish that interest.

XI. Severability.

In the event that any section, subsection, paragraph, clause, provision or application of this article shall be held invalid by any court, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

(Sub)Exhibit "F".
(To Intergovernmental Agreement With
Chicago Board Of Education)

Board-Commission Agreement.

Memorandum Of Understanding

Between

Officials Of The Public Building Commission Of Chicago

And

The Board Of Education Of The City Of Chicago

Regarding

The Master Intergovernmental Agreement.

June 22, 2006.

The Public Building Commission ("Commission") of the City of Chicago and the Board of Education ("Board") of the City of Chicago (collectively, the "Parties")

Recognizing that the Board is charged with and specifically skilled at providing quality education and educational programs to the children attending any one of the Chicago Public Schools throughout the City of Chicago; and

Recognizing that the Commission is charged with and specifically skilled at the project management of public building projects from site acquisition and control to design and construction on schools, campus parks, libraries, police and fire stations and other public buildings; and

Recognizing that it is desirable and necessary that the Board and the Commission work together to establish practices, policies and procedures that will result in the construction of the most cost effective, safe schools which meet the needs of the students, faculty, staff and citizens of the City of Chicago,

Have reached the following understanding:

Acknowledgment. The Board and the Commission acknowledge that the prior existing Intergovernmental Agreement ("Agreement") between the Parties dated February 24, 1999 is still in full force and effect except as supplemented, modified and/or clarified by the terms of this Memorandum of Understanding ("Memorandum") is for the sole purpose of supplementing, modifying and/or clarifying the terms of the Agreement.

1. Documents.

Documents made part of this Memorandum, referred herein as "the Board's Requirements and Transfer Documents", comprise both Project requirements and examples of information that will be supplied by the Board:

- i. Terms, Abbreviations and Definitions, (Sub)Exhibit A, dated June 22, 2006
- ii. Standard Communication Framework, (Sub)Exhibit B, dated June 22, 2006
- iii. Board Supplied Owner's Project Requirement, (Sub)Exhibit C, dated June 22, 2006
- iv. General Project Requirements, (Sub)Exhibit D, dated June 22, 2006
- v. Design and Construction Standards, (Sub)Exhibit E
- vi. Master Specifications, (Sub)Exhibit F (CD Rom)

- vii. Insurance Requirements, (Sub)Exhibit G, dated June 22, 2006
- viii. Environmental Reporting and Submittal Requirements, (Sub)Exhibit H, dated June 22, 2006
- ix. Project Closeout Approval Form, (Sub)Exhibit I, dated June 22, 2006
- x. Scope of Work Modification Form and Change Order Procedure, (Sub)Exhibit J, dated June 22, 2006
- xi. F.F. and E. Matrix (Furniture, Fixture and Equipment), (Sub)Exhibit K, dated June, 22, 2006

2. Project Teams.

The Chicago Public Schools (the Board) Project Team will be comprised of the following individuals:

- a. Chief Operating Officer
- b. Director of Real Estate and Facility Planning
- c. Director of Demographics and Capital Programming
- d. Managing Architect
- e. Managing Engineer
- f. Real Estate Manager
- g. Operations and Educational Department Heads
- h. Designated Consultants (Commissioning Agent, Program Manager, et cetera)

The Public Building Commission (the Commission) Project Team will be comprised of the following individuals:

- a. Executive Director
- b. Managing Architect
- c. Director of Construction

- d. Portfolio Manager
- e. Designated Consultants (Architect/Engineer of Record, Owner's Representative, et cetera)

3. Project Development Phases.

The following terminology will be used to categorize Project Development Phases. Typical abbreviations have been cited in parentheses. Refer to Section 12, Project Development Responsibilities by Phase and to (Sub)Exhibit D General Project Requirements, for specific requirements and expectations for each phase of design and construction:

- a. Programming and Project Initiation
- b. Land Acquisition
- c. Demolition, Site Remediation and Site Utility Terminations
- d. Preliminary Planning Budgeting and Conceptual Design
- e. Schematic Design (S.D.)
- f. Design Development (D.D.)
- g. Contract Documents (C.D.)
- h. Bidding/Negotiation and Award (B./N.)
- i. Construction Administration (C.A.)
- j. Furniture, Fixtures and Equipment (F.F. and E.)
- k. Closeout
- l. Warranty Period
- m. Post Occupancy Evaluation

4. Mutual Covenants.

- a. The Parties agree to communicate openly regarding issues and problems pertaining to a Project and/or the Program and work

towards resolutions that serve the best interests of the goals of the Project and the Program;

- b. The Parties agree to respond expeditiously to requests for information, approvals, review, comments, or any other matters in order to avoid delays in the Project schedule.
- c. The Parties agree to develop and implement internal policies and practices within their respective agencies to evaluate the current and future performance of key Project and Program participants for the purpose of improving on the performance of such participants.
- d. The Parties agree to document "Lessons Learned" throughout a Project and participate in a "Lessons Learned" session after each Project for the purpose of identifying key issues and discussing ways to address such issues so as to reduce costs and improve efficiencies in the Program and individual Projects.
- e. The parties will jointly author and implement a standardized communication framework for all Projects. Refer to (Sub)Exhibit B.

5. Project Transfer.

- a. The Board will transfer Projects to the Commission that include one or more of the following scopes of work.
 - i. Site Investigation and Testing.
 - ii. Comprehensive survey.
 - iii. Demolition.
 - iv. Remediation.
 - v. Dedications, Vacations, Closings, Privilege to the Public Right of Way and/or Air Right Negotiations.
 - vi. Utility Termination and New Service Agreement Negotiations.
 - vii. Construction.
 - viii. F.F. and E. (Furniture, Fixtures and Equipment).

- b. Project transfer documentation will include, but is not limited to, the following information, as relevant. This information will be generated by the Board and issued to the Commission at the time of Project Transfer.
 - i. Educational Program.
 - ii. Spatial Program.
 - iii. Conceptual Design or Adjacency Requirements.
 - iv. Land Designation Resolution or letter of intent.
 - v. Necessary Amendments to the Public Right-of-Way.
 - vi. Required Project Timeline.
 - vii. Pertinent information associated with all tenants, co-owners and sister agencies as necessary to develop the contract documents.
 - viii. Project Budget.
 - ix. CPS Board Resolution.
 - x. Master Specifications.
 - xi. Design and Construction Standards.
 - xii. land Survey (as available).
 - xiii. Environmental Testing reports (as available).
 - xiv. Supplemental Information (as available).
- c. When a Project is transferred, the Commission is required to:
 - i. Review the Project specific documentation supplied by the Board and request additional information as needed.
 - ii. Confirm in writing, receipt of all information necessary to present for the Commission Board approval.

6. Design And Construction Standards And Master Specifications.

- a. The Board's Project Team shall develop and maintain all design and construction standards as well as the Board's Master Specifications. Refer to Exhibits E and F for specific documentation.
- b. The Commission Project Team shall modify the master specifications to create construction documents in conformance with the Board Supplied Owner's Project Requirements.
- c. The Commission Project Team must request approval for any deviation from the aforementioned standards in writing.
- d. The Commission shall utilize the Board's Master Specifications inclusive of the supplied Front End documentation. These Master Specifications will be issued for each specific project and integrated into the contract documents accordingly.

7. Project Budget, Administration Fee And Contingencies.

- a. The Board shall furnish a Project Budget at the time of Project Transfer whether the Project is comprised of one or more scopes of work. The Commission shall cooperate in the development of the Project Budget prior to formal transfer.
- b. Project budgets supplied by the Board to the Commission shall reflect the maximum funding available to perform the intended scope of Work identified as the Project.
- c. Value engineering efforts, at every phase of project development, are required to ensure a responsible expenditure of resources. At every Project milestone (as listed in Section 10, Project Development Reviews and Cost Controls), a report detailing value engineering efforts and resultant cost implications will be generated by the Commission and submitted to the Board for review and approval.
- d. The Board shall pay the Commission a fee of three percent (3%) or as mutually agreed of construction value at the time of project transfer to the Commission.
- e. The project budget will include a contingency of five percent (5%) of total construction value or such other amount as agreed by the parties prior to project transfer.

8. Project Schedule.

- a. The Commission Project Team shall develop a preliminary Project Schedule prior to the solicitation or award of any professional service contracts. This schedule must be based upon the required completion date supplied by the Board. The project schedule shall be comprehensive and include all design and contract document milestones, as well as all land acquisition, public right of way amendment, rezoning permit approval and construction milestones supplied by both parties.
- b. The Commission shall submit the proposed Project Schedule to the Board for review and approval.
- c. The Commission shall not authorize changes to the project schedule without prior written approval by the Board.

9. Professional Services -- Solicitation And Award.

- a. The Commission shall solicit all professional services required to execute the Project from the time of Project Transfer through Final Acceptance.
- b. Professional service requirements shall be developed by the Commission and reviewed by the Board prior to release.
- c. The Board shall participate in the evaluation and selection of professional consultants.
- d. Upon receipt of submitted proposals, both the Commission and the Board shall evaluate potential consultants and recommend contract awards.
- e. The Commission shall award all professional services, in consideration of the joint recommendations referenced above. The Commission shall execute all professional service contracts directly. In all cases the Commission shall hold the contract with the cost estimator directly, unless otherwise agreed upon by the Board.
- f. The Commission shall require all vendors to maintain insurance limits acceptable to the Board throughout the life of the project. The Commission shall maintain a record of each vendor's certificates of insurance listing the Board as an additional insured.

10. Project Development Reviews And Cost Controls.

- a. The Board shall lead the programing and conceptual design phases and shall solicit review and input from the Commission.
- b. Upon Project transfer, the Commission shall lead the development of contract documents beginning in the schematic design phase as necessary for the contractual project delivery method.
- c. The Board shall perform reviews of the contract documents throughout the Project development process Review of contract documents shall occur at the following milestones and shall comply with the requirements set forth in the General Project Requirements, (Sub)Exhibit D section.
 - i. Schematic Design.
 - ii. Design Development.
 - iii. Thirty percent (30%) Contract Document Production.
 - iv. Sixty percent (60%) Contract Document Production.
 - v. Ninety percent (90%) Contract Document Production.
 - vi. One hundred percent (100%) Contract Document Production.
- d. The Board and its consultants shall review the production milestone submittals solely for educational and spatial program compliance and compliance with the Board's Design and Construction Standards. The consultants hired by the Commission are solely responsible for code compliance and any other applicable regulatory compliance.
- e. At each milestone, the Commission shall be required to provide the Board with a detailed cost estimate based upon the Board's Master Specification Sections. See exhibit General Project Requirements -- (Sub)Exhibit D section for approved estimate format.
- f. The Board shall perform each milestone review within ten (10) business days of receipt and provide written comments to the Commission for review.
- g. The Board shall solicit review and written approval by various Board stakeholders and Departmental representatives. A schedule for departmental reviews shall be developed jointly by the Board and the

Commission at the point of Project Transfer. The Commission and its consultants shall provide the necessary support and documentation required to seek these approvals.

- h. The Commission shall incorporate the Board's review comments into the Contract Documents by the next scheduled production milestone. A minimum of five (5) business days prior to the next scheduled production milestone, the Commission shall produce written documentation illustrating incorporation of the review comments or rationale for deviation.

11. Payment Submittals And Reports.

- a. The commission shall forward to the Board the Contractor's monthly pay application upon approval. Approved Pay Applications shall include a current Schedule of Values and other appropriate backup. The Schedule of Values shall be delineated in a format consistent with the specification sections outlined in the contract documents.
- b. The Commission shall provide a quarterly document citing anticipated funds needed each of the subsequent three (3) months. The Board will supply the funds cited to the Commission within ten (10) days following its receipt of the quarterly document.
- c. The Commission shall provide the Board with its expanded general ledger as well as a reconciliation of a project funds received, for each individual project on a monthly basis or upon request.
- d. For each Project, the Commission shall furnish the following reports to the Board:
 - i. Change Order Reports.
 - ii. Construction Change Directive (C.C.D.) Reports.
 - iii. Quality Assurance/Quality Control (Q.A./Q.C.) Reports.
 - iv. Updated monthly budget, including expenditures and the summary of line item changes.
 - v. List of consultants retained and associated costs.
 - vi. Other management reports as requested by the Board.

- e. The Board agrees to review and provide comments on reports furnished by the Commission within one (1) day following the receipt. If no such comments are provided, the Commission shall presume the report(s) are approved by the Board.

12. Project Administration.

- a. The Commission agrees to adhere to the following administrative requirements:
 - i. The Commission will require its contractors and consultants to comply with all applicable laws, rules and regulations related to the completion of the project and for obtaining the required permits, approvals and certifications so that the Project can be used for its intended purpose.
 - ii. Enforce the terms of its contracts with its contractors and consultants. Pursue insurance and errors and omissions claims at its discretion or at the request of the C.P.S. Board.
 - iii. All proposed scope of work modifications (including but not limited to C.O.s and C.C.D.s) must be approved by the Board prior to execution utilizing the Scope of Work Modification Form and Change Order Procedure. Refer to (Sub)Exhibit J.
 - iv. The use of the time and material methodology for quantifying a change in the scope of work shall only be used in situations where the health, life safety or welfare of building occupants, adjoining property owners or persons responsible for the planning and construction of each facility would be adversely affected. Further, all Time and Material Agreements shall provide a Not to Exceed (N.T.E.) value prior to execution and must be approved by the Board. Should the Time and Material work effort reach the N.T.E. limit, the subject change order shall become a lump sum Change Order. The Commission must provide adequate supervision to ensure that the change in scope is performed in accordance with the contract documents and any amendments therein and is monitored to reduce costs.
 - v. The Commission shall instruct its Contractors to take direction from Commission-designated personnel only.
- b. The Board's Project Team agrees to adhere to the following administrative requirements:

- i. Respond to inquiries by the periods established in this agreement.
- ii. Provide independent field observation as appropriate.
- iii. Coordinate input and approval from key Board personnel (e.g. department heads) as needed.
- iv. The Board is to advise Board personnel to not provide directives to the Commission's contractors or consultants.

13. Project Development Responsibilities By Phase.

a. Programming And Project Initiation.

- i. The Board will determine the construction needs associated with school replacement or new facilities.
- ii. The Board will determine general scheduling and funding requirements associated with identified projects.
- iii. The Board will determine the educational program, spatial program and specialized needs for all new Projects.
- iv. The Board will develop a detailed spatial program and will identify both rough square footage and adjacency requirements.
- v. The Board will determine the exterior amenity needs associated with each Project.

b. Land Acquisition.

- i. The Board will determine site selection requirements based upon the area of need or replacement requirements as well as the established Educational and Spatial Programming requirements.
- ii. The Board will determine acreage required to meet the spatial program for the building and required exterior amenities.
- iii. The Board will determine proposed sites and designate the selected site for acquisition.

- iv. The Board will acquire designated properties and advise the Commission of anticipated schedules for both land title and possession.
- v. The Board will advise the Commission of any existing or planned easements and the anticipated repercussions on the proposed Project.
- vi. In cooperation with the Board, the Commission will identify any work associated with any existing or proposed public rights-of-way that may be affected by the Project. This includes, but is not limited to any dedications, vacations or closures of streets or alleys; any temporary or permanent privilege to the public right-of-way; any air right usage agreements; as well as any utility removal; relocations or service amendments.

c. Demolition, Site Remediation And Site Utility Terminations.

- i. All work associated with securing acquired parcels of property, demolishing existing site improvements and terminating utility services to all sites (improved or unimproved) is intended to be performed by the Commission. However, where necessary, the Board reserves the right to perform this scope of work in the interest of public safety and welfare.
- ii. Where possible, the Commission will secure acquired parcels within twenty-four (24) hours of receiving notice of possession from the Board. The Commission will begin demolition of any site improvements upon newly acquired parcels as directed by the Board and as soon as is practicable within the procurement regulations of the Commission. The Board reserves the right to independently perform work associated with securing or demolishing acquired parcels.
- iii. The Commission is required to identify all utility services within previously owned or newly acquired parcels and execute service terminations as required.
- iv. Where appropriate, the Commission is responsible for assessing the potential cost savings of a combined demolition and site preparation scope of work. This work would entail combining the scope of work required for demolition of existing site improvements with the scope of work required as a result of geotechnical or environmental site conditions. The Board will participate in the

development of the professional services solicitation for an environmental consultant. Refer to (Sub)Exhibit H for the detailed Board's Environmental Standards and Procedures.

d. Preliminary Planning, Budgeting And Conceptual Design.

- i. Upon site identification, the Board will develop a conceptual design based upon the developed spatial program, adjacency requirements, exterior amenity needs and site constraints. The Board reserves the right to transfer this scope of work to the Commission.
- ii. The Commission's Managing Architect and appropriate Portfolio Manager(s) shall attend and participate in capital planning meetings, project specific meetings and coordinate related work as required, including but not limited to, site investigation and testing, comprehensive survey solicitation, and the development of demolition and site preparation scope of work. See Project Transfer section for further detail.
- iii. The Board will negotiate all agreements and spatial considerations with all tenants, co-owners or sister agencies as necessary. The Commission Project Team will provide documentation as needed to support negotiations.
- iv. The Board will develop a preliminary budget for each Project and approve any and all revisions to the budget as the design is developed.

e. Schematic Design.

- i. The Commission Project Team will develop a Schematic Design package as outlined in (Sub)Exhibit E General Project Requirements.
- ii. The Commission will provide a detailed cost estimate and value engineering report as described in the Project Budget section and the Project Development Reviews and Cost Controls section.
- iii. The Board's Project Team will review and provide written commentary as described in the Project Development Reviews and Cost Controls section.

f. Design Development.

- i. The Commission Project Team will develop a Design Development package as outlined in (Sub)Exhibit D, General Project Requirements.
- ii. After the "Issue for Design Development", the Commission will provide a detailed cost estimate and value engineering report as described in the Project Budget Administration Fees and Contingencies section and the Project Development Reviews and Cost Controls section.
- iii. The Board's Project Team will review and provide written commentary as described in the Project Development Reviews and Cost Controls section.

g. Contract Documents:

- i. The Commission Project Team will develop Contract Documents in milestone phases as outlined in the Project Development Reviews and Cost Control Section. The Contract Documents will adhere to the requirements outlined in (Sub)Exhibit D, General Project Requirements.
- ii. The Commission will provide a detailed cost estimate and value engineering report at each milestone as described in the Project Budget section and the Project Development Reviews and Cost Controls section.
- iii. The Board will review and provide written commentary as described in the Project Development Reviews and Cost Controls section.
- iv. After the sixty percent (60%) Contract Document production milestone, the Board will issue the revised Master Specification sections that have been updated after Project Transfer. The Commission will evaluate the cost impact of the changed sections and advise the Board. If mutually agreed upon, the Commission Project Team will incorporate the revised specification sections into the Contract Documents prior to the one hundred percent (100%) Contract Document production milestone.
- v. At the ninety percent (90%) Contract Document production milestone, the Commission will provide the Board with editable

electronic documents (AutoCad) of the construction drawings which have all devices labeled and dimensioned (citing distances from reference points and elevations) for use in the procurement of furniture and equipment.

- vi. The Commission will require in all bid and contract documents that the General Contractor be solely responsible for safety.
- vii. Prior to Issue for Bid, the Commission will seek the Board's written approval for release of bid documents. The approval will be based upon the adherence of the one hundred percent (100%) review package, including a detailed cost estimate, to the Project Budget and the Board's Design and Construction Standards.
- viii. The Commission's consultants are solely responsible for the final design.

h. Bidding/Negotiation And Award.

- i. The Commission will lead the bidding and/or negotiation for the execution of the project and the Board will participate in the bidding/negotiation and award process.
- ii. The Commission agrees to prohibit bidding by contractors who have been debarred by the Board.
- iii. Upon receipt of all bids, the Commission will supply the Board with a Bid Summary of all submitted bids, highlighting the lowest, responsive bidder.
- iv. The Commission will review the bid tabulation information and recommend the successful bidder for award.
- v. The Board's Project Team will attend the bid opening and will participate in the review process.
- vi. The Commission will coordinate the contract award to the successful bidder.

i. Construction Administration.

- i. The Board and the Commission will employ reasonable measures to maintain a good relationship with the community in which the project is located during the construction of the Project.

- ii. The Commission will lead the construction phase and manage all construction related expenditures.
- iii. The Commission will require and enforce insurance requirements set forth in Insurance Requirements, (Sub)Exhibit G. Any recommended changes to the insurance requirements based on scope of work of a specific contract should be addressed in writing to the Board for review by its Bureau of Risk Management. A contractor's valid certificate of insurance and bond must be on file with the Commission prior to issuing a Notice to Proceed. The Commission will maintain a record of current and valid insurance from each involved contractor throughout the project, and for at least ten (10) years following Final Acceptance.
- iv. The Commission will advise the Board of any injuries of a catastrophic nature including, but not limited to, death, amputation, head or spinal injury sustained as a result of construction operations.
- v. The Commission will institute and the Board will participate in weekly construction meetings.
- vi. The Board will provide oversight and approval on issues requiring decisions and changes in project cost, including change orders, claims, liens or other issues relating to project expenditures.
- vii. The Commission will implement an effective Quality Assurance/Quality Control (Q.A./Q.C.) Program.
- viii. The Commission will provide reports to the Board on a regular basis which illustrates all Q.A./Q.C. items, including both proposed and executed resolution.
- ix. Prior to Project punchlist, the Commission will develop a report of Q.A./Q.C. summarizing the resolution of each identified Quality Assurance or Deficiency issue.
- x. The Commission Project Team and the Board's Project Team will participate in the creation and review of the punchlist and final inspection of the Project.

- xi. The Board's Project Team will provide written comments related to the quality and completion of the Work to the Commission. The Commission shall respond in writing within ten (10) days to the comments provided by the Board,
 - xii. Project turnover by the Commission and Project Acceptance by the Board will occur in the following phases. Refer to the definitions in (Sub)Exhibit A for specific criteria.
 - a. Substantial Completion
 - b. Preliminary Acceptance
 - c. Final Acceptance
 - d. Project Closeout
 - xiii. The Commission Project Team shall not accept Substantial Completion of a project unless all the terms cited in the Definitions, (Sub)Exhibit A, are met.
 - xiv. The Commission shall execute the appropriate documentation to ensure turnover of building services at Final Acceptance. These building services include, but are not limited to, site maintenance (lawn care), utility service agreements, et cetera, as referenced in the Front End document specifications.
- j. Furniture, Fixtures And Equipment (F.F. And E.):
- i. The Board's Project Team shall coordinate the procurement and installation of fixtures as outlined in the F.F And E. matrix.
 - ii. The Board shall bid and award the Master Furniture Contract any contracts associated with the procurement of equipment.
 - iii. Upon receipt of ninety percent (90%) submittal of electronic documents (indicating elevations and dimensions of all devices) from the Commission, the Board shall coordinate each project specific furniture order and installation agreement.
 - iv. The Board shall manage the installation of furniture and equipment.

- v. The Commission will assist the Board in the management of the installation of furniture and equipment.
 - vi. On a case by case basis, the Board reserves the right to transfer each project specific furniture order, the installation agreement coordination and the management of the Installation to the Commission.
- k. Closeout.
 - i. The Commission will deliver a clean and completed facility in accordance with the Board's Master Specifications.
 - ii. The Commission will provide all closeout documentation as listed in the specifications and as detailed in General Project Requirements, (Sub)Exhibit D, and provide a Closeout Approval Form for the Board's signature (an example of which has been supplied in (Sub)Exhibit I).
 - iii. The Commission will schedule a closeout meeting on site to review the submission of the closeout documents and to seek signature of the Closeout Approval Form.
 - iv. Upon approval of the Contractor's Final Payment Application, the Commission will submit the General Contractor's Final Schedule of Values to the Board based upon the Board's Master Specification Sections.
 - v. The Commission will also submit a document that summarizes the aforementioned values in a format consistent with the Board's Asset Management Classifications.
 - vi. The Commission will customize the Closeout Approval Form, (Sub)Exhibit I, to be Project specific pursuant to the requirements of the Contract Documents. This document will be submitted to the Board for approval and signature.
- l. Post Occupancy Evaluation (P.O.E.) And Lessons Learned.
 - i. The Board will schedule a Post Occupancy Evaluation at several milestones after Final Acceptance in order to interview various

stakeholders to determine how to improve the design and construction process to better serve the needs of Chicago Public Schools students, faculty and staff. The target milestones and required attendees are as follows:

1. P.O.E. Number 1 -- Principal Interview. Approximately one (1) month after achieving Final Acceptance, a P.O.E. will be scheduled by the Board to evaluate space utilization and end user concerns. Attendees will include, but are not limited to, the School Principal, Building Engineer, the Board's Director of Real Estate and Planning, the Board's Director of Demographics, the Board's Managing Architect, the Commission's Managing Architect and the Commission's Portfolio Manager.
 2. P.O.E. Number 2 -- Constructability Review. Approximately one (1) month after Final Acceptance, P.O.E. will be scheduled by the Board to evaluate tile construction process and construction standards. Attendees will include, but are not limited to, the Commissioning Agent, Building Engineer, General Contractor, the Board's Director of Real Estate and Planning, the Board's Managing Architect and Engineer, the Commission's Director of Construction and the Commission's Portfolio Manager.
 3. P.O.E. Number 3 -- Principal Follow Up Interview. Approximately one (1) year after Final Acceptance, a POE will be scheduled by the Board to evaluate space utilization and end user concerns. Attendees will include, but are not limited to, the School Principal, Building Engineer, the Board's Director Of Real Estate and Planning, the Board's Director of Demographics, the Board's Managing Architect and Engineer, the Commission's Managing Architect and the Commission's Portfolio Manager.
- ii. The Commission will institute and conduct a Construction Lessons Learned Committee and participate as a key stakeholder. The Board will participate as a key stakeholder. For each project

undertaken, Commission will document lessons learned throughout the design and construction process as well as during the Post Occupancy Evaluation phase.

- iii. The Board will institute and conduct an Education Lessons Learned Committee and participate as a key stakeholder. The Commission will participate as a key stakeholder. For each Project undertaken, the Board will document lessons learned throughout the design and construction process as well as during the Post Occupancy Evaluation phase.

(Signed) Sean Murphy, June 22, 2006
Chief Operating Officer C.P.S.,

(Signed) Montel Gayles, June 22, 2006
Executive Officer, C.P.S.
Director, P.B.C.

(Signed) Erin Lavin Cabonargi, June 22, 2006
Managing Architect, C.P.S.

(Signed) Bral Spight, June 22, 2006
Chief of Staff, P.B.C.

(Signed) Joseph Clair, June 22, 2006
Managing Engineer, C.P.S.

(Signed) Julia Sportolari, June 22, 2006
Director of Legal
Affairs, P.B.C.

(Signed) George Hill
Managing Architect, P.B.C.

[(Sub)Exhibits "A", "B", "D.01", "D.02", "D.03", "D.04", "D.05", "D.06",
"G", "H", "I", "J" and "L" referred to in this Board-Commission
Agreement omitted for printing purposes but on
file and available for public inspection in
the Office of the City Clerk.]

[(Sub)Exhibits "C", "E", "F" and "K" referred to in this Board-
Commission Agreement unavailable at time of printing.]

*Exhibit "A".
(To Ordinance)*

*Schedule Of Redevelopment
Project Areas.*

Schedule of Redevelopment Project Areas		
Designation	Affected School(s)	Date of TIF Ordinance
47th/Ashland Redevelopment Project Area	Back of the Yards HS	3/27/2002
51st/Archer Redevelopment Project Area	Southwest Elementary	5/17/2000
71st and Stony Island Redevelopment Project Area	South Shore HS	10/7/1998
Addison Corridor North Redevelopment Project Area	Area 19 HS	6/4/1997
Belmont/Central Redevelopment Project Area	Northwest Elementary	1/12/2000
Central West Redevelopment Project Area	Skinner Elementary, West Side Ag HS	2/16/2000
Chicago/Central Park Redevelopment Project Area	Westinghouse HS	2/27/2002
Fullerton/Milwaukee Redevelopment Project Area	Avondale/Irving Park Elementary	2/16/2000
Galewood/Armitage Industrial Redevelopment Project Area	Belmont Cragin Elementary	7/7/1999
Greater Southwest Industrial Corridor (West) Redevelopment Project Area	Lee/Pasteur Elementary	4/12/2000
Lawrence/Kedzie Redevelopment Project Area	Albany Park MS, Peterson Elementary	2/16/2000
Lincoln Avenue Redevelopment Project Area	Mather HS	11/3/1999
Madison/Austin Corridor Redevelopment Project Area	Austin HS, DePriest Elementary	9/29/1999
Midwest Redevelopment Project Area	West Side Ag HS, Collins HS	5/17/2000
South Chicago Redevelopment Project Area	Southeast Area HS	4/12/2000
Stevenson/Brighton Park	Brighton Park II Elementary	Not yet adopted
Touhy/Western	Boone Clinton Elementary	9/13/2006

Exhibit "B".
(To Ordinance)

Description Of Projects.

Redevelopment Project Area	Facility	Type	Estimated Project Cost ¹	Estimated Bond Funding	CPS Funds	Estimated Minimum Annual Debt Service (Home TIF)	Contiguous Redevelopment Project Areas ²	Estimated Maximum Annual Debt Service (Contiguous TIF)
PHASE I								
Madison/Austin	Austin HS	2	\$30,000,000	\$30,000,000		\$1,000,000	Northwest Industrial	\$3,900,000
	DePree Elem.	4	\$18,500,000	\$18,500,000		\$600,000	Midwest	\$1,900,000
Midwest	Collins HS	2	\$30,000,000	\$30,000,000		\$4,400,000	None	
Lincoln Avenue	Madier HS	2	\$30,000,000	\$30,000,000		\$1,650,000	Western Ave. North	\$2,400,000
51st/Archer	Southwest Elem.	1	\$30,000,000	\$30,000,000		\$775,000	63rd/Pulaski	\$1,800,000
							Midway Industrial	\$1,600,000
71st/Stony Island	South Shore HS	1	\$65,000,000	\$65,000,000		\$2,600,000	87th/Cottage Grove	\$2,300,000
							Avalon Park/South Shore	\$800,000
							Stony Island/Burnside	\$2,200,000
							Woodlawn	\$2,200,000
Central West	Sluener Elem.	2	\$34,000,000	\$34,000,000		\$1,100,000	Neer West	\$4,900,000
Chicago Central Park	Westinghouse HS	1, 4	\$70,000,000	\$70,000,000		\$1,300,000	Kearse Industrial	\$3,400,000
							Northwest Industrial	\$1,200,000
							Midwest	\$2,500,000
							Pulaski Corridor	\$1,100,000
Lawrence/Kedzie	Albany Park HS	4	\$25,000,000	\$25,000,000		\$2,900,000	None	
	Peterson Elem.	2	\$15,000,000	\$15,000,000		\$2,200,000	None	
Fullerton/Milwaukee	Avondale/Iving Park Elem.	3	\$10,000,000	\$10,000,000		\$3,600,000	None	
Galewood/Armitage	Belmont-Cragin Elem.	3	\$7,500,000	\$7,500,000		\$1,100,000	Northwest Industrial	\$1,200,000
							Belmont Central	\$1,800,000
Touhy/Western	Boone-Clinton Elem.	1	\$7,500,000	\$7,500,000		\$3,000,000	Devon/Western	\$1,100,000
Fullerton/Milwaukee	Avondale/Iving Park Elem.	1	\$20,000,000	\$20,000,000		\$3,600,000	None	
Galewood/Armitage	Belmont-Cragin Elem.	1	\$22,500,000	\$22,500,000		\$1,100,000	Northwest Industrial	\$1,300,000
							Belmont Central	\$1,800,000
Touhy/Western	Boone-Clinton Elem.	1	\$22,500,000	\$22,500,000		\$1,100,000	Devon/Western	\$2,500,000
Stevenson Brighton Park	Brighton Park II Elem.	1	\$30,000,000	\$24,000,000	\$6,000,000	\$3,100,000	Midway Industrial	\$500,000
							51st/Archer	\$800,000
Midwest	West Side Ag. HS	1	\$65,000,000	\$65,000,000		\$0	Central West	\$4,000,000
							Chicago Central Park	\$1,500,000
Addison Corridor North	Area 19 HS	1	\$65,000,000	\$55,000,000	\$10,000,000	\$1,900,000	Kearse Industrial	\$3,800,000
Belmont Central	Northwest Elem.	1	\$30,000,000	\$30,000,000		\$2,100,000	Western Ave. South	\$2,600,000
							Belmont/Cicero	\$1,100,000
47th/Ashland	Back of the Yards HS	3	\$15,000,000	\$15,000,000		\$1,400,000	West Irving Park	\$1,200,000
							47th/Halsted	\$1,100,000
							63rd/Ashland	\$600,000
Greater Southwest Ind (West)	Lee/Peterson Elem.	3	\$6,000,000	\$6,000,000		\$1,200,000	None	
South Chicago	Southeast Area HS	3	\$10,000,000	\$10,000,000		\$2,000,000	Commercial	\$700,000
							Lake Calumet	\$300,000
47th/Ashland	Back of the Yards HS	1	\$30,000,000	\$19,500,000	\$10,500,000	\$1,400,000	47th/Halsted	\$1,300,000
							63rd/Ashland	\$500,000
Greater Southwest Ind (West)	Lee/Peterson Elem.	1	\$24,000,000	\$7,500,000	\$16,500,000	\$1,200,000	None	
South Chicago	Southeast Area HS	1	\$55,000,000	\$35,000,000	\$20,000,000	\$2,000,000	Commercial Ave.	\$1,500,000
							Lake Calumet Industrial	\$2,500,000
PHASE II								
PHASE III								

¹ Actual Costs May Differ

² Current contiguous RDA; Additional RDAs may be added in accordance with the Act and this Ordinance

Facility Types: 1-New Constr. 2-Renovation 3-Add/Design/Use Prep/Preim Constr. 4-Refinancing

DESIGNATION OF VARIOUS FINANCIAL INSTITUTIONS AS
MUNICIPAL DEPOSITORIES FOR CITY OF CHICAGO
AND CHICAGO BOARD OF EDUCATION FUNDS
FOR FISCAL YEAR 2007.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the designation of the municipal depositories for the City of Chicago and the Chicago Board of Education for the fiscal year 2007, 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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyas, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Schiller, Schulter, Moore, Stone -- 39.

Nays -- None.

Alderman E. Smith 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, On June 15, 2006 and June 19, 2006, the City Comptroller advertised for bids from national and state banks and federal and state savings and loan associations for interest upon the funds of the City of Chicago and the Chicago Board of Education to be deposited in banks and savings and loan associations, in accordance with Chapter 2, Section 2-32-400 of the Municipal Code of Chicago (the "Code"); and

WHEREAS, On or prior to August 28, 2006, the City Comptroller received bids from financial institutions seeking to be designated as municipal depositaries, and subsequently, determined that thirty (30) bidders were eligible to be so designated; and

WHEREAS, Pursuant to Chapter 2, Section 2-32-400 of the Code, the City Comptroller is required to report such bids to the City Council to the end that an award or awards may be made upon such bids; now, therefore,

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

SECTION 1. That the following national and state banks and federal and state savings and loan associations, pursuant to an advertisement required by the Code have applied to become municipal depositaries of the City of Chicago and Chicago Board of Education for the purpose of holding and paying interest on municipal deposits, and each such financial institution has satisfactorily filed with the City Comptroller the information required by Chapter 2, Sections 2-32-430, 2-32-440 and 2-32-450 of the Code:

Albany Bank

Amalgamated Bank of Chicago

Banco Popular North America

Bank of America, N.A.

Beverly Bank & Trust Co., N.A.

Charter One Bank, N.A.

Citibank, F.S.B.

Cole Taylor Bank

Fifth Third Bank

First Commercial Bank

First Eagle National Bank

Harris N.A.

Highland Community Bank

Hyde Park Bank

International Bank of Chicago

JPMorgan Chase Bank, N.A.

Lakeside Bank

LaSalle Bank, N.A.

Metropolitan Bank & Trust Co.

Mutual Bank

National City Bank

New City Bank

Pacific Global Bank

Ravenswood Bank

Seaway National Bank

ShoreBank

Signature Bank

State Bank of Countryside

The Northern Trust Company

U.S. Bank, N.A.

SECTION 2. The financial institutions listed in Section 1 are hereby designated as legal depositaries for City of Chicago and Chicago Board of Education monies for Fiscal Year 2007 and the Treasurer of the City of Chicago may deposit monies received by her in any of these institutions in accordance with Chapter 2, Sections 2-32-470, 2-32-480 and 2-32-490 of the Code.

SECTION 3. To the extent that any ordinance, resolution, rule, order or provision of the Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 4. This ordinance shall be effective from and after its passage.

COMMITTEE ON COMMITTEES, RULES AND ETHICS.

**APPOINTMENT OF MS. DARCEL A. BEAVERS AS
ALDERMAN OF SEVENTH WARD.**

The Committee on Committees, Rules and Ethics submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Committees, Rules and Ethics, having held a meeting on December 13, 2006 for the purpose of considering a communication from the Office of the Mayor recommending the appointment of Darcel A. Beavers as Alderman of the 7th Ward (Mayor), having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Approve* the proposed appointment transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee, with no dissenting votes.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Vice Chairman.

On motion of Alderman Burke, seconded by Aldermen Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Pope, L. Thomas, Rugai, Burnett, E. Smith, Carothers, Suarez, Austin and Natarus, the committee's recommendation was *Concurred In* and the said proposed appointment of Ms. Darcel Beavers as Alderman of the 7th Ward was *Approved* by yeas and nays as follows:

Yeas -- Aldermen Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 41.

Nays -- None.

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

At this point in the proceedings, Alderman Stone, Vice Mayor, invited Ms. Darcel A. Beavers to the Clerk's rostrum. The Honorable Scott Neville, Jr., Judge of the Illinois Appellate Court, thereupon administered the oath of office to Ms. Darcel Beavers as newly appointed Alderman of the 7th Ward.

Vice Mayor Stone then instructed the Sergeant-At-Arms to escort Alderman Beavers to her City Council seat.

Alderman Beavers then addressed the City Council and assembled guests, conveying her appreciation to Mayor Richard M. Daley and the members of the City Council for their confidence in and support of her appointment as Alderman of the 7th Ward. Alderman Beavers also acknowledged her father, The Honorable William M. Beavers, 4th District Commissioner of the Cook County Board, and the members of her family for their love and guidance. Declaring her pride and enthusiasm to serve the residents of the 7th Ward and the people of Chicago, Alderman Beavers again thanked Mayor Daley and the members of the City Council for the honor accorded her and was warmly applauded by the City Council and assembled guests.

The oath of office of The Honorable Darcel A. Beavers, Alderman of the 7th Ward, was *Placed on File* in the Office of the City Clerk.

APPOINTMENT OF MS. MICHELLE A. HARRIS
AS ALDERMAN OF EIGHTH WARD.

The Committee on Committees, Rules and Ethics submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Committees, Rules and Ethics, having held a meeting on December 13, 2006 for the purpose of considering a communication from the Office of the Mayor recommending the appointment of Michelle A. Harris as Alderman of the 8th Ward (Mayor), having had the same under advisement, begs to leave to report and recommend that Your Honorable Body *Approve* the proposed appointment transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee, with no dissenting votes.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Vice Chairman.

On motion of Alderman Burke, seconded by Aldermen Haithcock, Preckwinkle, Hairston, Lyle, Rugai, Burnett, Carothers, Suarez, Austin and Natarus the committee's recommendation was *Concurred In* and the said proposed appointment of Ms. Michelle A. Harris as Alderman of the 8th Ward was *Approved* by yeas and nays as follows:

Yeas -- Aldermen Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 43.

Nays -- None.

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

At this point in the proceedings, Alderman Stone, Vice Mayor, invited Ms. Michelle A. Harris to the Clerk's rostrum. The Honorable Gay-Lloyd Lott, Judge of the Circuit Court of Cook County, thereupon administered the oath of office to Ms. Michelle A. Harris as newly appointed Alderman of the 8th Ward.

Vice Mayor Stone then instructed the Sergeant-At-Arms to escort Alderman Harris to her City Council seat.

Alderman Harris then addressed the members of the City Council and assembled guests, expressing her appreciation to Mayor Richard M. Daley and the members of the City Council for the opportunity to serve the residents of the 8th Ward and the people of Chicago and expressed her personal thanks to Cook County Board President Todd Stroger and the members of the 8th Ward Regular Democratic Organization for their support. Declaring that she would work tirelessly to administer the responsibilities of the office of Alderman of the 8th Ward, Alderman Harris again thanked Mayor Daley and the members of the City Council for the honor accorded her and was warmly applauded by the City Council and assembled guests.

The oath of office of The Honorable Michelle A. Harris, Alderman of the 8th Ward, was *Placed on File* in the Office of the City Clerk.

APPOINTMENT OF MS. LONA LANE AS
ALDERMAN OF EIGHTEENTH WARD.

The Committee on Committees, Rules and Ethics submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Committees, Rules and Ethics, having held a meeting on December 13, 2006 for the purpose of considering a communication from the Office of the Mayor recommending the appointment of Lona Lane as Alderman of the 18th Ward (Mayor), having had the same under advisement, begs to leave to report and recommend that Your Honorable Body *Approve* the proposed appointment transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee, with no dissenting votes.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Vice Chairman.

On motion of Alderman Burke, seconded by Aldermen Preckwinkle, Hairston, Rugai, Ocasio, Carothers, Suarez Austin and Natarus, the committee's recommendation was *Concurred In* and the said proposed appointment of Ms. Lona Lane as Alderman of the 18th Ward was *Approved* by yeas and nays as follows:

Yeas -- Aldermen Haithcock, Preckwinkle, Hairston, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 41.

Nays -- None.

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

At this point in the proceedings, Alderman Stone, Vice Mayor, invited Ms. Lona Lane to the Clerk's rostrum. The Honorable Thomas W. Murphy, Judge of the Circuit Court of Cook County, thereupon administered the oath of office to Ms. Lona Lane as newly appointed Alderman of the 18th Ward.

Vice Mayor Stone then instructed the Sergeant-At-Arms to escort Alderman Lane to her City Council seat.

Alderman Lane then addressed the members of the City Council and assembled guests, expressing her appreciation to Mayor Richard M. Daley and the members of the City Council on her appointment. Acknowledging the guidance of family and friends, Alderman Lane also expressed appreciation to Justice Murphy and the residents of the 18th Ward for their unwavering support and assistance. Pledging to serve the constituents of the 18th Ward and the people of Chicago to the best of her ability, Alderman Lane again thanked the Mayor Daley and the City Council for their support and received a round of applause from the City Council and assembled guests.

The oath of office of The Honorable Lona Lane, Alderman of the 18th Ward, was *Placed on File* in the Office of the City Clerk.

CORRECTIONS OF JOURNAL OF THE PROCEEDINGS
OF THE CITY COUNCIL OF THE CITY OF CHICAGO.

The Committee on Committees, Rules and Ethics submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Committees, Rules and Ethics, having held a meeting on December 13, 2006 for the purpose of considering an ordinance (PO2006-7976) correcting page 84385 from the *Journal of the Proceedings of the City Council of the City of Chicago* from September 13, 2006, correcting the ward number from 36th Ward to 46th Ward (Alderman Natarus), having had the same under advisement, begs to leave to report and recommend that Your Honorable Body do Pass the ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee, with no dissenting votes.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Vice 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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

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. I hereby move to correct the *Journal of the Proceedings of the City Council of the City of Chicago* of the regular City Council meeting held on Wednesday, September 13, 2006, Committee on Traffic Control and Safety recommended report-out, the item from page 84385, the 22nd line from the top of the page as follows:

“Residential Permit Parking Zone Number 1303 for the 900 block of West Belle Plaine Avenue -- 6:00 P.M. to 6:00 A.M. -- all days (36th Ward)”

should read:

“(46th Ward)”

SECTION 2. This ordinance shall be in effect upon its passage and publication.

CERTIFICATION TO BOARD OF ELECTION COMMISSIONERS OF
ADVISORY REFERENDUM QUESTION IN FORTY-NINTH WARD
FOR FEBRUARY 27, 2007 ELECTION BALLOT CONCERNING
LIVING WAGE REQUIREMENTS AND BENEFITS FOR
LARGE RETAIL ESTABLISHMENT.

The Committee on Committees, Rules and Ethics submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Committees, Rules and Ethics, having held a meeting on December 13, 2006 for the purpose of considering a resolution (PR2006-119) certifying to the Chicago Board of Election Commissioners an advisory referendum in the 49th Ward concerning a living wage requirement for large retail establishments for the Consolidated Primary Election to be held on February 27, 2007 (Moore), having had the same under advisement, begs to leave to report and recommend that Your Honorable Body do *Adopt* the resolution transmitted herewith.

This recommendation was concurred in by unanimous vote of the members of the Committee, with no dissenting votes.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Vice Chairman.

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

Yeas -- Aldermen Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

Nays -- None.

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

The following is said resolution as adopted:

WHEREAS, Under Illinois law, the City Council of the City of Chicago may by ordinance or resolution initiate an advisory referendum on questions of public policy (10 ILCS 5/28-6(b), 65 ILCS 53.1-40-60); and

WHEREAS, These questions may be submitted to the voters of all precincts within a given ward; now, therefore,

Be It Resolved, That pursuant to Section 28-6 of the Illinois Elections Code (10 ILCS 5/28-6) and Section 3.1-40-60 of the Illinois Municipal Code (65 ILCS 5/3.1-40-60), the following question is certified to the Chicago Board of Election Commissioners for submission to the voters of all precincts within the 49th Ward of the City of Chicago at the regularly scheduled election next occurring after passage of this resolution:

Shall the Chicago City Council enact a Living Wage Ordinance that requires all retail establishments in Chicago greater than 90,000 square

feet in size and having annual gross revenues in excess of \$1 Billion, to pay a minimum "living wage" of at least \$10.00 an hour plus \$3.00 an hour towards employee benefits?

☐ Yes

☐ No

; and

Be It Further Resolved, That a copy of this resolution be filed with the Chicago Board of Election Commissioners.

Action Deferred -- CERTIFICATION TO CHICAGO BOARD OF
ELECTION COMMISSIONERS OF CITYWIDE ADVISORY
REFERENDUM QUESTION FOR FEBRUARY 27, 2007
ELECTION BALLOT CONCERNING LIVING
WAGE REQUIREMENTS AND BENEFITS
FOR LARGE RETAILERS.

The Committee on Committees, Rules and Ethics submitted the following report which was, on motion of Alderman O'Connor and Alderman Natarus, *Deferred* and ordered published:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Committees, Rules and Ethics, having held a meeting on December 13, 2006 for the purpose of considering a resolution (PR2006-91) certifying to the Chicago Board of Election Commissioners an advisory referendum for all the precincts of the City of Chicago concerning a living wage requirement and benefits for retail establishments having annual gross revenues in excess of \$1 Billion for the Consolidated Primary Election to be held on February 27, 2007 (Lyle and Moore and various Aldermen), having had the same under advisement, begs to leave to report and recommend that Your Honorable Body do adopt the resolution transmitted herewith.

This recommendation was concurred in by unanimous vote of the members of the Committee, with no dissenting votes.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Vice Chairman.

The following is said proposed resolution transmitted with the foregoing committee report:

WHEREAS, Under State Law, the City Council may by ordinance or resolution initiate an advisory referendum on questions of public policy (10 ILCS 5/28-6(b), 65 ILCS 53.1- 40-60); and

WHEREAS, These questions may be submitted to the voters of all precincts within the City of Chicago; now, therefore,

Be It Resolved, That pursuant to Section 28-6 of the Illinois Election Code (10 ILCS 5/28-6) and Section 3.1-40-60 of the Illinois Municipal Code (65 ILCS 5/3.1-40-60), the following question is certified to the Chicago Board of Election Commissioners for submission to the voters of all precincts of the City of Chicago at the Consolidated Primary Election to be held on February 27, 2007:

Shall the Chicago City Council enact a Living Wage Ordinance, requiring retail establishments in Chicago having annual gross revenues in excess of \$1 Billion, to pay a minimum "living-wage" of at least \$10.00 per hour plus \$3.00 per hour towards employee benefits by July 1, 2010?

☐ Yes ☐ No

; and

Be It Further Resolved, That a copy of this resolution be filed with the Chicago Board of Election Commissioners.

REGULAR ORDER OF BUSINESS RESUMED.

**REPORTS AND COMMUNICATIONS
FROM CITY OFFICERS.**

Rules Suspended -- CHICAGO POLICE OFFICER DANIEL J. MARKUS
HONORED FOR HEROIC ACTIONS.

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

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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

LADIES AND GENTLEMEN -- I transmit herewith a congratulatory resolution concerning Officer Daniel J. Markus of the Chicago Police Department on his exemplary conduct during the events of October 16, 2006.

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 early evening of October 16, 2006, Chicago Police Officer Daniel J. Markus (Star Number 14035) of the 12th District was off duty, leaving school at Roosevelt University in the South Loop, when he heard the chilling sound of a woman screaming in terror; and

WHEREAS, Looking down the street on this rainy evening, Officer Markus saw a man attacking two women and grabbing the purse of one of the victims; and

WHEREAS, Officer Markus was appalled to see the man knock one of the women to the ground with her purse, then punch the second woman in the face with his fist, knocking her to the ground also; and

WHEREAS, Lacking a radio to call for backup, and wearing no body armor, Officer Markus ran towards the altercation and announced his office, without giving a second thought to his own safety; and

WHEREAS, The man fled with the purse, with Officer Markus in hot pursuit; and

WHEREAS, Running with all his strength through the pouring rain, Officer Markus drew near to the assailant, then caught and tackled him; and

WHEREAS, Wrestling the assailant to the pavement, Officer Markus restrained him until he could be taken into custody, all while the offender was reaching for an object in his waistband; and

WHEREAS, Recovered from the robber's waistband was a bloodstained metal rod, and an investigation revealed that earlier that evening, before Officer Markus happened on the scene, the man had tried to rob a seventy-six year old man of his wallet, beating him with his fists and stabbing him in the face and neck with the metal rod; and

WHEREAS, The offender, a convicted felon, has been charged with robbery, aggravated battery on a public way, attempted armed robbery, armed violence, and aggravated battery of a senior citizen; and

WHEREAS, Officer Markus is to be commended for his courage and initiative in taking a vicious criminal off the streets and recovering a victim's purse; and

WHEREAS, Officer Markus, who is pursuing a Masters Degree in Public Administration, displayed the capability, courage, and quick thinking that exemplify the members of the Chicago Police Department; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, assembled this thirteenth day of December, 2006, do hereby

congratulate Officer Daniel J. Markus of the Chicago Police Department on his courageous and effective police work; and

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

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

Yeas -- Aldermen Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyas, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

Nays -- None.

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

At this point in the proceedings, Alderman Stone, Vice Mayor, rose and on behalf of the people of Chicago, extended appreciation to off-duty Police Officer Daniel J. Markus for his heroic and selfless actions in subduing a violent offender. Lauding Officer Markus for his bravery and willingness to become involved, Alderman Stone declared such actions as representative of the members of the Police Department who have dedicated themselves to the service and protection of all Chicagoans. After calling the City Council's attention to the presence in the visitors' gallery of the family of Officer Markus, together with Assistant State's Attorney Sherry Dedore and Police Captain Gerard Carroll, Alderman Stone invited Police Officer Daniel J. Markus to the Mayor's rostrum where he conveyed his personal thanks and presented him with a parchment copy of the congratulatory resolution.

Rules Suspended -- MEMBERS OF CHICAGO FIRE DEPARTMENT
AMBULANCE COMPANY 4 AND ENGINE COMPANY 28
HONORED FOR HEROIC LIFE-SAVING RESCUE.

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

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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

LADIES AND GENTLEMEN -- I transmit herewith a congratulatory resolution concerning Lieutenant Robert Markham, Engineer Fernando De Avila, Firefighter/Emergency Medical Technicians James Gallagher, Dwayne Greer and Abel Rivera, Ambulance Commander Jon Friedman and Fire Paramedic Lon Cogley of the Chicago Fire Department and their exemplary conduct during the events of November 11, 2006.

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, On the early morning of November 11, 2006, Ambulance Company 4 and Engine Company 28 of the Chicago Fire Department responded to a report of a medical emergency in the 2600 block of South Lowe Avenue; and

WHEREAS, Upon arriving at the scene, Lieutenant Robert Markham, Engineer Fernando De Avila, Firefighter/Emergency Medical Technician James Gallagher, Firefighter/Emergency Medical Technician Dwayne Greer and Firefighter/Emergency Medical Technician Abel Rivera of Engine Company 28 noticed a man collapsed at the bottom of a stairwell; and

WHEREAS, The urgency of the situation heightened when the firefighters learned that the man was in full cardiac arrest; and

WHEREAS, The firefighters immediately began cardiopulmonary resuscitation, and hooked up the patient to their automatic external defibrillator, and the machine indicated that the patient had developed a lethal heart rate and rhythm; and

WHEREAS, In order to bring the man's heart into a normal rhythm and save his life, an immediate defibrillation was required; and

WHEREAS, After administering defibrillations, the firefighters assessed the patient's condition, and saw that his pulse had returned and that he was breathing without assistance; and

WHEREAS, While the firefighters were assisting the patient, Ambulance Commander Jon Friedman and Fire Paramedic Lon Cogley of Ambulance Company 4 were overseeing and contributing to the life-saving medical efforts of the firefighters; and

WHEREAS, As the still unconscious patient was transported to the hospital, the ambulance crew continued to administer advanced life support treatment; and

WHEREAS, When the patient arrived at the hospital, his condition remained stable, proving the reliability of the fire department's emergency response system, and the remarkable and unrelenting efforts of these firefighters and ambulance crew; and

WHEREAS, The patient, a retired Chicago police officer, survived this ordeal only because of the quick reactions, impeccable teamwork and exceptional professional care that these firefighters and ambulance crew provided; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, assembled this thirteenth day of December, 2006, do hereby honor Lieutenant Robert Markham, Engineer Fernando De Avila, Firefighter/Emergency Medical Technician James Gallagher, Firefighter/Emergency Medical Technician Dwayne Greer, Firefighter/Emergency Medical Technician Abel Rivera, Ambulance Commander Jon Friedman and Fire Paramedic Lon Cogley for performing their duties in the highest tradition of the Chicago Fire Department, and for their dedication and outstanding efforts; and

Be It Further Resolved, That suitable copies of this resolution be presented to these members of the Chicago Fire Department, and placed on permanent record in their personnel files, as a token of our honor and esteem.

On motion of Alderman Burke, seconded by Aldermen Balcer, Cárdenas, Zalewski, Carothers, Allen, O'Connor and Levar, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

Nays -- None.

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

At this point in the proceedings, Alderman Stone, Vice Mayor, rose and on behalf of the people of Chicago, extended appreciation to the Commander Jon Friedman and the members of Ambulance Company 4 and Engine Company 28 for their heroic, lifesaving rescue. Lauding the training, decline and teamwork with which the honorees effected their rescue, Alderman Stone noted the many lives saved by the city's firefighters and paramedics each and every day and expressed his thanks for their service to the people of Chicago. After calling the City Council's attention to the presence in the visitors' gallery of the families and friends of the honorees, Alderman Stone invited the honorees to the Mayor's rostrum where he conveyed his personal thanks and presented each with a parchment copy of the congratulatory resolution.

Rules Suspended -- CONGRATULATIONS EXTENDED TO
SAINT RITA HIGH SCHOOL VARSITY FOOTBALL
TEAM ON WINNING 2006 CLASS
7A STATE CHAMPIONSHIP.

Alderman Rugai moved to *Suspend the Rules Temporarily* for the purpose of going out of the regular order of business for immediate consideration of and action upon a proposed resolution. The motion *Prevailed*.

The following is said proposed resolution:

WHEREAS, Saint Rita High School became the 2006 Class 7A state champions at the University of Illinois in Urbana-Champaign game against a tough Lake Zurich team; and

WHEREAS, The Chicago City Council has been informed of this event by Alderman Virginia A. Rugai; and

WHEREAS, The championship for the Mustangs (13-1) came twenty-eight years to the day Saint Rita captured its first state title for football; and

WHEREAS, The 2006 varsity football team drove to victory under the leadership of Todd Kuska, Head Coach, Ray Bugal, Lance Kenzinger, Bill Lynch, John Nee, Terry Quinn, Dan Schaller, J.J. Standing and Joe Urchak, Assistant Coaches; and

WHEREAS, Outscoring Lake Zurich 21-7 in the first quarter, Saint Rita wasted little time assuming control of the contest; and

WHEREAS, After the high-scoring first quarter, the teams mostly battled for field position in the second period; and

WHEREAS, A two yard touchdown run up the middle helped to put the Saint Rita Mustangs up 28-7 with 9:13 left in the third quarter; and

WHEREAS, Lake Zurich cut the deficit to 28-21 with just 9:16 remaining in the game, when Saint Rita drove 65 yards in 11 plays, setting the final score at 35-21; and

WHEREAS, Some other great moments in Saint Rita football history include the 1971 Prep Bowl championship team, which the *Sun-Times* rated the greatest high school team of all time; the Prep Bowl championship in 1970; and the 1963 season, when the team went undefeated and was ranked Number 1 in the nation; and

WHEREAS, Saint Rita's Football slogan "our goal is not simply to have a great season, but rather develop a great person" is a motto that speaks volumes of Saint Rita School desire that their students experience fulfillment and success based on their personal ability and interest, truth, honesty, integrity, moderation, responsibility, self-discipline, self-worth and a desire to serve society as the prime goals for the students; and

WHEREAS, The 2006 Saint Rita High School "Mustangs" varsity football team are Matthew Carney, DeOnte Hood, Ralph Gliwiak, Darieon Hood, Clifford Moore, Steven Byrne, John Sullivan, Daniel Jilek, Sean Estand, Peter Balsam, Brendan O'Dwyer, Michael Riordan, Jason Kafka, Earnest Green, Kyle Donahue, Stephen Atkinson, Stephen Flaherty, Kevin Cornfield, Antwan Love, Daniel Schumacher, D'Marcus Dullen, Robert O'Connell, Randall Shannon, William O'Brien, Steven McGowan, Abel Villarreal, John Rowan, Mark Omastiak, Nicholas Oboikovitz, Alan Ross, Christopher Kocanda, Matthew Lostroscio, John Crotty, Brian Popek, Jerome Ward, Kenneth Stoklosa, Matthew Murphy, Sean Leslie, John O'Connor, James Fitzgibbon, James Sojka, Timothy Arundel, Thomas Harney III, Sean Halloran, Rashad Spells, Thomas Chladek, Vincent Harrison, Thomas Bukowski, Luke Knibbs, Mozar Jerome, Michael Mullen, Sean Gleason, William Slawson, Patrick O'Malley, Daniel Patrick, Jason Kazlauskas, Edward Carone, Louis Wojnicki, Edward Streit, Matthew Conrath, Hakeem McGill, Jamie Lick, Mitchell Broderick, Kevin Galeher, Daniel Smith, Marques Reed, Taylor Osborn, Melvin Shaw, Daniel Platt, Drew McGowan, Matthew Quinn, Rigoberto Gomez Jr., Michael Nolen, Darius Fleming, Michael Altman, Alfonso Castillo, Terence Peter, Ryan Bischoff and Elkin Smith III; and

Be It Resolved, That we, the Mayor and members of the Chicago City Council assembled this thirteenth day of December, 2006, do hereby pay tribute to the coaches, team members, students, alumni and administrators of Saint Rita High School for attaining the status of Class 7A State Champions for the year 2006; and

Be It Further Resolved, That a suitable copy of this resolution is presented to Principal Father Thomas McCarthy and the students of Saint Rita High School.

On motion of Alderman Rugai, seconded by Aldermen Pope, Lane, E. Smith and Tunney, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

Nays -- None.

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

Rules Suspended -- CONGRATULATIONS EXTENDED TO BROTHER
RICE HIGH SCHOOL VARSITY FOOTBALL TEAM
ON WINNING 2006 CITY OF CHICAGO
PREP BOWL CHAMPIONSHIP.

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

The following is said proposed resolution:

WHEREAS, Brother Rice High School became the 2006 City of Chicago Prep Bowl champions at the game held at Soldier Field for their second Prep Bowl triumph in the last three seasons against a tough Hubbard team; and

WHEREAS, The Chicago City Council has been informed of this event by Alderman Virginia A. Rugai; and

WHEREAS, The 2006 varsity football team drove to victory under the leadership of Steve Nye, Head Coach, Randy Bolin, Bill Green, Randy Johnson, Kevin Eickmann, Brian Hunt and Brian Wales, Assistant Coaches and Mike Minervini, Statistician; and

WHEREAS, The Crusaders opened a 17-0 halftime lead, first scoring on a two-yard run in the first quarter to cap a ten-play, sixty-six yard drive, and they scored again on a twelve-yard touchdown pass, closing out the half with a twenty-two-yard field goal and limiting the Hubbard Greyhounds to ninety-three yards of offense over the first two quarters; and

WHEREAS, Brother Rice pushed the lead to 24-0 by a second touchdown pass, a thirty-five yard strike, Hubbard scored midway through the third quarter, with a thirty-three yard touchdown pass, cutting the lead to 24-6, after an interception led to a nine-play scoring drive and Brother Rice's lead was cut to 24-14, a scoreless fourth quarter led to the victory; and

WHEREAS, Athletic success has always been part of its history at Brother Rice High School. The varsity football team marked its first win in the third game of its very first season with a 12-6 win before Brother Rice had a senior class. Crusader teams have won an astonishing one hundred seventeen league titles, sixteen state championships (with a particular dominance in water polo), and numerous regional and sectional titles; and

WHEREAS, Brother Rice High School was named one of the best secondary schools in the nation for the second year in a row and Brother Rice was the only Catholic high school named this year in the Chicago area; and

WHEREAS, The members of the 2006 Brother Rice varsity football team are Brendan Sheehy, Pat Garrity, Pat Gray, Matt Stahl, T.J. Hollowed, Jon Hollowed, John Ingersoll, Pat Coughlin, Kevin Murphy, Neil Sullivan, Bob Dempster, Tom Usher, Dan Cusack, Kevin Gerk, J.J. Marren, Mike Cuddy, Steve Wesselhoff, Tom Gibson, Jeremy Rhodes, Rick Regalado, Sean Seroka, Kevin Donahue, Justin Maxwell, Tom Coughlin, Doug Schumacher, Scott Heisterman, Tim Martin, Justin Smith, Joe Bush, Jim McQuillan, Pat Buckley, Julian Lazzara, Tom Grant, Blake Bochnak, Jack Philbin, Patrick Rosner, Dave Otto, Sean Bresnahan, Kevin Krillic, Marty Deskovich, Dan Oreske, Frank Renardo, Joe Biszewski, Kendall Peoples, Jack Ruddy, Matt Lydon, Matt Malyszka, Kevin Cozzolino, Mike Hollowed, Dan Ward, Josh Rowell, Kevin Konrath, Brandon Parker, Todd Rosselli, Dave Keane, Bill Windle, Kevin Callahan, Marty Heil, John Curtin, John Hall, Anthony Malopsy, Miles Maftan, Matt Walsh, Dan Robinson, Andrew Grzywna, Matt Pufunt, Luke Reitsma, Kevin Zwickl, Kevin Murry and Joseph McCudden; now, therefore,

Be It Resolved, That we, the Mayor and members of the Chicago City Council, assembled this thirteenth day of December, 2006, do hereby pay tribute to the coaches, team members, students, alumni and administrators of Brother Rice High School for winning the seventy-third annual Prep Bowl showdown for the year 2006; and

Be It Further Resolved, That a suitable copy of this resolution be presented to President Brother Karl Walczak, Principal James Antos and the students of Brother Rice High School.

On motion of Alderman Rugai, seconded by Aldermen Pope, Lane, E. Smith and Tunney, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

Nays -- None.

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

REGULAR ORDER OF BUSINESS RESUMED.

Referred -- APPOINTMENT OF MS. BELLA M. FOLLOSO, MR. JONAS A. MIGLINAS AND MS. ESTELLE M. SEALS AS MEMBERS OF MARQUETTE PARK COMMISSION (SPECIAL SERVICE AREA NUMBER 14).

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 Finance*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have appointed Bella M. Follosa, Jonas A. Miglinas and Estelle M. Seals as members of the Marquette Park Commission,

12/13/2006

COMMUNICATIONS, ETC.

94003

Special Service Area Number 14, to terms effective immediately and expiring January 11, 2010.

Your favorable consideration of these appointments will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPOINTMENT OF MR. FRANKLYN J. OFOMA
AND MS. JANINA RUPELKA AS MEMBERS OF
MARQUETTE PARK COMMISSION (SPECIAL
SERVICE AREA NUMBER 14).

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 Finance*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have appointed Franklyn J. Ofoma and Janina Rupelka as members of the Marquette Park Commission, Special Service Area Number 14, to terms effective immediately and expiring January 11, 2009.

Your favorable consideration of these appointments will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPOINTMENT OF MR. JOSEPH M. HALL AS MEMBER
OF WICKER PARK AND BUCKTOWN COMMISSION
(SPECIAL SERVICE AREA NUMBER 33).

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 Finance*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have appointed Joseph M. Hall as a member of the Wicker Park and Bucktown Commission, Special Service Area Number 33, to a term effective immediately and expiring September 13, 2007.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPOINTMENT OF MR. SAM SANCHEZ AS MEMBER
OF LINCOLN AVENUE COMMISSION (SPECIAL
SERVICE AREA NUMBER 35).

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 Finance*:

12/13/2006

COMMUNICATIONS, ETC.

94005

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have appointed Sam Sanchez as a member of the Lincoln Avenue Commission, Special Service Area Number 35, to a term effective immediately and expiring July 26, 2008.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPOINTMENT OF MR. LUIS COLLADO AS MEMBER
OF COMMUNITY DEVELOPMENT COMMISSION.

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 Economic, Capital and Technology Development:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have appointed Luis Collado as a member of the

Community Development Commission to a term effective immediately and expiring February 26, 2011, to succeed Cesar A. Santoy, whose term has expired.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- REAPPOINTMENT OF MR. HUSSEIN M. AFFEY,
MR. BINDI J. DESAI-LESSING AND DR. BASSAM F. MATAR
AS MEMBERS OF COMMISSION ON HUMAN
RELATIONS 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

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have reappointed Hussein M. Affey, Bindi J. Desai-Lessing and Dr. Bassam F. Matar as members of the Commission on Human

12/13/2006

COMMUNICATIONS, ETC.

94007

Relations Advisory Council on Immigrant and Refugee Affairs, to terms effective immediately and expiring on July 1, 2009.

Your favorable consideration of these reappointments will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- REAPPOINTMENT OF MR. DALE T. ASIS AS MEMBER
OF COMMISSION ON HUMAN RELATIONS 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

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have reappointed Dale T. Asis as a member of the Commission on Human Relations Advisory Council on Immigrant and Refugee Affairs, to a term effective immediately and expiring on July 1, 2008.

Your favorable consideration of this reappointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPOINTMENT OF MR. MARK A. RODRIGUEZ AS MEMBER
OF COMMISSION ON HUMAN RELATIONS 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

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have appointed Mark A. Rodriguez as a member of the Commission on Human Relations Advisory Council on Immigrant and Refugee Affairs, to a term effective immediately and expiring July 1, 2009, to succeed Maricela Garcia, whose term has expired.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- REAPPOINTMENT OF VARIOUS INDIVIDUALS AS MEMBERS
OF LOW-INCOME HOUSING TRUST FUND BOARD.

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

12/13/2006

COMMUNICATIONS, ETC.

94009

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

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have reappointed Malcolm Bush, Michael M. Chioros, Douglas C. Dobmeyer, Dana R. Levenson, John G. Markowski, Thomas J. McNulty and Rodrigo A. Sierra as members of the Low-Income Housing Trust Fund Board to terms effective immediately and expiring December 31, 2008.

Your favorable consideration of these reappointments will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- REAPPOINTMENT OF MS. DORIS B. HOLLEB
AS MEMBER OF CHICAGO PLAN COMMISSION.

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 Zoning:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have reappointed Doris B. Holleb as a member the of Chicago Plan Commission to a term effective immediately and expiring January 25, 2010.

Your favorable consideration of this reappointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- REAPPOINTMENT OF MR. AMRISH K. MAHAJAN
AND MR. JOHN H. NELSON AS MEMBERS OF
CHICAGO PLAN COMMISSION.

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 Zoning*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have reappointed Amrish K. Mahajan and John H. Nelson as members of the Chicago Plan Commission to terms effective immediately and expiring January 25, 2009.

12/13/2006

COMMUNICATIONS, ETC.

94011

Your favorable consideration of these reappointments will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- REAPPOINTMENT OF MS. NANCY A. PACHER
AS MEMBER OF CHICAGO PLAN COMMISSION.

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 Zoning*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have reappointed Nancy A. Pacher as a member of the Chicago Plan Commission to a term effective January 26, 2007 and expiring January 25, 2012.

Your favorable consideration of this reappointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPOINTMENT OF D. LYNEIR RICHARDSON
AS MEMBER OF CHICAGO PLAN COMMISSION.

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 Zoning*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have appointed D. Lyneir Richardson as a member of the Chicago Plan Commission to a term effective immediately and expiring January 25, 2010, to succeed Peter C. B. Bynoe, who has resigned.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- REAPPOINTMENT OF MS. LINDA A. SEARL
AS MEMBER OF CHICAGO PLAN COMMISSION.

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 Zoning*:

12/13/2006

COMMUNICATIONS, ETC.

94013

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have reappointed Linda A. Searl as a member of the Chicago Plan Commission to a term effective immediately and expiring January 25, 2011.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPOINTMENT OF MS. GRACIA MARIA SHIFFRIN
AS MEMBER OF CHICAGO PLAN COMMISSION.

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 Zoning:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have appointed Gracia Maria Shiffrin as a member of the Chicago Plan Commission to a term effective immediately and expiring January 25, 2009, to succeed Rodrigo D'Escoto, who has resigned.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- APPOINTMENT OF MR. DAVID WEINSTEIN
AS MEMBER OF CHICAGO PLAN COMMISSION.

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 Zoning.*

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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

LADIES AND GENTLEMEN -- I have appointed David Weinstein as a member of the Chicago Plan Commission to a term effective immediately and expiring January 25, 2011, to succeed Allison S. Davis, whose term has expired.

Your favorable consideration of this appointment will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

12/13/2006

COMMUNICATIONS, ETC.

94015

Referred -- AUTHORIZATION FOR ISSUANCE OF COLLATERALIZED
SINGLE-FAMILY MORTGAGE REVENUE
BONDS, SERIES 2007.

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

December 13, 2006.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing the issuance of single-family mortgage revenue bonds.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AMENDMENT OF YEAR 2007 ANNUAL APPROPRIATION
ORDINANCE WITHIN FUND 925 TO PROVIDE GRANT
AWARDS FOR DEPARTMENT ON AGING AND
DEPARTMENT OF POLICE.

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

December 13, 2006.

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 -- AUTHORIZATION FOR RESTRUCTURING OF LOAN
AGREEMENT WITH LPSS LIMITED PARTNERSHIP FOR
REHABILITATION OF PROPERTY AT 4631 -- 4637
SOUTH LAKE PARK AVENUE.

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

December 13, 2006.

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

12/13/2006

COMMUNICATIONS, ETC.

94017

LADIES AND GENTLEMEN -- At the request of the Commissioner of Housing, I transmit herewith an ordinance authorizing an amendment to a loan agreement with LPSS L.P. regarding property located at 4631 -- 4637 South Lake Park Avenue.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AUTHORIZATION FOR EXECUTION OF SECOND
AMENDMENT TO INTERGOVERNMENTAL AGREEMENT
WITH BOARD OF TRUSTEES OF COMMUNITY
COLLEGE DISTRICT NUMBER 508 AND PUBLIC
BUILDING COMMISSION OF CHICAGO
AND AMENDMENT OF 2002
GENERAL COMMERCIAL
PAPER ORDINANCE.

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

December 13, 2006.

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

LADIES AND GENTLEMEN -- At the request of the Chief Financial Officer, I transmit herewith an ordinance authorizing the execution of an intergovernmental agreement with City Colleges of Chicago and the Public Building Commission and amending the terms of a 2002 general obligation commercial paper ordinance.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AUTHORIZATION FOR EXECUTION OF INTERGOVERNMENTAL
AGREEMENT WITH COUNTY OF DUPAGE WATER COMMISSION
FOR CONSTRUCTION, OPERATION AND MAINTENANCE OF
ELECTRICAL GENERATION FACILITIES AND OTHER
CAPITAL IMPROVEMENTS AT LEXINGTON
PUMPING STATION.

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

December 13, 2006.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of Water Management, I transmit herewith an ordinance authorizing the execution of an intergovernmental agreement with the DuPage Water Commission.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- DESIGNATION OF NORTH CENTER ASSOCIATES L.L.C. AS
PROJECT DEVELOPER, AUTHORIZATION FOR EXECUTION
OF REDEVELOPMENT AGREEMENT AND PAYMENT OF
CERTAIN INCREMENT TAXES FOR CONSTRUCTION
OF CONDOMINIUM BUILDING AT 2335
WEST BELLE PLAINE AVENUE.

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

December 13, 2006.

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 North Center Associates L.L.C. regarding property located at 2335 West Belle Plaine Avenue.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- DESIGNATION OF INSTITUTE OF PUERTO RICAN ARTS
AND CULTURE CENTER AS PROJECT DEVELOPER AND
AUTHORIZATION FOR EXECUTION OF REDEVELOPMENT
AGREEMENT FOR REHABILITATION OF PROPERTY
WITHIN DIVISION/HOMAN REDEVELOPMENT
PROJECT AREA.

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

December 13, 2006.

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 the Puerto Rican Arts and Culture Center regarding property located at 3015 West Division Street.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- DESIGNATION OF THEUS PROPERTY HOLDINGS L.L.C. AS
PROJECT DEVELOPER AND AUTHORIZATION FOR EXECUTION
OF REDEVELOPMENT AGREEMENT, ISSUANCE OF CITY
NOTE AND PAYMENT OF CERTAIN INCREMENTAL
TAXES FOR REHABILITATION OF PROPERTY
AT 4703 -- 4717 NORTH BROADWAY.

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*:

12/13/2006

COMMUNICATIONS, ETC.

94021

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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 Theus Property Holdings L.L.C. regarding property located at 4703 -- 4717 North Broadway.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AUTHORIZATION FOR EXECUTION OF LICENSE
AGREEMENT WITH CSX TRANSPORTATION COMPANY,
INC. FOR REPLACEMENT OF SEWER LINE AT
WEST 101ST STREET AND SOUTH
TALMAN AVENUE.

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

December 13, 2006.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of Water Management, I transmit herewith an ordinance authorizing the execution of a license agreement with CSX regarding a sewer main replacement.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AUTHORIZATION FOR TERMINATION AND RELEASE
OF EASEMENT AGREEMENT AT 136 --146 NORTH
PARKSIDE AVENUE FOR BENEFIT OF
CHICAGO HOUSING AUTHORITY.

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

December 13, 2006.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of Water Management, I transmit herewith an ordinance authorizing the release of a water main easement to the Chicago Housing Authority.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

12/13/2006

COMMUNICATIONS, ETC.

94023

Referred -- AUTHORIZATION FOR SALE AND REDEVELOPMENT OF
CITY-OWNED PROPERTIES AT VARIOUS LOCATIONS.

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

December 13, 2006.

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 -- AMENDMENT OF PRIOR ORDINANCE WHICH AUTHORIZED
EXECUTION OF REDEVELOPMENT AGREEMENT WITH
ST. BERNARD HOUSING DEVELOPMENT CORPORATION
BY CONVEYANCE OF ADDITIONAL PROPERTY AT
6445 -- 6447 SOUTH HARVARD AVENUE UNDER
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

December 13, 2006.

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 amending a land sale agreement with St. Bernard Housing Development Corp. regarding property located at 6447 South Harvard Avenue.

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 3934 WEST
GRENSHAW STREET AND 5349 -- 5351
SOUTH HALSTED STREET.

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

December 13, 2006.

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

12/13/2006

COMMUNICATIONS, ETC..

94025

LADIES AND GENTLEMEN -- At the request of the Commissioner of Planning and Development, I transmit herewith ordinances authorizing the repeal of previously authorized land sales.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AUTHORIZATION FOR ACQUISITION OF PROPERTY
AT 4615 -- 4619 WEST HOMER STREET FOR
DEPARTMENT OF STREETS AND SANITATION.

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

December 13, 2006.

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 an ordinance authorizing negotiations to purchase property located at 4615 -- 4619 West Homer Street.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

(Signed) RICHARD M. DALEY,
Mayor.

Referred -- AUTHORIZATION FOR ACQUISITION OF VARIOUS
PROPERTIES FOR BENEFIT OF 79TH STREET CORRIDOR
AND NEAR SOUTH TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AREA PLANS.

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

December 13, 2006.

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 acquisition of 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 VARIOUS LOCATIONS.

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*:

12/13/2006

COMMUNICATIONS, ETC.

94027

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 13, 2006.

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 Miguel del Valle, 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 -- RESIGNATION OF HONORABLE WILLIAM M. BEAVERS
AS ALDERMAN OF SEVENTH WARD.

A communication from The Honorable William M. Beavers, under the date of November 17, 2006, transmitting notification of his resignation as Alderman of the 7th Ward, effective November 30, 2006, which was *Placed on File*.

Placed On File -- RESIGNATION OF HONORABLE TODD H. STROGER
AS ALDERMAN OF EIGHTH WARD.

A communication from The Honorable Todd H. Stroger, under the date of November 28, 2006, transmitting notification of his resignation as Alderman of the 8th Ward, effective December 3, 2006, which was *Placed on File*.

Placed On File -- RESIGNATION OF HONORABLE THOMAS W. MURPHY
AS ALDERMAN OF EIGHTEENTH WARD.

A communication from The Honorable Thomas W. Murphy, under the date of November 30, 2006, transmitting notification of his resignation as Alderman of the 18th Ward, effective December 3, 2006, which was *Placed on File*.

Placed On File -- OATH OF OFFICE OF MR. RICHARD MC DONOUGH
AS TRUSTEE OF LABORERS' AND RETIREMENT BOARD
EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO.

The oath of office of Mr. Richard McDonough as Trustee of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago, which was *Placed on File*.

Placed On File -- OATH OF OFFICE OF MS. STEPHANIE D. NEELY AS
MEMBER OF MUNICIPAL EMPLOYEES ANNUITY AND PENSION
BOARD FUND OF CHICAGO.

The oath of office of Ms. Stephanie D. Neely as a member of the Municipal Employees Annuity and Pension Board fund of Chicago, which was *Placed on File*.

Placed On File -- OATH OF OFFICE OF MS. STEPHANIE D. NEELY
AS TRUSTEE OF FIREMEN'S ANNUITY AND
BENEFIT FUND OF CHICAGO.

The oath of office of Ms. Stephanie D. Neely as Trustee of the Firemen's Annuity and Benefit Fund of the City of Chicago, which was *Placed on File*.

Placed On File -- OATH OF OFFICE OF MS. STEPHANIE D. NEELY
AS TRUSTEE OF LABORERS' AND RETIREMENT BOARD
EMPLOYEES BENEFIT AND ANNUITY FUND OF CHICAGO.

The oath of office of Ms. Stephanie D. Neely as Trustee of the Laborers' and Retirement Board Employees Benefit and Annuity Fund of Chicago, which was *Placed on File*.

Placed On File -- OATH OF OFFICE OF MR. MICHAEL J. SHANAHAN
AS TRUSTEE OF FIREMEN'S BENEFIT AND
ANNUITY FUND OF CHICAGO.

The oath of office of Mr. Michael J. Shanahan as Trustee of the Firemen's Benefit and Annuity Fund of Chicago, which was *Placed on File*.

Placed On File -- NOTIFICATION AS TO DESIGNATION OF MR. FERHAN
HAMID AS PROXY TO AFFIX SIGNATURE OF CITY COMPTROLLER
TO DOCUMENTS, AGREEMENTS OR WRITTEN INSTRUMENTS
FOR PERIOD EXTENDING NOVEMBER 22, 2006
CONTINUING THROUGH NOVEMBER 26, 2006.

A communication from Mr. Steven J. Lux, City Comptroller, filed in the Office of the City Clerk on November 21, 2006, designating Mr. Ferhan Hamid, Deputy City

Comptroller, as his proxy to affix the signature of the City Comptroller to any document, agreement, or other written instrument required to be signed by the City Comptroller for the period extending November 22, 2006 and continuing through November 26, 2006, which was *Placed on File*.

Placed On File -- DETERMINATION CERTIFICATE OF CHIEF FINANCIAL OFFICER CONCERNING ISSUANCE OF CITY OF CHICAGO SECOND LIEN WASTEWATER TRANSMISSION REVENUE BONDS, SERIES 2006A AND 2006B.

A communication from Mr. Dana R. Levenson, Chief Financial Officer, filed in the Office of the City Clerk on November 21, 2006, transmitting a Determination Certificate, together with the Trust Indenture, the Escrow Deposit Agreement and the Official Statement concerning the issuance and sale of City of Chicago Second Lien Wastewater Transmission Revenue Bonds, Series 2006A and 2006B, which was *Placed on File*.

Placed On File -- PROPOSED ADDISON SOUTH TAX INCREMENT FINANCING REDEVELOPMENT PLAN AND PROJECT.

A communication from Mr. Keith A. May, Assistant Corporation Counsel, under the date of December 1, 2006, transmitting the proposed Addison South Tax Increment Financing Redevelopment Plan and Project for the Addison South Redevelopment Project Area, which was *Placed on File*.

Placed On File -- PROPOSED STEVENSON/BRIGHTON TAX INCREMENT FINANCING REDEVELOPMENT PLAN AND ELIGIBILITY STUDY.

A communication from Ms. M. Susan Lopez, Chief Assistant Corporation Counsel, under the date of December 1, 2006, transmitting the proposed Stevenson/Brighton Redevelopment Area Tax Increment Finance District Eligibility Study Redevelopment

Plan and Project for the Stevenson/Brighton Redevelopment Project Area, which was *Placed on File*.

Placed On File -- APPROVAL BY FEDERAL AVIATION ADMINISTRATION
OF APPLICATIONS CONCERNING PASSENGER FACILITY
CHARGE PROGRAM AT CHICAGO MIDWAY
AND O'HARE INTERNATIONAL AIRPORTS.

A communication from Mr. Daryl McNabb, Department of Aviation, under the date of November 20, 2006, transmitting approval by the Federal Aviation Administration of applications concerning the Passenger Facility Charge Program at the Chicago Midway and O'Hare International Airports, which was *Placed on File*.

Placed On File -- AGREEMENTS WITH UNION PACIFIC RAILROAD
COMPANY CONCERNING ROADWAY AND GRADE
CROSSING IMPROVEMENTS IN CONNECTION
WITH O'HARE MODERNIZATION PROGRAM.

A communication from Ms. Jamie L. Rhee, General Counsel, O'Hare Modernization Program, under the date of November 30, 2006, transmitting the following agreements with Union Pacific Railroad Company: Temporary Haul Road Grade Crossing (Berm 4) Agreement, Improvements to Existing Public Road at Grade Crossing for West Division Street Agreement and Confidentiality Agreement with O'Hare Modernization Program, which was *Placed on File*.

Placed On File -- LETTER OF AGREEMENT WITH AMERICAN
AIRLINES, INC. CONCERNING SOUTH AIRFIELD
LIGHTING CONTROL VAULT RELOCATION
PROJECT AT CHICAGO O'HARE
INTERNATIONAL AIRPORT.

A communication from Ms. Jamie L. Rhee, General Counsel, O'Hare Modernization Program, under the date of November 30, 2006, transmitting a Letter of Agreement

with American Airlines, Inc. concerning the South Airfield Lighting Control Vault Relocation Project, which was *Placed on File*.

Placed on File -- NOTIFICATION OF COMPLETION OF ILLINOIS
DEPARTMENT OF TRANSPORTATION STREET
IMPROVEMENT PROJECT ON PORTIONS
OF NORTH MC CORMICK BOULEVARD.

A communication from Mr. Roger L. Driskell, P.E., Engineer of Construction, Illinois Department of Transportation, under the date of November 21, 2006, transmitting the Illinois Department of Transportation notification concerning the completion of street improvements on portions of North McCormick Boulevard, from U.S. Route 41 (Lincoln Avenue) to West Devon Avenue and from West Devon Avenue to West Golf Road in Chicago and Lincolnwood, which was *Placed on File*.

Placed on File -- CITY COMPTROLLER'S QUARTERLY REPORT
FOR PERIOD ENDING SEPTEMBER 30, 2006.

The following documents received in the Office of the City Clerk from Mr. Steven J. Lux, City Comptroller, were *Placed on File*:

City of Chicago Corporate Fund: Condensed Statement of Cash Receipts and Disbursements for three months ending September 30, 2006;

Statement of Funded Debt as of September 30, 2006; and

City of Chicago Corporate Fund: Statement of Floating Debt as of September 30, 2006.

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 November 15, 2006 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 December 12, 2006 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 November 15, 2006, 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 Imposition Of Tax Levy And
Approval Of 2007 Budget For Special
Service Area Number 10.*

The City Clerk informed the City Council that an ordinance authorizing the imposition of a tax levy and approval of a year 2007 budget for Special Service Area Number 10, which was passed by the City Council on November 15, 2006 and which was requested to be published in pamphlet form, was published in pamphlet form on November 29, 2006 by being printed in full text in a special pamphlet copy.

*Authorization For Reestablishment Of Special Service Area
Number 14, Imposition Of Tax Levy, Approval Of 2007
Budget And Execution Of Service Provider Agreement.*

The City Clerk informed the City Council that an ordinance authorizing the reestablishment of Special Service Area Number 14, imposition of a tax levy, approval of a year 2007 budget and execution of a service provider agreement for Special Service Area Number 14, which was passed by the City Council on November 15, 2006 and which was requested to be published in pamphlet form, was published in pamphlet form on November 29, 2006 by being printed in full text in a special pamphlet copy.

*Authorization For Reestablishment Of Special Service Area
Number 16, Imposition Of Tax Levy, Approval Of 2007
Budget And Execution Of Service Provider Agreement.*

The City Clerk informed the City Council that an ordinance authorizing the reestablishment of Special Service Area Number 16, imposition of a tax levy, approval of a year 2007 budget and execution of a service provider agreement for Special Service Area Number 16, which was passed by the City Council on November 15, 2006 and which was requested to be published in pamphlet form, was published in pamphlet form on November 29, 2006 by being printed in full text in a special pamphlet copy.

*Authorization For Imposition Of Tax Levy And
Approval Of 2007 Budget For Special
Service Area Number 31.*

The City Clerk informed the City Council that an ordinance authorizing the imposition of a tax levy and approval of a year 2007 budget for Special Service Area Number 31, which was passed by the City Council on November 15, 2006 and which was requested to be published in a pamphlet form, was published in pamphlet form on November 29, 2006 by being printed in full text in a special pamphlet copy.

*Authorization For Imposition Of Tax Levy And
Approval Of 2007 Budget For Special
Service Area Number 38.*

The City Clerk informed the City Council that an ordinance authorizing the imposition of a tax levy and approval of a year 2007 budget for Special Service Area Number 38, which was passed by the City Council on November 15, 2006 and which was requested to be published in a pamphlet form, was published in pamphlet form on November 29, 2006 by being printed in full text in a special pamphlet copy.

*Authorization For Establishment Of Special Service Area
Number 40, Imposition Of Tax Levy, Approval Of 2007
Budget And Execution Of Service Provider Agreement.*

The City Clerk informed the City Council that an ordinance authorizing the establishment of Special Service Area Number 40, imposition of a tax levy, approval of a year 2007 budget and execution of a service provider agreement for Special Service Area Number 40, which was passed by the City Council on November 15, 2006 and which was requested to be published in pamphlet form, was published in pamphlet form on November 29, 2006 by being printed in full text in a special pamphlet copy.

*Authorization For Establishment Of Special Service Area
Number 41, Imposition Of Tax Levy, Approval Of 2007
Budget And Execution Of Service Provider Agreement.*

The City Clerk informed the City Council that an ordinance authorizing the establishment of Special Service Area Number 41, imposition of a tax levy, approval of a year 2007 budget and execution of a service provider agreement for Special Service Area Number 41, which was passed by the City Council on November 15, 2006 and which was requested to be published in pamphlet form, was published in pamphlet form on November 29, 2006 by being printed in full text in a special pamphlet copy.

*Authorization For Establishment Of Special Service Area
Number 42, Imposition Of Tax Levy, Approval Of 2007
Budget And Execution Of Service Provider Agreement.*

The City Clerk informed the City Council that an ordinance authorizing the establishment of Special Service Area Number 42, imposition of a tax levy, approval of a year 2007 budget and execution of a service provider agreement for Special Service Area Number 42, which was passed by the City Council on November 15, 2006 and which was requested to be published in pamphlet form, was published in

pamphlet form on November 29, 2006 by being printed in full text in a special pamphlet copy.

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

The City Clerk transmitted communications, reports, et cetera, related 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 amendments of Title 17 of the Municipal Code of Chicago (Chicago Zoning Ordinance), as amended, for the purpose of reclassifying particular areas, which were *Referred to the Committee on Zoning*, as follows:

Mr. Robert Adolfsen, in care of Mr. Mark J. Kupiec -- to classify as an RT3.5 Residential Two-Flat, Townhouse and Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 3-H bounded by:

the public alley next north of and parallel to West Crystal Street; a line 191 feet east of and parallel to North Wood Street; West Crystal Street; and a line 168 feet east of and parallel to North Wood Street.

Mr. Richard J. Ash -- to classify as a B2-2 Neighborhood Mixed-Use District instead of a C1-2 Neighborhood Commercial District the area shown on Map Number 8-H bounded by:

a line 175 feet southwest of and parallel to South Robinson Street; the public alley next southeast of and parallel to South Archer Avenue; a line 200 feet southwest of and parallel to South Robinson Street; and South Archer Avenue.

Mr. Mohammed Babul -- to classify as a C1-2 Neighborhood Commercial District instead of a B3-2 Community Shopping District the area shown on Map Number 20-E bounded by:

a line 57.25 feet east of and parallel to South Champlain Avenue; East 79th Street; a line 107.25 feet east of and parallel to South Champlain Avenue; and the alley next south of and parallel to East 79th Street.

Bickerdike Redevelopment Corporation, in care of the Law Offices of Mr. Samuel V.P. Banks -- to classify as an RM4.5 Residential Multi-Unit District instead of an RT4 Residential Two-Flat, Townhouse and Multi-Unit District the area shown on Map Number 1-J bounded by:

a line 406 feet north of and parallel to West Franklin Boulevard; North Trumbull Avenue; a line 262 feet north of and parallel to West Franklin Boulevard; and the alley next west of and parallel to North Trumbull Avenue.

Bickerdike Redevelopment Corporation, in care of the Law Offices of Samuel V.P. Banks -- to classify as an RM4.5 Residential Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 1-J bounded by:

West Huron Street; the alley next east of and parallel to North Sawyer Avenue; a line 124.45 feet south of and parallel to West Huron Street; and North Sawyer Avenue.

Bickerdike Redevelopment Corporation, in care of Mr. Samuel V.P. Banks -- to classify as an RT4 Residential Two-Flat, Townhouse and Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 1-J bounded by:

a line 126 feet north of and parallel to West Ohio Street; a line 66.37 feet east of and parallel to North Drake Avenue; West Ohio Street; and North Drake Avenue.

Mr. J. Michael Brown -- to classify as a B3-2 Community Shopping District instead of an M1-2 Limited Manufacturing/Business Park District the area shown on Map Number 5-H bounded by:

a line 128 feet north of and parallel to West North Avenue; a line 147 feet east of and parallel to North Hoyne Avenue; West North Avenue; and a line 123 feet east of and parallel to North Hoyne Avenue.

C.O.G.I.C. (Church of God in Christ) New Saint Mary -- to classify as a B2-2 Neighborhood Mixed-Use District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 2-L bounded by:

the public alley next north of and parallel to West Harrison Street; a line 203.20 feet west of and parallel to South Lockwood Street; West Harrison Street; and a line 265.70 feet west of and parallel to South Lockwood Street.

C.O.G.I.C. (Church of God in Christ) New Saint Mary -- to classify as a B2-2 Neighborhood Mixed-Use District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 2-L bounded by:

South Lockwood Avenue; the public alley next north of and parallel to West Harrison Street; a line 32 feet east of South Lockwood Avenue; and West Harrison Street.

Construction Trades Associates, Inc. -- to classify as a B1-5 Neighborhood Shopping District instead of a B1-1 Neighborhood Shopping District the area shown on Map Number 10-E bounded by:

a line 95.0 feet south of and parallel to East 45th Street; South Cottage Grove Avenue; a line 193.0 feet south of and parallel to East 45th Street; and the alley next west of and parallel to South Cottage Grove Avenue.

Cottage Grove Development L.L.C. -- to classify as a B1-5 Neighborhood Shopping District instead of a B1-1 Neighborhood Shopping District the area shown on Map Number 10-D bounded by:

East 45th Street; the alley next east of and parallel to South Cottage Grove Avenue; a line 298.40 feet south of and parallel to East 45th Street; and South Cottage Grove Avenue.

Cronin-Dekker Holdings L.L.C., in care of Ms. Sylvia C. Michas -- to classify as an RM5 Residential Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 5-H bounded by:

the alley next north of and parallel to West Cortland Street; the alley next west of and parallel to North Hoyne Avenue; West Cortland Street; and a line 140.48 feet west of and parallel to North Hoyne Avenue.

Exodus Development Company, Inc. -- to classify as an RT3.5 Residential Two-Flat, Townhouse and Multi-Unit District instead of an M1-1 Limited

Manufacturing-Business Park District the area shown on Map Number 14-H bounded by:

a line 290 feet north of and parallel to West 59th Street (or the south line of the Pennsylvania Railroad right-of-way); the public alley next east of and parallel to South Wolcott Avenue; a line 290 feet north of and parallel to West 59th Street (or the south line of the Pennsylvania Railroad right-of-way); South Honore Street; a line 141 feet north of and parallel to West 59th Street (or the public alley next north of and parallel to west 59th Street); the public alley next west of and parallel to South Honore Street; a line 141 feet north of and parallel to West 59th Street (or the public alley next north of and parallel to West 59th Street); and South Wolcott Avenue.

Mr. Mark Fisher -- to classify as a B2-3 Neighborhood Mixed-Use District instead of an M2-2 Light Industry District the area shown on Map Number 1-G bounded by:

a line 74.2 feet north of and parallel to West Hubbard Street; the public alley next east of and parallel to North Racine Avenue; West Hubbard Street; and North Racine Avenue.

Ms. Luminita M. Ispas -- to classify as an RT3.5 Residential Two-Flat, Townhouse and Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 7-I bounded by:

a line 24 feet south of and parallel to West George Street; the public alley next east of and parallel to North Talman Avenue; a line 72 feet south of and parallel to West George Street; and North Talman Avenue.

JBC/155 Development L.L.C. -- to classify as a Business Planned Development instead of a DC-16 Downtown Core District the area shown on Map Number 1-F bounded by:

West Randolph Street; North Wacker Drive; West Couch Place; and a line approximately 221.98 feet east of and parallel to North Wacker Drive.

Mr. Patryk Kubiak, in care of the Law Offices of Mr. Samuel V.P. Banks -- to classify as an RS3 Residential Single-Unit (Detached House) District instead of an RS2 Residential Single-Unit (Detached House) District the area shown on Map Number 9-N bounded by:

a line 298.75 feet south of and parallel to West Cornelia Avenue; North Neenah Avenue; a line 358.75 feet south of and parallel to West Cornelia Avenue; and the alley next west of and parallel to North Neenah Avenue.

Mr. Mel Development, Inc. -- to classify as an RS3 Residential Single-Unit (Detached House) District instead of an RS2 Residential Single-Unit (Detached House) District the area shown on Map Number 12-N bounded by:

a line 205 feet south of and parallel to West 51st Street; South Nagle Avenue; a line 265 feet south of and parallel to West 51st Street; and the public alley next west of and parallel to South Nagle Avenue.

Mr. Mel Development, Inc. -- to classify as an RS3 Residential Single-Unit (Detached House) District instead of an RS2 Residential Single-Unit (Detached House) District the area shown on Map Number 14-N bounded by:

a line 240.10 feet north of and parallel to West 57th Street; a line 133.50 feet east of and parallel to South Natchez Avenue; a line 180 feet north of and parallel to West 57st Street; South Natchez Avenue.

Mr. Corneliu Moldoveanu, in care of Mr. Mark J. Kupiec -- to classify as an RM4.5 Residential Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 7-I bounded by:

a line 161.47 feet north of and parallel to West George Street; North Sacramento Avenue; the public alley next north of and parallel to West George Street; and the public alley next west of and parallel to North Sacramento Avenue.

MTCF L.L.C. -- to classify as a B2-3 Neighborhood Shopping District instead of a C1-1 Neighborhood Commercial District the area shown on Map Number 9-I bounded by:

North Kedzie Avenue; a line 99.43 feet north of and parallel to West Waveland Avenue; the public alley next east of and parallel to North Kedzie Avenue; and West Waveland Avenue.

O'Flaherty Builders, Inc. -- to classify as an RM5.5 Residential Multi-Unit District instead of an RM5 Residential Multi-Unit District the area shown on Map Number 11-G bounded by:

West Eastwood Avenue; North Clarendon Avenue; the alley next south of and parallel to West Eastwood Avenue; a line 99.33 feet west of and parallel to North Clarendon Avenue.

Ms. Whitney A. Owens, in care of Mr. Frederick E. Agustin -- to classify as an RT3.5 Residential Two-Flat, Townhouse and Multi-Unit District instead of an RS3

Residential Single-Unit (Detached House) District the area shown on Map Number 7-I bounded by:

a line 150 feet south of and parallel to West Altgeld Street; North Francisco Avenue; a line 175 feet south of and parallel to West Altgeld Street; and the alley next west of and parallel to North Francisco Avenue.

David and Ulrika Peera, in care of the Law Offices of Mr. Samuel V.P. Banks -- to classify as an RM4.5 Residential Multi-Unit District instead of an RT4 Residential Two-Flat, Townhouse and Multi-Unit District the area shown on Map Number 7-H bounded by:

a line 323.22 feet south of and parallel to West Barry Avenue; North Hoyne Avenue; a line 348.24 feet south of and parallel to West Barry Avenue; and the alley next west of and parallel to North Hoyne Avenue.

Province, L.L.C., in care of Mr. Samuel V.P. Banks -- to classify as a B2-5 Neighborhood Mixed-Use District instead of an M3-3 Heavy Industry District the area shown on Map Number 5-H bounded by:

the alley next south of and parallel to West Fullerton Avenue; the alley next east of and parallel to North Seeley Avenue; a line 225 feet south of and parallel to the alley next south of and parallel to West Fullerton Avenue; and North Seeley Avenue.

Mr. Jose J. Ramirez -- to classify as an RT3.5 Residential Two-Flat, Townhouse and Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 24-A bounded by:

a line 90 feet south of and parallel to East 97th Street; South Avenue L; a line 125 feet south of and parallel to East 97th Street; and the public alley next west of and parallel to South Avenue L.

Republic Property Development I, Inc., in care of Ms. Sylvia C. Michas, the Law Offices of Mr. Samuel V.P. Banks -- to classify as an RT4 Residential Two-Flat, Townhouse and Multi-Unit District instead of an M1-2 Limited Manufacturing/Business Park District the area shown on Map Number 20-D bounded by:

a line 104.90 feet south of and parallel to East 79th Street; South Greenwood Avenue; a line 129.90 feet south of and parallel to East 79th Street; and the alley next west of and parallel to South Greenwood Avenue.

The Resurrection Project -- to classify as a B3-2 Community Shopping District instead of an M1-2 Limited Manufacturing/Business Park District and further, to classify as a Residential Planned Development instead of a B3-2 Community Shopping District the area shown on Map Number 4-G bounded by:

the centerline of South Morgan Street to the west; a line parallel to and approximately 120.8 feet south of the south line of West Cullerton Street to the north; the centerline of South Sangamon Street to the east; and a line parallel to and approximately 152 feet north of the north line of West 21st Street to the south.

Shelbourne North Water Street, L.P., in care of Shelbourne Development L.L.C. -- to classify as Residential Planned Development Number 368, as amended, instead of Residential Planned Development Number 368 the area shown on Map Number 1-E bounded by:

a line 150 feet east of and parallel to North St. Clair Street; East Grand Avenue; North Lake Shore Drive; the centerline of Ogden Slip to a point 439.74 feet east of North Lake Shore Drive; the centerline of the turning basin; the north bank of the Chicago River and the line thereof extended eastward where said bank does not exist; North Michigan Avenue; East North Water Street; North St. Clair Street (as now located); East Illinois Street; North St. Clair Street; and the alley next south of East Grand Avenue.

Shoreland Financial L.L.C. -- to classify as a Residential-Business Planned Development instead of an RM6.5 Residential Multi-Unit District the area shown on Map Number 12-C bounded by:

a line 485.76 feet north of and parallel to West 55th Street; South South Shore Drive; a line 130.00 feet north of and parallel to West 55th Street; the alley next west of and parallel to South South Shore Drive.

Ms. Leticia Sierra -- to classify as a B2-2 Neighborhood Mixed-Use District instead of a B3-1 Community Shopping District the area shown on Map Number 5-I bounded by:

a line 24.5 feet south of and parallel to West Cortland Street; the public alley next east of and parallel to North California Avenue; a line 48.5 feet south of and parallel to West Cortland Street; and North California Avenue.

Mr. Stanislaw Szeszowicki, in care of Mr. Mark Kupiec -- to classify as an RT4 Residential Two-Flat, Townhouse and Multi-Unit District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 5-L bounded by:

a line 50 feet north of and parallel to West Dickens Avenue; the public alley next east of and parallel to North Laramie Avenue; West Dickens Avenue; and North Laramie Avenue.

V.I.P. Chicken & Barbecue, Inc. -- to classify as a B1-1 Neighborhood Shopping District instead of an RS3 Residential Single-Unit (Detached House) District the area shown on Map Number 18-D bounded by:

East 71st Street; a line 110 feet east of and parallel to South Woodlawn Avenue; a line 100 feet north of and parallel to the public alley next north of and parallel to East 71st Place; and South Woodlawn Avenue.

Mr. Stanislaw Zalinski -- to classify as an RS3 Residential Single-Unit (Detached House) District instead of an RS2 Residential Single-Unit (Detached House) District the area shown on Map Number 14-M bounded by:

a line 251.55 feet north of and parallel to West 57th Street; South Massasoit Avenue; a line 201.55 feet north of and parallel to West 57th Street; and the public alley next west of and parallel to South Massasoit Avenue.

Ms. Carol Zelgiewicz, in care of Mr. Mark J. Kupiec -- to classify as an RS3 Residential Single-Unit (Detached House) District instead of an RS2 Residential Single-Unit (Detached House) District the area shown on Map Number 16-J bounded by:

the public alley next north of and parallel to West Marquette Road; a line 65 feet east of and parallel to South Lawndale Avenue; West Marquette Road; and South Lawndale Avenue.

1641, L.L.C., in care of Mr. James J. Banks -- to classify as an RM5.5 Residential Multi-Unit District instead of an RT4 Residential Two-Flat, Townhouse and Multi-Unit District the area shown on Map Number 1-H bounded by:

West Warren Boulevard; a line 359.28 feet west of and parallel to North Ashland Avenue; the alley next south of and parallel to West Warren Boulevard; and a line 419.15 feet west of and parallel to North Ashland Avenue.

3111 North California, L.L.C., in care of AGE Investments, L.L.C. -- to classify as a B2-2 Neighborhood Mixed-Use District instead of a B3-1 Community Shopping District the area shown on Map Number 7-I bounded by:

a line 151 feet north of and parallel to West Barry Avenue; the public alley next east of and almost parallel to North California Avenue; a line 125 feet north of and parallel to West Barry Avenue; and North California Avenue.

Referred -- CLAIMS AGAINST CITY OF CHICAGO:

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

Alexander Michael J., Allan J. Meyer Insurance, Allgood Ernest, Allstate Insurance Company (2) James W. Oblak and Pamela Olson, Aparcedo Connie;

Barrera Silvia, Bates Bryan R., Benson Martha M., Billbury Richard R.;

Carlile Jacob J., Cole Bruce W., Collier Dwayne A., Colquitt Linda S., Crump Eddie, Cruz Martin, Czarnik Albin J.;

Dalal Steve, Dunn Emma J.;

Glasper Dorothy M., Greiman Laurel, Gunter Janet F.;

Hawthorne Harold, Helmsman Management Services and Antoine Jackson, Hickstein Roy C., High Ocie R., Hill-Wallace Maggie, Hollub Sibyl J., Hunt Rolanda;

Illinois Farmers Insurance Company and Edward Howe, Jr.;

Jordan Darryl T.;

Kezios James, Kezios Tom/Kostner Street L.L.C., Korbelik Donald J., Kuk Margaret;

Langer Moritz (2);

Mallo William L., McNeilly Loretta M., Milewski Nancy C., Moore William F., Morris Takina, Newell-Adams Eugenia, Nicholson Jessie S., Noflin Karis M.;

Ocasio Yvette;

Prah James V., Jr.;

Reed William S., Renn Mark K., Rideout Venita A., Robinson Jack, Rodriguez Efren, Rubin Arlene C.;

Sanchez Patricia A., Sanderson James B., Siavash Amini, Sowards-Fimmerd Helen, State Farm Insurance Company (7) Agnes Groeper, Dominee Phillips-Parks, Violeta Pulido, Fermin and Lora Rodriguez, Aubrey Sternal, Bridgette Thomas and Anthony E. Thompson, Suss Cori E., Strobl Christopher F.;

Thompson Jacqueline B.;

Vaca Alcibiades J., Valenzuela Lisette;

Whitney Adrienne J., Wolman Jonathan, doing business as Academy Development L.L.C.;

Young Johnny E.

Referred -- AUTHORIZATION FOR ISSUANCE OF PERMIT
TO INSTALL SIGN/SIGNBOARD AT
3128 WEST 103RD STREET.

A communication from Ms. Sharon L. West, Project Manager, American Sign and Lighting Co., transmitting a proposed order which would authorize the installation of a sign/signboard at 3128 West 103rd Street, which was *Referred to the Committee on Buildings*.

REPORTS OF COMMITTEES.

COMMITTEE ON FINANCE.

AUTHORIZATION FOR EXECUTION OF MULTI-FAMILY LOAN
AGREEMENT WITH WICKER PARK RENAISSANCE, L.P.
FOR REHABILITATION OF AFFORDABLE HOUSING
AT 1527 -- 1531 NORTH WICKER PARK AVENUE.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

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 loan agreement with Wicker Park Renaissance, L.P., amount of loan not to exceed \$891,540, 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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, Moore, Stone -- 40.

Nays -- None.

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

The following is said ordinance as passed:

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

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

WHEREAS, The City has programmed certain funds (the "Multi-Program Funds") for its Multi-Family Loan Program (the "Multi-Program") under the Community Development Block Grant Program, wherein acquisition and rehabilitation loans are made available to owners of rental properties containing five (5) or more dwelling units located in low- and moderate-income areas, and the Multi-Program is administered by the City's Department of Housing ("D.O.H."); and

WHEREAS, D.O.H. has preliminarily reviewed and approved the making of a loan to Wicker Park Renaissance, L.P., an Illinois limited partnership (the "Borrower"), of which RRG Wicker Park, L.L.C., an Illinois limited liability company (of which NJK Venture, L.L.C., an Illinois limited liability company ("NJK") (of which Nancy J. Kapp, an individual, is the managing member) is the managing member and of which Renaissance Social Services, Inc., an Illinois not-for-profit corporation, is a member) is the sole general partner, in an amount not to exceed Eight Hundred Ninety-one Thousand Five Hundred Forty Dollars (\$891,540) (the "Loan"), to be funded from Multi-Program Funds, pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; and

WHEREAS, It is anticipated that the Borrower will lease the property described on Exhibit A to Historic Wicker, L.P., an Illinois limited partnership ("Historic"), of which Historic Wicker Park, L.L.C., an Illinois limited liability company (of which NJK is the manager) is the sole member and manager, and that Historic will operate the property; 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. Upon the approval and availability of the additional financing as shown in Exhibit A hereto, the Commissioner of D.O.H. (the "Commissioner") and 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 Loan and the terms and program objectives of the Multi-Program. The Commissioner is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Loan which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Commissioner is hereby authorized to disburse the proceeds of the Loan to the Borrower.

SECTION 3. In connection with the Loan by the City to the Borrower, the City shall waive those certain fees, if applicable, imposed by the City with respect to the project (as described in Exhibit A hereto) and as more fully described in Exhibit B attached hereto and made a part hereof. The project shall be deemed to qualify as

"Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago. Section 2-44-090 of the Municipal Code of Chicago shall not apply to the Project or the Property.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 5. This ordinance shall be effective as of the date of its passage and approval.

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

Exhibit "A".

Borrower: Wicker Park Renaissance, L.P., an Illinois limited partnership (the "Borrower"), of which RRG Wicker Park, L.L.C., an Illinois limited liability company (of which NJK Venture, L.L.C., an Illinois limited liability company, of which Nancy J. Kapp, an individual, is the managing member, is the manager) is the sole general partner (the "General Partner") and others to be hereafter selected as the limited partners.

Project: Rehabilitation of a building located at 1527 -- 1531 North Wicker Park Avenue, in Chicago, Illinois 60622 (the "Property") and of approximately 61 dwelling units contained therein as single-room occupancy and convertible one-bedroom units for low- and moderate-income residents, and of certain common areas.

Loan: Source: Multi-Program.

 Amount: Not to exceed \$891,540.

 Term: Not to exceed 32 years.

 Interest: 2% per annum.

 Security: Second mortgage on the Property.

Additional
Financing:

1. Amount: Not to exceed \$500,000.
 Term: Not to exceed 32 years, or a term acceptable
 to the Commissioner.
 Source: Harris N.A., or another entity acceptable to
 the Commissioner.
 Interest: Fixed rate, not to exceed 7.25% per annum
 for a portion of the term, and thereafter a
 variable rate to be determined, or another
 rate acceptable to the Commissioner.
 Security: First mortgage on the Property.
2. Amount: Not to exceed \$750,000.
 Term: Not to exceed 32 years, or a term acceptable
 to the Commissioner.
 Source: Illinois Housing Development Authority
 ("I.H.D.A."), or another source acceptable to
 the Commissioner.
 Interest: Not to exceed 1% per annum, or another
 rate acceptable to the Commissioner.
 Security: Third mortgage on the Property.
3. Amount: Approximately \$400,000.
 Source: Harris N.A., from proceeds derived from the
 Federal Home Loan Bank's Affordable
 Housing Program, or another source
 acceptable to the Commissioner.
 Security: Fourth mortgage on the Property.
4. Amount: Approximately \$500,000.
 Source: Seller financing from Renaissance Social
 Services, Inc., or another source acceptable
 to the Commissioner.
 Security: Fifth mortgage on the Property.

5. Low-Income
Housing Tax
Credit
("L.I.H.T.C.")
Proceeds: Approximately \$6,053,402.

Source: To be derived from the syndication of a
L.I.H.T.C. allocation by I.H.D.A. in the
amount of approximately \$665,209.
6. Amount: Approximately \$1,385,508.

Source: Syndication of historic tax credits in the
amount of approximately \$1,428,358 in
connection with the Project, or another
source acceptable to the Commissioner.
7. Amount: Approximately \$50,000.

Source: Proceeds derived from the transfer of
donation tax credits allocated by I.H.D.A., or
another source acceptable to the
Commissioner.

Exhibit "B".

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 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.

DECLARATION OF INTENT FOR ISSUANCE OF CITY OF CHICAGO
MULTI-FAMILY HOUSING REVENUE BONDS FOR BENEFIT OF
RENAISSANCE SAINT LUKE SLF L.P. TO CONSTRUCT
SENIOR CITIZEN SUPPORTIVE LIVING FACILITY AT
WEST MONROE STREET AND NORTH
GREENVIEW AVENUE.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing to evidence the City's intent to issue City of Chicago Multi-Family Housing Revenue Bonds (Renaissance Saint Luke's Project), amount of bonds not to exceed \$13,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a 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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, Moore, Stone -- 39.

Nays -- None.

Alderman E. Smith 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 for persons of low- and moderate-income; and

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

WHEREAS, Renaissance Saint Luke SLF L.P., an Illinois limited partnership (the "Borrower"), the sole general partner of which is RRG Renaissance Saint Luke SLF L.L.C., an Illinois limited liability company, the sole managing member of which is NJK Venture, L.L.C., an Illinois limited liability company, the sole managing member of which is Nancy J. Kapp, an individual, has proposed a certain mixed-income senior citizen supportive living facility, consisting of the construction of a building comprised of approximately one hundred seven (107) residential dwelling units and certain common areas therein, together with certain parking facilities, located at the southwest corner of West Melrose Street and North Greenview Avenue in the City, 60657 (the "Project"); and

WHEREAS, The Borrower has requested that the City issue multi-family housing revenue bonds, notes or other indebtedness in an amount not to exceed Thirteen Million Dollars (\$13,000,000) (the "Bonds") for the purpose of financing all or a portion of the Project costs; and

WHEREAS, It is intended that the interest on the Bonds will be excluded from gross income for federal income tax purposes; and

WHEREAS, It is intended that this ordinance shall constitute a declaration of intent to reimburse certain eligible expenditures for the Project made prior to the issuance of the Bonds from the proceeds of the Bonds (if and when issued) within the meaning of Section 1.150-2 of the Treasury Regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Treasury Regulations"); 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 City intends to issue the Bonds and lend the proceeds thereof to the Borrower, or an entity affiliated with or related to the Borrower, for the purpose of financing the Project. The maximum principal amount of Bonds which the City intends to issue for the Project will not exceed Thirteen Million Dollars (\$13,000,000).

SECTION 3. Certain costs will be incurred by the Borrower, or an entity affiliated with or related to the Borrower, in connection with the Project prior to the issuance of the Bonds. The City reasonably expects to reimburse such costs with proceeds of the Bonds.

SECTION 4. The costs to be reimbursed will be paid from funds of the Borrower, or an entity affiliated with or related to the Borrower, which have been allocated to other purposes.

SECTION 5. This ordinance is consistent with the budgetary and financial circumstances of the City. No funds from sources other than the Bonds are, or are reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside by the City for the Project for costs to be paid from the proceeds of the Bonds.

SECTION 6. This ordinance constitutes a declaration of official intent under Section 1.150-2 of the Treasury Regulations.

SECTION 7. 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 8. This ordinance shall be effective as of the date of its passage and approval.

AUTHORIZATION FOR EXECUTION OF LOAN AGREEMENT WITH AND
PROVISION OF TAX CREDIT PROCEEDS TO CABRINI GREEN LAC
COMMUNITY DEVELOPMENT CORPORATION FOR ACQUISITION
AND CONSTRUCTION OF MULTI-FAMILY BUILDING,
TOWNHOMES AND PARKING FACILITIES AT 545
WEST DIVISION STREET AND 1161
NORTH CAMBRIDGE AVENUE.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

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 loan agreement and the provision of tax credit proceeds for Parkside Nine Phase I, L.P., amount of loan not to exceed \$12,693,987, 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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyas, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, Moore, Stone -- 39.

Nays -- None.

Alderman E. Smith 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, The City has programmed certain funds (the "Multi-Program Funds") for its Multi-Family Loan Program (the "Multi-Program") under the Community Development Block Grant Program, wherein acquisition, rehabilitation and new construction loans are made available to owners of rental properties containing five (5) or more dwelling units located in low- and moderate-income areas, and the Multi-Program is administered by the City's Department of Housing ("D.O.H."); and

WHEREAS, The Illinois Housing Development Authority, a body politic and corporate established pursuant to the Illinois Housing Development Act, 20 ILCS 3895/1, et seq., as amended from time to time ("I.H.D.A."), may allocate to the City certain Illinois Affordable Housing Program funds ("I.H.D.A. Funds"), pursuant to (i) the Illinois Affordable Housing Act, 310 ILCS 65/1, et seq., (ii) an ordinance enacted on December 17, 2003 by the City Council of the City and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for such date at pages 15794 through 15799, and (iii) that certain Program Grant Agreement entered into by the City and I.H.D.A. on March 1, 2004, as amended on February 27, 2006, which collectively authorize I.H.D.A. to make funds available to the City to finance a portion of the costs of acquisition, rehabilitation and construction of multi-family residential rental housing developments to ameliorate the affordable housing shortage in the City; and

WHEREAS, D.O.H. has preliminarily reviewed and approved the making of a loan to Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation ("LAC"), in an amount not to exceed Twelve Million Six Hundred Ninety-three Thousand Nine Hundred Eighty-seven Dollars (\$12,693,987) (the "Loan"), to be funded from Multi-Program Funds and/or I.H.D.A. Funds pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; and

WHEREAS, LAC, Holsten Real Estate Development Corporation, an Illinois corporation, and Kimball Hill Urban Centers Chicago One, L.L.C., an Illinois limited liability company, are the sole owners of Parkside Associates, L.L.C., an Illinois limited liability company, the sole owner of Parkside Nine I, L.L.C., an Illinois limited liability company and the sole general partner of Parkside Nine Phase I, L.P., an Illinois limited partnership (the "Partnership"); and

WHEREAS, LAC will loan the proceeds of the Loan to the Partnership in connection with the Project described in Exhibit A hereto; 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. Upon the approval and availability of the Additional Financing as described in Exhibit A hereto, the Commissioner of D.O.H. (the "Commissioner") and 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 Loan and the terms and program objectives of the Multi-Program. The Commissioner is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Loan which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the Commissioner is hereby authorized to disburse the proceeds of the Loan to LAC. Subsequently, LAC shall loan the proceeds of the Loan to the Partnership in connection with the Project.

SECTION 3. In connection with the Loan by the City to LAC, the City shall waive those certain fees, if applicable, imposed by the City with respect to the Project (as described in Exhibit A hereto) and as more fully described in Exhibit B attached hereto and made a part hereof. The Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago. Section 2-44-090 of the Municipal Code shall not apply to the Project or the Property.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 5. This ordinance shall be effective as of the date of its passage.

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

Exhibit "A".

Borrower: Cabrini Green LAC Community Development Corporation, an Illinois not-for-profit corporation ("LAC") which, along with Holsten Real Estate Development Corporation, an Illinois corporation and Kimball Hill Urban Centers Chicago One, L.L.C., an Illinois limited liability company, is an owner of Parkside Associates, L.L.C., an Illinois limited liability company, the sole owner of Parkside Nine I, L.L.C., an Illinois limited liability company and the sole general partner (the "General Partner") of Parkside Nine Phase I, L.P., an Illinois limited partnership (the "Partnership").

LAC will make the proceeds of the Loan available to the Partnership in connection with the Project.

Project: Acquisition of a leasehold interest in the property located at 545 West Division Street and 1161 North Cambridge Avenue, in Chicago Illinois (the "Property") and construction of a multi-family building, townhomes and parking facilities on the Property, consisting of approximately 111 residential dwelling units of which approximately 83 units shall be for low- and moderate-income families, one commercial space unit and approximately 72 on-site parking spaces.

Loan:

Source:	Multi-Program Funds/I.H.D.A. Funds.
Amount:	Not to exceed \$12,693,987.
Term:	Not to exceed 42 years or such other term as is acceptable to the Commissioner.
Interest:	3% simple interest per annum or such other interest rate acceptable to the Commissioner.
Security:	Non-recourse loan; second mortgage on the Property (the "Mortgage").

Additional Financing:

1.	Amount:	\$2,954,000 or such other amount to which the Commissioner may consent.
	Term:	Not to exceed 42 years or such other term as is acceptable to the Commissioner.
	Source:	Prairie Mortgage Company or another entity acceptable to the Commissioner.

- Interest: 6.75% per annum or such other interest rate acceptable to the Commissioner.
- Security: Mortgage(s) on the Property senior to the lien of the Mortgage.
2. Amount: \$3,500,000 or such other amount to which the Commissioner may consent.
- Term: Not to exceed 42 years or such other term as is acceptable to the Commissioner.
- Source: Chicago Housing Authority ("C.H.A.") or another entity acceptable to the Commissioner.
- Interest: Zero percent per annum or such other interest rate acceptable to the Commissioner.
- Security: Mortgage(s) on the Property junior to the lien of the Mortgage.
3. Amount: \$11,340,036 or such other amount to which the Commissioner may consent (the "Bridge Loan").
- Term: Not to exceed 24 months or such other term as is acceptable to the Commissioner.
- Source: An entity acceptable to the Commissioner.
- Interest: Not to exceed 7.5% per annum or such other interest rate acceptable to the Commissioner.
- Security: Mortgage(s) on the Property senior to the lien of the Mortgage.
4. Amount: \$2,490,000 or such other amount to which the Commissioner may consent.
- Term: Not to exceed 42 years or such other term as is acceptable to the Commissioner.

- Source: C.H.A. or LAC loan to the Partnership or a C.H.A or LAC capital contribution, directly or indirectly, to the Partnership, or another entity acceptable to the Commissioner; the funds of which are to be derived from the syndication of an approximately \$1,000,000 Illinois donation tax credit allocation ("D.T.C.") by the City and an approximately \$2,000,000 D.T.C. allocation by the I.H.D.A., or such other amounts approved by the Commissioner.
- Interest: Zero percent per annum.
- Security: Mortgage(s) on the Property junior to the lien of the Mortgage.
5. Low-Income Housing Tax Credit ("L.I.H.T.C.")
Proceeds: Approximately \$14,555,907 or such other amount to which the Commissioner may consent, a portion of which will repay the Bridge Loan.
- Source: To be derived from the syndication of an approximately \$1,500,759 L.I.H.T.C. allocation by the City.
6. Amount: \$100.
- Source: General Partner.

Exhibit "B".

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 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 RESTRUCTURING OF LOAN AGREEMENT WITH
RIDGELAND LIMITED PARTNERSHIP FOR REHABILITATION OF
BUILDING AT 6820 -- 6830 SOUTH RIDGELAND AVENUE.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

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 loan restructuring agreement with Ridgeland 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.

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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, Moore, Stone -- 40.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, The City of Chicago (the "City") is a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois and, as such, may legislate as to matters which pertain to its local government and affairs; and

WHEREAS, The City Council of the City (the "City Council") has determined that the continuance of a shortage of rental housing affordable to persons of low-and moderate-income is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, The City programmed certain Community Development Block Grant funds for its Multi-Unit Rehabilitation Assistance Program (the "Multi-Program") to provide financing to owners of rental properties containing five (5) or more dwelling units in low- and moderate-income areas to rehabilitate said rental properties; and

WHEREAS, The City Council, pursuant to an ordinance enacted on July 30, 1990, and published at pages 19113 -- 19116 of the *Journal of the Proceedings of the City Council of the City of Chicago* of that date, authorized the City's Department of Housing ("D.O.H.") to provide Multi-Program financing in the amount of Four Hundred Forty-six Thousand Four Hundred Dollars (\$446,400) (the "Loan") to Ridgeland Limited Partnership, an Illinois limited partnership ("Ridgeland"), for the rehabilitation of a building containing twenty-four (24) units (the "Improvements") located at 6820 -- 6830 South Ridgeland Avenue, in Chicago, Illinois (the "Land"); and

WHEREAS, Chicago Title Land Trust Company, as successor in interest to Steel City National Bank (the "Land Trustee"), not personally but solely as trustee under that certain Trust Agreement dated February 13, 1991 and known as Trust Number 3129 (the "Land Trust") owns the Land; and

WHEREAS, Chicago Title Land Trust Company, as successor in interest to Steel City National Bank (the "Improvements Trustee", and together with the Land Trustee, and any successor trustee for the Land Trust or the Improvements Trust are hereinafter collectively referred to as the "Trustee"), not personally but solely as trustee under that certain Trust Agreement dated December 21, 1990 and known as Trust Number 3193 (the "Improvements Trust") owns the Improvements; and

WHEREAS, Family Rescue, Inc., an Illinois not-for-profit corporation ("Family Rescue"), is the sole beneficial owner of the Land Trust; and

WHEREAS, Ridgeland is the sole beneficial owner of the Improvements Trust (Ridgeland and the Trustee are collectively referred to herein as the "Borrower"); and

WHEREAS, Family Rescue Development Corporation, an Illinois not-for-profit corporation (the "General Partner"), is the sole general partner of Ridgeland; and

WHEREAS, The Loan was secured by, among other things, that certain Mortgage, Assignment of Leases, Rents and Security Agreement dated as of April 9, 1991, made by the Borrower in favor of the City (the "Mortgage"); and

WHEREAS, Ridgeland has requested that D.O.H. approve a proposed restructuring of the Loan; and

WHEREAS, D.O.H. has approved a restructuring of the Loan in a manner which (1) will not alter the principal amount of the Loan, (2) will not alter the interest rate on the principal balance of the Loan, (3) will not alter the maturity date of the Loan, (4) will not alter the lien position of the Mortgage, (5) will permit two (2) units in the Improvements to be used for operational purposes, (6) will permit the replacement of Ridgeland by Family Rescue and/or the General Partner (the "New Borrower"), and (7) may eliminate the Land Trust and/or the Improvements Trust leaving the New Borrower as the direct borrower under the Loan (collectively, the "Restructuring"); 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 of D.O.H. (the "Commissioner") or a designee of the Commissioner, are each hereby authorized, subject to approval by the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Restructuring which do not substantially modify the terms of the Restructuring as described herein. 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 will be necessary or advisable in connection with the implementation of the Restructuring. 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 any future restructuring of the Loan which does not substantially modify the terms of the Restructuring.

SECTION 3. Notwithstanding anything to the contrary contained in the Municipal Code of Chicago (the "Municipal Code") or any other ordinance or mayoral executive order, no parties other than Ridgeland, the General Partner and Family Rescue, and all legal entities which constitute the direct or indirect controlling parties of Ridgeland, the General Partner and Family Rescue (as determined by the Corporation Counsel), and any legal entities which are direct owners in excess of seven and five-tenths percent (7.5%) of the General Partner or Family Rescue shall be required to provide to the City the document commonly known as the "Economic Disclosure Statement and Affidavit" (or any successor to such document) in connection with the Restructuring.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 5. This ordinance shall be effective as of the date of its passage and approval.

DESIGNATION OF COMMUNITY HOUSING PARTNERS XI, L.P. AND
VOICE OF THE PEOPLE IN UPTOWN, INC. AS PROJECT
DEVELOPERS, AUTHORIZATION FOR EXECUTION OF LOAN,
REDEVELOPMENT AND LAND-USE RESTRICTION
AGREEMENTS AND ISSUANCE OF CITY OF
CHICAGO VARIABLE RATE DEMAND MULTI-
FAMILY HOUSING REVENUE BONDS
(UPTOWN PRESERVATION APARTMENTS)
SERIES 2007 FOR ACQUISITION
AND REHABILITATION OF
AFFORDABLE HOUSING.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the issuance of Multi-Family Housing Revenue Bonds and to enter into and execute a loan agreement for Community Housing Partners XI, L.P., amount of bonds not to exceed \$10,000,000, amount of loan not to exceed \$1,137,197, 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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, Moore, Stone -- 39.

Nays -- None.

Alderman E. Smith 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:

Recitals.

A. The City of Chicago (the "City") is a duly constituted and existing municipality within the meaning of Section 1 of Article II of the 1970 Constitution of the State of Illinois (the "Constitution") having a population in excess of twenty-five thousand (25,000) and is a home rule unit of local government under Section 6 (a) of Article VII of the Constitution.

B. As a home rule unit and pursuant to the Constitution, the City is authorized and empowered to issue multi-family housing revenue bonds for the purpose of financing the cost of acquiring, rehabilitating and equipping an affordable multi-family housing facility for low- and moderate-income families located in the City.

C. By this ordinance, the City Council has determined that it is necessary and in the best interests of the City to provide financing to Community Housing Partners XI L.P., an Illinois limited partnership (the "Borrower"), the general partner of which is currently Chicago Community Development Corporation, an Illinois corporation ("C.C.D.C."), the owners of which include Anthony J. Fusco, Jr. and Daniel Burke. It is anticipated that, prior to the execution of the documents authorized herein, the general partners of the Borrower will be (i) C.C.D.C. and (ii) Uptown Preservation NFP, an Illinois not-for-profit corporation to be formed ("Uptown"), the controlling member of which will be Voice of the People in Uptown, Inc., an Illinois not-for-profit corporation ("V.O.P."). The limited partners of the Borrower will consist of various investors.

D. The Borrower desires that the City issue, sell and deliver the City's multi-family housing revenue bonds (Uptown Preservation Apartments) in an aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000) (the "Bonds"), to be issued in one (1) or more series as herein provided under the terms and conditions of this ordinance and secured by one (1) or more trust indentures (each, an "Indenture" and collectively, the "Indentures") from the City to a trustee designated by the Executive Officer (as defined in Section 6 hereof) as provided herein (the "Trustee"), and lend the proceeds therefrom to the Borrower, to enable it to pay a portion of the costs of the acquisition, rehabilitation and equipping of an approximately seventy-seven (77) unit affordable multi-family housing project (the "Project") located at 900 West Windsor Avenue, 4431 North Clifton Avenue, and 927 West Wilson Avenue, Chicago, Illinois 60657 (collectively, the "Property"), and pay a portion of the costs of issuance and other costs in connection therewith.

E. Each series of Bonds issued pursuant to this ordinance, together with interest thereon, shall be special, limited obligations of the City secured under an Indenture for the benefit of the owners of the Bonds. Each series of Bonds will be payable from the loan payments received by the City pursuant to a loan agreement (each, a "Loan Agreement" and collectively, the "Loan Agreements"), between the City and the Borrower, pursuant to which the City will lend the proceeds of such series of

Bonds to the Borrower (each, a "Loan") to finance a portion of the cost of the Project in return for loan payments sufficient to pay, when due, the principal of, redemption premium, if any, and interest on such series of Bonds, and from amounts paid by such credit provider (the "Bank") as shall be selected by the Executive Officer pursuant to the Bank's irrevocable transferable direct pay letter of credit (the "Letter of Credit"), securing such series of Bonds.

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

G. In order that interest on the Bonds be excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), the Borrower must comply with certain restrictions on the use and occupancy of the Project, as set forth in a Land-Use Restriction Agreement to be entered into among the Borrower, the Trustee and the City (the "Land-Use Restriction Agreement").

H. There has been presented to this meeting of the City Council of the City forms of the following documents in connection with the Bonds:

- (1) the form of Indenture, which includes a form of the Bonds to be issued by the City, attached as Exhibit B hereto;
- (2) the form of Loan Agreement, attached as Exhibit C hereto; and
- (3) the form of Land-Use Restriction Agreement, attached as Exhibit D hereto.

I. The Congress of the United States has enacted the Cranston-Gonzalez National Affordable Housing Act, 42 U.S.C. Section 12701, et seq., authorizing, inter alia, the HOME Investment Partnerships Program (the "HOME Program") pursuant to which the United States Department of Housing and Urban Development ("H.U.D.") is authorized to make funds ("HOME Funds") available to participating jurisdictions to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing.

J. The City has received an allocation from H.U.D. of HOME Funds to make loans and grants for the purposes enumerated above, and such HOME Funds are administered by the City's Department of Housing ("D.O.H.").

K. The City may have available certain funds in Corporate Fund Number 100 (the "Corporate Funds") to be used in connection with affordable housing bond initiatives or as the local match of HOME Funds as required under the HOME Program.

L. The City may have available to it certain funds (the "Program Income") derived from repayments to the City of HOME Funds and/or other returns on the investment of HOME Funds.

M. The City has programmed certain funds (the "Multi-Program Funds") for its Multi-Family Loan Program (the "Multi-Program") under the Community Development Block Grant Program, wherein acquisition and rehabilitation loans are made available to owners of rental properties containing five (5) or more dwelling units located in low- and moderate-income areas, and the Multi-Program is administered by D.O.H.

N. D.O.H. has preliminarily reviewed and approved the making of a loan to the Borrower in an amount not to exceed One Million One Hundred Thirty-seven Thousand One Hundred Ninety-seven Dollars (\$1,137,197) (the "Affordable Housing Loan"), to be funded from HOME Funds, Corporate Funds, Program Income and/or Multi-Program Funds pursuant to the terms and conditions set forth in Exhibit A-1 attached hereto and made a part hereof.

O. Pursuant to an ordinance adopted by the City Council on June 27, 2001 and published at pages 62342 through 62431 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 Wilson Yard Tax Increment Financing 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").

P. Pursuant to an ordinance adopted by the City Council on June 27, 2001, and published at pages 62433 through 62441 of the *Journal* of such date, the Area was designated as a redevelopment project area pursuant to the Act.

Q. Pursuant to an ordinance (the "T.I.F. Ordinance") adopted by the City Council on June 27, 2001 and published at pages 62443 through 62451 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.

R. Voice of the People in Uptown, Inc. intends to acquire the Property and, in conjunction with the Borrower (collectively with Voice of the People in Uptown, Inc., the "Developer"), to undertake the Project.

S. The Project is necessary for the redevelopment of the Area.

T. The Developer will be obligated to undertake the Project in accordance with the terms and conditions of a proposed redevelopment agreement to be executed by the Developer and the City, with such Project to be financed in part by certain pledged incremental taxes deposited from time to time in the Special Tax Allocation Fund for the Area (as defined in the T.I.F. Ordinance; herein defined as the "Fund") pursuant to Section 5/11-74.4-8(b) of the Act ("Incremental Taxes").

U. Pursuant to its Resolution 06-CDC-74, adopted by the Community Development Commission of the City of Chicago (the "Commission") on September 12, 2006, the Commission has recommended that the Developer be designated as developer for the Project and that the City of Chicago's Department of Planning and Development ("D.P.D.") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Developer for the Project.

Now, therefore,

Be It Ordained by the City Council of the City of Chicago (the "City Council"), as follows:

1. Forms Of Documents. The forms of the Bonds, the Indenture, the Loan Agreement and the Land-Use Restriction Agreement are hereby approved.

2. The Loan. The making of the Loan to the Borrower pursuant to the terms of each Loan Agreement by the City and the issuance of the Bonds by the City is hereby authorized.

3. The Bonds. The issuance of the Bonds by the City in the principal amount of not to exceed Ten Million Dollars (\$10,000,000) from time to time and in one (1) or more series is hereby authorized, subject to the provisions of this ordinance and each Indenture hereinafter authorized.

The Bonds shall contain a provision that they are issued under authority of the Constitution and this ordinance. The Bonds shall mature not later than thirty-five (35) years from the first (1st) day of the month immediately succeeding the date of issue of the Bonds and shall bear interest at such rate or rates as shall be determined from time to time pursuant to the related Indenture, which interest shall be payable on the interest payment dates set forth in the related Indenture. 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 related Indenture and form of the Bonds therein. The interest rate on the Bonds and the method of determining such interest rate

from time to time is subject to adjustment in accordance with the terms of the related Indenture, and no such interest rate shall exceed the rate of twelve percent (12%).

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

4. Assignment Of Rights. The right, title and interest of the City (except for certain rights to notice, involvement in certain discussions related to the Bonds, indemnification, and reimbursement) in, to and under each Loan Agreement, and the revenues to be derived by the City thereunder will be assigned to the Trustee under the related Indenture. The payment of the principal of and interest on the Bonds and the purchase price therefor will be secured by a Letter of Credit in favor of the Trustee.

5. Limited Obligations. The Bonds, when issued and outstanding, will be a limited obligation of the City, payable solely as provided in each Indenture. 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 each Indenture hereinafter described.

6. The Indentures. The execution and delivery of an Indenture securing each series of Bonds, substantially in the form attached hereto as Exhibit B, is hereby authorized. Each of (i) the Mayor of the City (the "Mayor"), (ii) the Chief Financial Officer of the City (as defined below), or (iii) any other officer designated in writing by the Mayor (the Mayor, the Chief Financial Officer and any such other officer being hereinafter referred to collectively as the "Executive Officer") is hereby authorized to execute, acknowledge and deliver each Indenture with such changes, insertions and omissions as may be approved by the Executive Officer. The Executive Officer is hereby authorized to make such changes, insertions and omissions to the form of Indenture attached hereto as Exhibit B as shall be determined by the Executive Officer to be necessary and appropriate to provide for such additional methods of adjusting and determining the rate or rates of interest on the Bonds from time to time as shall not exceed or be inconsistent with any of the authorizations granted herein. The execution of each Indenture by the Executive Officer shall be conclusive evidence of such approval.

As used herein, the term "Chief Financial Officer" shall mean the Chief Financial Officer of the City appointed by the Mayor, or, if there is no such officer then holding said office, the City Comptroller.

7. The Loan Agreements. The execution and delivery of a Loan Agreement relating to each series of Bonds, substantially in the form attached hereto as Exhibit C is hereby authorized. The Executive Officer is hereby authorized to execute, acknowledge and deliver each Loan Agreement with such changes, insertions and omissions as may be approved by the Executive Officer, including all such changes, insertions and omissions as shall be necessary to conform the terms of each Loan Agreement to the terms of the related Indenture. The execution of each Loan Agreement by the Executive Officer shall be conclusive evidence of such approval.

8. Sale And Delivery Of Bonds. The Bonds shall be sold and delivered to, or at the direction of, one or more underwriters (the "Underwriters") to be selected by the Executive Officer, subject to the terms and conditions of a Bond Purchase Agreement among the City, the Borrower and the Underwriters for the Bonds (the "Purchase Agreement"), or, alternatively, are hereby authorized to be sold and delivered directly to one or more investors to be selected by the Executive Officer subject to the terms and conditions of the Purchase Agreement. The Executive 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 Purchase Agreement in substantially the form of bond purchase agreements used in previous sales of bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and the fact that the Bonds may be sold to certain institutional investors, and with such other revisions in text as the Executive Officer shall determine are necessary or desirable in connection with the sale of the Bonds. The execution of the Purchase Agreement by the Executive Officer shall be deemed conclusive evidence of the approval of the City Council to the terms provided in the Purchase Agreement. The distribution of the Preliminary Official Statement, if any, and the Official Statement or any other placement document 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 any Preliminary Official Statement or of the Official Statement or any other placement document, except as specifically provided in the Purchase Agreement executed by the Executive Officer, and provided further that, if the Bonds are sold directly to institutional investors, the City may forego the use of an Official Statement, but only if such institutional investors execute and deliver to the City "sophisticated investor" letters satisfactory to the Executive 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, the Executive 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.

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

10. The Tax Agreements. The execution and delivery of one (1) or more agreements regarding arbitrage and regulations regarding the issuance of tax-exempt obligations (each, a "Tax Agreement" and collectively, the "Tax Agreements") among the City, the Borrower and the Trustee, substantially in the form of similar agreements executed by the City in transactions similar to the issuance of the Bonds, with such changes, insertions and omissions as may be approved by the Executive Officer, is hereby authorized. The Executive Officer is hereby authorized to execute, acknowledge and deliver the Tax Agreements with such changes, insertions and omissions as may be approved by the Executive Officer. The execution of each Tax Agreement by the Executive Officer shall be conclusive evidence of such approval.

11. Land-Use Restriction Agreement. The execution and delivery of a Land-Use Restriction Agreement relating to the Bonds, substantially in the form attached hereto as Exhibit D, is hereby authorized. The Executive Officer is hereby authorized to execute, acknowledge and deliver the Land-Use Restriction Agreement with such changes, insertions and omissions as may be approved by the Executive Officer, including such changes, insertions and deletions conforming to the Code and the regulations promulgated thereunder relating to the tax-exempt status of the Bonds reflecting the anticipated use and occupancy of the Project. The execution of the Land-Use Restriction Agreement by the Executive Officer shall be conclusive evidence of such approval.

12. Execution Of Bonds. The Bonds shall be executed by manual or facsimile signature of the Mayor of the City or the Executive Officer, and the seal of the City shall be affixed or imprinted and attested to by the manual or facsimile signature of the City Clerk or any Deputy Clerk, as set forth in the related Indenture, and the same shall be delivered to the Trustee for proper authentication and delivery upon instructions to that effect.

13. D.O.H. Approval.

(a) Upon the approval and availability of the additional financing as shown on Exhibit A-1 hereto, the Commissioner of D.O.H. (the "D.O.H. Commissioner") and any designee of the D.O.H. 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 Affordable Housing Loan and the terms and program objectives of the HOME Program and/or the Multi-Program. The execution of such agreements and instruments and the performance of such acts shall be conclusive evidence of such approval. The D.O.H. Commissioner is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Affordable Housing Loan, which do not substantially modify the terms described in Exhibit A-1 hereto. Upon the execution and receipt of proper documentation, the D.O.H. Commissioner is hereby authorized to disburse the proceeds to the Borrower.

(b) In connection with the Affordable Housing Loan by the City to the Borrower, 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 A-2 attached hereto. The Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago (the "Municipal Code"). Section 2-44-090 of the Municipal Code shall not apply to the Project or the Property.

14. Further Assurances. The Executive Officer, the D.O.H. Commissioner, the City Clerk and any Deputy Clerk of the City are hereby designated the authorized representatives of the City, and each of them is hereby authorized and directed to do any and all things necessary to effect the performance of all obligations of the City under and pursuant to this ordinance and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this ordinance, including, but not limited to, the exercise following the delivery date of any of the Bonds of any power or authority delegated to such official of the City under this ordinance with respect to the Bonds upon the initial issuance thereof, but subject to any limitations on or restrictions of such power or authority as herein set forth. The Executive Officer, the D.O.H. Commissioner, the City Clerk, any Deputy City Clerk and the other officers, agents and employees of the City are hereby further authorized, empowered and directed, for and on behalf of the City, to execute and deliver all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this ordinance or to evidence said authority.

15. Declaration Of Official Intent. A portion of the cost of the acquisition, rehabilitation and equipping of the Project which the City intends to finance with

the proceeds of the Bonds has been paid from available monies of the Borrower prior to the date of this ordinance. It is the intention of the City to utilize a portion of the proceeds of the Bonds to reimburse such expenditures which have been or will be made for those costs, to the extent allowed by the Code and related regulations. It is necessary and in the best interests of the City to declare its official intent under Section 1.150-2 of the Treasury Regulations promulgated under the Code to so utilize those Bond proceeds.

16. Severability. The provisions of this ordinance are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof; provided that no holding of invalidity shall require the City to make any payments from revenues other than those derived from the Loan Agreements.

17. No Recourse. No recourse shall be had for the payment of the principal of, premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this ordinance, the Indentures, the Loan Agreements, the Purchase Agreements or the Tax Agreements against any past, present or future officer, member or employee of the City, or any officer, employee, director or trustee of any successor, as such, either directly or through the City, or any such successor, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such member, officer, employee, director or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of the Indentures, the Loan Agreements, the Purchase Agreements and the Tax Agreements and the issuance of the Bonds.

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

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

20. Redevelopment Agreement. The Commissioner of D.P.D. (the "D.P.D. Commissioner") or a designee of the D.P.D. 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, substantially in the form attached hereto as Exhibit E 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.

21. Payment Of Incremental Taxes. The City Council of the City hereby finds that the City is authorized to pay Five Hundred Fifty-seven Thousand Two Hundred

Seventy-three Dollars (\$557,273) from Incremental Taxes deposited in the General Account of the Fund (the "Excess Incremental Taxes") as the City Funds (as defined in the Redevelopment Agreement) to finance a portion of the eligible costs included within the Project. The City is authorized to pay the Developer from Excess Incremental Taxes an amount up to Five Hundred Fifty-seven Thousand Two Hundred Seventy-three Dollars (\$557,273) as the City Funds, supported by a requisition form to the City from the Developer. The City Funds are hereby appropriated for the purposes set forth in this Section 21.

22. Repealer. All ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

23. Effect Of Municipal Code. 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 that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Municipal Code.

24. Proxies. The Mayor and the Executive Officer may each designate another to act as their respective proxy and to affix their respective signatures to, in the case of the Mayor, each Bond, whether in temporary or definitive form, and to any other instrument, certificate or document required or authorized to be signed by the Mayor or the Executive Officer pursuant to this ordinance. 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 or the Executive Officer, respectively. A written signature of the Mayor or the Executive 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 of the Proceedings of the City Council of the City of Chicago* and filed with the Office of the City Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the Mayor in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of the Executive Officer is placed on an instrument, certificate or document at the direction of the Executive Officer in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Executive Officer in person.

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

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

Exhibit "A-1".
(To Ordinance)

Affordable
Housing
Loan:

Source: HOME Program, Corporate Funds, Program Income and/or Multi-Program Funds.

Amount: Not to exceed \$1,137,197.

Term: Not to exceed 35 years.

Interest: 1% per annum.

Security: Non-recourse loan; second mortgage on the Property.

Additional
Financing:

1. The Bonds, as described in this Ordinance. The Bonds will be secured by one or more Letters of Credit issued by the Bank pursuant to a reimbursement agreement ("Reimbursement Agreement") between the Bank and the Borrower. All or a portion of the Borrower's obligation to repay the Bank under the Reimbursement Agreement will be secured by a first mortgage on the Property.
2. Low-Income Housing Tax Credit ("L.I.H.T.C.")
Amount: Approximately \$6,096,654, a portion of which will be applied to the payment of some or all of the Bonds.
Source: To be derived from the syndication of approximately \$609,665 L.I.H.T.C. annually.
3. I.H.D.A. Loan Proceeds: Approximately \$820,139.
Source: Illinois Housing Development Authority ("I.H.D.A."), or another source acceptable to the D.O.H. Commissioner.
Term: Not to exceed 35 years.

- Interest: 1% per annum.
- Security: Mortgage on the Property, subordinate to the mortgages securing the Affordable Housing Loan and the Borrower's obligations under the Reimbursement Agreement.
4. Seller
Financing
Proceeds: Approximately \$3,974,700.
- Source: V.O.P., or another source acceptable to the D.O.H. Commissioner.
- Term: Not to exceed 35 years.
- Interest: Applicable Federal Rate, or another rate acceptable to the D.O.H. Commissioner.
- Security: Mortgage on the Property, subordinate to the mortgages securing the Affordable Housing Loan and the Borrower's obligations under the Reimbursement Agreement.
5. Tax Increment
Financing
("T.I.F.")
Amount: Approximately \$557,273 of T.I.F. proceeds granted to V.O.P. and loaned or otherwise contributed to the Borrower, or another source acceptable to the D.O.H. Commissioner.
- Term: Note to exceed 35 years.
- Interest: Zero percent per annum.
- Security: Mortgage on the Property, subordinate to the mortgages securing the Affordable Housing Loan and the Borrower's obligations under the Reimbursement Agreement.
6. F.H.L.B. Loan
Amount: \$400,000.
- Source: LaSalle Bank N.A., through proceeds of a subsidy granted to V.O.P. from the Federal Home Loan Bank of Chicago's Affordable Housing Program and loaned or otherwise contributed to the Borrower, or another source acceptable to the D.O.H. Commissioner.

- Security: Mortgage on the Property, subordinate to the mortgages securing the Affordable Housing Loan and the Borrower's obligations under the Reimbursement Agreement.
7. Donations
Tax Credit
Amount: Approximately \$1,689,248.
- Source: V.O.P., through proceeds of the sale of the tax credits allocated by I.H.D.A. pursuant to the Donations Tax Credit Program, or another source acceptable to the D.O.H. Commissioner.
- Security: May be secured by a mortgage on the Property (which mortgage would be subordinate to the mortgages securing the Affordable Housing Loan and the Borrower's obligations under the Reimbursement Agreement).
8. General Partner
Contribution
Amount: \$100.
- Source: C.C.D.C.

Exhibit "A-2".
(To Ordinance)

Fee Waivers.

Department Of Buildings.

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).

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.

*Exhibit "B".
(To Ordinance)*

City Of Chicago

To

As Trustee

Trust Indenture

Dated As Of January 1, 2007

*Securing City Of Chicago
Variable Rate Demand Multi-Family Housing Revenue Bonds
(Uptown Preservation Apartments Project) Series 2007.*

THIS TRUST INDENTURE, dated as of January 1, 2007, is from the CITY OF CHICAGO, a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "City"), to _____, a [national banking association] having a principal corporate trust office in Chicago, Illinois, as trustee (the "Trustee").

RECITALS:

WHEREAS, Community Housing Partners XI L.P., an Illinois limited partnership (the "Borrower"), the general partners of which are (i) Chicago Community Development Corporation, an Illinois corporation, the owners of which include Anthony J. Fusco, Jr. and Daniel Burke, and (ii) Uptown Preservation NFP, an Illinois not-for-profit corporation, and the limited partners will consist of various investors, have requested financial assistance from the City to finance a project (the "Project") that consists of, among other things, the acquiring, rehabilitating and equipping of an affordable multi-family housing project to be located at 900 West Windsor Avenue, 4431 North Clifton Avenue and 927 West Wilson Avenue, Chicago, Illinois (the "Project Facilities"); and

WHEREAS, pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois, the City is authorized to finance the Project for the Borrower by issuing its bonds and loaning the proceeds thereof to the Borrower, and, to that end, the City has adopted a Bond Ordinance duly authorizing and directing the issuance, sale and delivery of its \$ _____ multi-family housing revenue bonds, to be known generally as City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (Uptown Preservation Apartments Project) Series 2007 (the "Bonds"), to be issued as fully registered bonds and to secure payment of the principal thereof and of the interest and premium, if any, thereon and the performance and observance of the covenants and conditions herein contained, the City has authorized the execution and delivery of this Indenture; and

WHEREAS, the City will loan the proceeds of the Bonds to the Borrower by entering into a Loan Agreement dated as of January 1, 2007 (the "Agreement"), between the City and the Borrower, and to evidence its payment obligations thereunder, the Borrower will deliver to the Trustee a Promissory Note (the "Note") in the amount of \$ _____; and

WHEREAS, pursuant to the Agreement, the Borrower has agreed, among other things, to pay to or for the account of the Trustee an amount equal to the principal of, redemption premium and interest on the Bonds, as the same become due, all as set forth in the Agreement and the Note; and

WHEREAS, the City has determined to assign, transfer and pledge unto the Trustee as Trustee under this Indenture, for the benefit of the owners of the Bonds and the Bank, as set forth herein, all right, title and interest of the City in and to the Agreement and sums payable thereunder (except as otherwise provided herein and therein); and

WHEREAS, _____, Chicago, Illinois (together with any other issuer of a Letter of Credit, as hereinafter defined, the "Bank"), will issue an irrevocable, transferable Letter of Credit dated the date of issuance and delivery of the Bonds, in favor of the Trustee for the benefit of the owners from time to time of the Bonds, in the amount of the aggregate principal amount of the Bonds, plus an amount equal to the interest to accrue on the Bonds for 35 days at a rate per annum equal to the Cap Rate, as defined herein, which initial Letter of Credit, together with any substitute Letter of Credit, is hereinafter referred to as the "Letter of Credit"; and

WHEREAS, the Bonds, the form of assignment and transfer and the Trustee's certificate of authentication to be endorsed thereon shall be in substantially the following forms, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture:

[FORM OF BONDS]

No. R- _____

\$ _____

STATE OF ILLINOIS
UNITED STATES OF AMERICA
CITY OF CHICAGO
VARIABLE RATE DEMAND MULTI-FAMILY HOUSING REVENUE BOND
(UPTOWN PRESERVATION APARTMENTS PROJECT) SERIES 2007

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
Variable Rate	January 1, 20__	January __, 20__	

Registered Owner:

Principal Amount: _____

The City of Chicago (the "City"), a municipality and home rule unit of local government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "State") for value received, hereby promises to pay solely from the sources and as hereinafter provided, to the Registered Owner shown above, or registered assigns, the Principal Amount shown above on the Maturity Date shown above, except as the provisions hereinafter set forth with respect to redemption and acceleration prior to the Maturity Date may become applicable hereto, and in like manner to pay interest on said Principal Amount at the Interest Rate hereinafter specified from the Dated Date shown above or from the most recent date to which interest has been paid, in accordance with the provisions hereof. During any Variable Rate Period, as hereinafter defined, interest hereon shall be calculated on the basis of a calendar year consisting of 365 or 366 days, as the case may be, and on the actual number of days elapsed, payable on [February 1], 2007 and on the first Business Day (as hereinafter defined) of each calendar month thereafter and on the Conversion Date, as hereinafter defined (each a "Variable Rate Interest Payment Date"), until the earlier of the Conversion Date or until the principal sum hereof becomes due and payable. During the Fixed Rate Period, as hereinafter defined, interest hereon shall be calculated on the basis of a calendar year consisting of 360 days of 12 30-day months, payable on the [January] 1 or [July] 1 immediately following the announcement of the Fixed Rate Period and on the first day of each [January] and [July] thereafter (each a "Fixed Rate Interest Payment Date" and, together with a Variable Rate Interest Payment Date, an "Interest Payment Date") until the principal sum hereof becomes due and payable. Interest shall be payable on any overdue installment of principal, premium, if any, and (to the extent that such interest shall be legally enforceable) interest on this Bond at the rate of interest from time to time borne by this Bond from the due date thereof until paid. Principal of and premium, if any, on this Bond shall be payable in lawful money of the United States of America only at the designated corporate trust office of _____, as Paying Agent, or its successors under trust (the "Paying Agent").

Interest on this Bond shall be payable to the Registered Owner hereof as of the Record Date (as hereinafter defined). Payments of interest on this Bond shall be made in lawful money of the United States of America by check or draft of the Paying Agent mailed on the applicable Interest Payment Date to the Registered Owner hereof at his address as it appears on the registration books of the City kept by the Paying Agent, as registrar (the "Bond Registrar"), or at such other address as is furnished to the Paying Agent in writing by such Registered Owner no later than the close of business on the Record Date immediately preceding the applicable Interest Payment Date; provided that on or prior to the Conversion Date, as hereinafter defined, payments of interest on this Bond may be made by wire transfer to the Registered Owner of this Bond if the Registered Owner hereof is the Registered Owner of at least \$1,000,000 in principal amount of the Bonds (as hereinafter defined) as of the close of business on the Record Date immediately preceding the applicable Interest Payment Date and such Registered Owner shall have given written notice to the Paying Agent on or before the second Business Day immediately preceding such Record Date, directing the Paying Agent to make such payments of interest by wire transfer and identifying the location and number of the account to which such payments should be wired. As used herein, the term "Record Date" shall mean, during the Variable Rate Period, the Business Day immediately preceding a Variable Rate Interest Payment Date on this Bond, and during the Fixed Rate Period, the fifteenth day of the calendar month immediately preceding a Fixed Rate Interest Payment Date on this Bond.

This Bond is one of an authorized series of Bonds in the aggregate principal amount of \$_____ (the "Bonds") issued for the purpose of loaning the proceeds thereof to Community Housing Partners XI L.P., an Illinois limited partnership (the "Borrower"), for the purpose of providing funds to pay a portion of the cost of acquiring, rehabilitating and equipping a certain multi-family housing project to be located at 900 West Windsor Avenue, 4431 North Clifton Avenue and 927 West Wilson Avenue, Chicago, Illinois (the "Project") owned and operated by the Borrower and located in Chicago, Illinois. The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of a Trust Indenture dated as of January 1, 2007 (which indenture, as from time to time amended and supplemented, is herein referred to as the "Indenture"), duly executed and delivered by the City to _____, Chicago, Illinois, as trustee (the "Trustee"). Reference is hereby made to the Indenture for a description of the rights, duties and obligations of the City, the Trustee and the owners of the Bonds and the terms upon which the Bonds are issued and secured.

The terms and conditions of the loan of the proceeds of the Bonds to the Borrower for the financing of the Project and the repayment of said funds are contained in a Loan Agreement dated as of January 1, 2007, by and between the City and the Borrower (which agreement, as from time to time amended and supplemented, is hereinafter referred to as the "Agreement").

Except as otherwise provided in the Indenture, the Bonds are issuable only as fully registered Bonds without coupons in denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof during the Variable Rate Period, and in denominations of \$5,000 and

any integral multiple thereof during the Fixed Rate Period. This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the designated corporate trust office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The City, the Trustee, the Paying Agent and _____, as tender agent, or its successors under trust (the "Tender Agent") 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 premium, if any, hereon and interest due hereon and for all other purposes, and neither the City, the Trustee, the Paying Agent nor the Tender Agent shall be affected by any notice to the contrary.

Subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation thereof, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations. The Bond Registrar shall not be required to transfer or exchange any Bond after notice calling such Bond or portion thereof for redemption prior to maturity has been given as herein provided, nor during the period of 10 days next preceding the giving of such notice of redemption.

_____ has issued an irrevocable, transferable letter of credit dated the date of delivery of the Bonds in favor of the Trustee for the benefit of the owners from time to time of the Bonds, supporting the payment of the unpaid principal amount of the Bonds or the purchase price of the Bonds and in either case up to 35 days of interest at the Cap Rate (as hereinafter defined) accrued on the Bonds to pay interest on the Bonds when due under the conditions set forth therein. The initial letter of credit, together with any substitute letter of credit, is hereinafter referred to as the "Letter of Credit," and _____, together with the issuer of any substitute Letter of Credit, is hereinafter referred to as the "Bank."

This Bond shall bear interest on the unpaid principal balance hereof until paid at the rates provided below. This Bond shall bear interest at the Variable Rate (as hereinafter defined) during the Variable Rate Period from the Variable Rate Interest Payment Date to which interest on this Bond has been paid or duly provided for immediately preceding the date of authentication hereof, unless (a) such date of authentication shall be dated on or prior to the Record Date for the first Variable Rate Interest Payment Date, in which case this Bond shall bear interest from the date of the initial delivery of this Bond, or (b) such date of authentication shall be after a Record Date and prior to a Variable Rate Interest Payment Date to which interest on this Bond has been paid or duly provided for, in which case this Bond shall bear interest from such Variable Rate Interest Payment Date and shall bear interest at the Fixed Rate (as hereinafter defined) during the Fixed Rate Period from the first day of the [January] or [July] to which interest on this Bond has been paid or duly provided for immediately preceding the date of authentication hereof, unless (a) such date of authentication shall be on or prior to the Record Date for the first day of [January] or [July] immediately following the date of commencement of the Fixed Rate Period (the "Conversion Date"), in which case this Bond shall bear interest from the Conversion Date,

or (b) such date of authentication shall be after the fifteenth day of the month preceding a Fixed Rate Interest Payment Date and prior to such Fixed Rate Interest Payment Date, in which case this Bond shall bear interest from such Fixed Rate Interest Payment Date.

For the period from the date of the initial delivery of the Bonds to the earlier of the Conversion Date or the maturity date of this Bond (the "Variable Rate Period"), this Bond shall bear interest from such initial delivery date or the [Thursday] of a week, as the case may be, to and including the [Wednesday] of the immediately following week, at the Variable Rate (described below) for such interest rate period (an "Interest Rate Period"). This Bond shall bear interest (i) during the initial Interest Rate Period, as measured from the date of the initial delivery of the Bonds to and including the [Wednesday] of the immediately following week, at the rate set forth in the Indenture, and (ii) during each Interest Rate Period thereafter, at a rate (the "Variable Rate") equal to the lesser of (a) the Cap Rate (as hereinafter defined) or (b) the interest rate established by the Remarketing Agent, as defined in the Indenture, in the following manner: on the [Wednesday] of each week succeeding the initial delivery date (or the immediately preceding Business Day, in the event that any such [Wednesday] is not a Business Day), the Remarketing Agent shall determine the interest rate that would result in the market value of the Bonds on the effective date of such interest rate being 100 percent of the principal amount thereof, and on such date shall give notice of the interest rate so determined by telephone or electronic transmission, promptly confirmed in writing to the City (if requested by the City), the Trustee, the Paying Agent, the Borrower and the Bank, and the interest rate so determined (if not greater than the Cap Rate) shall be the interest rate on this Bond for the immediately following Interest Rate Period; provided that if for any reason the interest rate on this Bond for any such Interest Rate Period is not or cannot be established in the foregoing manner, the Variable Rate for the immediately preceding Interest Rate Period shall remain in effect for such Interest Rate Period.

"Cap Rate" means the rate per annum equal to the least of (a) __ percent per annum, (b) the maximum interest rate at the time then specified in the Letter of Credit (initially, __ percent per annum), or (c) the maximum contract rate of interest permitted from time to time by the laws of the State.

Notwithstanding the above, this Bond shall bear interest at a fixed rate (the "Fixed Rate") from the Conversion Date to the maturity date of this Bond (the "Fixed Rate Period") equal to the lesser of (a) the Cap Rate, or (b) the interest rate established by the Remarketing Agent in the following manner: in order to establish the Fixed Rate, the City, the Trustee, the Remarketing Agent and the Tender Agent shall have received written notice from the Borrower of the exercise of its option to convert the interest rate borne by the Bonds to the Fixed Rate, at least 45 days prior to the date specified by the Borrower as the Conversion Date (the "Proposed Conversion Date"), together with the written consent of the Bank to such conversion. On or before the Business Day immediately preceding the Proposed Conversion Date, the Remarketing Agent shall determine the interest rate that would result in the market value of the Bonds on the Proposed Conversion Date being 100 percent of the principal amount thereof, and the interest rate so determined shall be the Fixed Rate from and after the Conversion Date. Notwithstanding

the foregoing, such Fixed Rate shall not take effect if there shall not have been supplied to the City, the Trustee, the Borrower, the Remarketing Agent, the Tender Agent and the Bank at or prior to 10:00 A.M., New York time, on the Proposed Conversion Date an opinion of Bond Counsel stating that such conversion to the Fixed Rate is lawful under applicable law and permitted by the Indenture and that such conversion to the Fixed Rate will not have an adverse effect on the exclusion of the interest on the Bonds from gross income of the registered owners thereof for federal income tax purposes. If all conditions to the establishment of the Fixed Rate are not met, this Bond shall bear interest at the Variable Rate determined as set forth in the Indenture and will continue to remain outstanding as if no such election had been made by the Borrower to convert the interest rate borne by the Bonds to the Fixed Rate.

The City, at the direction of the Borrower, has appointed _____ as Remarketing Agent under the Indenture, which appointment has been approved by the Borrower. The City, at the direction of the Borrower, may, from time to time, remove or replace the Remarketing Agent. The determination of any interest rate by the Remarketing Agent shall be conclusive and binding on the City, the Borrower, the Trustee, the Bank, the Tender Agent and the owners from time to time of all of the Bonds.

The Registered Owner hereof has the right to tender this Bond or a portion hereof (in authorized denominations, provided that after such tender such remaining portion shall also be in an authorized denomination) to the Tender Agent for purchase as a whole or in part on any Business Day during the Variable Rate Period, but not thereafter, at a purchase price equal to 100 percent of the principal amount hereof tendered plus accrued interest to the specified purchase date, in accordance with the Indenture. In order to exercise such option with respect to this Bond or any portion hereof, the Registered Owner hereof must give to the Tender Agent at its designated corporate trust office by the opening of business at such office on a Business Day which is at least seven days immediately preceding the purchase date, notice by telephone, confirmed by written notice of tender to the Tender Agent on a Business Day not more than two Business Days after such notice, or written notice of tender to the Tender Agent (which written notice of tender in either case shall be in the form attached hereto or shall be in such other form acceptable to the Tender Agent). Upon the delivery of such written notice of tender, such election to tender shall be irrevocable and binding upon the Registered Owner hereof. At or before 10:00 A.M., New York time, on the specified purchase date, the owner of each Bond as to which any such notice of tender shall have been given shall deliver this Bond and an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on this Bond or in such other form acceptable to the Tender Agent) to the Tender Agent at its designated corporate trust office, and on the specified purchase date, the Tender Agent shall purchase this Bond only out of funds made available to it for such purpose, or cause this Bond to be purchased, at a purchase price equal to the principal amount hereof plus accrued interest to the specified purchase date, if any, thereon. The Registered Owner hereof, by his acceptance hereof, hereby covenants and agrees to tender this Bond in the manner and at the times aforesaid. If this Bond is not so tendered (an "Unsurrendered Bond"), and there

has been irrevocably deposited in the Bond Purchase Fund referred to in the Indenture Available Moneys (as defined in the Indenture) sufficient to pay the purchase price of this Bond and all other Bonds so tendered or deemed tendered for purchase on such specified purchase date, this Bond shall be deemed to have been tendered by the Registered Owner hereof and purchased from such Registered Owner on the specified purchase date, and the Registered Owner hereof shall not be entitled to receive interest on this Bond on and after the specified purchase date. Upon surrender of this Unsurrendered Bond to the Tender Agent, the Tender Agent shall pay to the Registered Owner of this Unsurrendered Bond only an amount equal to the purchase price of this Unsurrendered Bond due on such purchase date. The Tender Agent shall, in its sole discretion, determine whether, with respect to any Bond, the owner thereof shall have properly exercised the option to have its Bond purchased as a whole or in part.

Subject to the provisions below, the Registered Owner of this Bond is required to tender this Bond to the Tender Agent for purchase on (i) the Proposed Conversion Date, (ii) a Letter of Credit Substitution Date (as hereinafter defined) and (iii) a Letter of Credit Termination Date (as hereinafter defined) (each a "Mandatory Tender Date"), all as more fully provided below. Notice of a mandatory tender shall be given by the Bond Registrar by first class mail, postage prepaid, to the owner of this Bond at its address appearing on the registration books of the City maintained by the Bond Registrar, not less than 30 nor more than 35 days prior to a Mandatory Tender Date. Such notice of mandatory tender shall specify the Mandatory Tender Date and shall state that the Mandatory Tender Date is a Proposed Conversion Date, a Letter of Credit Substitution Date or a Letter of Credit Termination Date, as the case may be, and shall state that this Bond must be tendered by the Registered Owner hereof for purchase at or before 10:00 A.M., New York time, on the Mandatory Tender Date (or if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day) to the Tender Agent at its designated corporate trust office, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on this Bond or such other form acceptable to the Tender Agent), and shall be purchased on the Mandatory Tender Date (or if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day) at a purchase price equal to the principal amount hereof plus accrued interest, if any, hereon, and if this Bond is not so tendered, but there has been irrevocably deposited in the Bond Purchase Fund referred to in the Indenture an amount sufficient to pay the purchase price for this Bond and all other Bonds so tendered or deemed tendered for purchase on the Mandatory Tender Date, this Bond shall be deemed to have been tendered for purchase by the owner hereof and purchased from such owner on the Mandatory Tender Date.

This Bond shall be tendered by the owner hereof to the Tender Agent for purchase at or before 10:00 A.M., New York time, on the Mandatory Tender Date (or if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day), by delivering this Bond to the Tender Agent at its designated corporate trust office, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on this Bond or such other form acceptable to the Tender Agent), and on the Mandatory Tender Date (or if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day), the Tender Agent shall purchase this Bond, or cause this Bond to be purchased, at a purchase price equal to the principal amount hereof, and the owner of

this Bond, by his acceptance hereof, hereby covenants and agrees to tender this Bond in the manner and at the time as aforesaid.

If this Bond is not tendered at or before 10:00 A.M., New York time, on any Mandatory Tender Date (or if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day); and there has been irrevocably deposited in the Bond Purchase Fund referred to in the Indenture an amount sufficient to pay the purchase price hereof and all other Bonds tendered or deemed tendered for purchase on such Mandatory Tender Date, this Bond shall be deemed to be tendered by the Registered Owner hereof and purchased from such Registered Owner on the Mandatory Tender Date, and the Registered Owner hereof shall not be entitled to receive interest on this Unsurrendered Bond on and after such Mandatory Tender Date. Upon surrender of this Unsurrendered Bond to the Tender Agent, the Tender Agent shall pay to the Registered Owner of this Unsurrendered Bond only an amount equal to the purchase price of this Unsurrendered Bond due on such Mandatory Tender Date.

"Business Day" means any day other than (i) a day on which banking institutions in the city in which the designated corporate trust office of the Trustee or the Tender Agent is located are required or authorized by law to remain closed, (ii) a day on which banking institutions in the city in which the office of the Bank where drawings under the Letter of Credit are to be made is located are required or authorized by law to remain closed, (iii) a day on which the principal office of the Remarketing Agent is closed, or (iv) a day on which the New York Stock Exchange is closed.

"Letter of Credit Substitution" means the delivery of a substitute Letter of Credit if the Trustee has not received a Maintenance of Rating at least 35 days prior to what would otherwise be the Letter of Credit Substitution Date.

"Letter of Credit Substitution Date" means the fifth Business Day next preceding the proposed date of a Letter of Credit Substitution.

"Letter of Credit Termination Date" means the first Business Day of the calendar month in which the Stated Expiration Date of the Letter of Credit is to occur, unless the Borrower shall have caused the delivery of a substitute Letter of Credit to the Trustee pursuant to the Agreement at least 35 days prior to such Letter of Credit Termination Date.

"Maintenance of Rating" means (i) if the Bonds are then rated by either Moody's Investors Service, Inc. ("Moody's") or Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. ("S&P"), written confirmation from Moody's (only if Moody's is then maintaining a rating on the Bonds) and S&P (only if S&P is then maintaining a rating on the Bonds), that upon the effective date of the substitute Letter of Credit, the existing ratings on the Bonds will not be withdrawn or reduced as a result of the substitution of such Letter of Credit, or (ii) if the Bonds are not then rated by a Rating Agency, written verification that the higher of the commercial paper credit ratings from Moody's and S&P of the provider of the substitute Letter of Credit is at least equal to the higher of the then commercial paper credit ratings of the Bank which provided the Letter of Credit for which the substitute Letter of Credit is being issued.

Prior to the Conversion Date, the Bonds are subject to redemption prior to maturity by the City from any available funds, including moneys derived from a prepayment of the Note (or a portion thereof) at the option of the Borrower, as a whole or in part (and, if in part, by lot in such manner as may be designated by the Trustee, provided that Bonds held by or on the behalf of the Tender Agent for the account of the Borrower resulting from a draw upon the Letter of Credit shall be first selected for redemption until all such Bonds have been redeemed which may be selected for redemption), on any date, at a redemption price of 100 percent of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption.

After the Conversion Date, the Bonds are subject to redemption prior to maturity by the City from any available funds, including funds derived from a prepayment of the Note (or a portion thereof) at the option of the Borrower, as a whole on any date, subject to the terms of the Indenture, or in part on any Interest Payment Date (and, if in part, by lot in such manner as may be designated by the Trustee, provided that Bonds held by or on behalf of the Tender Agent for the account of the Borrower resulting from a draw upon the Letter of Credit shall be first selected for redemption until all such Bonds have been redeemed which may be selected for redemption), subject to the terms of the Indenture, at a redemption price of 100 percent of the principal amount thereof to be redeemed and accrued interest to the date fixed for redemption, plus the applicable premium, if any, set forth in the Indenture.

After the Conversion Date, the Bonds are also subject to redemption at the option of the Borrower, as a whole or in part (and, if in part, by lot in such manner as may be designated by the Bond Registrar, provided the Bonds held by the Tender Agent for the account of the Borrower resulting from a draw upon the Letter of Credit shall be first subject to such redemption prior to any other Bonds which may be selected for redemption) on any date at the redemption price of 100 percent of the principal amount thereof to be redeemed plus accrued interest, if any, to the date fixed for redemption, upon the occurrence of any of certain events described in the Indenture relating to damage, destruction or condemnation of the Project.

The Bonds are also subject to mandatory redemption prior to maturity by the City, as a whole and not in part, on any date within 60 days of the occurrence of a Determination of Taxability (as defined in the Indenture), at a redemption price of 100 percent of the principal amount to be redeemed (or 103 percent of the principal amount thereof to be redeemed during the Fixed Rate Period) plus accrued interest to the date fixed for redemption.

If any of the Bonds or portions thereof (which shall be an authorized denomination) are called for redemption prior to maturity as aforesaid, the Trustee shall give notice, at the direction of the Borrower (which direction shall be in writing), by directing the Bond Registrar to mail a copy of the redemption notice by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed as a whole or in part at the address shown on the registration books of the City maintained by the Bond Registrar; provided that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond or a portion thereof with respect to which no such failure or defect has occurred. Any notice mailed as provided above shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice.

The Registered Owner of this Bond has no right to enforce the provisions of the Indenture or the Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or the Agreement, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. The Indenture prescribes the manner in which it may be discharged, including a provision that under certain circumstances the Bonds shall be deemed to be paid if Governmental Obligations, as defined therein, maturing as to principal and interest in such amounts and on such dates as will provide sufficient funds to pay the principal of and interest and premium, if any, on such Bonds and all fees, charges and expenses of the Trustee, and all other liabilities of the Borrower under the Agreement, shall have been deposited with the Trustee, after which such Bonds shall no longer be secured by or entitled to the benefits of the Indenture or the Agreement, except for purposes of transfer and exchange and payment from such Governmental Obligations on the date or dates specified at the time of such deposit.

The Indenture permits the amendment thereof and the modification of the rights and obligations of the City and the rights of the owners of the Bonds at any time by the City with the consent of the Registered Owners of a majority, or in certain instances 100 percent, in aggregate principal amount of the Bonds at the time outstanding, as defined in the Indenture. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent or waiver is made upon this Bond. The Indenture also contains provisions permitting the Trustee to enter into certain supplemental indentures without the consent of the owners of the Bonds and to waive certain payment defaults under the Indenture and their consequences. No supplemental indenture will become effective without the consent of the Borrower and, if a Letter of Credit is then in effect and if the Bank has not failed to honor a properly presented drawing thereunder, the Bank

THIS BOND AND ALL OTHER BONDS ISSUED UNDER AND SECURED BY THE INDENTURE, AS HEREINAFTER DEFINED, ARE, AND ARE TO BE, EQUALLY AND RATABLY SECURED, TO THE EXTENT PROVIDED IN THE INDENTURE, SOLELY BY A PLEDGE OF THE REVENUES AND OTHER FUNDS PLEDGED UNDER THE INDENTURE. THE BONDS, TOGETHER WITH PREMIUM, IF ANY, AND INTEREST THEREON, ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM THE REVENUES AND ARE A VALID CLAIM OF THE OWNERS FROM TIME TO TIME THEREOF ONLY AGAINST THE MONEYS HELD BY THE TRUSTEE AND THE TENDER AGENT AND PLEDGED TO THE PAYMENT OF THE BONDS, AND THE REVENUES, WHICH REVENUES SHALL BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, EXCEPT AS MAYBE OTHERWISE EXPRESSLY AUTHORIZED IN THE INDENTURE OR THE AGREEMENT. THE BONDS ARE NOT AN INDEBTEDNESS OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR THE GENERAL CREDIT TAXING POWERS OF THE STATE, THE CITY, OR ANY OTHER POLITICAL

SUBDIVISION THEREOF, AND SHALL NEVER GIVE RISE TO ANY PECUNIARY LIABILITY OF THE CITY, AND NEITHER THE CITY, THE STATE NOR ANY OTHER POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE FOR THE PAYMENTS OF PRINCIPAL OF AND, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, AND THE BONDS ARE PAYABLE FROM NO OTHER SOURCE, BUT ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY, PAYABLE SOLELY OUT OF THE REVENUES AND RECEIPTS OF THE CITY DERIVED PURSUANT TO THE AGREEMENT. NO OWNER OF THE BONDS HAS THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE STATE, THE CITY OR ANY OTHER POLITICAL SUBDIVISION THEREOF TO PAY THE BONDS OR THE INTEREST OR PREMIUM, IF ANY, THEREON.

No recourse shall be had for the payment of the principal or premium, if any, or purchase price of, or interest on, this Bond, or for any claim based hereon or on the Indenture, against any member, officer or employee, past, present or future, of the City or of any successor body, as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by ally legal or equitable proceeding or otherwise.

This Bond is not valid unless the Certificate of Authentication endorsed hereon is duly executed by the Paying Agent.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or electronic transmission signature of its Mayor and its corporate seal or a electronic transmission thereof to be affixed, imprinted, lithographed or reproduced hereon and attested by the manual or electronic transmission signature of its City Clerk or Deputy City Clerk.

CITY OF CHICAGO

By: _____
Mayor

[Seal]
Attest:

City Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds of the issue described in the within mentioned Trust Indenture.

Date of Authentication:

as Authenticating Agent

By: _____
Authorized Signatory

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

Unif Gift Min Act	-- Uniform Gifts to Minor Act
Cust	-- Custodian
Ten Com	-- as tenants in common
Ten Ent	-- as tenants by the entireties
Jt Ten	-- as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For Value Received, the undersigned sells, assigns and transfer unto _____

(Name, Address and Taxpayer Identification Number of Assignee)

the Variable Rate Demand Multi-Family Housing Revenue Bond (Uptown Preservation Apartments Project) Series 2007 (the "Bond") of the City of Chicago, numbered

_____ and does hereby irrevocably constitute and appoint

_____ to transfer the Bond 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 as it appears upon the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or on such other guarantee program acceptable to the Trustee.

[Form of Bondholder Tender Notice]

BONDHOLDER TENDER NOTICE

The undersigned hereby elects to have the Variable Rate Demand Multi-Family Housing Revenue Bond (Uptown Preservation Apartments Project) Series 2007, numbered _____ (the "Bond") of the City of Chicago (the "City") (or any portion thereof in any authorized denomination) purchased in accordance with the provisions of the Bond and the Trust Indenture (the "Indenture") dated as of January 1, 2007, by and from the City to _____, Chicago, Illinois, as Trustee (the "Trustee"), on _____ (the "Purchase Date"), which Purchase Date shall be a Business Day at least seven days immediately following the submission of this Bondholder Tender Notice to _____, as tender agent (the "Tender Agent") (unless the owner of the Bond shall have given telephonic notice of its election to tender the Bond at the opening of business of the Tender Agent, confirmed by submission of this Bondholder Tender Notice not more than two Business Days after such telephonic notice, in which event such Purchase Date shall be a Business Day at least seven days immediately following the date of such telephonic notice), at the purchase price of 100 percent of the principal amount thereof being purchased plus accrued interest to the date of purchase (the "Purchase Price"). The Bond may be tendered for purchase in part in the principal amount of \$100,000 or any integral multiple of \$5,000 in excess thereof, but the Bond shall not be tendered for purchase if the unpurchased part of the Bond shall be less than \$100,000.

Pursuant to the terms of the Indenture, the Purchase Price of the Bond (or portion thereof) to be purchased shall be paid to the Registered Owner of the Bond in immediately available funds, as provided in the Indenture, at or before 2:30 P.M., New York time, on the Purchase Date (or, if the Purchase Date is not a Business Day, as defined in the Indenture, then on the immediately following Business Day) upon presentation of the Bond to the Tender Agent, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on this Bond or in such other form acceptable to the Tender Agent), at or before 10:00 A.M., New York time, on the Purchase Date (or if the Purchase Date is not a Business Day, on the immediately following Business Day), at:

Attention: _____

The undersigned hereby acknowledges and agrees to such terms.

This Bondholder Tender Notice shall not be accepted by the Tender Agent unless it is properly completed and received by the Tender Agent at the address designated above. If this Bond is submitted for purchase in part, the undersigned hereby directs the Tender Agent to exchange this Bond for (i) a Bond representing the principal amount of the Bond to be purchased, and (ii) a Bond (or Bonds of authorized denominations if the owner specifies the authorized denominations) representing the principal amount of the Bond not to be purchased. The Bond or Bonds not to be purchased shall be registered in the same name(s) as this Bond

tendered for purchase. Unless the Registered Owner of this Bond delivers instructions to the Tender Agent with this Bondholder Tender Notice, specifying that said Registered Owner wishes to have the Tender Agent deliver more than one Bond representing the principal amount of the Bond not to be purchased, and specifying the authorized denominations of such replacement Bonds, the Tender Agent will deliver only one replacement Bond to such Registered Owner in the principal amount of the Bond not to be purchased.

**THIS ELECTION IS IRREVOCABLE AND BINDING
ON THE UNDERSIGNED AND CANNOT BE WITHDRAWN.**

The undersigned hereby authorizes the Tender Agent to accept on behalf of the undersigned the Purchase Price of the Bond (or portion thereof) subject to this Bondholder Tender Notice.

Print or Type:

Name(s) of Bondholder(s)

Street City State Zip

Area Code Telephone Number

Signature(s): _____

Date: _____

Note: The signature(s) to this Bondholder Tender Notice must correspond exactly to the name(s) appearing on the registration books of the City maintained by _____ as Bond Registrar, in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

The principal amount of this Bond requested to be purchased pursuant to this Bondholder Tender Notice is

\$ _____. (Insert Total Principal Amount of Bond or a portion thereof in the amount of \$ 100,000 or any integral multiple of \$5,000 in excess thereof)

IF NO AMOUNT IS INDICATED IN THE SPACE ABOVE, THE REGISTERED OWNER OF THIS BOND SUBJECT TO THIS BONDHOLDER TENDER NOTICE WILL BE DEEMED TO HAVE TENDERED THE BOND IN ITS FULL PRINCIPAL AMOUNT FOR PURCHASE.

SPECIAL DELIVERY INSTRUCTIONS

To be completed only if the Registered Owner of this Bond is the Registered Owner of at least \$1,000,000 in aggregate principal amount of this Bond and the issue of which it is a part, and wishes to direct the Tender Agent to wire transfer the purchase price of the Bond (or portion thereof) to be purchased.

Wire transfer purchase price to:

Account Number: _____

Location of Account: _____
(Include Zip Code)

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued, as in this Indenture provided, valid, binding and legal special, limited obligations of the City, and to constitute this Indenture a valid and binding agreement securing payment of the principal of, premium, if any, and interest on all Bonds issued and to be issued hereunder, have been done and performed; and the creation, execution and delivery of this Indenture and the creation, execution and issuance of the Bonds, subject to the terms hereof, in all respects duly have been authorized;

GRANTING CLAUSES

Now, THEREFORE, THIS TRUST INDENTURE WITNESSETH: That, to secure the payment of the principal and purchase price of, and premium, if any, and interest on the Bonds according to their tenor and effect and the performance of all covenants and conditions therein and herein contained, and on a subordinated basis, to secure the obligations of the Borrower to the Bank under the Reimbursement Agreement, and in consideration of the premises, and of the purchase of the Bonds by the holders thereof, the City by these presents does grant, to the Trustee and its successors in trust, a lien on and a security interest in the following described property, rights, privileges and franchises,

GRANTING CLAUSE FIRST

All right, title and interest and privilege of the City now owned or hereafter acquired in, to and under the Agreement and any agreement supplementing, extending or modifying the same, including, without limitation, all present and future rights of the City to make claim for,

collect and receive any income, revenues, issues, profits, insurance proceeds and other sums of money payable to or for the account of or receivable by the City under the Agreement (whether payable pursuant to the Agreement or otherwise), to bring actions and proceedings under the Agreement or for the enforcement thereof, to pursue the remedies provided in the Agreement upon the occurrence of an event of default thereunder, and to do any and all things that the City is or may become entitled to do under the Agreement, but excluding the rights of the City (a) to receive payment of expenses [a fee to the City of Chicago Department of Housing] and attorneys' fees thereunder, (b) for indemnification under Section 5.2 of the Agreement, (c) to receive notices and other documents under the Agreement, (d) to inspect the Project Facilities and the books and records of the Borrower under Sections 5.1 and 5.3 of the Agreement; and (e) to participate in proceedings in the event of an event of Default under Section 9.1 hereof.

GRANTING CLAUSE SECOND

All monies and securities held by the Trustee in any of the funds or accounts established under this Indenture (except certain amounts held in the Bond Purchase Fund, as provided herein), subject, however, to the application thereof to the uses and in the manner set forth in this Indenture;

GRANTING CLAUSE THIRD

All property which is by the express provisions of this Indenture required to be subject to the lien hereof and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien hereof, by the City or by anyone in its behalf, and the Trustee is hereby authorized to receive the same at any time as additional security hereunder; and

To HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien and security interest created by this Indenture, to the Trustee and its successors in trust and assigns forever.

IN TRUST, NEVERTHELESS, upon the terms and conditions herein set forth for the equal and proportionate benefit, security and protection of all present and future Owners of the Bonds issued under and secured by this Indenture, without preference, privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any other of the Bonds except as provided herein; and on a subordinated basis for the benefit, security and protection of the Bank as described above.

PROVIDED that if the City, its successors and assigns, shall well and truly pay or cause to be paid the principal or redemption price of the Bonds and the interest due or to become due thereon, at the times and in the manner recited in the form of Bond hereinbefore set forth

according to the true intent and meaning thereof, and shall cause the payments to be made into that Bond Fund as required under Article V hereof or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon (or Governmental Obligations, as hereinafter defined, sufficient for that purpose as provided in Article VIII hereof), and shall well and truly keep, perform and observe all the covenants and conditions required pursuant to the terms of this Indenture to be kept, performed and observed by it, 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, and shall pay all amounts owing to the Bank under the Reimbursement Agreement and return the Letter of Credit to the Bank for cancellation, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void, and the Trustee shall forthwith release, surrender and otherwise cancel any interest it may have in the Agreement and the Note; otherwise this Indenture be and remain in full force and effect.

THIS TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said payments, revenues, rents and receipts hereby pledged are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners, from time to time, of the said Bonds, as follows:

ARTICLE I. **DEFINITIONS**

All words and phrases defined in Article I of the Agreement shall have the same meanings in this Indenture. In addition, the following words and phrases shall have the following meanings:

"Acquisition and Construction Fund" means the City of Chicago Acquisition and Construction Fund (Uptown Preservation Apartments Project), created and established in Section 6.6 of this Indenture.

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

"Agreement" means the Loan Agreement dated as of January 1, 2007, by and between the City and the Borrower, as from time to time supplemented and amended.

"Alternate Credit Facility" means an irrevocable letter of credit, a surety bond, an insurance policy or other credit facility delivered to the Trustee pursuant to Section 5.7(d) of the Agreement.

"Authenticating Agent" means the Trustee or the Paying Agent.

"Available Moneys" mean (a) with respect to any date on which principal of, premium, if any, or interest on the Bonds is due or the purchase price of any Bond is payable during the term of the Letter of Credit, (i) Bond proceeds deposited with the Trustee contemporaneously with the issuance and sale of the Bonds and which were continuously thereafter held subject to the lien of this Indenture in a separate and segregated fund, account or subaccount established hereunder in which no moneys which were not Available Moneys were at any time held, together with investment earnings on such Bond proceeds; (ii) moneys (A) paid by the Borrower to the Trustee, (B) held in any fund, account or subaccount established hereunder in which no other moneys which are not Available Moneys are held, and (C) which have so been on deposit with the Trustee for at least 123 consecutive days from their receipt by the Trustee during and prior to which period no petition by or against the City or the Borrower under any bankruptcy or similar law now or hereafter enacted shall have been filed (unless such petition shall have been dismissed and such dismissal be final and not subject to appeal), together with investment earnings on such moneys; (iii) moneys received by the Trustee from any draw on the Letter of Credit, together with investment earnings on such moneys; (iv) proceeds from the remarketing of any Bonds pursuant hereto to any person other than the Borrower, any affiliate or general partner of the Borrower, the City or any person which is an "insider" of any such person within the meaning of Title 11 of the United States Code, as amended (the "Bankruptcy Code"); (v) the proceeds of any obligations issued to refund the Bonds (and the proceeds of the investment thereof); and (vi) any other moneys or securities, if there is delivered to the Trustee at the time of issuance and sale of such Bonds an opinion (which may assume that no owner of Bonds is an "insider" within the meaning of the Bankruptcy Code) of nationally recognized bankruptcy counsel to the effect that the use of such proceeds to pay the principal of, premium, if any, or interest on the Bonds would not be avoidable as preferential payments under Section 547 of the Bankruptcy Code which could be recovered under Section 550(a) of the Bankruptcy Code should the City or the Borrower become a debtor in a case or proceeding commenced thereunder, and (b) with respect to any date on which principal of, premium, if any, or interest on the Bonds is due or the purchase price of any Bond is payable during a period in which the Letter of Credit is not in effect, any moneys furnished to the Trustee pursuant to this Indenture and the proceeds from the investment thereof. Notwithstanding the foregoing, when used with respect to the payment of any amounts due in respect of Borrower Bonds, the term "Available Moneys" shall mean any moneys held by the Trustee and the proceeds from the investment thereof, except for moneys drawn under the Letter of Credit.

"Bank" means initially, _____ Chicago, Illinois, in its capacity as the issuer of the initial Letter of Credit pursuant to Section 5.7(a) of the Agreement, its successors in such capacity and their assigns, and the issuer of any substitute Letter of Credit or Alternate Credit Facility pursuant to Section 5.7(c) or Section 5.7(d) of the Agreement, its successors in such capacity and their assigns.

"Beneficial Owners" means the person in whose name a Bond is recorded as beneficial owner of such Bond by the Depository as a participant or indirect participant.

"Bond" or "Bonds" means the Variable Rate Demand Multi-Family Housing Revenue Bonds (Uptown Preservation Apartments Project) Series 2007 of the City, in the original aggregate principal amount of \$ _____ issued pursuant to this Indenture.

"Bond Counsel" means the counsel who rendered the opinion as to the tax-exempt status of the interest on the Bonds on the date of the issuance, sale and delivery of the Bonds or such other nationally recognized municipal bond counsel of recognized expertise with respect to such matters as may be mutually satisfactory to the City, the Borrower, the Bank and the Trustee.

"Bond Fund" means the City of Chicago Bond Fund (Uptown Preservation Apartments Project), created and established by Section 6.2 of this Indenture.

"Bond Ordinance" means the ordinance adopted by the City Council of the City on [December ____, 2006], which authorizes the issuance of the Bonds.

"Bond Purchase Fund" means the City of Chicago Bond Purchase Fund (Uptown Preservation Apartments) created and established by Section 6.8 of this Indenture.

"Bond Registrar" means _____, Chicago, Illinois, and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor bond registrar at the time serving as such hereunder.

"Bondholder" or "holder" or "owner" of a Bond means the Registered Owner of such Bonds.

"Borrower" means Community Housing Partners XI L.P., an Illinois limited partnership, its successors and assigns.

"Borrower Bonds" means any Bonds (i) owned or held by the Borrower or the City or an agent of the Trustee for the account of the Borrower or the City or (ii) with respect to which the Borrower or the City has notified the Trustee, or which the Trustee actually knows, was purchased by another person for the account of the Borrower or the City.

"Business Day" means any day other than (i) a day on which banking institutions in the city in which the designated corporate trust office of the Trustee or the Tender Agent is located are required or authorized by law to remain closed, (ii) a day on which banking institutions in the city in which the office of the Bank where drawings under the Letter of Credit are to be made is located are required or authorized by law to remain closed, (iii) a day on which the principal office of the Remarketing Agent is required or authorized by law to remain closed or (iv) a day on which the New York Stock Exchange is closed.

"Cap Rate" means the rate per annum equal to the least of (a) __ percent per annum, (b) the maximum interest rate at the time then specified in the Letter of Credit (initially, __ percent per annum) or (c) the maximum contract rate of interest permitted by the laws of the State.

"City" means the City of Chicago, party of the first part to this Indenture, and its lawful successors and assigns.

"Code" means the federal Internal Revenue Code of 1986, as amended, and any regulations, temporary regulations and proposed regulations promulgated thereunder, or applicable thereto.

"Conversion Date" means the date on which the Fixed Rate on the Bonds is effective pursuant to Section 2.2 hereof.

"Cost" or "Costs" means any cost in respect of the Project permitted under the Agreement.

"Depository" means DTC, or any other person who shall be an owner of all Bonds directly or indirectly for the benefit of Beneficial Owners and approved by the City, the Borrower, the Trustee and the Remarketing Agent to act as the Depository; provided that any Depository shall be registered or qualified as a "clearing agency" within the meaning of Section 17 A of the Securities Exchange Act of 1934, as amended.

"Determination of Taxability" means (i) the receipt by the Borrower of a written notice from the Trustee or the receipt by the Borrower and the Trustee of a written notice from any owner of any Bond of the issuance of a preliminary letter regarding a proposed deficiency or a statutory notice of deficiency by the Internal Revenue Service which holds, in effect, that the interest payable on such Bond, or any installment thereof, is includible in the federal gross income of the taxpayer named therein (other than a "substantial user" of the Project Facilities or a "related person," within the meaning of Section 147(a) of the Code); or (ii) the delivery to the Borrower and the Trustee of an opinion of Bond Counsel to the effect that the interest payable on any Bond, or any installment thereof, is includible in the federal gross income of the taxpayer named therein (other than a "substantial user" of the Project Facilities or a "related person," within the meaning of Section 147(a) of the Code); or (iii) filing by the Borrower with the Trustee, any owner of any Bond or the Internal Revenue Service of any certificate, statement, or other tax schedule, return or document which discloses that the interest payable on any Bond, or any installment thereof, is includible in the federal gross income of the owner of any Bond or any former owner of any Bond (other than a "substantial user" of the Project Facilities or a "related person," within the meaning of Section 147(a) of the Code); or (iv) any amendment, modification, addition or change shall be made in any provision of the Code or in any regulation or proposed regulation thereunder, or any ruling shall be issued or revoked by the Internal Revenue Service; or any other action shall be taken by the Internal Revenue Service, the Department of Treasury or any other governmental agency, authority or instrumentality, or any opinion of any federal court or of the United States Tax Court shall be rendered, and the Trustee, the Bank or the owner of any Bond shall have notified the Borrower and the Trustee in writing that, as a result of any such event or condition, Bond Counsel is unable to give an unqualified opinion that the interest payable on any Bond, or any installment thereof, made on or after a date specified in said notice is excludible from the federal gross income of the taxpayer named therein (other than a "substantial user" of the Project Facilities or a "related person," within the meaning of Section 147(a) of the Code). No event described in clause (i) above shall constitute a Determination of Taxability unless the Borrower has been afforded the opportunity to contest the same either directly or in the name of any Bondholder or Beneficial Owner, and until conclusion of any appellate review, if sought.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Event of Default" means any occurrence or event specified as such in Section 9.1 hereof

"Fixed Rate" means the interest rate to be borne by the Bonds on and after the Conversion Date, established in accordance with Section 2.2 hereof.

"Fixed Rate Interest Payment Date" has the meaning set forth in Section 2.2 hereof

"Fixed Rate Period" means the period from and after the Conversion Date until the maturity date of the Bonds.

"Governmental Obligations" means noncallable, direct general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Indenture" means this Trust Indenture, as from time to time supplemented and amended.

"Interest Payment Date" means, as the context requires, a Variable Rate Interest Payment Date or a Fixed Rate Interest Payment Date.

"Land Use Restriction Agreement" means the Land Use Restriction Agreement dated as of the date hereof, among the City, the Borrower and the Trustee.

"Letter of Credit" means the initial irrevocable, transferable Letter of Credit delivered to the Trustee pursuant to Section 5.7(a) of the Agreement, and, unless the context of use indicates another or different meaning or intent, any substitute Letter of Credit delivered to the Trustee pursuant to Section 5.7(c) of the Agreement, and any extensions or amendments thereof.

"Letter of Credit Substitution" means the delivery of a substitute Letter of Credit if the Trustee has not received a Maintenance of Rating at least 35 days prior to what would otherwise be the Letter of Credit Substitution Date.

"Letter of Credit Substitution Date" means the fifth Business Day next preceding the proposed date of a Letter of Credit Substitution.

"Letter of Credit Termination Date" means the first Business Day of the calendar month in which the Stated Expiration Date of the Letter of Credit is to occur (as extended from time to time), unless the Borrower shall have caused the delivery of a substitute Letter of Credit to the Trustee pursuant to Section 5.7(c) of the Agreement at least 35 days prior to such Letter of Credit Termination Date.

"Maintenance of Rating" means (i) if the Bonds are then rated by either Moody's or S&P, written confirmation from Moody's (only if Moody's is then maintaining a rating on the Bonds)

and S&P (only if S&P is then maintaining a rating on the Bonds), that upon the effective date of the substitute Letter of Credit, the existing ratings on the Bonds will not be withdrawn or reduced as a result of the substitution of such Letter of Credit, or (ii) if the Bonds are not then rated by a Rating Agency, written verification that the higher of the commercial paper credit ratings from Moody's and S&P of the provider of the substitute Letter of Credit is at least equal to the higher of the then commercial paper credit ratings of the Bank which provided the Letter of Credit for which the substitute Letter of Credit is being issued.

"Moody's" means Moody's Investors Service, Inc., a corporation duly organized and validly existing under the laws of the State of Delaware, and its successor and assigns.

"Note" means the promissory note of the Borrower made payable to the Trustee pursuant to Section 4.2(a) of the Agreement.

"Offering Document" means the offering documents related to the sale or placement of the Bonds dated _____, 2007, among the City, the Borrower and the Underwriter, as from time to time supplemented and amended.

"Outstanding" or "Bonds outstanding" means all Bonds which have been authenticated and delivered by the Trustee under this Indenture, except:

- (a) Bonds canceled after purchase or because of payment at maturity or upon redemption prior to maturity;
- (b) Bonds or portions thereof (of authorized denominations) deemed to be paid, as provided in Article VIII hereof;
- (c) Bonds in lieu of which other Bonds have been authenticated under Sections 2.7, 2.8, 3.2, 4.1 and 4.2 hereof; and
- (d) Unsurrendered Bonds.

If this Indenture shall have been discharged pursuant to the provisions of Article VIII hereof, no Bonds shall be deemed to be Outstanding within the meaning of this provision.

"Paying Agent" means the Bond Registrar, serving as paying agent pursuant to this Indenture.

"Project" means the acquisition, rehabilitation and equipping of the Project Facilities.

"Project Facilities" means, collectively, the real estate and other property located at 900 West Windsor Avenue, 4431 North Clifton Avenue, and 927 West Wilson Avenue, Chicago, Illinois, including all of the buildings and improvements to be erected or installed therein and thereon, together with fixtures, machinery, furnishings and equipment included therein and all replacements thereto.

"Proposed Conversion Date" means any Interest Payment Date designated by the Borrower as the Conversion Date under this Indenture.

"Purchased Bonds" has the meaning set forth in Section 6.9 hereof.

"Rating Agency" means S&P, Moody's, and their respective successors and assigns, and, if for any reason either such rating agency no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City and approved in writing by the Borrower and the Bank.

"Rating Category" or "Rating Categories" means one or more of the generic rating categories of a nationally recognized securities rating agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

"Record Date" means, during the Variable Rate Period, the Business Day immediately preceding a Variable Rate Interest Payment Date on the Bonds, and during the Fixed Rate Period, the fifteenth day of the calendar month immediately preceding a Fixed Rate Interest Payment Date on the Bonds.

"Registered Owner" means the person or persons in whose name or names a Bond is registered on the registration books of the City maintained by the Bond Registrar for that purpose in accordance with the terms of this Indenture.

"Reimbursement Agreement" means the initial Reimbursement Agreement dated as of January 1, 2007, between the Borrower and the Bank, as from time to time supplemented and amended, under the terms of which the Bank agrees to issue and deliver the initial Letter of Credit to the Trustee; and, unless the context or use indicates another or different meaning or intent, any letter of credit agreement or reimbursement agreement between the Borrower and the issuer of any substitute Letter of Credit delivered to the Trustee pursuant to Section 5.7(b), Section 5.7(c) or Section [5.7(d)] of the Agreement, as from time to time supplemented and amended, which provides that it is a Reimbursement Agreement for purposes of the Agreement and this Indenture.

"Remarketing Agent" means _____, and any successors thereto, appointed in accordance with Section 10.11 hereof.

"Remarketing Agreement" means the Remarketing Agreement dated as of January 1, 2007, by and between the Borrower and the Remarketing Agent, as from time to time supplemented and amended.

"Representation Letter" means the Blanket Issuer Letter of Representations from the City and dated _____ and accepted by DTC.

"Revenues" means the amounts pledged to the payment of the principal of, premium, if any, and interest on the Bonds, consisting of the following: (i) all amounts payable pursuant to Section 4.2(a) of the Agreement, including amounts payable on the Note, and all receipts of the

Trustee credited under the provisions of this Indenture against said amount payable, including all moneys drawn by the Trustee under the Letter of Credit to pay the principal of, premium, if any, and interest on the Bonds, (ii) any portion of the net proceeds of the Bonds deposited with the Trustee under Sections 6.1 and 6.7 hereof, and (iii) any amounts paid into the Bond Fund from the Acquisition and Construction Fund, including income on investments of the Bond Fund and the Acquisition and Construction Fund.

"S&P" means Standard & Poor's, a Division of The McGraw-Hill Companies, Inc., and its successors and assigns.

"State" means the State of Illinois.

"Stated Expiration Date" means the [fifteenth] day of a calendar month, which day is the date on which the Letter of Credit is stated to expire.

"Substantial User" means "substantial user" within the meaning of Section 147(a) of the Code (or any successor sections thereto).

"Tax Agreement" means the Arbitrage and Tax Regulatory Agreement dated as of the date of issuance of the Bonds, among the Borrower, the City and the Trustee.

"Tender Agent" means _____, Chicago, Illinois, serving as tender agent pursuant to this Indenture and any successor tender agent at the time serving as such hereunder.

"Trust Estate" means the property conveyed to the Trustee pursuant to the Granting Clauses of this Indenture.

"Trustee" means _____, Chicago, Illinois, an Illinois state banking corporation and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

"Underwriter" means _____ and _____, Chicago, Illinois, and any successors thereto.

"Unsurrendered Bonds" means Bonds (or portions thereof in authorized denominations) which are not tendered as required under the provisions of Section 4.1 and Section 4.2 hereof, but for which there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the purchase price thereof and of all other Bonds tendered or deemed to be tendered for purchase on the applicable Mandatory Tender Date, as defined in Section 4.2 hereof.

"Variable Rate" means the interest rate on the Bonds from time to time in effect during the Variable Rate Period as established in Section 2.2 hereof.

"Variable Rate Interest Payment Date" has the meaning set forth in Section 2.2 hereof.

"Variable Rate Period" means the period from the date of the initial delivery of the Bonds to the earlier of the Conversion Date or the maturity date of the Bonds.

ARTICLE II. THE BONDS

Section 2.1. Authorized Amount of Bonds/Authentication and Delivery of Bonds. The total principal amount of Bonds that may be issued is hereby expressly limited to \$_____ except as provided in Sections 2.7, 2.8, 3.2, 4.1 and 4.2 hereof.

The Trustee, forthwith upon execution and delivery of this Indenture or thereafter, from time to time, upon execution and delivery to the Trustee by the City of the Bonds, and without any further action on the part of the City, shall authenticate the Bonds in an aggregate principal amount not to exceed \$_____, and shall deliver the Bonds upon the request of the City.

Section 2.2. Issuance of Bonds; Disposition of Proceeds. The Bonds shall be designated "City of Chicago, Variable Rate Demand Multi-Family Housing Revenue Bonds (Uptown Preservation Apartments Project) Series 2007," and shall be in the aggregate principal amount of \$_____. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article II. Except as provided in Section 3.2 hereof, the Bonds shall be issuable only as fully registered Bonds without coupons in denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof, during the Variable Rate Period, and in denominations of \$5,000 and any integral multiple thereof during the Fixed Rate Period. Unless the City shall otherwise direct, the Bonds shall be numbered separately from R-1 upward.

All Bonds shall be dated the date of initial issuance and delivery thereof by the City, and shall mature on January 1, 20__ (subject to prior redemption as hereinafter provided in Article III). Bonds shall also bear the date of their respective authentication as specified in Section 2.4 hereof. Interest on the Bonds shall be payable during the Variable Rate Period on [February 1,] 2007, on the first Business Day of each calendar month thereafter and on the Conversion Date (each a "Variable Rate Interest Payment Date"), until the earlier of the Conversion Date or the maturity date of the Bonds and during the Fixed Rate Period on the first day of the [January] or [July] immediately following the Conversion Date and on the first day of each [January] and [July] thereafter (each a "Fixed Rate Interest Payment Date"), until paid.

The Bonds shall bear interest at the rate that is in effect from time to time in accordance with the provisions hereinafter set forth (calculated during the Variable Rate Period on the basis of it calendar year consisting of 365 or 366 days, as the case may be, and calculated on the actual number of days elapsed, and calculated during the Fixed Rate Period on the basis of a calendar year of 360 days consisting of twelve 30-day months). Interest shall accrue on overdue payments of principal, premium, if any, and interest as provided in the form of Bond. The Bonds shall bear interest at the Variable Rate during the Variable Rate Period from the Variable Rate Interest Payment Date to which interest on the Bonds has been paid or duly provided for immediately

preceding the date of authentication thereof, unless (a) such date of authentication shall be dated on or prior to the Record Date for the first Variable Rate Interest Payment Date, in which case the Bonds shall bear interest from the date of the initial delivery of the Bonds, or (b) such date of authentication shall be after a Record Date and prior to a Variable Rate Interest Payment Date to which interest on the Bonds has been paid or duly provided for, in which case the Bonds shall bear interest from such Variable Rate Interest Payment Date; and shall bear interest at the Fixed Rate during the Fixed Rate Period from the Fixed Rate Interest Payment Date to which interest on the Bonds has been paid or duly provided for immediately preceding the date of authentication thereof, unless (a) such date of authentication shall be on or prior to the Record Date for the first Fixed Rate Interest Payment Date immediately following the Conversion Date, in which case the Bonds shall bear interest from the Conversion Date, or (b) such date shall be a Fixed Rate Interest Payment Date to which interest on the Bonds has been paid or duly provided for, in which case the Bonds shall bear interest from such Fixed Rate Interest Payment Date.

During the Variable Rate Period, the Bonds shall bear interest from the date of the initial delivery of the Bonds or the Thursday of a week, as the case may be, to and including the [Wednesday] of the next week at the Variable Rate for such interest rate period (an "Interest Rate Period") as follows: (i) during the initial Interest Rate Period, as measured from the date of the initial delivery of the Bonds to and including the [Wednesday] of the immediately following week, at a rate of [] percent, and (ii) during each Interest Rate Period thereafter, at a rate equal to the lesser of (a) the Cap Rate, or (b) the interest rate established by the Remarketing Agent in the following manner: on the [Wednesday] of each week succeeding the initial delivery date (or the immediately preceding Business Day if any such [Wednesday] is not a Business Day), the Remarketing Agent shall determine the interest rate that would result in the market value of the Bonds on the effective date of such interest rate being 100 percent of the principal amount thereof, and on such date shall give notice of the interest rate so determined by telephone or electronic transmission, promptly confirmed in writing, to the Trustee, the Paying Agent, the Borrower and the Bank, and the interest rate so determined [if not greater than the Cap Rate] shall be the interest rate on the Bonds for the immediately following Interest Rate Period; provided that if for any reason the interest rate on the Bonds for any such Interest Rate Period is not or cannot be established in the foregoing manner, the Variable Rate for the immediately preceding interest rate period shall remain in effect for such Interest Rate Period. The Trustee shall confirm the interest rate on the Bonds from time to time in effect by telephone (confirmed in writing if requested). The determination of the Variable Rate shall be conclusive and binding on the City, the Borrower, the Trustee, the Tender Agent, the Paying Agent, the Remarketing Agent, the Bank and the Registered Owners from time to time of the Bonds.

Notwithstanding the above, the Bonds shall bear interest at the Fixed Rate for the Fixed Rate Period equal to the lesser of (a) the Cap Rate, or (b) the interest rate established by the Remarketing Agent in the following manner: in order to establish the Fixed Rate, the City, the Trustee, the Remarketing Agent and the Tender Agent shall have received written notice from the Borrower of the exercise of its option to convert the interest rate borne by the Bonds to the Fixed Rate at least 45 days prior to the Proposed Conversion Date, together with the written consent of the Bank to such conversion. On or before the Business Day next preceding the Proposed Conversion Date, the Remarketing Agent shall determine the interest rate that would result in the market value of the Bonds on the Proposed Conversion Date being 100 percent of

the principal amount thereof, and on such date shall give notice by electronic transmission or telephone, promptly confirmed in writing, of the interest rate so determined to the City, the Trustee, the Borrower, the Tender Agent and the Bank, and the interest rate so determined shall be the Fixed Rate from and after the Conversion Date. Notwithstanding the foregoing, such Fixed Rate shall not take effect if there shall not have been supplied to the City, the Trustee, the Borrower, the Remarketing Agent, the Tender Agent and the Bank at or prior to 10:00 A.M., New York time, on the Proposed Conversion Date an opinion of Bond Counsel stating that such conversion to the Fixed Rate is lawful under applicable law and permitted by the Indenture and that such conversion to the Fixed Rate will not have an adverse effect on the exclusion of the interest on the Bonds from the gross income of the Registered Owners thereof for purposes of federal income taxation. If all conditions to the establishment of the Fixed Rate are not met, the Bonds shall bear interest at the Variable Rate for the remaining portion of the current Interest Rate Period at the Variable Rate then in effect, or for an Interest Rate Period at the Variable Rate in effect for the immediately preceding Interest Rate Period and will continue to remain outstanding in accordance with the terms of this Indenture as if no such election had been made by the Borrower to convert the interest rate borne by the Bonds to the Fixed Rate. The determination of the Fixed Rate shall be conclusive and binding on the City, the Borrower, the Trustee, the Remarketing Agent, the Tender Agent, the Bank and the owners from time to time of all the Bonds.

Notwithstanding any term or provision hereof to the contrary, there shall be no Letter of Credit, substitute Letter of Credit or Alternate Credit Facility with respect to Bonds in the Fixed Rate Period, unless the Trustee shall have received an opinion of Bond Counsel to the effect that the addition or extension of any Letter of Credit, substitute Letter of Credit or Alternate Credit Facility with respect to the Bonds in the Fixed Rate Period will not have an adverse effect on the exclusion of interest on the Bonds from the gross income of the Registered Owners thereof for purposes of federal income taxation.

The Bond Registrar shall stamp a legend on the face of each Bond authenticated on or after the Conversion Date in substantially the following form:

"This Bond bears interest at the Fixed Rate, as defined in this Bond, which is _____ % per annum, from and after _____."

The Bonds shall be subject to redemption prior to maturity as set forth in Article III hereof, and shall be subject to tender for purchase as set forth in Article IV hereof.

The proceeds derived from the issuance of the Bonds shall be applied as provided in Section 2.10 hereof.

Section 2.3. Execution; Limited Obligation. The Bonds shall be executed on behalf of the City with the manual or electronic transmission signature of its Mayor and shall have impressed or imprinted thereon the official seal of the City or a electronic transmission thereof and shall be attested by the manual or electronic transmission signature of its City Clerk or Deputy City Clerk. All authorized electronic transmission signatures shall have the same force and effect as if manually signed. If any official whose signature or a electronic transmission of whose signature

shall appear on the Bonds shall cease to be such official before the authentication or delivery of such Bonds, such signature or such electronic transmission shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery. The Bonds may be signed on behalf of the City by such persons who, at the time of the execution of such Bonds, are duly authorized or hold the appropriate office of the City, although on the date of the Bonds such persons were not so authorized or did not hold such offices.

The Bonds, together with premium, if any, and interest thereon, are special, limited obligations of the City, payable solely from the Revenues and are a valid claim of the owners from time to time thereof only against the Bond Fund and other moneys held by the Trustee and the Tender Agent and pledged to the payment of the Bonds, and the Revenues, which Revenues shall be used for no other purpose than to pay the principal installments of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in this Indenture or the Agreement. The Bonds are not an indebtedness of the City or a charge against its general credit or the general credit taxing powers of the State, the City, or any other political subdivision thereof, and shall never give rise to any pecuniary liability of the City, and neither the City, the State nor any other political subdivision thereof shall be liable for the payments of principal of and, premium, if any, and interest on the Bonds, and the Bonds are payable from no other source, but are special, limited obligations of the City, payable solely out of the Revenues and receipts of the City derived pursuant to the Agreement. No owner of the Bonds has the right to compel any exercise of the taxing power of the State, the City or any other political subdivision thereof to pay the Bonds or the interest or premium, if any, thereon.

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on the Bonds or for any claim based thereon or any obligation, covenant or agreement in this Indenture against any official of the City, or any official, officer, agent, employee or independent contractor of the City or any person executing the Bonds. No covenant, stipulation, promise, agreement or obligation contained in the Bonds, this Indenture or any other document executed in connection herewith shall be deemed to be the covenant, stipulation, promise, agreement or obligation of any present or future official, officer, agent or employee of the City in his or her individual capacity and neither any official of the City nor any officers executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

Section 2.4. Authentication. No Bond is valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond substantially in the form hereinabove set forth has been duly executed by the Authenticating Agent, and such executed certificate of the Authenticating Agent upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture and that the Bondholder thereof is entitled to the benefit of the trust hereby created.

Section 2.5. Form and Place of Payment of Bonds. The Bonds issued under this Indenture shall be substantially in the form hereinabove set forth with such variations, omissions and insertions as are permitted or required by this Indenture.

The principal of and premium, if any, and interest on the Bonds is payable in lawful money of the United States of America only at the designated corporate trust office of the Paying Agent. Payment of interest on any Bond due on any regularly scheduled Interest Payment Date shall be made to the Registered Owner thereof. Payments of interest on any Bond shall be made by check or draft of the Paying Agent mailed on the applicable Interest Payment Date to the Registered Owner thereof as of the Record Date preceding such Interest Payment Date at the address of such Registered Owner as it appears on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished to the Paying Agent in writing by such Registered Owner no later than the close of business on such Record Date; provided that on or prior to the Conversion Date, payments of interest on any Bond may be made by wire transfer in immediately available funds to the Registered Owner of such Bond if such Registered Owner is the Registered Owner of at least \$1,000,000 in aggregate principal amount of the Bonds as of the close of business on the Record Date immediately preceding the applicable Interest Payment Date and such Registered Owner gives written notice to the Paying Agent on or before the second Business Day immediately preceding such Record Date, directing the Paying Agent to make such payments of interest by wire transfer and identifying the location and number of the account to which such payments should be wired. The Trustee shall transfer to the Paying Agent, from moneys on deposit in the Bond Fund, on or before a scheduled payment date, amounts sufficient to make such payments to the Registered Owner in immediately available funds.

Section 2.6. Delivery of Bonds. Upon the execution and delivery of this Indenture, the City shall execute and deliver to the Trustee and the Trustee shall authenticate the Bonds and deliver them to the purchaser or purchasers thereof as directed by the City as hereinafter in this Section 2.6 provided.

Prior to the delivery of any of the Bonds there shall be filed with the Trustee (and the Trustee shall notify the Authenticating Agent of such filing):

1. A copy, duly certified by an authorized officer of the City, of the Bond Ordinance.
2. The Note, the Letter of Credit and original executed counterparts of this Indenture, the Agreement, the Reimbursement Agreement, the Offering Document and the Remarketing Agreement.
3. A written request and authorization to the Authenticating Agent by the City and signed by an authorized officer of the City to authenticate and deliver the Bonds to the purchaser or purchasers therein identified upon payment to the Trustee, but for the account of the City, of a sum specified in such written request and authorization representing the principal proceeds of the Bonds, plus a sum specified in such request and authorization representing accrued interest, if any, thereon to the date of delivery.
4. Evidence of recordation of the Land Use Restriction Agreement.

Section 2.7. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond is mutilated, lost, stolen or destroyed, the City may execute and the Authenticating Agent may authenticate a new

Bond of like denomination as that mutilated, lost, stolen or destroyed, bearing a number not contemporaneously then outstanding; provided that in the case of any mutilated bond, such mutilated Bond shall first be surrendered to the Bond Registrar, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the City, the Trustee, the Bond Registrar and the Borrower evidence of such loss, theft or destruction satisfactory to the City, the Trustee, the Bond Registrar and the Borrower, together with an indemnity satisfactory to each of them. If any such Bond shall have matured or is to mature within 15 days after the request for a new Bond, instead of issuing a duplicate Bond, the City may pay the same on the appropriate date. As a prerequisite to the delivery of such Bonds, the City and the Authenticating Agent may charge the owner of such Bond with their reasonable fees and expenses in this connection.

Section 2.8. Registration, Transfer and Exchange of Bonds.

(a) The Trustee, as Bond Registrar, shall fully register, on the registration books of the City to be maintained by the Trustee, each of the Bonds issued hereunder in the name of the owner. The registration books shall be kept for that purpose at the designated corporate trust office of the Trustee. No transfer of a Bond shall at any time be valid unless it is made in the registration books at the written request of the Registered Owner or his legal representative. A Bond is transferable by the Registered Owner or his duly authorized attorney at the designated corporate trust office of the Trustee, upon surrender of the Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Trustee, subject to such reasonable regulations as the City or the Trustee may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new fully registered Bond or Bonds of the same maturity and in the same aggregate principal amount will be issued to the transferee.

(b) The City and the Trustee shall not be required to (i) issue or register the transfer of or exchange any Bonds to be considered for redemption during the period beginning on the 10th day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day of mailing of the notice of redemption or (ii) register the transfer of or exchange any portion of any Bonds selected for redemption until after the redemption date.

(c) Upon payment of any required tax, fee or other governmental charge and subject to the conditions provided in this Indenture, Bonds, upon the surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Registered Owner thereof, may be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity and interest rate of any other authorized denomination.

(d) The City and the Trustee may deem and treat the person in whose name the Bond shall be registered at any particular point in time (whether such time is a Record Date or otherwise) as the absolute owner thereof for all purposes, whether such Bond shall be overdue or not, and payment of or on account of the principal of or interest on any such Bond shall be made only to or upon the order of the Registered Owner thereof (at such point in time as provided herein) or his legal representative, but such registration may be changed, as herein provided. All such payments made by the Trustee pursuant to this Indenture shall be valid and effectual to

satisfy and discharge the liability of the City upon any such Bond, to the extent of the sum or sums so paid, and neither the City nor the Trustee shall be affected by any notice to the contrary.

Section 2.9. Cancellation of Bonds; Reductions of Letter of Credit. Whenever any outstanding Bond shall be delivered to the Trustee or the Bond Registrar for cancellation pursuant to this Indenture, upon payment of the principal amount represented thereby, or for replacement pursuant to Section 2.7 hereof, or upon exchange or transfer pursuant to Section 2.8 hereof, or upon partial redemption pursuant to Section 3.2 hereof, or upon tender for purchase pursuant to Section 4.1 or Section 4.2 hereof, such Bond shall be delivered by the Trustee or the Tender Agent to the Bond Registrar, shall be promptly canceled and destroyed by the Bond Registrar and counterparts of a certificate evidencing such cancellation and destruction shall be furnished by the Bond Registrar to the Trustee, the Tender Agent, the City and the Borrower. If the Bonds (other than Bonds held by the Tender Agent pursuant to Section 6.9 hereof) are redeemed prior to maturity in part pursuant to Article III hereof and delivered by the Borrower to the Trustee for cancellation pursuant to this Section 2.9 in the aggregate principal amount of \$100,000 or more, the Trustee may, and at the request of the Bank shall, reduce the amount of the Letter of Credit in accordance with its terms in an amount equal to the principal amount of such Bonds plus interest on such principal amount for the number of days of interest coverage then specified in the Letter of Credit at the Cap Rate.

Section 2.10. Application of Bond Proceeds. The proceeds of the Bonds shall be deposited with the Trustee, as follows:

(a) Accrued interest, if any, shall be deposited in the Principal and Interest Account of the Bond Fund;

(b) \$ _____ shall be deposited in the Capitalized Interest Subaccount of the Bond Fund to pay capitalized interest on the Bonds through [January __, 2008] and

(c) \$ _____ shall be deposited in the Acquisition and Construction Fund.

Section 2.11. Book Entry System. Initially, it is intended that the Bonds be registered so as to participate in a securities depository system with DTC (the "DTC System"), as set forth herein. The Bonds shall be initially issued in the form of a single fully registered Bond. Upon initial issuance, the ownership of such Bond shall be registered in the name of Cede & Co., as nominee of DTC. The City and the Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Representation Letter. In the event of any conflict between the terms of the Representation Letter and the terms of this Indenture, the terms of this Indenture shall control. DTC may exercise the rights of an owner only in accordance with the terms hereof applicable to the exercise of such rights.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City, the Trustee and the Borrower shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred

to herein as a "DTC Participant") or to any person on behalf of whom such a DTC Participant directly or indirectly holds an interest in the Bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, the City, the Trustee and the Borrower shall 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 an owner, as shown in the registration books of the City, 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 an owner, as shown in the registration books of the City, of any amount with respect to principal of, premium, if any, or interest on, the Bonds or the purchase price with respect to any Bonds tendered for purchase or (iv) any consent given by DTC as owner. So long as certificates for the Bonds are not issued pursuant to Section 2.12, the City, the Borrower and the Trustee may treat DTC or any successor Depository as, and deem DTC or any successor Depository to be, the absolute owner of the Bonds for all purposes whatsoever, including without limitation (i) the payment of principal and interest on the Bonds and the purchase price with respect to any Bonds tendered for purchase, (ii) giving notice of redemption and other matters with respect to the Bonds, (iii) registering transfers with respect to the Bonds and (iv) the selection of Bonds for redemption. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond certificate with respect to any Bond. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the owner at the close of business on the Record Date applicable to any Interest Payment Date, the name "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

So long as Cede & Co. is the registered owner of the Bonds, optional tender notices hereunder shall be given by the Beneficial Owner of such Bonds exercising ownership rights through DTC Participants pursuant to DTC's operating procedures as in effect from time to time.

Section 2.12. Successor Securities Depository; Transfers Outside Book Entry System. If (a) the City or the Borrower determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason or (c) the City or the Borrower determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify DTC of the availability through DTC of Bond certificates and the Bonds shall no longer be restricted to being registered in the registration books of the City in the name of Cede & Co., as nominee of DTC. At that time, the City may determine that the Bonds shall be registered in the name of and deposited with a successor Depository operating a securities depository system, as may be acceptable to the City, or such Depository's agent or designee, or if the City does not select such an alternate securities depository system then the Bonds may be registered in whatever name or names owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

Section 2.13. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Indenture to the contrary, so long as any of the Bonds are registered in the name of Cede

& Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE III. REDEMPTION OF BONDS BEFORE MATURITY

Section 3.1. Certain Redemption Dates and Prices.

(a) **Optional Redemption.** On or prior to the Conversion Date, the Bonds are subject to redemption prior to maturity by the City at the option of the Borrower pursuant to and in accordance with Sections 7.2 and 7.3 of the Agreement from funds derived pursuant to Section 6.4 hereof, as a whole or in part (and, if in part, by lot in such manner as may be designated by the Trustee, provided that Bonds held by or on behalf of the Tender Agent for the account of the Borrower resulting from a draw upon the Letter of Credit shall be first selected for redemption until all such Bonds have been redeemed which may be selected for redemption) on any date, at a redemption price of 100 percent of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption.

After the Conversion Date, the Bonds also are subject to redemption prior to maturity by the City at the option of the Borrower pursuant to Section 7.2 of the Agreement from funds derived pursuant to Section 6.4 hereof, as a whole on any date, or in part on any Interest Payment Date (and, if in part, by lot in such manner as may be designated by the Trustee, provided that Bonds held by or on behalf of the Tender Agent for the account of the Borrower resulting from a draw upon the Letter of Credit shall be first selected for redemption until all such Bonds have been redeemed which may be selected for redemption), during the redemption periods and at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued interest to the date fixed for redemption:

YEARS REMAINING FROM CONVERSION DATE UNTIL FINAL MATURITY OF THE BOND TO BE REDEEMED	FIRST DAY OF REDEMPTION PERIOD	REDEMPTION PRICES
More than 10 years	Eighth Anniversary of Conversion Date	102% declining by 1 % on each succeeding anniversary of the Conversion Date until reaching 100%, and thereafter at 100%
More than seven but not more than ten	Sixth Anniversary of Conversion Date	101 % declining by 1 % on each succeeding anniversary of the Conversion Date until reaching 100%, and thereafter at 100%
Seven years or fewer	Bonds not callable	

Notwithstanding any provision in this Indenture or the Bonds to the contrary, the Indenture and the Bonds may be amended as of the Conversion Date upon the request of the Borrower, without the consent of any of the Bondholders, to change the redemption provisions applicable during the Fixed Rate Period to such redemption provisions as are acceptable to the Borrower provided that the Borrower provides an opinion of Bond Counsel to the Trustee to the effect that such amendment will not adversely affect the exclusion from gross income of interest on the Bonds for purposes of federal income taxation and obtains the prior written consent of the Bank if the Bonds are then held by or on behalf of the Tender Agent for the account of the Borrower resulting from a draw upon the Letter of Credit.

(b) **Extraordinary Optional Redemption.** After the Conversion Date, at the option of the Borrower, with the prior written consent of the Bank, the Bonds are subject to redemption as a whole prior to maturity on any date at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the date fixed for redemption, within 360 days after the occurrence of anyone of the following events:

(i) the Project Facilities shall have been damaged or destroyed to such an extent that, in the opinion of the [Borrower], (x) the required restoration and repair could not reasonably be expected to be completed within a period of six months after commencement of restoration or repair, (y) the Borrower is prevented or would likely be prevented from using the Project Facilities for normal purposes for a period of six months or more, or (z) the cost of restoration and repair would exceed 25 percent of the original cost of acquiring, rehabilitating and equipping the Project Facilities; or

(ii) title to the whole or any part of the Project Facilities or the use or possession thereof shall have been taken or condemned by a competent authority to such an extent that, in the opinion of the [Borrower], the Borrower is prevented from using the Project Facilities for normal purposes for a period of six months or more.

(c) **Mandatory Redemption Upon Determination of Taxability.** The Bonds are subject to mandatory redemption prior to maturity by the City from funds derived from the prepayment of the Note by the Borrower pursuant to Section 7.1 of the Agreement, as a whole and not in part, on any date within 60 days of the occurrence of a Determination of Taxability, at a redemption price of 100 percent of the principal amount to be redeemed [(or 103 percent of the principal amount thereof to be redeemed during the Fixed Rate Period)] plus accrued interest to the date fixed for redemption.

(d) **Direction to Trustee to Call for Redemption.** The City hereby directs the Trustee to, and the Trustee shall, direct the Bond Registrar to call Bonds for redemption when it shall have been notified in writing by the Borrower, pursuant to Section 7.3 of the Agreement and shall direct the Bond Registrar to mail a copy of the notice of redemption to the Bank, the Borrower, the Paying Agent and the Remarketing Agent at the same time as the Bond Registrar mails such notice of redemption to the owners of the Bonds that have been called for redemption pursuant to Section 3.3 hereof; provided that so long as the Letter of Credit is in effect, the

Trustee shall not direct the Bond Registrar to give notice of any redemption pursuant to Section 3.1(a) hereof unless the Bank has consented in writing to such redemption.

Section 3.2. Partial Redemption of Bonds. In the case of a partial redemption of Bonds prior to maturity by lot when Bonds of denominations greater than \$100,000 during the Variable Rate Period or greater than \$5,000 during the Fixed Rate Period are then outstanding, then for all purposes in connection with such redemption, each \$5,000 of face value of principal amount shall be treated as though it were a separate Bond in the denomination of \$5,000, as the case may be. If it is determined that one or more, but not all of the \$5,000 units of face value represented by any Bond is to be called for redemption, then upon notice of redemption of such \$5,000 unit or units, the owner of such Bond shall forthwith surrender such Bond to the Paying Agent (1) for payment of the redemption price (including the premium, if any, and interest, if any, to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed balance of the principal amount of such Bond. If the owner of any such Bond of a denomination greater than \$5,000 of principal amount shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such Bond represented by such \$5,000 unit or units of face value on and after the date fixed for redemption and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent, and being available for the redemption of said unit or units on the date fixed for redemption) such Bond shall not be entitled to the benefit or security of this Indenture to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such \$5,000 unit or units of face value nor shall new Bonds be thereafter issued corresponding to said unit or units. Bonds shall be redeemed only in authorized denominations. During any period in which this Indenture requires minimum denominations of \$100,000, the Trustee shall not select portions of Bonds for redemption, such that the outstanding principal amount of any Bond is less than \$100,000 after giving effect to such call for redemption.

Section 3.3. Notice of Redemption. (a) Such notice of the call for any redemption shall be given by the Trustee, at the direction of the Borrower or the City (which direction shall be in writing), by directing the Bond Registrar to mail a copy of the redemption notice by first class mail, postage prepaid, at least 30 but not more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed as a whole or in part at the address shown on the registration books of the City maintained by the Bond Registrar; provided that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond, or portion thereof with respect to which no such failure or defect has occurred.

All notices of redemption shall state:

- (1) the redemption date;
- (2) the redemption price;

(3) the identification, including complete designation and issue date of the series of Bonds of which such Bonds are a part and the CUSIP number (and in the case of partial redemption, the respective principal amounts), interest rates and maturity dates of the Bonds to be redeemed;

(4) that on the date fixed for redemption the redemption price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after said date;

(5) the name and address of the Trustee and any Paying Agent for such Bonds, including the name and telephone number of a contact person and the place where such Bonds are to be surrendered for payment of the redemption price; and

(6) such other information as the Trustee deems advisable.

(b) In addition to the redemption notice required by the Section 3.3(a) hereof, further notice (the "Additional Redemption Notice") shall be given by the Trustee as set forth below, but no defect in the Additional Redemption Notice, nor any failure to give all or any portion of the Additional Redemption Notice, shall in any manner affect the effectiveness of a call for redemption if notice thereof is given as prescribed in Section 3.3(a) of this Indenture.

Each Additional Redemption Notice given hereunder shall contain the information required by Section 3.3(a) hereof, plus (i) the date such notice has been or will be mailed pursuant to this subsection (b); (ii) the date of issuance of the Bonds being redeemed, as originally issued; (iii) the maturity date of each Bond (or portion thereof) to be redeemed prior to maturity; and (iv) any other descriptive information needed to identify accurately the Bonds being redeemed prior to maturity.

Each Additional Redemption Notice shall be sent at least 30 days before the date fixed for redemption by legible electronic transmission, registered or certified mail (postage prepaid) or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, and to at least two national information services that disseminate notices of redemption of obligations such as the Bonds.

Section 3.4. Redemption Payments. On or prior to the date fixed for redemption, funds immediately available hereunder at the designated corporate trust office of the Trustee on such redemption date shall be deposited in the Bond Fund and transferred to the Paying Agent to pay, and the Paying Agent is hereby authorized and directed to apply such funds in the Bond Fund to the payment of, the Bonds or portions thereof called for redemption, together with accrued interest, if any, thereon to the date fixed for redemption and any required premium. Upon the giving of notice and the deposit of funds for redemption, interest on the Bonds or portions thereof thus called shall no longer accrue from and after the date fixed for redemption, and such Bonds shall no longer be entitled to the benefit or security of this Indenture.

Section 3.5. Cancellation. All Bonds which have been redeemed shall not be reissued but shall be canceled and disposed of by the Trustee or Bond Registrar in accordance with Section 2.9 hereof.

ARTICLE IV.
TENDERS FOR PURCHASE AND REMARKETING OF BONDS

Section 4.1. Purchase of Bonds at Option of Holder. The owner of any Bond shall have the right to tender such Bond to the Tender Agent for purchase in whole or in part (in any authorized denomination, provided that after such tender such remaining portion shall also be in an authorized denomination) on any Business Day during the Variable Rate Period, but not thereafter, at a purchase price equal to 100 percent of the principal amount of Bonds tendered plus accrued interest to the specified purchase date. In order to exercise such option with respect to any Bond or portion thereof, the owner thereof must give to the Tender Agent at its designated corporate trust office by the opening of business at such office on a Business Day at least seven days immediately preceding the proposed purchase date, written notice or notice by telephone, confirmed by written notice of tender to the Tender Agent on a Business Day not more than two Business Days after such telephonic notice, of tender to the Tender Agent (which written notice of tender shall in either case be in the form provided in this Indenture or shall be in such other form acceptable to the Tender Agent). Upon the delivery of such written notice of tender, such election to tender shall be irrevocable and binding upon the owner thereof. At or before 10:00 A.M., New York time, on the specified purchase date, the owner of each Bond as to which such written notice of tender shall have been given shall deliver each Bond to be purchased as a whole or in part and an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on such Bond or in such other forms acceptable to the Tender Agent), to the Tender Agent at its designated corporate trust office, and any Bond which is not so tendered, but for which there has been irrevocably deposited in the Bond Purchase Fund Available Moneys sufficient to pay the purchase price thereof and all other Bonds tendered or deemed tendered for purchase on such specified purchase date, shall be deemed to have been tendered by the owner thereof and purchased from such owner on the specified purchase date. The Tender Agent shall, in its sole discretion, determine whether, with respect to any Bond, the owner thereof shall have properly exercised the option to have its Bond purchased as a whole or in part.

If any such notice of tender for purchase shall have been given to the Tender Agent pursuant to this Section 4.1, the Tender Agent shall immediately give telephonic notice, promptly confirmed by a written notice, to the Remarketing Agent, the Bank, the Trustee and the Borrower on the same date that the Tender Agent receives notice of the tender for purchase, if possible, or on the immediately following Business Day, specifying the principal amount of Bonds as to which notice of tender for purchase has been given and the proposed date of purchase. On the specified purchase date, the Tender Agent shall purchase, or cause to be purchased, all Bonds as to which written notices of tender for purchase have been received at a purchase price equal to the principal amount thereof plus accrued interest, if any, thereon. Funds for payment of the purchase price of such Bonds shall be withdrawn by the Tender Agent from the Bond Purchase Fund as provided in Section 6.9 of this Indenture.

If there has been irrevocably deposited in the Bond Purchase Fund Available Moneys sufficient to pay the purchase price of all Bonds tendered or deemed to be tendered for purchase on such specified purchase date, the owner of any Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond on and after the specified purchase date, and all such Unsurrendered Bonds shall be deemed to have been tendered for purchase and purchased pursuant to this Section 4.1 on such specified purchase date. The Bond Registrar, at the direction of the Tender Agent, shall issue a new Bond or Bonds in the same aggregate principal amount for any Unsurrendered Bonds which are not tendered for purchase on any specified purchase date and, upon receipt of any such Unsurrendered Bonds from the owner thereof, shall pay the purchase price of such Unsurrendered Bonds to the owners thereof and cancel such Unsurrendered Bonds as provided in Section 2.9 of this Indenture.

When the Bonds are held under a Book-Entry System pursuant to Section 2.11, Beneficial Owners shall have the right to require a purchase of Bonds as provided in Section 2.11.

Section 4.2. Mandatory Tender of Bonds. Subject to the provisions below, on or prior to the Conversion Date the owner of each Bond is required to tender such Bond to the Tender Agent for purchase on (i) a Proposed Conversion Date, (ii) a Letter of Credit Substitution Date or (iii) a Letter of Credit Termination Date (each a "Mandatory Tender Date"), all as more fully provided in this Section 4.2.

Notice of a mandatory tender shall be prepared by the Trustee and given by the Bond Registrar by first class mail, postage prepaid, to the owners of all Bonds at their addresses appearing on the registration books of the City maintained by the Bond Registrar, not less than 30 nor more than 35 days prior to a Mandatory Tender Date. Such notice of mandatory tender shall specify the Mandatory Tender Date and (a) shall state that the Mandatory Tender Date is a Proposed Conversion Date or a Letter of Credit Substitution Date or a Letter of Credit Termination Date, as the case may be, and that all Bonds shall be tendered by the owner or Beneficial Owner thereof for purchase at or before 10:00 A.M., New York time, on such Mandatory Tender Date (or, if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day) to the Tender Agent at its designated corporate trust office, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on the Bonds or such other form acceptable to the Tender Agent), and shall be purchased on the Mandatory Tender Date (or, if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day) at a purchase price equal to the principal amount thereof and accrued interest, if any, thereon, and any such Bond which is not so tendered but for which there has been irrevocably deposited in the Bond Purchase Fund Available Moneys sufficient to pay the purchase price thereof, and of all other Bonds so tendered and deemed to be tendered for purchase on the Mandatory Tender Date, shall be deemed to have been tendered for purchase by the owner thereof and purchased from such owner on the Mandatory Tender Date.

All Bonds shall be tendered by the owner thereof to the Tender Agent for purchase at or before 10:00 A.M., New York time on the Mandatory Tender Date (or, if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day), by delivering such

Bonds to the Tender Agent at its designated corporate trust office, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on the Bonds or such other form acceptable to the Tender Agent). On the Mandatory Tender Date, the Tender Agent shall purchase, or cause to be purchased, all Bonds at a purchase price equal to the principal amount thereof and accrued interest, if any, thereon. Funds for payment of the purchase price of such Bonds shall be drawn by the Tender Agent from the Bond Purchase Fund as provided in Section 6.9 of this Indenture.

If there has been irrevocably deposited in the Bond Purchase Fund Available Moneys sufficient to pay the purchase price of all Bonds tendered or deemed tendered for purchase on the Mandatory Tender Date, the owner of any Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond on and after the relevant Mandatory Tender Date, and all such Unsurrendered Bonds shall be deemed to have been tendered for purchase and purchased pursuant to this Section 4.2 on such Mandatory Tender Date. The Tender Agent shall issue a new Bond or Bonds in the same aggregate principal amount for any Unsurrendered Bonds which are not tendered for purchase on any Mandatory Tender Date and, upon receipt of any such Unsurrendered Bonds from the owners thereof, shall pay the purchase price of such Unsurrendered Bonds to the owners thereof and cancel such Unsurrendered Bonds as provided in Section 2.9 of this Indenture.

Section 4.3. Procedures for Purchase of Bonds. Unless otherwise directed by the Borrower not to do so, the Remarketing Agent will use its best efforts to remarket all Bonds tendered or deemed to be tendered for purchase pursuant to Section 4.1 or Section 4.2 hereof at a purchase price equal to 100 percent of the principal amount thereof, and to remarket all Bonds held by the Tender Agent pursuant to Section 6.9 hereof. The Borrower may at any time, upon written direction to the Remarketing Agent, direct the Remarketing Agent to cease to resume the remarketing of some or all of the Bonds. The Bank's written consent is required for any such direction by the Borrower to the Remarketing Agent not to remarket Bonds that have been purchased with the proceeds of a draw under the Letter of Credit and the Borrower has not reimbursed the Bank for such draws.

At or prior to 3:00 P.M., New York time, on the Business Day immediately preceding the applicable purchase date, the Remarketing Agent shall give notice by electronic transmission or telephone, promptly confirmed in writing, to the Trustee, the Borrower, the Bond Registrar, the Tender Agent (to be received by the Tender Agent by the close of business on such day) and the Bank, specifying or confirming the names, addresses and taxpayer identification numbers of the new Registered Owners of, and the principal amount and denominations of, such Bonds, if any, remarketed by it pursuant to this Section 4.3, and also specifying the principal amount of Bonds to be purchased on such purchase date which it has failed to remarket (if any) and the amount of accrued interest, if any, on such Bonds. The Remarketing Agent shall make appropriate settlement pursuant to this Section 4.3 between the purchasers of such remarketed Bonds and the Tender Agent, and shall direct said purchasers by appropriate instructions to pay all moneys in immediately available funds for the purchase price of the Bonds which have been remarketed pursuant to this Section 4.3 to the Tender Agent for deposit in the Bond Purchase Fund pursuant to Section 6.8 hereof at or before 11:00 A.M., New York time, on the purchase date. The Tender Agent shall deposit the proceeds of any such remarketing in the Bond Purchase Fund pursuant to

Section 6.8 hereof, and the Tender Agent shall hold and disburse such moneys pursuant to this Section 4.3 and Sections 4.4 and 6.9 hereof.

At or before 2:30 P.M., New York time, on each purchase date (or the immediately following Business Day if such purchase date is not a Business Day), the Tender Agent, but only to the extent it shall have received money for such purpose, shall:

(i) pay the purchase price to each owner of a Bond (or portion thereof) tendered for purchase by mailing a check to the owner, or by wire transfer to the Registered Owner thereof if the Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds gives written notice to the Tender Agent directing the Tender Agent to make such payment of purchase price by wire transfer and identifying the location and the number of the account to which such payment should be wired. The Tender Agent shall pay each such purchase price from moneys on deposit in the Bond Purchase Fund in the manner set forth in Section 6.9 hereof; provided that the Tender Agent shall not pay or wire transfer the purchase price of any Unsurrendered Bond, unless and until the owner of such Unsurrendered Bond presents such Unsurrendered Bond, together with an instrument of assignment or transfer duly executed in blank to the Tender Agent; and

(ii) redeliver or cancel all Bonds in accordance with this Section 4.3 and Section 6.9 hereof.

Notwithstanding any provision herein contained to the contrary, any Bond remarketed by the Remarketing Agent which has been called for prior redemption pursuant to Article III hereof shall be redelivered with a copy of the redemption notice and any Bond as to which notice of mandatory tender has been given pursuant to Section 4.2 hereof shall be redelivered with a copy of the notice of mandatory tender.

Section 4.4. Duties of Tender Agent. The Tender Agent agrees that it shall:

(a) hold all Bonds delivered to it pursuant to Section 4.1 or Section 4.2 hereof in trust solely for the benefit of the respective owners which shall have so delivered such Bonds until moneys representing the purchase price of such Bonds shall have been delivered to or for the account of or to the order of such owners; and

(b) subject to Section 6.10 hereof, hold all moneys delivered to it pursuant to Sections 4.3 and 6.9 hereof for the purchase of Bonds in the Bond Purchase Fund in trust solely for the benefit of the person which shall have so delivered such moneys until the purchase date; and on and after the purchase date, the Tender Agent shall hold all such moneys in the Bond Purchase Fund in trust solely for the benefit of the respective owners of the Bonds so purchased until the Tender Agent shall have paid the purchase price with respect to such Bonds to such owners; provided, that if any moneys remain in the Bond Purchase Fund after the payment in full of the purchase price of all Bonds tendered for purchase pursuant to Section 4.1 or Section 4.2 hereof, such moneys shall be held in trust for the benefit of the Bank and the Borrower, to be applied in accordance with Section 6.9(d) hereof.

Section 4.5. Duties of the Remarketing Agent. The Remarketing Agent shall perform the duties set out in Section 4.3 hereof. The Remarketing Agent shall not remarket any Bonds to the City, the Borrower, any guarantor of the Borrower's obligations under the Agreement, or any general partner of the Borrower. Notwithstanding any other provision herein to the contrary, the Remarketing Agent shall be under no obligation to remarket Bonds if an Event of Default has occurred and is continuing hereunder.

ARTICLE V. **GENERAL COVENANTS**

Section 5.1. Payment of Principal, Premium, if any, and Interest. The City covenants that it will promptly pay or cause to be paid the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof. The principal of, premium, if any, and interest on the Bonds are payable by the City solely and only from the Revenues, and nothing in the Bonds or this Indenture should be considered as assigning or pledging any other funds or assets of the City, other than such Revenues and the right, title and interest of the City in and to the Agreement (except as otherwise provided herein) in the manner and to the extent herein specified.

Section 5.2. Compliance with Code. (a) The City, to the extent that it has control over any of the following proceeds or payments, and the Trustee, to the extent that it has discretion with respect to investment of such proceeds, covenant and agree that they will not take any action or fail to take any action with respect to the payments derived from the security pledged hereunder or from the Agreement which would result in constituting the Bonds "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code. The City and the Trustee further covenant and agree that they will comply with and take the specific actions required by the Tax Agreement.

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

Section 5.3. Instruments of Further Assurance. The City covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee or the Bank may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular the rights assigned hereby and the amounts assigned and pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds. The City covenants and agrees that, except as herein and in the

Agreement and the Note provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Revenues or its rights under the Agreement.

Section 5.4. List of Bondholders. The Bond Registrar will keep on file a list of names and addresses of all Registered Owners of the Bonds on the registration books of the City maintained by the Bond Registrar, together with the principal amount and numbers of such Bonds. At reasonable times and under reasonable regulations established by the Bond Registrar, said list may be inspected and copied by the Trustee, by the Borrower, by the Bank, by the Remarketing Agent or by the owners (or a designated representative thereof) of 15 percent or more in aggregate principal amount of Bonds then outstanding, such ownership and the authority of such designated representative to be evidenced to the satisfaction of the Trustee, or by any other person mandated by law.

Section 5.5. Rights Under Agreement. The Agreement, a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the City and the Borrower, and reference is hereby made to the same for a detailed statement of said covenants and obligations of the Borrower thereunder, and the City agrees that the Trustee in its name or in the name of the City may enforce all rights of the City (except those rights reserved by the City hereunder) and all obligations of the Borrower under and pursuant to the Agreement for and on behalf of the Registered Owners, whether or not the City is in default hereunder.

ARTICLE VI **REVENUES AND FUNDS**

Section 6.1. Source of Payment of the Bonds. The Bonds herein authorized and all payments to be made by the City hereunder, are not general obligations of the City, but are special, limited obligations payable solely and only from the Revenues and as provided in the Agreement and in this Indenture.

The Revenues are to be remitted directly to the Trustee for the account of the City and deposited in the Bond Fund (hereinafter created). The entire amount of said Revenues is hereby assigned and pledged to the payment of the principal of and interest and premium, if any, on the Bonds (and as otherwise provided in this Indenture).

Section 6.2. Creation of Bond Fund. There is hereby created by the City and established with the Trustee a Bond Fund to be designated "City of Chicago Bond Fund (Uptown Preservation Apartments Project)," which is pledged and shall be used to pay the principal of, premium, if any, and interest on the Bonds. Within the Bond Fund there are hereby established accounts to be designated "Bond Fund - Principal and Interest Account" "Bond Fund - Letter of Credit Account" and "Bond Fund - Capitalized Interest Account."

Section 6.3. Payments into Bond Fund. There shall be deposited in the Bond Fund, as and when received, (a) the proceeds of the Bonds deposited in the Capitalized Interest Account pursuant to Section 2.10 hereof, (b) any amount in the Acquisition and Construction Fund directed to be paid into the Principal and Interest Account under Section 6.7 and Article VII hereof; (c) all Revenues for deposit in the Principal and Interest Account; and (d) all other

moneys received by the Trustee under and pursuant to any of the provisions of the Agreement, the Note or the Letter of Credit which are required or which are accompanied by directions that such moneys are to be paid into the Principal and Interest Account or the Letter of Credit Account, as the case may be.

Section 6.4. Use of Moneys in Bond Fund; Draws on Letter of Credit. Except as provided in Sections 6.12 and 10.2 hereof, moneys in the Bond Fund shall be used solely for the payment of the principal of and premium, if any, on the Bonds at maturity or upon acceleration and for the redemption of the Bonds prior to maturity, and for the payment of the interest on the Bonds when due and for the payment of the obligations of the Borrower under the Reimbursement Agreement, but shall not be used to pay the purchase price of any Bond tendered to the Tender Agent for purchase pursuant to Section 4.1 or Section 4.2 hereof; [provided, however, that any moneys remaining in the Capitalized Interest Account on the Completion Date (as defined in the Agreement) shall be transferred to the Acquisition and Construction Fund.]

The City hereby authorizes and directs the Trustee to withdraw, from time to time, sufficient moneys from the Bond Fund to pay or cause to be paid the principal of, premium, if any, and interest on the Bonds as the same become due and payable, which authorization and direction the Trustee hereby accepts. Funds for such payments of the principal of and premium, if any, and interest on such Bonds shall be derived from the following sources in the order of priority indicated:

(a) if the Letter of Credit is then in effect, all moneys derived by the Trustee from a draw under the Letter of Credit for principal of, premium, if any, and interest on the Bonds, provided that in no event shall such moneys be used to pay the principal of, premium, if any, and interest on Purchased Bonds or Borrower Bonds;

[(b) moneys on deposit in the Bond Fund - Capitalized Interest Account, which moneys may only be applied to pay interest on the Bonds;]

(c) moneys transferred from the Acquisition and Construction Fund to the Bond Fund pursuant to Section 3.4 of the Agreement, provided that such moneys constitute Available Moneys, to pay principal of the Bonds at maturity or upon redemption prior to maturity;

(d) Available Moneys held by the Trustee pursuant to Article VIII hereof, such moneys to be applied only to the payment or the redemption of Bonds which are deemed to be paid in accordance with Article VIII hereof;

(e) payments made by the Borrower pursuant to the Note and Article VII of the Agreement, such moneys to be applied only to the redemption of Bonds, provided that such amounts constitute Available Moneys;

(f) all payments made by the Borrower pursuant to the Note and Section 4.2(a) of the Agreement, and amounts derived from the investment of such amounts; and

(g) all other amounts received by the Trustee under and pursuant to the Agreement, the Note or from any other source when required or accompanied by directions by the Borrower that such amounts are to be paid into the Bond Fund, and amounts derived from the investment of such amounts.

If the Letter of Credit is then in effect, on the Business Day immediately preceding the date on which any principal and/or interest shall become due on the Bonds, whether upon any Interest Payment Date, at maturity, upon the date fixed for redemption or upon maturity by declaration of acceleration of the Bonds, the Trustee shall, without making any prior claim or demand upon the Borrower, draw under and in accordance with the Letter of Credit so as to receive moneys thereunder in an amount which shall be equal to the amount of principal and interest coming due on the Bonds on the date such payment is due; provided that such draw upon a declaration of acceleration shall be as soon as possible and in no event later than three Business Days after such declaration of acceleration; and provided further, that the Trustee shall not draw under the Letter of Credit to pay the principal of and/or interest on any Purchased Bonds or any Borrower Bonds. Any such moneys drawn under the Letter of Credit shall be deposited and held in the Bond Fund - Letter of Credit Account which shall be a separate, segregated account in the Bond Fund, and shall not be commingled with other moneys in the Bond Fund. If for any reason funds are not available under the Letter of Credit for payment of principal and/or interest due on the Bonds on any such date, the Trustee shall immediately request from the Borrower funds sufficient to make all such payments of principal and/or interest on the Bonds pursuant to the Note and Section 4.2(a) of the Agreement by directing that the Borrower deposit such funds with the Trustee at its principal corporate trust office.

If the Letter of Credit is then in effect, all payments by the Borrower under Section 4.2(a) of the Agreement and deposited into the Bond Fund pursuant to clause (f) above and any amounts referenced in clauses (b) and (c) above shall be paid by the Trustee to the Bank and applied against the Borrower's obligation to reimburse the Bank for draws under the Letter of Credit under the Reimbursement Agreement to pay principal and interest on the Bonds.

Immediately following any draw under the Letter of Credit, the Trustee shall give notice by electronic transmission or telephone, promptly confirmed in writing, to the Borrower specifying or confirming the amount so drawn on the Letter of Credit.

Section 6.5. Custody of Bond Fund. The Bond Fund shall be in the custody of the Trustee but in the name of the City, and the City hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund and transfer same to the Paying Agent to pay or cause to be paid the principal of, premium, if any, and interest on the Bonds as the same become due and payable, which authorization and direction the Trustee hereby accepts.

Section 6.6. Creation of Acquisition and Construction Fund. There is hereby created by the City and established with the Trustee a trust fund to be designated the "City of Chicago Acquisition and Construction Fund (Uptown Preservation Apartments Project)," which shall be expended in accordance with the provisions of Sections 3.3 and 3.4 of the Agreement and Section 6.7 hereof.

Section 6.7. Payments into Acquisition and Construction Fund; Disbursements. A portion of the proceeds of the Bonds shall be deposited in the Acquisition and Construction Fund as provided in Section 2.10(c) hereof. All moneys in the Acquisition and Construction Fund shall be expended on written requisitions signed by an Authorized Borrower Representative, as defined in the Agreement, and approved in writing by the Bank, in the form attached as Exhibit A hereto in accordance with the provisions of the Agreement.

The Trustee shall keep and maintain adequate records pertaining to the Acquisition and Construction Fund and all disbursements therefrom, and after the Project has been completed and a certificate of payment of all costs is or has been filed as provided in Section 3.4 of the Agreement, the Trustee shall file an accounting thereof with the City or the Borrower upon the written request of the City or the Borrower, as the case may be. The completion of the Project and payment or provision made for payment of the full Cost of the Project shall be evidenced by the filing with the Trustee of a certificate required by the provisions of Section 3.4 of the Agreement. Any balance remaining in the Acquisition and Construction Fund on the Completion Date shall be used in accordance with said Section 3.4. If the Borrower should prepay installments in whole pursuant to Section 7.1 or 7.2 of the Agreement, or if an event of default shall occur and be continuing hereunder, any balance then remaining in the Acquisition and Construction Fund shall without further authorization be deposited in the Bond Fund by the Trustee.

Section 6.8. Creation and Sources of Bond Purchase Fund. There is hereby created by the City and ordered established with the Tender Agent, as agent of the Trustee, a trust fund to be designated the "City of Chicago Bond Purchase Fund (Uptown Preservation Apartments Project)", which shall be used to pay the purchase price of Bonds tendered or deemed to be tendered for purchase pursuant to Section 4.1 or Section 4.2 of this Indenture. The Tender Agent, as agent of the Trustee, shall hold all moneys on deposit in the Bond Purchase Fund in trust as provided in Section 4.4 hereof. The Trustee hereby appoints the Tender Agent to serve as its agent for such purpose. The Tender Agent shall notify the Trustee by 11:15 a.m. New York time on the purchase date, confirmed in writing, of the amount of funds received described in clause (i) below, with respect to such purchase date, and the amount of any deficiency in the amount of funds available to pay the purchase price.

There shall be paid into the Bond Purchase Fund, as and when received:

(i) the proceeds of the remarketing of Bonds by the Remarketing Agent pursuant to Section 4.3 of this Indenture (which proceeds shall at all times prior to their transfer from the Bond Purchase Fund be held by the Tender Agent in a separate and segregated account in the Bond Purchase Fund separate and apart from all other moneys in the Bond Purchase Fund);

(ii) all moneys drawn by the Trustee, or the Tender Agent as agent of the Trustee, under the Letter of Credit for the purpose of paying such purchase price (all of which moneys shall at all times prior to their transfer from the Bond Purchase Fund be held by the Tender Agent, as agent of the Trustee, in a separate and segregated account in

the Bond Purchase Fund separate and apart from all other moneys in the Bond Purchase Fund);

(iii) all payments made directly by the Borrower pursuant to Section 4.2(e) of the Agreement (each of which payments shall at all times prior to their transfer from the Bond Purchase Fund be held by the Tender Agent in a separate and segregated account in the Bond Purchase Fund separate and apart from all other moneys in the Bond Purchase Fund); and

(iv) all other moneys received by the Trustee under and pursuant to any of the provisions of this Indenture, the Agreement, the Note, the Letter of Credit or otherwise which are required or which are accompanied by directions that such moneys are to be paid into the Bond Purchase Fund (each of which payments shall at all times prior to their transfer from the Bond Purchase Fund be held by the Tender Agent, as agent of the Trustee, in a separate and segregated account in the Bond Purchase Fund separate and apart from all other moneys in the Bond Purchase Fund).

Section 6.9. Use of Moneys in the Bond Purchase Fund.

(a) Except as provided in this Section 6.9 or Section 6.12 of this Indenture, moneys in the Bond Purchase Fund shall be used solely for the payment of the purchase price of Bonds tendered or deemed to be tendered for purchase on any purchase date pursuant to Section 4.1 or Section 4.2 of this Indenture and to pay any obligations of the Borrower under the Reimbursement Agreement.

(b) On each purchase date (or, if such purchase date is not a Business Day, on the immediately following Business Day), the Tender Agent shall pay the purchase price of Bonds tendered for purchase from moneys on deposit in the Bond Purchase Fund from funds derived from the following sources in the order of priority indicated:

(i) proceeds of the remarketing of such Bonds pursuant to Section 4.3 hereof which constitute Available Moneys under clause (iv) of the definition thereof;

(ii) if the Letter of Credit is then in effect, moneys derived from a draw under the Letter of Credit to pay the purchase price of Bonds tendered or deemed to be tendered for purchase;

(iii) any other moneys on deposit in the Bond Purchase Fund that constitute Available Moneys;

(iv) payments made by the Borrower pursuant to Section 4.2(e) of the Agreement; and

(v) any other moneys received by the Trustee which are required to be paid into the Bond Purchase Fund or which are accompanied by instructions that such moneys be paid into the Bond Purchase Fund.

Bonds (or portions thereof in authorized denominations) purchased with moneys described in clause (ii) above ("Purchased Bonds") shall be registered in the name of the Borrower, shall be held by the Tender Agent in trust for the account of the Borrower, and shall not be transferred or exchanged by the Tender Agent until (A) the Tender Agent has received from the Bank notice in writing, by telecopy or tested telex, that the Borrower has reimbursed the Bank for the drawing or portion of the drawing made under the Letter of Credit to pay the purchase price of such Bonds, pursuant to the Reimbursement Agreement, and that the Letter of Credit has been reinstated in the amount of the aggregate principal amount of such Bonds and the amount originally drawn under the Letter of Credit to pay the portion of the purchase price equal to the accrued interest, if any, on such Bonds, or (B) the Remarketing Agent shall have given the Tender Agent notice by telephone, promptly confirmed in writing, that such Bonds have been remarketed by the Remarketing Agent, and the Tender Agent shall have moneys in an amount sufficient to reimburse the Bank for the drawing or portion of the drawing made under the Letter of Credit to pay the purchase price of such Bonds (the "Bond Purchase Draw Amount"), which moneys are on deposit in the Bond Purchase Fund, and the Bank has given the Tender Agent notice in writing, by electronic transmission, that upon payment to the Bank of the Bond Purchase Draw Amount, the Letter of Credit shall be reinstated in the amount of the aggregate principal amount of such Bonds and the amount originally drawn under the Letter of Credit to pay the portion of the purchase price equal to the accrued interest, if any, on such Bonds; and in either event, the Tender Agent may then release such Bonds, and register the transfer of such Bonds at the direction of the Borrower in the event of (A) above or in the names of the new Registered Owners thereof as shall be provided by the Remarketing Agent by telephone or electronic transmission, promptly confirmed in writing, in the manner set forth in Section 4.3 hereof, in the event of (B) above. Bonds (or portions thereof in authorized denominations) purchased with moneys described in clause (iii) above shall, at the direction of the Borrower, be held by the Tender Agent for the account of the Borrower and registered in the name of the Borrower or be cancelled.

(c) If the Letter of Credit is in effect on a purchase date (or, if such day is not a Business Day, on the immediately following Business Day), and the funds available under clause (i) of subsection (b) above for the payment of the purchase price of the Bonds to be purchased pursuant to Section 4.1 or Section 4.2 of this Indenture on such purchase date are not sufficient to pay the purchase price of such Bonds in full at or before 11:15 A.M., New York time, on such purchase date, the Trustee shall, without making any prior demand or claim upon the Borrower, make a drawing under the Letter of Credit before 12:00 Noon, New York time, and the Bank shall make payment under the Letter of Credit to the Tender Agent at or before 2:00 P.M., New York time, in immediately available funds which funds will be wired directly from the Bank to the Tender Agent, in an amount which will be sufficient, together with the funds available under such clause (i) of subsection (b) above, to pay the purchase price of such Bonds on such purchase date (or the immediately following Business Day if such purchase date is not a Business Day). If for any reason funds are not available under the Letter of Credit for payment of the purchase price of such Bonds on such purchase date (or the immediately following Business Day if such

purchase date is not a Business Day), the Trustee shall immediately request from the Borrower funds sufficient to pay the purchase price of such Bonds pursuant to Section 4.2(e) of the Agreement by directing that the Borrower deposit such funds with the Tender Agent at its designated corporate trust office.

(d) Notwithstanding any other provision of this Indenture to the contrary, if (i) the Remarketing Agent shall remarket any Bonds tendered for purchase pursuant to Section 4.1 or Section 4.2 hereof and the proceeds of such remarketing are received by the Tender Agent after the Trustee has made a drawing under the Letter of Credit to pay the purchase price of such remarketed Bonds, pursuant to subsection (c) above, or (ii) the Remarketing Agent shall subsequently remarket any Bonds held by the Tender Agent for the account of the Borrower and registered in the name of the Borrower, the purchase price of which Bonds was paid by the Tender Agent as a result of a drawing under the Letter of Credit, pursuant to subsection (b) above, then all proceeds of any such remarketing which necessitated a drawing under the Letter of Credit (or which would otherwise be payable to the Borrower as the Registered Owner of the Bonds) shall be paid by the Tender Agent to the Bank to satisfy the obligations of the Borrower under the Reimbursement Agreement, relating to such drawing under the Letter of Credit. The Trustee and the Tender Agent shall immediately notify the Bank by telecopy or telephone, promptly confirmed in writing, that such proceeds are on deposit in the Bond Purchase Fund, and the Bank shall certify to the Trustee the amount of the obligation of the Borrower under the Reimbursement Agreement relating to such drawing under the Letter of Credit. When such obligations of the Borrower to the Bank under the Reimbursement Agreement have been satisfied, then all such moneys remaining in the Bond Purchase Fund shall be paid to the Borrower.

Section 6.10. Non-Presentment of Bonds. If any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, or on the date set for purchase of such Bond pursuant to Section 4.1 or Section 4.2 hereof, then if funds sufficient to pay or purchase such Bond shall have been made available to the Tender Agent, all liability of the City for the payment of such Bond and all liability of the Borrower for the purchase of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Tender Agent to hold such fund or funds, without liability of interest thereon, for the benefit of the owner of such Bond or the owner of such Unsurrendered Bond, as the case may be, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. Subject to applicable law, any moneys so deposited with and held by the Tender Agent for the benefit of such persons, if any, for five years after the date upon which such moneys were so deposited, shall be paid to the Borrower or to the Bank as provided in Section 6.12 hereof, on written request of the Borrower or the Bank, as the case may be, and thereafter such persons shall look only to the Borrower for the purpose of payment from such moneys and the Tender Agent shall have no further liability with respect to such moneys.

Section 6.11. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for the account of the Bond Fund and the Acquisition and Construction Fund and moneys deposited with or paid to the Tender Agent for the account of the Bond Purchase

Fund under any provision of this Indenture shall be held by the Trustee and the Tender Agent in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, and except for moneys deposited with or paid to the Trustee for the payment of interest on specific Bonds, and except for moneys held in trust in the Bond Purchase Fund, and except for moneys which have been deposited with the Trustee pursuant to Article VIII hereof, while held by the Trustee and Tender Agent constitute part of the Trust Estate and be subject to the lien or security interest created hereby.

Section 6.12. Repayment to the Borrower and the Bank from Bond Fund and Bond Purchase Fund. Except as otherwise provided in Section 6.9(d) hereof, any amounts remaining in the Bond Fund, the Bond Purchase Fund or any other fund or account established pursuant to this Indenture after payment in full of the Bonds (or provision therefor having been made in accordance herewith), other than Bonds held by the Tender Agent pursuant to Section 6.9(b) hereof, the purchase price of all Bonds tendered or deemed to be tendered to the Tender Agent for purchase pursuant to Section 4.1 or Section 4.2 hereof, the payment of the fees, charges and expenses of the Trustee, the Bond Registrar and all other amounts required to be paid hereunder and under the Agreement, the Note and the Letter of Credit, shall be paid to the Borrower or the Bank, as provided in Section 8.5 of the Agreement, and at such time the Note shall be canceled and delivered to the Borrower.

Section 6.13. Additional Payments Under the Agreement. Pursuant to Section 4.2(c) of the Agreement the Borrower has agreed to pay as provided therein fees and expenses of the Trustee and the Tender Agent. All such additional payments received by the Trustee shall not be paid into the Bond Fund or the Bond Purchase Fund, but shall be disbursed by the Trustee solely for the purposes for which said additional payments are received. The Trustee hereby agrees to make such disbursements.

ARTICLE VII. **INVESTMENT OF MONEYS**

Any moneys held as part of the Acquisition and Construction Fund or the Bond Fund shall be invested and reinvested by the Trustee at the direction of the Borrower in accordance with the provisions of Section 3.5 of the Agreement. Any moneys derived from a drawing under the Letter of Credit and deposited in the Bond Fund (including any moneys held for the payment of a particular Bond and any income derived from the investment of such moneys), if invested or reinvested, shall be invested or reinvested in Governmental Obligations which mature in not more than 30 days or as needed to make timely payment of principal and interest on the Bonds. The Trustee may make any and all such investments through its own bond department. Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund for which they were made. The interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any net loss resulting from such investments shall be charged to such fund. Notwithstanding the foregoing, interest accruing thereon and profits realized from investments in the Acquisition and Construction Fund shall be initially credited to such fund and then transferred to the Bond Fund pursuant to Section 6.3 hereof. The Trustee, at the direction of the Borrower, shall sell and reduce to cash a sufficient amount of such investments of the Acquisition and Construction Fund, as specified in such

direction, whenever the cash balance in the Acquisition and Construction Fund is insufficient to pay a requisition when presented. The Trustee shall sell and reduce to cash a sufficient amount of such investments of the Bond Fund whenever the cash balance in the Bond Fund is insufficient to pay the principal of, premium, if any, and interest on the Bonds when due; provided, that the Trustee shall first sell and reduce to cash those investments of the Bond Fund which mature earliest.

Any moneys held as part of the Bond Purchase Fund shall not be invested or reinvested by the Tender Agent.

ARTICLE VIII. DISCHARGE OF LIEN

If the City shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made to or for the owners from time to time of the Bonds, the principal, premium, if any, and interest due or to become due thereon on the dates and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, and the Borrower shall pay or cause to be paid all obligations of the Borrower to reimburse the Bank for drawings under the Reimbursement Agreement (other than any reimbursement for drawings under the Letter of Credit to pay the purchase price of Bonds tendered or deemed to be tendered for purchase pursuant to Section 4.1 or Section 4.2 hereof which reimbursement is not then due and payable under the Reimbursement Agreement) and other amounts due and payable to the Bank under the Reimbursement Agreement and the Borrower shall pay or cause to be paid all obligations of the Borrower to the City, then these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon the lien of this Indenture shall be canceled and except for amounts in the Bond Fund or the Bond Purchase Fund required to be paid to the Bank under Section 6.12 hereof, all amounts held hereunder shall be paid to the Borrower. Upon such discharge, the Trustee shall cancel the Note and return it to the Borrower and shall cancel the Letter of Credit and return it to the Bank.

On or after the Conversion Date, any Bond shall be deemed to be paid within the meaning of this Article VIII when payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption prior to maturity as provided in this Indenture or upon payment of the purchase price on a purchase date, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment, (1) Available Moneys sufficient to make such payment, or (2) Governmental Obligations purchased with Available Moneys (provided that in the opinion of Bond Counsel such deposit will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bonds or cause any of the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code) maturing as to principal and interest in such amounts and on such dates as will provide sufficient moneys without reinvestment to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made and all other liabilities of the Borrower under the Agreement shall have been paid or the payment thereof provided for to the satisfaction of the

Trustee. There shall be no defeasance during the Variable Rate Period and no defeasance shall be effective during the Fixed Rate Period until the Trustee shall receive prior written evidence from each Rating Agency then rating the Bonds that such deposit referred to in the prior sentence will not cause a reduction or withdrawal of the then current rating on the Bonds. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes set forth in Sections 2.7 and 2.8 hereof and any such payment from such moneys or Governmental Obligations on the date or dates specified at the time of such deposit.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Borrower, on behalf of the City, shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

- (a) stating the date when the principal (and premium, if any) of each such Bond is to be paid, whether at maturity or on a redemption date (which may be any redemption date permitted by this Indenture);

- (b) to direct the Bond Registrar to call for redemption pursuant to this Indenture any Bonds to be redeemed prior to maturity pursuant to (a) hereof; and

- (c) to direct the Bond Registrar to mail, as soon as practicable, in the manner prescribed by Article III hereof, a notice to the owners of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Article VIII and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in (a) hereof.

Any moneys so deposited with the Trustee as provided in this Article VIII may at the written direction of the Borrower also be invested and reinvested in Governmental Obligations, maturing in the amounts and on the dates as hereinbefore set forth, and all income from all Governmental Obligations in the hands of the Trustee pursuant to this Article VIII which is not required for the payment of the Bonds and interest and premium, if any, thereon with respect to which such moneys are deposited, shall be deposited in the Bond Fund as and when collected for use and application as are other moneys deposited in that fund.

Anything in Article XI hereof to the contrary notwithstanding, if moneys or Governmental Obligations have been deposited or set aside with the Trustee pursuant to this Article VIII for the payment of the principal of, premium, if any, and interest on the Bonds and the principal of, premium, if any, and interest on such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article VIII shall be made without the consent of the owner of each of the Bonds affected thereby.

Notwithstanding the release and discharge of the lien of this Indenture as provided above, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and

dates thereof, redemption provisions, tender and purchase provisions, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost, stolen or Unsurrendered Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of moneys in trust, redemption of Bonds and the duties of the Trustee, the Bond Registrar, the Tender Agent, the Paying Agent and the Remarketing Agent in connection with all of the foregoing, remain in effect and shall be binding upon the Trustee and the owners of the Bonds.

ARTICLE IX.

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 9.1. Defaults; Events of Default. If any of the following events occur, it is hereby declared to constitute an "Event of Default" hereunder:

(a) Failure to pay interest on any Bond when such interest shall have become due and payable;

(b) Failure to pay the principal of, or premium, if any, on any Bond, when due, whether at the stated maturity thereof or upon proceedings for redemption thereof;

(c) Failure to pay when due the purchase price of any Bond tendered or deemed to be tendered to the Tender Agent for purchase pursuant to Section 4.1 or Section 4.2 hereof when due;

(d) Receipt by the Trustee, not later than the last day provided for in the Letter of Credit on which the Bank can give notice preventing a reinstatement of the Letter of Credit following a drawing under the Letter of Credit to pay regularly scheduled interest on the Bonds, of written notice by the Bank that the Borrower has not reimbursed the Bank for such drawing or of the occurrence of an "Event of Default" under the Reimbursement Agreement, and, that as a consequence of either of the above, the Bank will not reinstate the Letter of Credit with respect to such drawing;

(e) Receipt by the Trustee of written notice from the Bank of the occurrence of an "Event of Default" under the Reimbursement Agreement and requesting the Trustee to accelerate the Bonds;

(f) Failure to perform or observe any other of the covenants, agreements or conditions on the part of the City in this Indenture or in the Bonds contained and failure to remedy the same after notice thereof pursuant to Section 9.12 hereof; or

(g) The occurrence of an "Event of Default" under the Agreement.

Section 9.2. Acceleration. Upon (i) the occurrence of an Event of Default under Section 9.1(d) or Section 9.1(e), the Trustee shall, or (ii) the occurrence and continuance of any other Event of Default hereunder, but subject to the rights of the Bank pursuant to Section 9.4 hereof, the Trustee may, and upon the written request of the owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall, declare the principal of all Bonds

then Outstanding and the interest accrued thereon to the date of such declaration immediately due and payable (and interest on the Bonds shall cease to accrue from and after the date of declaration of acceleration), and such principal, interest, and any premium the City shall have become obligated to pay prior to such date, if any, shall thereupon become and be immediately due and payable; provided that so long as a Letter of Credit is in effect and the Bank has not failed to honor a properly presented and conforming drawing thereunder, no acceleration shall be declared under subsection (ii) of this Section 9.2 by reason of a default under Sections 9.1 (f) or (g) hereof without the prior written consent of the Bank. Upon any declaration of acceleration hereunder the Trustee shall immediately declare an amount equal to all amounts then due and payable on the Bonds to be immediately due and payable under Section 4.2(a) of the Agreement and under the Note in accordance with Section 6.2(a) of the Agreement, and, if the Letter of Credit is then in effect, the Trustee shall as soon as possible and in no event later than three Business Days after such declaration, draw under the Letter of Credit to the fullest extent permitted by the terms thereof to pay the principal of, and accrued interest on, the Bonds and shall fix the date upon which funds shall be applied as provided in Section 9.7 hereof. As soon as practicable upon any such declaration of acceleration, the Trustee shall give written notice thereof to the City, the Borrower, the Tender Agent and the Remarketing Agent; provided that failure to give such notice shall not affect the validity or effectiveness of such declaration.

Section 9.3. Other Remedies; Rights of Bondholders. Subject to the rights of the Bank pursuant to Section 9.4 hereof, upon the occurrence of an Event of Default hereunder the Trustee may, in addition or as an alternative to the remedy provided for in Section 9.2 hereof, pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding. Subject to the rights of the Bank pursuant to Section 9.4 hereof, if an Event of Default shall have occurred, and if requested so to do by the owners of a majority in aggregate principal amount of Bonds then Outstanding and indemnified as provided in Section 10.1 (1) hereof, the Trustee shall and in its own name:

(a) By mandamus, other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the City to collect the amounts payable under the Agreement and the Note and to require the City to carry out any other provisions of this Indenture for the benefit of the Bondholders;

(b) Pursue any and all remedies available to it under the Agreement;

(c) Bring suit upon the Bonds;

(d) By action or suit in equity require the City to account as if it were the trustee of an express trust for the Bondholders; and

(e) By action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Bondholders.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the City (or to the Registered Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the

Trustee or the City or to the Registered Owners hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any default or Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver of any such default or Event or Default or acquiescence therein; and such right and power may be exercised from time to time as often as may be deemed expedient.

No waiver of any default or event of default hereunder, whether by the Trustee or by the Registered Owners, shall extend to or shall affect any subsequent default or Event or Default or shall impair any rights or remedies consequent thereon.

Section 9.4. Right of Bank and Bondholders to Direct Proceedings. Subject to the provisions of Section 10.1 (1) hereof, anything in this Indenture to the contrary notwithstanding, the Bank or the owners of a majority in aggregate principal amount of the Bonds then Outstanding 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 for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture and shall not result in the personal liability of the Trustee; and provided further, that the Bank shall have no such right to direct proceedings relating to remedies against the Bank, including any drawing under the Letter of Credit. In the event of conflict between the directions of the Bank and those of the Registered Owners with respect to an Event of Default, the directions of the Bank shall prevail so long as the Bank has not failed to honor a properly presented and conforming drawing under the Letter of Credit. The Trustee may take any other action under this Indenture which is not inconsistent with such direction.

Section 9.5. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Registered Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 9.6. Waiver. Upon the occurrence of an Event of Default hereunder, to the extent that such rights may then lawfully be waived, neither the City, nor anyone claiming through or under the City, shall set up, claim, or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture, and the City, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

Section 9.7. Application of Moneys. All moneys (other than moneys derived from a drawing under the Letter of Credit) received by the Trustee pursuant to any right given or action taken under the provisions of this Article IX or pursuant to Section 6.9 hereof shall, after payment to the Trustee and the Bond Registrar of all amounts due and payable pursuant to

Section 10.2 hereof and after payment of all expenses of the Trustee incurred in connection with litigation against the Bank resulting from the Bank's failure to honor a properly presented drawing under the Letter of Credit, be deposited in the Bond Fund; all moneys derived from a drawing under the Letter of Credit to pay principal of and interest on the Bonds shall be deposited in the Bond Fund - Letter of Credit Account, a separate, segregated account in the Bond Fund; and all moneys in the Bond Fund (other than moneys held for the payment of a particular Bond) during the continuation of an Event of Default hereunder shall be applied in the order of priority set forth in Section 6.4 hereof, as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of all interest then due on the Bonds (other than Borrower Bonds), and, if the amount available shall not be sufficient to pay said amount in full, then to the payment ratably, according to the amounts due, to the persons entitled thereto, without any discrimination or privilege;

SECOND - To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture, and other than Borrower Bonds), and, if the amount available shall not be sufficient to pay in full such unpaid principal premium and, then to the payment ratably to the persons entitled thereto without any discrimination or privilege;

THIRD - To the payment of the obligations of the Borrower due and owing to the Bank under the Reimbursement Agreement (other than any reimbursement for drawings under the Letter of Credit to pay the purchase price of Bonds tendered or deemed to be tendered for purchase pursuant to Section 4.1 or Section 4.2 hereof, which reimbursement is not then due and payable under the Reimbursement Agreement); and

FOURTH - To the payment of the principal of, premium, if any, and interest on Borrower Bonds in the same manner as above provided.

(b) If the principal of all the Bonds shall have become due or shall have 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 (other than Borrower 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 (other than Borrower Bonds), ratably, according to the amounts due respectively for principal and interest, to

the persons entitled thereto without any discrimination or privilege, Second, to the payment of the obligations of the Borrower due and owing under the Reimbursement Agreement (other than any reimbursement for drawings under the Letter of Credit to pay the purchase price of Bonds tendered or deemed to be tendered for purchase pursuant to Section 4.1 or Section 4.2 thereof, which reimbursement is not due and payable under the Reimbursement Agreement), and Third, to the payment of principal of and interest on Borrower Bonds in the same manner.

(c) If the principal of all of the Bonds shall have been declared due and payable, and if such declarations shall thereafter have been rescinded and annulled under the provisions of this Article LX then, subject to the provisions of Section 9.7(b) hereof if the principal of all of the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 9.7(a) hereof.

Subject to the provisions of Section 10.2 hereof, whenever moneys are to be applied pursuant to the provisions of this Section 9.7, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it 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 shall cease to accrue; provided that if the Trustee shall declare an acceleration and shall draw under the Letter of Credit to pay the principal of and accrued interest on the Bonds, pursuant to Section 6.4 hereof, the Trustee shall fix the date upon which such application is to be made, which date shall be the date of such drawing under the Letter of Credit. 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 shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 9.8. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the owners of the outstanding Bonds.

Section 9.9. Rights and Remedies of Bondholders. No owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture, the Agreement or the Note or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder or thereunder, unless a default has also occurred and the Trustee has been notified as provided in Section 10.1 (h) hereof, or by said subsection it is deemed to have notice, nor unless such default shall have become an Event of Default hereunder and the owners of a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such

action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 10.1 (1), nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name for 60 days after such notification, request, and offer of indemnification; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, the Agreement or the Note, or for the appointment of a receiver or for any other remedy hereunder or thereunder; it being understood and intended that not one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his or their action or to enforce any right hereunder or thereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the owners of all Bonds then Outstanding. Nothing contained in this Indenture, however, shall affect or impair the right of any Registered Owner to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof, or the obligation of the City to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective owners thereof on the date, at the place, from the source and in the manner in the Bonds expressed, or the payment of the purchase price of any Bond which is due and payable, subject to the rights of the Bank as set forth in Section 9.4 hereof.

Section 9.10. Termination of Proceedings. If the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the City, the Trustee and the Registered Owners shall be restored to their former positions and rights hereunder respectively with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceeding had been taken.

Section 9.11. Waivers of Events of Default. The Trustee may at its discretion waive any Event of Default hereunder and its consequences, other than any Event of Default under Sections 9.1(d) or (e) hereof, the waiver of which shall require the prior written consent of the Bank provided that the Bank shall not have failed to honor a properly presented and conforming drawing under the Letter of Credit, and rescind any declaration of acceleration of principal, and shall do so upon the written request of the owners of (1) a majority in aggregate principal amount of all the Bonds then Outstanding in respect of which default in the payment of principal or interest, or both, exists, or in respect of which a default in the payment of the purchase price exists, or (2) a majority in aggregate principal amount of all Bonds then Outstanding in the case of any other default; provided that there shall not be waived (a) any default in the payment of the principal of or premium, if any, on any Outstanding Bonds at the date of maturity specified therein or redemption prior to maturity, or (b) any default in the payment when due of the interest on any such Bonds, or (c) any default in the payment when due of the purchase price of any such Bonds tendered or deemed to be tendered for purchase under Section 4.1 or Section 4.2 hereof unless prior to such waiver or rescission, all arrears of principal or interest, or both, with interest, to the extent permitted by law, as in the Bonds provided on overdue installments or all arrears of payments of such purchase price, as the case may be, and all expenses of the Trustee,

in connection with such default shall have been paid or provided for; provided that if the Trustee shall have made a drawing under the Letter of Credit in connection with any such Event of Default to be so waived, no such waiver shall be effective during the Variable Rate Period until the Trustee receives written evidence from the Bank that it has rescinded its notice of an event of default under the Reimbursement Agreement and that the Letter of Credit shall have been reinstated to an amount equal to the outstanding principal amount of the Bonds plus interest thereon for the sum of (i) 35 days (or 185 days if the Bonds are then in the Fixed Rate Period), plus (ii) if the interest component of the Letter of Credit does not automatically and immediately reinstate after a drawing to pay interest on the Bonds, the sum of (A) six days, plus (B) the maximum number of calendar days the Bank is allowed pursuant to the provisions of the Letter of Credit to reinstate the Letter of Credit after a drawing thereon for interest on the Bonds, at the Cap Rate; and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the City, the Trustee and the Registered Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon; provided further, that a waiver of any "Event of Default" under the Reimbursement Agreement by the Bank and a rescission and annulment of its consequences by the Bank and (if the Event of Default hereunder is the event described in Section 9.1(d) or Section 9.1 (e) hereof), a reinstatement of the Letter of Credit shall, upon written notice, delivered to the Trustee from the Bank of such waiver, rescission, annulment and reinstatement, constitute a waiver of the corresponding Event of Default hereunder and a rescission and annulment of the consequences thereof.

Section 9.12. Notice of Defaults Under Section 9.1 (f); Opportunity of the City and the Borrower to Cure Such Defaults. Anything herein to the contrary notwithstanding, no default under Section 9.1(f) hereof shall constitute an Event of Default hereunder until notice of such default by registered or certified mail, return receipt requested, shall be given to the City, the Borrower, the Bank and the Remarketing Agent by the Trustee or to the City, the Borrower, the Trustee, the Tender Agent, the Bank and the Remarketing Agent by the owners of not less than a majority in aggregate principal amount of all Bonds then Outstanding, which notice shall specify such default, request that said default be remedied and state that such notice is a "Notice of Default" hereunder, and the City and the Borrower shall have had 90 days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period.

With regard to any default concerning which notice is given to the City, the Borrower, the Bank and the Remarketing Agent under the provisions of this Section 9.12, the City hereby grants the Borrower full authority for the account of the City to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the City with full power to do any and all lawful things and acts to the same extent that the City could do and perform any such things and acts and with power of substitution.

Section 9.13. Remedies Not Exclusive. No remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

ARTICLE X.**TRUSTEE, BOND REGISTRAR, TENDER AGENT AND REMARKETING AGENT**

Section 10.1. Acceptance of Trusts. The Trustee and the Bond Registrar hereby accept the respective trusts imposed upon them by this Indenture and agree to perform said trusts and all ministerial duties and obligations of the City under the Agreement and this Indenture, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after any and all Events of Default which may have occurred hereunder have been cured by the appropriate party, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If an Event of Default has occurred hereunder (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Trustee and the Bond Registrar may execute any of the trusts or powers hereof and perform any of their respective duties by or through attorneys, agents, receivers or employees, but shall, in the case of attorneys, agents, receivers or employees, not be answerable for the conduct of the same if appointed by the Trustee or the Bond Registrar in good faith and without negligence, and shall be entitled to advice of counsel concerning its duties hereunder and thereunder, and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder or thereunder in good faith in reliance thereon, and may in all cases pay such reasonable compensation to all such attorneys, agents and receivers as may reasonably be employed in connection with the trusts hereof or thereof.

(c) The Trustee and the Bond Registrar shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of the Authenticating Agent endorsed on the Bonds and the legend required by Section 2.2 hereof), or for the validity of the execution by the City of this Indenture or any supplemental indentures hereto, or of any instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby. In purchasing Bonds hereunder, the Tender Agent shall be acting as a conduit and shall not be purchasing Bonds for its own account. No provision of this Indenture shall require the Tender Agent to expend or risk its own funds.

(d) The Trustee and the Bond Registrar shall not be accountable for the use of the proceeds of any Bonds authenticated or delivered hereunder. The Trustee or the Bond Registrar may become the owner of Bonds secured hereby with the same rights which it would have if it were not the Trustee or the Bond Registrar.

(e) The Trustee and the Bond Registrar shall be protected in acting upon any requisition, notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed in good faith to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee and the Bond Registrar 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, shall be conclusive and binding upon such owner and all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof or on registration of transfer thereof.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee and the Bond Registrar shall be entitled to rely upon a certificate signed by a member or an authorized officer of the City or an Authorized Borrower Representative under the Agreement as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has been notified as provided in Section 10.1(h) hereof, or of which by Section 10.1(h) it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee and the Bond Registrar may accept a certificate of an officer of the City under the seal of the City to the effect that an authorization in the form therein set forth has been adopted by the City as conclusive evidence that such authorization has been duly adopted, and is in full force and effect.

(g) The permissive right of the Trustee and the Bond Registrar to do things enumerated in this Indenture shall not be construed as a duty and neither the Trustee nor the Bond Registrar shall be answerable for other than their negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the City to cause to be made any of the payments to the Trustee required to be made by Article V hereof, unless the Trustee shall be specifically notified in writing of such default by the City, the Bank or by the owners of at least a majority in aggregate principal amount of Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the designated corporate trust office of the Trustee (unless otherwise provided in the Bonds and this Indenture), and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

(i) At any and all reasonable times and after reasonable notice has been provided, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the property herein conveyed, including all books, papers and records of the City pertaining to the Project and the Bonds.

(j) The Trustee and the Bond Registrar shall not be required to give any bond or surety in respect of the execution of said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture and the Agreement with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture and the Agreement and the Note, the Trustee or the Bond Registrar shall have the right, but shall not be required, to

demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, by the Trustee or the Bond Registrar deemed desirable for the purpose of establishing the right of the City to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking any action hereunder, the Trustee may require that a satisfactory indemnity bond be furnished to it 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 failure to comply with the standard of care prescribed by Section 10.1(a) hereof in the case of actions referred to in Sections 9.3, 9.4 and 9.5 hereof, and, in the case of an action referred to in Section 10.4 hereof, liability which is adjudicated to have resulted from its negligence or willful misconduct. Notwithstanding anything contained herein to the contrary, the Trustee is required to draw on the Letter of Credit pursuant to its terms and without indemnification from any party.

Section 10.2. Fees, Charges, Indemnities and Expenses of the Trustee, the Bond Registrar and the City. The Trustee, the Bond Registrar and the City shall be entitled to payment and reimbursement for reasonable fees for their respective services rendered hereunder and all advances, counsel fees and other expenses reasonably made or incurred by the Trustee, the Bond Registrar and the City in connection with such services and in connection with entering into this Indenture, including any such fees and expenses incurred in connection with action taken under Article IX hereof. The Trustee, the Bond Registrar and the City shall also be entitled to payment of their reasonable fees, charges and expenses in the event that provision for the payment of the Bonds is made pursuant to Article VIII hereof. The Trustee shall have a first lien for the foregoing fees, charges and expenses with the right to enforce such lien for payment prior to payment on account of principal of, premium, if any, and interest on any Bond upon the Trust Estate (other than moneys derived from a drawing under the Letter of Credit or held for the payment of particular Bonds whether or not such payment is then due and owing) for the foregoing fees, charges and expenses incurred by it. The Trustee shall have no such lien for such fees, charges and expenses on moneys in the Bond Purchase Fund or otherwise held hereunder for the payment of the purchase price of Bonds tendered or deemed to be tendered to the Trustee for purchase. Notwithstanding anything herein to the contrary, including the failure to pay fees and expenses, the Trustee shall at all times be required to (i) pay, to the extent moneys are on deposit under this Indenture and available therefor, principal of, premium, if any, and interest on the Bonds when due at maturity, upon redemption prior to maturity, acceleration or otherwise, (ii) to make drawings under the Letter of Credit, when required to do so by the terms of this Indenture, (iii) to accelerate payment of the principal of and interest on the Bonds when required to do so by the terms of this Indenture and (iv) to cause a mandatory tender of the Bonds when required to do so by the terms of the Indenture.

Section 10.3. Notice to Bondholders if Default Occurs. If a default occurs of which the Trustee is by Section 10.1 (h) hereof required to take notice or if notice of default be given as therein provided, then the Trustee shall promptly give written notice thereof to the Bond Registrar, the Bank, the Remarketing Agent, the Borrower and the Tender Agent, and the Bond Registrar shall promptly give written notice thereof by first class mail, postage prepaid, to the

owner of each Bond as shown by the list of Registered Owners required by the terms of Section 5.8 hereof to be kept at the office of the Trustee.

Section 10.4. Intervention by the Trustee. In any judicial proceeding to which the City is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the owners from time to time of the Bonds, the Trustee may intervene on behalf of Registered Owners and shall do so if requested in writing by the owners of at least a majority of the aggregate principal amount of Bonds then Outstanding.

Section 10.5. Successor Trustee, Bond Registrar or Tender Agent. Any corporation or association into which the Trustee, Bond Registrar or Tender Agent may be converted or merged, or with which be consolidated, or to which anyone of them may sell or transfer its corporate trust business as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger or consolidation to which anyone of them is a party, shall be and become successor Trustee, Bond Registrar or Tender Agent hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding. Any such successor Trustee, Bond Register or Tender Agent shall give notice thereof to the City, the Borrower, the Bank and the Remarketing Agent.

Section 10.6. Resignation by the Trustee; Bond Registrar or Tender Agent. The Trustee, Bond Registrar or Tender Agent and any successor Trustee, Bond Registrar or Tender Agent may at any time resign from the trusts hereby created by giving 30 days' written notice by first class mail, postage prepaid, to the City, the Borrower, the Bank, the Remarketing Agent and the owner of each Bond as shown by the list of Registered Owners required by Section 5.6 hereof to be kept by the Bond Registrar, provided that such resignation shall only take effect when a successor Trustee, successor Bond Registrar or successor Tender Agent, as the case may be, has been appointed pursuant to Section 10.8.

Section 10.7. Removal of the Trustee, Bond Registrar or Tender Agent. The Trustee, Bond Registrar or Tender Agent may be removed at any time (subject to the appointment of a successor Trustee, successor Bond Registrar or successor Tender Agent, as the case may be, pursuant to Section 10.8 hereof), by (i) the City, at the written request of the Borrower, delivered to the Trustee, to the Bond Registrar, to the Tender Agent, to the City, to the Bank and to the Remarketing Agent, and (ii) an instrument or concurrent instruments in writing delivered to the Trustee, to the Bond Registrar, to the Tender Agent, to the City, to the Borrower, to the Bank and to the Remarketing Agent, and signed by the owners of a majority in aggregate principal amount of Bonds then Outstanding provided that no such removal shall take effect until a successor Trustee, successor Bond Registrar or successor Tender Agent, as the case may be, has been appointed pursuant to Section 10.8.

Section 10.8. Appointment of Successor Trustee, Bond Registrar or Tender Agent by Bondholders or City. If the Trustee, Bond Registrar or Tender Agent hereunder shall give notice of resignation or be removed, or be dissolved, or shall be in the course of dissolution or

liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public office or offices, or of a receiver appointed by a court, a successor may with the prior written consent of the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Agreement) be appointed by the owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their duly authorized attorneys in fact, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the City, the retiring Trustee, the successor Trustee, the Bond Registrar or successor Bond Registrar, the Tender Agent or successor Tender Agent, the Borrower, the Bank and the Remarketing Agent. Pending such appointment by the Bondholders, the City may, with the prior written consent of the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Agreement) appoint a temporary successor Trustee, Bond Registrar or Tender Agent by an instrument in writing signed by an authorized officer of the City, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the retiring Trustee, the successor Trustee, the Bond Registrar or successor Bond Registrar, the Tender Agent or successor Tender Agent, the Borrower, the Bank and the Remarketing Agent. If the City fails to act pursuant to the previous sentence, the Borrower may (to the extent no "Event of Default" shall have occurred and be continuing under the Agreement) appoint a temporary successor Trustee, Bond Registrar or Tender Agent by an instrument in writing signed by an authorized officer of the Borrower, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the City, the retiring Trustee, the successor Trustee, the Bond Registrar or successor Bond Registrar, the Tender Agent or successor Tender Agent, the City, the Bank and the Remarketing Agent. If the Registered Owners and the City or Borrower fail to so appoint a successor Trustee, Bond Registrar or Tender Agent hereunder within 45 days after the Trustee, Bond Registrar or Tender Agent has given notice of its resignation, has been removed, has been dissolved, has otherwise become incapable of acting hereunder or has been taken under control by a public officer or receiver, the Trustee, Bond Registrar or Tender Agent shall have the right to petition a court of competent jurisdiction to appoint a successor hereunder. Every such Trustee, Bond Registrar or Tender Agent appointed pursuant to the provisions of this Section 10.8 shall be a trust company or bank in good standing in the state of its incorporation, or under national banking laws, as applicable, and have a reported capital and surplus of not less than \$50,000,000 if there be such an institution willing, qualified and able to accept the trust upon customary terms and applicable law. Notwithstanding any of the provisions of this Article X to the contrary concerning the resignation or removal of the Trustee or the appointment of a successor Trustee, no such resignation, removal or appointment shall be effective until the Bank shall have issued and delivered to the successor Trustee (i) a substitute Letter of Credit in substantially the same form as the existing Letter of Credit, but in favor of the successor Trustee, whereupon the retiring Trustee shall simultaneously return the Letter of Credit then held by it to the Bank for cancellation, or (ii) an amendment to the existing Letter of Credit, evidencing transfer thereof in all respects to the successor Trustee, to the extent permitted by law and by the terms of the Letter of Credit.

Section 10.9. Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates,

properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the City, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder or thereunder to its successor. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby or thereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder and thereunder, together with all other instruments provided for in this Article X, shall be filed or recorded by the successor Trustee in each recording office where the Indenture shall have been filed or recorded.

Section 10.10. Appointment of Successor Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, the Agreement, the Note or the Letter of Credit, and in particular in case of the enforcement of any of them on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies granted herein or in the Agreement or the Note to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint, with the consent of the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Agreement) and the Bank, an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 10.10 are adapted to these ends.

If the Trustee appoints an additional individual or institution as a separate trustee or co-trustee, in the event of the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies herein granted to the Trustee or to hold title to the Trust Estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be imposed upon, exercised by or voted in or conveyed to the Trustee with respect thereto shall be imposed upon, exercisable by and vest in such separate trustee or co-trustee, but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights, trusts and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Such separate trustee or co-trustee shall deliver an instrument in writing acknowledging and accepting its appointment hereunder to the City, the Trustee, the Borrower, the Bank and the Remarketing Agent.

Should any instrument in writing from the City be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. If the City shall

fail to deliver the same within 15 days of such request, the Trustee is hereby appointed attorney-in-fact for the City to execute, acknowledge and deliver such instruments in the City's name and stead. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the states, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 10.11. Appointment of a Remarketing Agent. The City and the Borrower shall, with the consent of the Bank, which consent shall not be unreasonably withheld, appoint the Remarketing Agent, subject to the conditions hereinafter set forth, and the Remarketing Agent shall act as the agent of the City in determining the Variable Rate and the Fixed Rate pursuant to Section 2.2 hereof, and shall act as the agent of the Borrower in connection with the remarketing of the Bonds pursuant to Section 4.3 hereof. _____ is hereby appointed the initial Remarketing Agent. The Remarketing Agent shall designate to the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the City, the Borrower, the Trustee and the Bank (which written instrument may be the Remarketing Agreement), under which the Remarketing Agent will agree to fulfill its duties and obligations set forth in this Indenture and keep such books and records with respect to its duties as Remarketing Agent as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Trustee, the City, the Borrower and the Bank at all reasonable times.

The Remarketing Agent shall be a member of the National Association of Securities Dealers, Inc., or a commercial bank chartered under the laws of the United States of America or any state thereof, having a capitalization of at least \$50,000,000 and authorized by law to perform all the duties imposed upon it by this Indenture. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' written notice to the City, the Borrower, the Bank and the Trustee. The Remarketing Agent may be removed at any time by the Borrower by an instrument filed with the Remarketing Agent and the Trustee. Upon any such resignation or removal the Borrower shall, with the consent of the Bank (which consent shall not be unreasonably withheld), appoint a successor Remarketing Agent by an instrument filed by the Borrower and the Bank with the City, the Remarketing Agent and the Trustee.

Section 10.12. Bond Registrar, Authenticating Agent, Paying Agent and Tender Agent. _____, Chicago, Illinois, is hereby appointed as and agrees to act as Bond Registrar, Paying Agent, Authenticating Agent and Tender Agent for and in respect of the Bonds. _____ shall execute an instrument whereby it acknowledges and accepts its duties as Bond Registrar, Authenticating Agent, Paying Agent and Tender Agent hereunder.

Section 10.13. Notices to Rating Agencies. The Trustee shall provide Moody's or S&P, as appropriate, with prompt written notice following the effective date of such event of (i) the appointment of any successor Trustee, Remarketing Agent or Tender Agent, or any agent appointed by the Trustee to perform a material duty, (ii) the delivery of a substitute Letter of

Credit, (iii) any material amendments to this Indenture, the Agreement, the Letter of Credit or any other document relating to this transaction to which the Trustee is a party or with respect to which the Trustee has received prior written notice, (iv) the expiration, termination or extension of any Letter of Credit, (v) the conversion of the interest rate borne by the Bonds from the Variable Rate to the Fixed Rate, or (vi) the redemption in whole or the mandatory tender of the Bonds. The Trustee shall not be liable to any party for failing to provide any notice pursuant to this Section 10.13.

ARTICLE XI. SUPPLEMENTAL INDENTURES

Section 11.1. Supplemental Indentures Not Requiring Consent of Bondholders. The City and the Trustee may, without consent of, or notice to, any of the Bondholders enter into an indenture or indentures supplemental to this Indenture for anyone or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture or to make any other change, provided that no such action in the judgment of the Trustee is to the prejudice of the Registered Owners;

(b) 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;

(c) To provide for an Alternate Credit Facility pursuant to Section 5.9(e) of the Agreement and to make any other change necessary to facilitate the provision of the Alternate Credit Facility;

(d) To permit fully registered Bonds to be exchanged for coupon Bonds (which may be registrable as to principal only) upon receipt by the City, the Borrower and the Trustee of an opinion of Bond Counsel to the effect that the exchange of fully registered Bonds for Bonds in coupon form is permitted by applicable law and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation;

(e) To make further provisions for a book-entry system of registration for the Bonds;

(f) To provide for the purchase of Bonds on the open market on behalf of the Borrower from funds derived through drawings under the Letter of Credit, provided that the Borrower provide the Trustee with an opinion of Bond Counsel to the effect that any such amendment is permitted by applicable law and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation and will not have an adverse effect on the security provided to the owners from time to time of the Bonds by this Indenture;

(g) To secure or maintain ratings from the Rating Agencies in both the highest short-term or commercial paper debt Rating Category and also in either of the two highest long-term debt Rating Categories of the applicable Rating Agency or Agencies, which changes will not restrict, limit or reduce the obligation of the Borrower to pay the principal of and premium, if any, and interest on the Bonds or otherwise materially adversely affect the Registered Owners under this Indenture, but only if there shall be supplied to the Borrower, the City, the Bank, the Trustee and the Remarketing Agent an opinion of Bond Counsel stating that the proposed modification or amendment will not adversely affect the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation; or

(h) To make any other change which in the sole determination of the Trustee does not materially adversely affect the owners; in making such determination the Trustee may rely on the opinion of such counsel as it may select, but only if there shall be supplied to the Borrower, the City, the Bank, the Trustee and the Remarketing Agent an opinion of Bond Counsel stating that the proposed modification or amendment will not adversely affect the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation.

Upon the execution of such supplemental indenture as in this Section 11.1 permitted and provided, this Indenture shall be deemed to be modified and amended in accordance therewith.

Section 11.2. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of supplemental indentures covered by Section 11.1 hereof and subject to the terms and provisions contained in this Section 11.2, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the City and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided that nothing in this Section 11.2 or in Section 11.1 hereof contained shall permit, or be construed as permitting, without the consent of the owners of 100 percent in aggregate principal amount of the Bonds then Outstanding, (a) an extension of the maturity (or mandatory redemption date) of the principal of, premium, if any, or the interest on, any Bond issued hereunder, or (b) a reduction in the principal amount of, or redemption premium on, or the Variable Rate or the Fixed Rate borne by any Bond issued hereunder, except as provided in Section 2.2 hereof, or a change in the method of calculating the Variable Rate or the Fixed Rate, or (c) a change of any date upon which any Bond may be purchased in accordance with the terms thereof and the provisions of Sections 4.1 and 4.2 of this Indenture, or (d) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture or for consent to any amendment, change or modification to the Agreement as provided in Section 12.2 hereof, or (f) the creation of any lien ranking prior to or on a parity with the lien of this Indenture on the Trust Estate or any part thereof, except as hereinbefore expressly permitted, or (g) the deprivation of the owner of any Bond then outstanding of the lien hereby created on the Trust Estate.

If at any time the City shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 11.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed by first class mail, postage prepaid, to the owner of each Bond then Outstanding as shown by the list of Registered Owners required by the terms of Section 5.8 hereof to be kept at the office of the Trustee. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Registered Owners. If, within 60 days or such longer period as shall be prescribed by the City following the mailing of such notice, the owners of not less than a majority or 100 percent, as the case may be, in aggregate principal amount of the Bonds then Outstanding shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 11.2 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 11.3. Consent of Borrower and Bank. Anything herein to the contrary notwithstanding, a supplemental indenture under this Article XI shall not become effective unless and until the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Agreement) and the Bank (provided that the Bank shall not have failed to honor a properly presented and conforming drawing under the Letter of Credit) shall have consented in writing to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution of any such supplemental indenture, together with a copy of the proposed supplemental indenture, to be given by first class mail, postage prepaid, to the Borrower and the Bank at least 15 days prior to the proposed date of execution and delivery of any such supplemental indenture. The Borrower shall be deemed to have consented to the execution and delivery of any such supplemental indenture if the Trustee does not receive a letter of protest or objection thereto signed by or on behalf of the Borrower, as the case may be, on or before 4:30 P.M., local time, at the designated corporate trust office of the Trustee, on the fifteenth day after the mailing of said notice. Prior to the execution of any supplemental indenture which affects the duties of the Bond Registrar hereunder, consent must be obtained from the Bond Registrar.

Section 11.4. Notices to Remarketing Agent. The Trustee shall give written notice to the Remarketing Agent at the direction of the Borrower of any supplement or amendment to the Indenture, together with a copy of such supplement or amendment, entered into pursuant to this Article XI; provided, that the Trustee shall not be responsible for or incur any additional liability for failing to give such notice.

ARTICLE XII.

AMENDMENT OF AGREEMENT AND NOTE

Section 12.1. Amendments, Etc., to Agreement and Note Not Requiring Consent of Bondholders. The City and the Trustee may, without the consent of or notice to the Registered

Owners, consent to any amendment, change or modification of the Agreement (including an assignment thereof) and the Exhibits thereto and the Note as may be required (i) by the provisions of the Agreement or this Indenture; (ii) for the purpose of curing any ambiguity or formal defect or omission or in connection with any other change therein, provided, that any such action in the judgment of the Trustee will not materially adversely affect the Registered Owners; (iii) to provide for an Alternate Credit Facility pursuant to Section 5.9(e) of the Agreement and to make any other change necessary to facilitate the provision of the Alternate Credit Facility; (iv) to secure or maintain ratings from the Rating Agencies in both the highest short-term or commercial paper debt Rating Category and also in either of the two highest long-term debt Rating Categories of the applicable Rating Agency or Agencies; (v) to provide for the purchase of Bonds on the open market on behalf of the Borrower from funds derived through drawings under the Letter of Credit; and (vi) to make any other change which in the sole determination of the Trustee does not materially adversely affect the Registered Owners; in making such determination the Trustee may rely on the opinion of such counsel as it may select. With respect to any such amendment the Borrower must provide the Trustee with an opinion of Bond Counsel to the effect that any such amendment is permitted by applicable law and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation.

Section 12.2. Amendments, Etc., to Agreement and Note Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 12.1 hereof, the City and the Trustee shall not consent to any other amendment, change or modification of the Agreement or the Note without the giving of notice and the written approval or consent of the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding given as in this Section 12.2; provided that nothing in this Section 12.2 or in Section 12.1 hereof contained shall permit or be construed as permitting, without the consent of the owners of 100 percent in aggregate principal amount of the Bonds then Outstanding, (a) an extension of time for the payment of an amount due pursuant to Section 4.2(a) or 4.2(e) of the Agreement; (b) a reduction in the total amount due pursuant to Section 4.2(a) or 4.2(e) of the Agreement and on the Note; or (c) a reduction in the aggregate principal amount of the Bonds required for consent to such amendment, change or modification of the Agreement and the Note. With respect to any such amendment the Borrower must provide the Trustee with an opinion of Bond Counsel to the effect that any such amendment is permitted by applicable law and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation. If at any time the City and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Agreement or the Note, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 11.2 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the designated corporate trust office of the Trustee for inspection by all owners.

Section 12.3. Consent of Bank. Anything herein to the contrary notwithstanding, any amendment, change or modification of the Agreement or the Note under this Article XII shall not

become effective unless and until the Bank, provided that the Bank shall not have failed to honor a properly presented and conforming drawing under the Letter of Credit, shall have consented in writing to the execution and delivery of such amendment, change or modification. In this regard, the City shall cause the Trustee to give notice of the proposed execution of any such amendment, change or modification, together with a copy of the proposed amendment, change or modification, to be given by the first class mail, postage prepaid, to the Bank at least 15 days prior to the proposed date of execution and delivery of any such amendment, change or modification.

Section 12.4. Notice to Remarketing Agent. The Trustee shall give written notice to the Remarketing Agent at the direction of the Borrower of any amendment or supplement to the Agreement or the Note, together with a copy of such amendment or supplement, entered into pursuant to this Article XII; provided, that the Trustee shall not be responsible for or incur any additional liability for failing to give such notice.

ARTICLE XIII.

AMENDMENT AND SUBSTITUTION OF LETTER OF CREDIT

Section 13.1. Amendment of Letter of Credit. The Trustee may, without the consent of or notice to the owners of the Bonds, consent to any amendment, change or modification of the Letter of Credit or the exhibits thereto as may be required (i) for the purpose of curing any ambiguity or formal defect or omission; (ii) to obtain a credit rating on the Bonds from a Rating Agency; (iii) to effect a transfer thereof to a successor Trustee; (iv) to effect an extension of the terms thereof; (v) to effect a reduction or reinstatement thereof in accordance with its terms; or (vi) in connection with any other change which, in the judgment of the Trustee, does not adversely affect the interests of the owners of the Bonds; provided that the Trustee shall not consent to any other change, modification or amendment to the Letter of Credit without notice to and the written consent or approval of the owners of not less than 100 percent in aggregate principal amount of the Bonds then Outstanding. The Trustee shall give written notice to the Remarketing Agent at the direction of the Borrower of any amendment or supplement to the Letter of Credit, together with a copy of such amendment or supplement, entered into pursuant to this Article XIII; provided that the Trustee shall not be responsible for or incur any additional liability for failing to give such notice. The consent of the City under this Section 13.1 shall not be unreasonably withheld.

Section 13.2. Substitute Letters of Credit. The parties hereto acknowledge that the Borrower may, at its option, deliver substitute Letters of Credit to the Trustee in accordance with the provisions of Section 5.7 of the Agreement. Upon receipt by the Trustee from the Borrower of notice that the Borrower intends to deliver a substitute Letter of Credit, the Trustee shall promptly notify the Bond Registrar thereof, whereupon the Bond Registrar shall give notice of the proposed substitution to the City and the Bondholders, in the same manner provided in Section 4.2 for the giving of notices of mandatory tender, not less than 10 Business Days prior to the expected date of receipt of said substitute Letter of Credit. Such notice shall be prepared by the Trustee and submitted to the Bond Registrar, and shall (i) identify the Bank which is to issue the substitute Letter of Credit, (ii) describe the term, principal amount and expected date of receipt of the proposed substitute Letter of Credit, and (iii) state that the City's and the Trustee's

acceptance of the proposed Letter of Credit will be contingent upon fulfillment of the requirements of Section 5.7(c) of the Agreement.

ARTICLE XIV.

MISCELLANEOUS

Section 14.1. Consents, Etc., of Bondholders. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the owners may be in any number of concurrent documents and may be executed by such owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgment within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution, or in any manner satisfactory to the Trustee.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of owning the same shall be proved by the registration books of the City maintained by the Trustee pursuant to Section 2.8 hereof.

In determining whether the owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the Borrower or any person related to the Borrower shall be disregarded and deemed not to be Outstanding under this Indenture, except that in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Borrower.

Notwithstanding the foregoing paragraph, Bonds owned by the Borrower or any person related to the Borrower shall be deemed to be Outstanding under the Indenture if all the Bonds Outstanding at the time are owned by the Borrower; provided that in such event the Borrower may not consent to any supplement to this Indenture that would adversely affect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation; and provided further, that if a supplement to this Indenture is executed at a time when the Borrower or any person related to the Borrower are the owners of all the Outstanding Bonds, Bond Counsel shall render an opinion that the execution of the supplement to this Indenture does not have an adverse effect on the validity of the Bonds or the exemption of the interest thereon from gross income of the owners thereof for purposes of federal income taxation.

Section 14.2. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or borrower other than the parties hereto, the Borrower, the Remarketing Agent, the Bank, the Bond Registrar and the owners of the Bonds, any legal or equitable right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions therein contained, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Borrower, the Remarketing Agent, the Bank, the Bond Registrar and the owners from time to time of the Bonds as herein provided.

Section 14.3. Notices. Unless otherwise specifically provided herein, all notices, certificates or other communications shall be sufficiently given and shall be deemed given when the same are (a) deposited in the United States mail and sent by first class mail, postage prepaid, or (b) delivered, in each case, to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

If to the City: City of Chicago
Department of Housing
33 North LaSalle Street
Chicago, Illinois 60602
Attention: Commissioner, Department of Housing

With a copy to: City of Chicago
Office of the Corporation Counsel
121 North LaSalle Street,
Chicago, Illinois 60602
Attention: Finance and Economic Development Division

City of Chicago
Office of the Chief Financial Officer
City Hall
33 North LaSalle Street
Chicago, Illinois 60602
Attention: Chief Financial Officer

If to the Borrower: Community Housing Partners XI L.P.
c/o Chicago Community Development Corporation.
36 S. Wabash Avenue
Suite 1310
Chicago, Illinois 60603
Attention: Anthony J. Fusco, Jr.

With a copy to: Duane Morris LLP
227 W. Monroe Street
Suite 3400
Chicago, Illinois 60606
Attention: Douglas J. Antonio

If to the Trustee: _____

Chicago, Illinois _____
Attention: Corporate Trust Department
Phone: _____
Fax: _____

If to the Remarketing Agent: _____

Attention: _____

A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Borrower to the other shall also be given to the Trustee, the Remarketing Agent and the Bank.

Section 14.4. Payments Due on Non-Business Days. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds or the date for payment of the purchase price of any Bonds tendered or deemed to be tendered for purchase is not a Business Day, then payment of the principal, premium, if any, or interest or purchase price need not be made on such date, but may be made on the immediately following Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or the date for payment of the purchase price, and no interest shall accrue for the period after such date.

Section 14.5. Action by Borrower. Wherever it is herein or in the Agreement provided or permitted for any action to be taken by the Borrower, such action may be taken by an Authorized Borrower Representative as defined in the Agreement, unless the context clearly indicates otherwise.

Section 14.6. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.7. Applicable Provisions of Law. This Indenture shall be governed by and construed in accordance with the laws of the State; provided that the rights, duties and immunities and standard of care of the Trustee and the Bond Registrar shall be governed by and construed in accordance with the laws of the state in which their respective designated corporate trust offices are located.

Section 14.8. Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

Section 14.9. References to Bank and Letter of Credit. At any time while the Letter of Credit is not in effect and all amounts payable under the Reimbursement Agreement have been paid, all references herein to the Bank and the Letter of Credit shall be ineffective.

Section 14.10. Provisions for Payment of Expenses. The City shall not be obligated to execute any documents or take any other action under or pursuant to this Indenture, the Agreement or any other document in connection with the Bonds unless and until provision for the payment of expenses of the City shall have been made. Provisions for expenses shall be deemed to have been made upon arrangements reasonably satisfactory to the City for the provision of expenses being agreed upon by the City and the party requesting such execution.

Section 14.11. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 14.12. Third Party Beneficiary. The Trustee and the City acknowledge that so long as the Letter of Credit is in effect or any amount remains payable under the Reimbursement Agreement, the Bank shall be an express third party beneficiary of the provisions of this Indenture, with the power to enforce the same.

IN WITNESS WHEREOF, the City of Chicago and _____ have caused this Trust Indenture to be executed in their respective names and attested by their duly authorized officers, all as of the day first above written.

CITY OF CHICAGO

By: _____
Chief Financial Officer

(Seal)

Attest

By: _____

as Trustee,
Paying Agent and Bond Registrar

By: _____

(Sub)Exhibit "A" referred to in this Trust Indenture reads as follows:

(Sub)Exhibit "A".
(To Trust Indenture)

Form Of Requisition Certificate.

Requisition Number _____

Date _____

Requisition Certificate.

To: _____ as Trustee Under The Series 2007 Trust Indenture Dated
As Of January 1, 2007, Between City Of Chicago And The Trustee, And
Series 2007 Loan Agreement Dated As Of January 1, 2007, Between The City
And The Borrower.

The undersigned hereby requests that the following amounts be paid to the
following payees for the following Costs of the Project as defined in the above
mentioned Loan Agreement:

Amount	Source	Payee And Address	Description
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

I hereby state and certify that: (i) the amounts requested are or were necessary
and appropriate in connection with the acquisition, rehabilitation and equipping of

the Project or the payment of interest on the Bonds, have been properly incurred and are a proper charge against the Acquisition and Construction Fund or the Bond Fund -- Capitalized Interest Account, 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 Acquisition and Construction Fund or the Bond Fund -- Capitalized Interest Account, and that such amounts are costs which can be capitalized for federal income tax purposes to the extent required by Section 142 of the Internal Revenue Code of 1986, as amended, (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, rehabilitation 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 Project 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 monies from the Acquisition and Construction Fund or the Bond Fund -- Capitalized Interest Account in any previous or pending application for payment made pursuant to the Loan Agreement; (iv) payment of this Requisition will not breach any limitation on disbursements contained in the Project Certificate (as defined in the Loan Agreement); (v) the amount remaining in the Acquisition and Construction Fund after payment of the amount(s) requested in this Requisition, 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 Project; and (vi) the amount(s) requested hereby are "Costs" permitted by the Agreement and the Indenture.

Approved:

Community Housing Partners XI L.P.

Authorized Borrower Representative

By: _____

Title: _____

*Exhibit "C".
(To Ordinance)*

City Of Chicago

And

Community Housing Partners XI L.P.

Loan Agreement

Dated As Of January 1, 2007

Relating To

*City Of Chicago
Variable Rate Demand Multi-Family Housing Revenue Bonds
(Uptown Preservation Apartments Project) Series 2007.*

THIS LOAN AGREEMENT dated as of January 1, 2007 (the "*Agreement*"), is by and between the CITY OF CHICAGO, a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State (the "*City*"), and Community Housing Partners XI L.P., an Illinois limited partnership (the "*Borrower*"), the general partners of which are (i) Chicago Community Development Corporation, an Illinois corporation, the owners of which include Anthony J. Fusco, Jr. and Daniel Burke, and (ii) Uptown Preservation NFP, an Illinois not-for-profit corporation, and the limited partners will consist of various investors.

RECITALS:

WHEREAS, the City plans to undertake the financing of a portion of the costs of the acquiring, rehabilitating and equipping of an affordable multi-family housing project to be located at 900 West Windsor Avenue, 4431 North Clifton Avenue and 927 West Wilson Avenue, Chicago, Illinois (the "*Project*"), by issuing its \$_____ Variable Rate Demand Multi-Family Housing Revenue Bonds (Uptown Preservation Apartments Project) Series 2007 (the "*Bonds*"); and

WHEREAS, the City intends to loan the proceeds of sale of the Bonds to the Borrower to acquire, rehabilitate and equip the Project; and

WHEREAS, the Bonds will be issued under the terms of a Trust Indenture (the "*Indenture*") of even date herewith from the City to _____, Chicago, Illinois, as trustee (the "*Trustee*"); and

WHEREAS, the Borrower's obligations to repay the loan are evidenced by this Agreement and the Borrower's execution and delivery to the Trustee of its promissory note (the "*Note*") concurrent herewith; and

WHEREAS, the Bonds are secured by (i) an assignment and pledge by the City to the Trustee of this Agreement, and (ii) an irrevocable, transferable letter of credit issued by _____, Chicago, Illinois (the "*Bank*"), in favor of the Trustee for the benefit of the owners from time to time of the Bonds, and any other letter of credit issued in substitution therefor in accordance with the terms hereof and thereof (the "*Letter of Credit*"); and

NOW, THEREFORE, in consideration of the respective representations and agreements herein contained, the parties hereto agree as follows (provided that in the performance of the agreements of the City herein contained, any obligation it may thereby incur shall not constitute a debt of the City, or a charge against its general credit, but shall be payable solely out of the revenues and receipts derived from this Agreement, the Note, the sale of the Bonds, the income from the temporary investment thereof and moneys derived from drawings under the Letter of Credit, all as herein provided):

ARTICLE I.

DEFINITION OF TERMS

All words and phrases defined in Article I of the Indenture shall have the same meanings in this Agreement. Certain terms used in this Agreement are hereinafter defined in this Article I. When used herein, such terms shall have the meanings given them by the language employed in this Article I defining such terms unless the context clearly indicates otherwise:

"Acquisition and Rehabilitation Period" means the period between the beginning of the acquisition, rehabilitation and equipping of the Project or the date on which the Bonds are first delivered to the purchasers thereof, whichever is earlier, and the Completion Date.

"Affordable Housing Loan" has the meaning set forth in the Bond Ordinance.

"Agreement" means this Loan Agreement, as from time to time supplemented and amended.

"Alternate Credit Facility" means a surety bond, an insurance policy or any other credit facility not constituting an irrevocable, direct-pay letter of credit delivered to the Trustee pursuant to Section 5.7(d) hereof.

"Authorized Borrower Representative" means such person at the time and from time to time designated to act on behalf of the Borrower by written certificate furnished to the City, the Trustee and the Bank, containing the specimen signature of such person. Such certificate may designate an alternate or alternates.

"Bank" means initially _____, Chicago, Illinois, in its capacity as the issuer of the initial Letter of Credit pursuant to Section 5.7(a) hereof, its successors in such capacity and their assigns, and the issuer of any substitute Letter of Credit pursuant to Section 5.7(c) hereof, its successors in such capacity and their assigns.

"Bonds" means the Variable Rate Demand Multi-Family Housing Revenue Bonds (Uptown Preservation Apartments Project) Series 2007 of the City, in the original aggregate principal amount of \$ _____ issued pursuant to the Indenture.

"Borrower" means Community Housing Partners XI L.P., an Illinois limited partnership, and its successors and assigns.

"City" means the City of Chicago, and its lawful successors and any assigns.

"Completion Date" means the earlier of (i) [_____, 2008] or (ii) the date of completion of the Project, as that date shall be certified as provided in Section 3.4 hereof

"Cost of the Project" means the sum of the items authorized to be paid from the Acquisition and Construction Fund pursuant to the provisions of (a) through (i) of Section 3.3 hereof.

"Event of Default" means any occurrence or event specified as such and defined as such by Section 6.1 hereof.

"Indenture" means the Trust Indenture dated as of January 1, 2007, by and from the City to the Trustee, as from time to time supplemented and amended.

"Investment Obligations" shall mean, to the extent lawful for the investment of moneys to be made therein, any of the following obligations or securities on which the Borrower is not the obligor:

(a) Governmental Obligations;

(b) interest-bearing deposit accounts (which may be represented by certificates of deposit including Eurodollar certificates of deposit) in national or state

banks (which may include the Trustee, the Paying Agent, any co-paying agent, the Bond Registrar, the Tender Agent, the Remarketing Agent and the Bank) having a combined capital and surplus of not less than \$100,000,000 and an unsecured deposit rating in one of the three highest rating categories from a nationally recognized rating agency;

(c) bankers' acceptances drawn on and accepted by commercial banks (which may include the Trustee, the Paying Agent, any co-paying agent, the Bond Registrar, the Tender Agent, the Remarketing Agent and the Bank) having a combined capital and surplus of not less than \$100,000,000 and an unsecured deposit rating in one of the three highest rating categories from a nationally recognized rating agency;

(d) obligations of, or guaranteed by, any agency or instrumentality of the United States of America;

(e) commercial or finance company paper which is rated in the highest rating category by a nationally recognized rating agency;

(f) repurchase agreements with banking or financial institutions (which may include the Trustee, the Paying Agent, any co-paying agent, the Bond Registrar, the Tender Agent, the Remarketing Agent and the Bank) having a combined capital and surplus of not less than \$100,000,000 and an unsecured deposit rating in one of the three highest rating categories from a nationally recognized rating agency, provided that (i) that such repurchase agreements shall be secured as to principal (but only to the extent not insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or a similar corporation chartered by the United States of America) by Governmental Obligations, the fair market value of which is equal to 100 percent of such principal, (ii) the Trustee or a third party acting solely as agent for the Trustee has possession of the underlying securities, (iii) the Trustee or agent has a perfected first security lien in such collateral, and (iv) such collateral is free and clear of third party liens;

(g) obligations of any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, the interest on which, in the opinion of Bond Counsel, is not includable in the gross income of the owners thereof for federal income tax purposes; and

(h) any other obligations agreed upon in writing by the Bank and the Borrower.

"Land Use Restriction Agreement" means the Land Use Restriction Agreement dated as of the date hereof, among the City, the Borrower and the Trustee.

"Letter of Credit" means the initial irrevocable, transferable Letter of Credit delivered to the Trustee pursuant to Section 5.7(a) hereof, and, unless the context or use indicates another or

different meaning or intent, any substitute Letter of Credit delivered to the Trustee pursuant to Section 5.7(c) hereof, and any extensions or amendments thereof.

"Note" means the promissory note of the Borrower made payable to the Trustee, delivered by the Borrower pursuant to Section 4.2(a) hereof, in order to evidence the obligation of the Borrower to repay the loan made hereunder.

"State" means the State of Illinois.

"Trustee" means the Trustee at that time serving as such under the Indenture.

The words "hereof," "herein," "hereunder" and other words of similar import refer to this Agreement as a whole.

Unless otherwise specified, references to Articles, Sections and other subdivisions of this Agreement are to the designated Articles, Sections and other subdivisions of this Agreement as originally executed.

The headings of this Agreement are for convenience only, and shall not define or limit the provisions hereof.

ARTICLE II.

REPRESENTATIONS

Section. 2. 1. Representations of the City. The City makes the following representations as the basis for the undertakings on its part herein contained:

(a) The City is a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State. The City is authorized to execute and deliver this Agreement and the Indenture, and to carry out its obligations hereunder and thereunder.

(b) The City has issued the Bonds for the purpose of financing a portion of the costs of the Project.

(c) To the knowledge of the undersigned representatives of the City, neither the execution and delivery of the Bonds, this Agreement, the Indenture or the Land Use Restriction Agreement, the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms, conditions or provisions of the Bonds, this Agreement, the Indenture or the Land Use Restriction Agreement materially conflict with or result in a material breach of any of the terms, conditions or provisions of any agreement, instrument, judgment, order, or decree to which the City is now a party or by which it is bound, or constitute a default under any of the foregoing.

Section 2.2. Representations of the Borrower. The Borrower makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Borrower is a limited partnership duly organized and validly existing under the laws of the State, is authorized to conduct business and is in good standing in the State, is not in violation of any provision of its agreement or certificate of limited partnership, has the power to execute and deliver this Agreement, the Note and the Land Use Restriction Agreement, to enter into the transactions contemplated hereby and thereby and to perform its obligations hereunder and thereunder, and by proper action has duly authorized the execution and delivery of the Note, this Agreement and the Land Use Restriction Agreement and the performance of its obligations hereunder and thereunder.

(b) No litigation at law or in equity or proceeding before any governmental agency involving the Borrower is pending or, to the knowledge of the Borrower, threatened, in which any liability of the Borrower is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of the Borrower or which would affect its existence or authority to do business, the completion of the Project, the validity of any document to which it is a party or the performance of its obligations thereunder.

(c) The Borrower is not in default under or in violation of, and the execution, delivery and compliance by the Borrower with the terms and conditions of this Agreement, the Note or the Land Use Restriction Agreement, do not and will not conflict with or constitute or result in a default under or violation of: (i) the Borrower's agreement or certificate of limited partnership, (ii) any material agreement or other instrument to which the Borrower is a party or by which it is bound, or (iii) any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Borrower or its property, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(d) The Borrower has obtained or will obtain at the proper times all consents, approvals, authorizations and orders, of any governmental or regulatory authority that are required to be obtained by the Borrower as a condition precedent to the issuance of the Bonds, the execution and delivery of this Agreement, the Note and the Land Use Restriction Agreement and the performance by the Borrower of its obligations hereunder and thereunder, and that are required for the operation of the Project Facilities.

(e) The Borrower has taken all necessary action required to make this Agreement, the Note and the Land Use Restriction Agreement the valid obligations of the Borrower which they purport to be; when executed and delivered by the parties thereto, this Agreement, the Note and the Land Use Restriction Agreement will constitute valid and binding agreements of the Borrower and will be enforceable against the Borrower in accordance with their respective terms subject to the provisions of bankruptcy and similar laws and to equitable principles.

(f) The operation of the Project Facilities in the manner presently contemplated and as described in this Agreement and the Land Use Restriction Agreement will not, to the knowledge of Borrower, conflict with any existing zoning, water, air pollution or other existing ordinance, order, law or regulation applicable thereto.

(g) 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.

(h) The estimated cost of acquiring, rehabilitating and equipping the Project, inclusive of financing costs, exceeds \$ _____.

(i) At least 95 percent of the Bond proceeds will be used to finance on-site or off-site costs of the Project and such costs will have been incurred with respect to work performed or materials purchased after _____.

(j) At least 95 percent of the moneys set aside in the Acquisition and Construction Fund for the Project under the Indenture, constituting a portion of the proceeds from the sale of the Bonds, will be used to provide amounts paid or incurred on or after _____ chargeable to the Project's capital account, either with a proper election by the Borrower (for example, under Section 266 of the Code), or but for a proper election by the Borrower to deduct such amounts.

(k) At least 95 percent of the Project financed or reimbursed with the proceeds of the Bonds (determined separately on the basis of cost and square footage) constitutes "residential rental property" within the meaning of the Code.

(l) The average maturity of the Bonds does not exceed 120 percent of the average reasonably expected economic life of the Project Facilities determined in accordance with Section 147(b) of the Code.

(m) 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 loans to be funded by the City for the Borrower.

(n) Until payment in full of all of the Bonds, unless the City shall otherwise consent in writing, it will not incur, create, assume or suffer to exist any mortgage, pledge, security interest, lien, charge or other encumbrance of any nature on the Project Facilities or the Trust Estate (as defined in the Indenture) other than (i) any liens, taxes or other governmental charge which are not yet due and payable, (ii) any pledge relating to syndication of the Project or any grants or loans provided through Chicago's Affordable Housing Program, (iii) any lien, including, 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 acceptable to the Trustee, (iv) any lien or obligations relating to the Letter of Credit or any Alternate Credit Facility, (v) any mortgage, lien or other encumbrance described in the Bond Ordinance and granted on or prior to the date of issuance of the Bonds to finance a portion of the Costs of the Project and (vi) such other pledges as may be approved in writing by the City.

(o) The Indenture has been submitted to the Borrower for its examination, and the Borrower acknowledges, by execution of this Agreement, that it has approved the Indenture.

(p) 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.

(q) If the Borrower becomes aware of any situation, event or condition which it believes would result in the interest of the Bonds becoming includible in gross income for federal income tax purposes, the Borrower shall promptly give written notice thereof to the City and the Trustee.

ARTICLE III.

ACQUISITION, REHABILITATION AND EQUIPPING OF THE PROJECT FACILITIES; ISSUANCE OF THE BONDS

Section 3.1. Acquisition, Rehabilitation and Equipping of the Project Facilities; Title. The Borrower agrees that it will acquire, rehabilitate and equip or complete the acquisition and equipping of, the Project Facilities substantially in accordance with the plans and specifications therefore, including any and all supplements, amendments and additions (or deletions) thereto (or therefrom), which plans and specifications shall be made available to the City, the Trustee on written request.

Except as otherwise disclosed to the Trustee, the Borrower represents and warrants that it has, or simultaneously with the delivery of the Bonds will have, acquired good and marketable interests to the Project Facilities to enable the Borrower to acquire, rehabilitate, equip and use the Project Facilities as contemplated by this Agreement.

Section 3.2. Agreement to Issue Bonds; Application of Bond Proceeds. In order to provide funds to finance a portion of the Cost of the Project, as provided in Section 4.1 hereof, the City agrees that it will simultaneously with the execution and delivery hereof issue, sell and cause to be delivered to the purchasers thereof, the Bonds in the aggregate principal amount of

\$_____ bearing interest, maturing, subject to prior redemption and subject to transfer, as set forth in the Indenture.

Section 3.3. Disbursements from the Acquisition and Construction Fund. The City authorizes and directs the Trustee, upon compliance with the Indenture, to disburse the moneys in the Acquisition and Construction Fund to or on behalf of the Borrower for the following purposes and, subject to the provisions of Section 3.4 hereof, for no other purposes:

(a) Payment to the Borrower of such amounts, if any, as shall be necessary to reimburse the Borrower in full for all advances and payments made by it at any time after _____, for expenditures in connection with the preparation of plans and specifications for the Project (including any preliminary study or planning of the Project or any aspect thereof) and the acquisition, rehabilitation and equipping of the Project.

(b) Payment or reimbursement of any legal, financial and accounting fees and expenses, the established administrative fees and expenses of the City, costs of the execution and filing of any instruments and the preparation of all other documents in connection therewith, and payment or reimbursement of all fees, costs and expenses for the preparation of this Agreement, the Note, the Reimbursement Agreement, the Letter of Credit, the Indenture, the Remarketing Agreement and the Bonds.

(c) Payment or reimbursement for labor, services, materials and supplies used or furnished in the acquisition, rehabilitation and equipping of the Project, all as provided in the plans, specifications and work orders therefor, payment or reimbursement for the cost of the acquisition, rehabilitation and equipping of utility services or other facilities and the acquisition and installation of all real and personal property deemed necessary in connection with the Project and payment or reimbursement for the miscellaneous capitalized expenditures incidental to any of the foregoing items.

(d) Payment or reimbursement of the fees, if any, for architectural, engineering, legal, investment banking and supervisory services with respect to the Project.

(e) To the extent not paid by a contractor for construction, rehabilitation or installation with respect to any part of the Project, payment or reimbursement of the premiums on all insurance required to be taken out and maintained during the Acquisition and Construction Period, if any.

(f) Payment of the taxes, assessments, interest on the Bonds and other charges, if any, that may become payable during the Acquisition and Construction Period with respect to the Project, or reimbursement thereof if paid by the Borrower.

(g) Payment or reimbursement of expenses incurred in seeking to enforce any remedy against any supplier, conveyor, grantor, contractor or subcontractor in respect of any default under a contract relating to the Project.

(h) Payment of interest on the Bonds during the construction period of the Project (and thereafter with the approving opinion of Bond Counsel) or fees for credit

enhancement arrangements applicable to the Bonds to the extent such fees constitute a reasonable charge for the transfer of credit risk.

(i) Payment of any other costs permitted by the Constitution and laws of the State.

All moneys remaining in the Acquisition and Construction Fund after the Completion Date and after payment or provision for payment of all other items provided for in the preceding subsections (a) to (i), inclusive, of this Section 3.3, shall at the direction of the Borrower be used in accordance with Section 3.4 hereof.

Each of the payments referred to in this Section 3.3 shall be made upon receipt by the Trustee of a written requisition (substantially in the form set forth in *Exhibit A* to the Indenture) signed by the Authorized Borrower Representative and approved in writing by the Bank.

Section 3.4. Establishment of Completion Date; Obligation of Borrower to Complete. The Completion Date shall be evidenced to the Trustee and the Bank by a certificate signed by the Authorized Borrower Representative, stating the Cost of the Project and stating that (a) the Project 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, rehabilitation and equipping have been paid for, and (b) all other facilities necessary in connection with the Project 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 Acquisition and Construction Fund complied with all representations and covenants of the Borrower pertaining thereto contained in the Project Certificate delivered by the Borrower upon the initial issuance of the Bonds. If the Borrower withholds the payment of any such cost or expense of the Project, 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 City and the Trustee promptly after the Project shall have been completed.

Within 10 days after the delivery by the Authorized Borrower Representative of the certificate evidencing the Completion Date, the Trustee shall retain in the Acquisition and Construction 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 Acquisition and Construction 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, (c) subject to written consent of the Bank, to repay the City for costs of the Project paid with the proceeds of the Affordable Housing Loan, or (d) subject to the written consent of the Bank, to pay any additional Costs of the Project not provided for by the retention described in the first sentence of this paragraph, provided, in the case of clauses (c) and (d), that the Trustee is furnished with an opinion of Bond Counsel to the effect that such use is lawful under the Constitution and laws of the State and will not adversely affect the exclusion from gross income of interest on any of the Bonds for purposes of federal income taxation until used for one or more of the foregoing purposes. Such segregated amount may be invested as permitted by Section 3.5 hereof, but may not be invested, without an opinion of Bond Counsel 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 City 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 3.4.

If the moneys in the Acquisition and Construction Fund available for payment of the Cost of the Project are not sufficient to pay the costs thereof in full, the Borrower agrees to pay directly the costs of completing the Project as may be in excess of the moneys available therefor in the Acquisition and Construction Fund. The City does not make any warranty, either *express* or implied, that the moneys which will be paid into the Acquisition and Construction 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 Acquisition and Construction Fund the Borrower should pay any portion of the Cost of the Project pursuant to the provisions of this Section 3.4, it shall not be entitled to any reimbursement therefor from the City or from the Trustee, nor shall it be entitled to any diminution of the amounts payable under Section 4.2 hereof or under the Note.

Section 3.5. Investment of Moneys. Any moneys held as part of the Acquisition and Construction Fund shall be invested or reinvested by the Trustee, at the oral (promptly confirmed in writing) or written direction of the Authorized Borrower Representative, as provided in Article VII of the Indenture, in Investment Obligations specified by the Authorized Borrower Representative. Any moneys held as a part of the Bond Fund (including any moneys held for the payment of a particular Bond) shall be invested or reinvested by the Trustee at the written direction of the Authorized Borrower Representative as provided in Article VII of the Indenture, to the extent permitted by law, in Investment Obligations, except to the extent Article VII of the Indenture requires that said moneys be invested or reinvested solely in Governmental Obligations. Any such securities may be purchased at the offering or market price thereof at the time of such purchase. The Trustee may make any and all such investments through its own bond department.

The investments so purchased shall be held by the Trustee and shall be deemed at all times a part of the Acquisition and Construction Fund or the Bond Fund, as the case may be, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund and

any net losses resulting from such investment shall be charged to such fund and paid by the Borrower.

Any moneys held as part of the Bond Purchase Fund shall not be invested.

ARTICLE IV.

REPAYMENT PROVISIONS

Section 4.1. Bond Proceeds. The City covenants and agrees, upon the terms and conditions of this Agreement, to lend the proceeds received from the sale of the Bonds to the Borrower in order to finance the Cost of the Project. Pursuant to said covenant and agreement, the City will issue the Bonds upon the terms and conditions contained in the Indenture and this Agreement, and will lend the proceeds of the Bonds to the Borrower by causing the Bond proceeds to be applied as provided in Article III hereof. Such proceeds shall be disbursed by the Trustee to or on behalf of the Borrower as provided in Section 3.3 hereof.

Section 4.2. Repayment of the Loan and Payment of Other Amounts Payable. (a) As evidence of obligation to repay the Loan made hereunder by the City, the Borrower will issue its Note to the Trustee in the principal amount of \$ _____. The Note shall be dated the date of issuance and delivery of the Bonds, shall mature on [January 1], 20____, except as the provisions hereinafter set forth with respect to prepayment may become applicable thereto. The Note shall bear interest on the unpaid principal amount thereof from the date of the Note at such rates equal to the interest rates from time to time borne by the Bonds, calculated on the same basis and to be paid at the same times as interest on the Bonds is calculated and paid from time to time. The Note shall be subject to prepayment as herein provided. Payments of the principal of and premium, if any, and interest on the Note shall be made in lawful money of the United States of America in federal or other immediately available funds. The Note shall be in substantially the same form as *Exhibit A* attached hereto and made a part hereof. The City and the Borrower agree that the Note shall be payable to the Trustee. The Borrower covenants and agrees that the payments of principal of, premium, if any, and interest on the Note shall at all times be sufficient to enable the Trustee to pay when due the principal of, premium, if any, and interest on the Bonds; provided that the Excess Amount (as hereinafter defined) held by the Trustee in the Bond Fund on a payment date shall be credited against the payment due on such date; and provided further, that, subject to the provisions of the immediately following sentence, if at any time the amount held by the Trustee in the Bond Fund should be sufficient (and remain sufficient) to pay on the dates required the principal of, premium, if any, and interest on the Bonds then remaining unpaid, the Borrower shall not be obligated to make any further payments under the provisions of this Section 4.2(a) or on the Note. Notwithstanding the provisions of the preceding sentence, if on any date the Excess Amount held by the Trustee in the Bond Fund is insufficient to make the then required payments of principal (whether at maturity or upon redemption prior to maturity or acceleration), premium, if any, and interest on the Bonds on such date, the Borrower shall forthwith pay such deficiency. The term "*Excess Amount*" as of any interest payment date shall mean the amount in the Bond Fund on such date in excess of the amount required for the payment of the principal of the Bonds which theretofore has matured at maturity or on a date fixed for redemption and premium, if any, on such Bonds in all cases where Bonds have not been presented for payment and paid, or for the payment of interest which has theretofore come due in all cases where interest checks have not been presented for payment and paid.

If the Borrower shall fail to pay any installment of principal of, premium, if any, or interest on the Note or under this Section 4.2(a), the installment so in default shall continue as an obligation of the Borrower until the amount so in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon until paid (to the extent legally enforceable) at a rate equal to the rate borne by the Bonds from time to time from the due date thereof until paid.

(b) The Borrower also agrees to pay to the City its costs, fees and expenses related to this Agreement, the Indenture, the Bonds and the Project at any time while this Agreement is in effect, including the fees and expenses of its counsel.

(c) The Borrower also agrees to pay to the Bond Registrar, the Tender Agent and the Trustee (i) the initial acceptance fee of the Trustee and the costs and expenses, including reasonable attorneys' fees, incurred by the Trustee in entering into and executing the Indenture, and (ii) during the term of this Agreement (A) an amount equal to the annual fee of the Trustee for the ordinary services of the Trustee, as trustee, rendered and ordinary expenses incurred under this Agreement, the Note and the Indenture, including reasonable attorneys' fees, as and when the same become due, (B) the fees, charges and expenses of the Placement Agent, the Bond Registrar and the Tender Agent, as and when the same become due, and (C) the fees, charges and expenses of the Trustee for the necessary extraordinary services rendered by it and extraordinary expenses incurred by it under this Agreement, Note and the Indenture, including reasonable attorneys' fees, as and when the same become due.

(d) The Borrower also agrees to pay all fees, charges and expenses of the Remarketing Agent, as set forth in the Remarketing Agreement, in carrying out duties and obligations and performing services under and pursuant to the Indenture and the Remarketing Agreement.

(e) In addition to the payments required to be made by the Borrower pursuant to the foregoing subsections of this Section 4.2 and the Note, the Borrower agrees to pay to the Tender Agent amounts sufficient to pay the purchase price of any Bonds to be purchased pursuant to Section 4.1 or Section 4.2 of the Indenture, on the purchase date of such Bonds as set forth in said Section 4.1 or said Section 4.2, as the case may be. All such payments shall be made to the Tender Agent in lawful money of the United States of America in federal or other immediately available funds at the principal corporate trust office of the Tender Agent.

(f) If the Borrower is in default under any provision of this Agreement or the Land Use Restriction Agreement, after giving effect to applicable notice and cure provisions the Borrower also agrees to pay to the City and the Trustee all fees and disbursements by such persons and their agents (including attorneys' fees and expenses) which are connected therewith or incidental thereto, except to the extent such fees and disbursements are paid from moneys available therefor under the Indenture.

(g) Upon the written demand of the Trustee, the Borrower also agrees to pay to the Trustee, on behalf of the City, any amount required to be rebated to the United

States of America pursuant to the Tax Agreement, to the extent that funds are not available therefor under the Indenture. If the Borrower does not have funds available for such purpose, the general partner of the Borrower shall pay such amounts. The obligation of the general partner to make such payments shall be a personal obligation of the general partner, and no lien or claim shall be made by such general partner against the revenues and assets of the Project Facilities. The general partner's obligation to make such payments in its personal capacity shall be evidenced by the general partner's execution and acceptance of this Agreement.

(h) If the Trustee is authorized and directed to draw moneys under the Letter of Credit in accordance with the provisions of the Indenture to the extent necessary to pay the principal of, premium, if any, and interest on the Bonds if and when due, any moneys derived from a drawing under the Letter of Credit shall constitute a credit against the obligation of the Borrower to make corresponding payments on the Note and under subsections (a) of this Section 4.2. Drawings under the Letter of Credit to pay the purchase price of Bonds when due and remarketing proceeds available for such purpose shall constitute a credit against the obligation of the Borrower to make corresponding payments under subsection (e) of this Section 4.2.

(i) If the date when any of the payments required to be made by this Section 4.2 is not a Business Day, then such payments may be made on the next Business Day with the same force and effect as if made on the nominal due date, and no interest shall accrue for the period after such date.

(j) The Borrower shall have, and is hereby granted, the option to elect to convert the interest rate borne by the Bonds to the Fixed Rate pursuant to the provisions of Section 2.2 of the Indenture, subject to the terms and conditions set forth therein.

Section 4.3. No Defense or Set-off; Unconditional Obligation. The obligations of the Borrower to make the payments required in Section 4.2 hereof and pursuant to the Note and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim the Borrower might otherwise have against the City, the Trustee, the Tender Agent, the Paying Agent, the Bond Registrar, the Remarketing Agent or the Bank. The Borrower shall pay during the term of this Agreement the payments to be made on account of the Loan as prescribed in Section 4.2 hereof and all other payments required hereunder free of any deductions and without abatement, diminution or set-off other than those herein expressly provided. Until such time as the principal of, premium, if any, and interest on the Note and the Bonds shall have been fully paid, or provision for the payment thereof shall have been made in accordance with the Indenture, the Borrower: (i) will not suspend or discontinue any payments provided for in Section 4.2 hereof or the Note; (ii) will perform and observe all of its agreements contained in this Agreement; and (iii) will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, its failure to complete the Project, the occurrence of any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax laws of the United States of America or the State or any political subdivision thereof, or any failure of the City, the Trustee or the Bank to perform and observe any agreement, whether express or implied, or any duty,

liability or obligation arising out of or connected with this Agreement, except to the extent permitted by this Agreement.

Section 4.4. Assignment and Pledge of Issuer's Rights. As security for the payment of the Bonds, the City will assign and pledge to the Trustee all right, title and interest of the City in and to this Agreement and the Note, including the right to receive payments hereunder and thereunder (except for certain rights reserved under the Indenture), and hereby directs the Borrower to make said payments directly to the Trustee. The Borrower herewith assents to such assignment and pledge and will make payments directly to the Trustee without defense or set-off by reason of any dispute between the Borrower and the City or the Trustee.

ARTICLE V.

SPECIAL COVENANTS AND AGREEMENTS

Section 5.1. Issuer's and Trustee's Right of Access to the Project. The Borrower agrees that during the term of this Agreement the City and the Trustee and their duly authorized agents shall have the right during regular business hours, with reasonable notice, to enter upon the Project Facilities and examine and inspect the Project Facilities.

Section 5.2. Release and Indemnification Covenants. (a) The Borrower shall indemnify and hold the City (including any official, agent, officer, director or employee thereof and counsel to the City) harmless against any and all claims asserted by or on behalf of any person, firm, corporation, private or municipal, or other entity arising or resulting from, or in any way connected with (i) the financing, design, construction, rehabilitation, installation, operation, use or maintenance of the Project Facilities, (ii) the violation by the Borrower of any agreement, warranty, covenant or condition of this Agreement, the Land Use Restriction Agreement, any other contract, agreement or restriction relating to the Project, or any law, ordinance, regulation or court order affecting the Project or the ownership, occupancy or use thereof, (iii) any act, including negligent acts, failure to act or misrepresentation by any person, firm, corporation, governmental authority or other entity, including the City, in connection with the issuance, sale or delivery of the Bonds, (iv) any act, failure to act or unintentional misrepresentation by the City in connection with, or in the performance of any obligation related to the issuance, sale and delivery of the Bonds or under this Agreement or the Indenture, or any other agreement executed by or on behalf of the City, including all liabilities, costs and expenses, including attorneys' fees, incurred in any action or proceeding brought by reason of any such claim. If any action or proceeding is brought against the City by reason of any such claim, such action or proceeding shall be defended against by counsel as the City shall determine, and the Borrower shall indemnify the City for costs of such counsel. The Borrower upon notice from the City shall defend such an action or proceeding on behalf of the City. The Borrower shall also indemnify the City from and against all costs and expenses, including attorneys' fees, lawfully incurred in enforcing any obligation of the Borrower under this Agreement. Notwithstanding the foregoing, nothing contained in this subsection shall be construed to indemnify or release the City from any liability which it would otherwise have had arising from the gross negligence, intentional misrepresentation or willful misconduct on the part of the City, or any official, officers, employees, agents or representatives of the City acting in their capacities other than as contemplated by this Agreement.

(b) The Borrower shall indemnify and hold the Trustee, the Bond Registrar, any person who "controls" the Bond Registrar or the Trustee within the meaning of Section 15 of the Securities Act of 1933, as amended, and any member, officer, director, official and employee of the Placement Agent, the Remarketing Agent, the Bond Registrar or the Trustee (collectively called the "*Indemnified Parties*") harmless from and against, any and all claims, damages, demands, expenses, liabilities and losses of every kind, character and nature asserted by or on behalf of any person arising out of, resulting from, or in any way connected with, the condition, use, possession, conduct, management, planning, design, acquisition, construction, rehabilitation, installation, renovation or sale of the Project Facilities or any part thereof. The Borrower also covenants and agrees, at its expense, to pay, and to indemnify and hold the Indemnified Parties harmless of, from and against, all costs, reasonable attorneys' fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. In the event that any action or proceeding is brought against the Indemnified Parties by reason of any such claim or demand, the Indemnified Parties shall immediately notify the Borrower, which shall defend any action or proceeding on behalf of the Indemnified Parties, including the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Anyone or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Parties unless the employment of such counsel has been specifically authorized by the Borrower. If such separate counsel is employed, the Borrower may join in any such suit for the protection of its own interests. The Borrower shall not be liable for any settlement of any such action effected without consent, but if settled with the consent of the Borrower or if there be a final judgment for the plaintiff in any such action, the Borrower agrees to indemnify and hold harmless the Indemnified Parties.

(c) The Borrower shall indemnify and hold each of the Trustee, Bond Registrar, Paying Agent and Tender Agent harmless from and against, any and all claims, damages, demands, expenses, liabilities and losses of every kind, character and nature asserted by or on behalf of any person arising out of, resulting from, or in any way connected with its acceptance or exercise of the powers and duties of such office under the Indenture and, in the case of the Trustee, as the assignee, transferee and pledgee of all right, title and interest of the City in and to this Agreement and sums payable hereunder, which are not due to negligence or willful misconduct of the party seeking indemnification, as well as the reasonable costs and expenses of defending against any claim of liability.

Section 5.3. Records of Borrower. The City and the Trustee shall be permitted, after reasonable notice during regular business hours during the term of this Agreement, to examine the books and records of the Borrower with respect to the Project.

Section 5.4. Tax-Exempt Status. (a) Neither the City nor the Borrower shall cause any proceeds of the Bonds to be expended except pursuant to the Indenture. The Borrower shall not (1) by acquisition or otherwise allow any payment out of proceeds of the Bonds (i) if such payment is to be used for the acquisition of any property (or an interest therein) unless the first

use of such property is pursuant to such acquisition, provided that this clause (i) shall not apply to any building (and the equipment purchased as a part thereof, if any) if the "rehabilitation expenditures", as defined in Section 147(d) of the Code, with respect to the building equal or exceed 15 percent of the portion of the cost of acquiring the building (including such equipment) financed with the proceeds of the Bonds, (ii) if as a result of such payment, 25 percent or more of the proceeds of the Bonds would be considered as having been used directly or indirectly for the acquisition of land (or an interest therein), (iii) if, as a result of such payment, less than 95 percent of the net proceeds of the Bonds expended at the time of such requisition would be considered as having been used for costs of the acquisition, rehabilitation, reconstruction or improvement of residential rental property within the meaning of the Code, or (iv) if such payment is used to pay issuance costs (including attorneys' fees and placement fees) in excess of an amount equal to two percent of the principal amount of the Bonds; (2) take or omit, or permit to be taken or omitted, any other action with respect to the use of such proceeds the taking or omission of which would result in the loss of exclusion of interest on the Bonds from gross income for purposes of federal income taxation; or (3) take or omit, or permit to be taken or omitted, any other action the taking or omission of which would cause the loss of such exclusion. Without limiting the generality of the foregoing, the Borrower shall not permit (i) the proceeds of the Bonds to be used directly for the acquisition of land (or an interest therein) or so that any of such proceeds is used for the acquisition of land (or an interest therein) to be used for farming purposes, or (ii) any of the proceeds of the Bonds to be used to provide any airplane, skybox or other private luxury box, any 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.

Section 5.5. Taxes and Governmental Charges. The Borrower hereby covenants and agrees that it will promptly pay, as the same become due, all lawful taxes, assessments, utility charges and other governmental charges of any kind whatsoever levied or assessed by federal, state or any municipal government upon or with respect to the Project Facilities or any part thereof or any payments under this Agreement and the Note. The Borrower may, at its expense and in its own name and behalf, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, provided that during such period enforcement of any such contested item shall be effectively stayed.

Section 5.6. Maintenance and Repair; Insurance. The Borrower hereby covenants and agrees that it will maintain the Project Facilities in a safe and sound operating condition, making from time to time all needed material repairs thereto, and shall maintain amounts of insurance coverage with respect to the Project Facilities as may be required by the City and/or the Bank, and shall pay all costs of such maintenance, repair and insurance.

Section 5.7. Letter of Credit. (a) On or prior to the issuance, sale and delivery of the Bonds to the purchaser or purchasers thereof pursuant to Section 2.6 of the Indenture, the Borrower hereby covenants and agrees to obtain and deliver to the Trustee the initial, irrevocable, transferable Letter of Credit to be issued by the Bank in favor of the Trustee for the benefit of the owners from time to time of the Bonds in the form of Appendix B to the initial Reimbursement Agreement. The initial Letter of Credit shall be dated the date of issuance and delivery of the Bonds; shall expire on _____, 20__ unless otherwise extended in

accordance with the terms and provisions of subsection (b) below and the Reimbursement Agreement; shall be in the amount of (i) the aggregate principal amount of the Bonds (A) to enable the Trustee to pay the principal of the Bonds at maturity, upon call for redemption prior to maturity or acceleration, and (B) to enable the Trustee to pay the portion of purchase price of Bonds tendered or deemed to be tendered to the Trustee for purchase, equal to the aggregate principal amount of such Bonds, plus (ii) an amount equal to the interest to accrue on the Bonds for 35 days at the Cap Rate, (A) to enable the Trustee to pay interest accrued on the Bonds on the dates and in the manner set forth in the Indenture, and (B) to enable the Trustee to pay the portion of the purchase price of Bonds tendered or deemed to be tendered to the Trustee for purchase, equal to the accrued interest on such Bonds.

(b) During the Variable Rate Period, except as hereinafter provided, at any time prior to the 35th day prior to the interest payment date on the Bonds immediately preceding the Stated Expiration Date of the Letter of Credit, the Borrower may, at its option, provide for the extension of the term of the Letter of Credit. Any such extension shall be to the 15th day of any calendar month at least one year after the Stated Expiration Date of the existing Letter of Credit. In connection therewith the Borrower shall furnish proof of such extension, in the form of an amendment to the Letter of Credit evidencing such extension, to the Trustee no later than the 35th day prior to the interest payment date on the Bonds immediately preceding the Stated Expiration Date of the Letter of Credit.

(c) Subject to the provisions of Section _____ of the initial Reimbursement Agreement and any similar provision of any subsequent Reimbursement Agreement, while a Letter of Credit is in effect, the Borrower may, at its option, deliver to the Trustee a substitute Letter of Credit in substitution for the existing Letter of Credit at any time prior to the 35th day prior to the interest payment date on the Bonds immediately preceding the Stated Expiration Date of the Letter of Credit. The substitute Letter of Credit shall be an irrevocable, direct-pay, transferable letter of credit of a commercial bank in substantially the same form and tenor as the existing Letter of Credit. The stated amount of the substitute Letter of Credit shall equal the then Outstanding principal amount of the Bonds, plus an amount equal to the interest to accrue on the Bonds then Outstanding for a number of days equal to (i) if the Bonds are then in the Variable Rate Period, 35 days, and if the Bonds are then in the Fixed Rate Period, 185 days, plus (ii) if the interest component of the Letter of Credit does not automatically and immediately reinstate after a drawing to pay interest on the Bonds, the sum of (A) six days, plus (B) the maximum number of calendar days the Bank is allowed pursuant to the provisions of such Letter of Credit to reinstate the Letter of Credit after a drawing thereon for interest on the Bonds, at the Cap Rate (or if the Bonds are then in a Fixed Rate Period, at the Fixed Rate). The substitute Letter of Credit shall contain administrative provisions reasonably satisfactory to the Trustee and, if in the Fixed Rate Period, shall expire on the same date as the existing Letter of Credit or on the 15th day of a calendar month no sooner than the Stated Expiration Date of the existing Letter of Credit.

In order to avoid a mandatory tender of the Bonds pursuant to Section 4.2 of the Indenture, the Borrower shall, simultaneously with the delivery of the substitute Letter of Credit to the Trustee, furnish to the Trustee written evidence from each Rating Agency by which the

Bonds are then rated, if any, to the effect that such Rating Agency has reviewed the proposed substitute Letter of Credit and that the substitution of the proposed substitute Letter of Credit for the existing Letter of Credit will not, by itself, result in the reduction or withdrawal of the rating assigned to the Bonds from that which then prevails; provided that, if the Bonds are not then rated by a Rating Agency, the Borrower shall furnish to the Trustee evidence that the provider of the substitute Letter of Credit has a commercial paper credit rating from Moody's or [Fitch] at least equal to the higher of the then commercial paper credit ratings from Moody's and [Fitch] of the Bank which provided the Letter of Credit for which the substitute Letter of Credit is being issued.

Simultaneously with the delivery of any substitute Letter of Credit to the Trustee, the Borrower must also provide the Trustee with written evidence from the Bank which issued the existing Letter of Credit that the Borrower shall have paid all of its obligations under the Reimbursement Agreement to such Bank (other than any obligations with respect to reimbursement for drawings under the Letter of Credit to purchase Bonds tendered or deemed tendered for purchase pursuant to Section 4.1 or Section 4.2 of the Indenture, which obligations are not yet due and owing under the Reimbursement Agreement) and shall have paid all other amounts due and owing under the Reimbursement Agreement pursuant to which the existing Letter of Credit was issued (except as aforesaid). Simultaneously with the delivery of such substitute Letter of Credit to the Trustee, the Borrower shall also provide the Trustee with an opinion of Bond Counsel to the effect that such substitute Letter of Credit is authorized under this Agreement, complies with the terms hereof and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation. If the Borrower shall fail to furnish to the Trustee written evidence of payment to the Bank as aforesaid together with such opinion of Bond Counsel, the Trustee shall not be deemed to have received the substitute Letter of Credit and shall not surrender the existing Letter of Credit. Upon delivery of a substitute Letter of Credit and the foregoing evidence and opinion, the Trustee is authorized to surrender the existing Letter of Credit and to approve the cancellation of the existing Letter of Credit.

(d) On or after the Conversion Date, the Borrower may, at its option, provide for the delivery to the Trustee of an Alternate Credit Facility to either supplement a Letter of Credit, replace a Letter of Credit or provide credit enhancement if no Letter of Credit is then in effect. An Alternate Credit Facility must be sufficient to cover the full amount of principal and interest on the Bonds (covering at least the amount of interest specified in (c) above). Any Alternate Credit Facility shall be payable to the Trustee for the benefit of the owners of the Bonds and shall have administrative provisions reasonably satisfactory to the Trustee. Simultaneously with the delivery of such an Alternate Credit Facility to the Trustee, the Borrower shall provide the Trustee with (i) an opinion of Bond Counsel to the effect that the delivery of such Alternate Credit Facility is authorized under this Agreement, complies with the terms hereof and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation and (ii) if the Alternate Credit Facility is replacing an existing Letter of Credit, written evidence of maintenance of ratings and payment of all obligations owing the existing Bank as provided in subsection (c) above. The Borrower hereby covenants and agrees to give the City, the Trustee, the Bank and the Remarketing Agent written notice of intention to deliver any such Alternate Credit Facility at least 15 Business Days prior to the date on which the Borrower expects to deliver such Alternate Credit Facility.

(e) If the Letter of Credit is set to expire and the Borrower does not intend to deliver a substitute Letter of Credit to the Trustee, the Borrower shall, on or before the 35th day prior to the interest payment date immediately preceding the Stated Expiration Date, give written notice to the City, the Trustee, the Remarketing Agent and the Bank that the Borrower does not intend to deliver such a substitute Letter of Credit to the Trustee prior to the Stated Expiration Date.

Section 5.8. Environmental Laws. The Borrower will comply with the requirements of all federal, state and local environmental and health and safety laws, rules, regulations and orders applicable to or pertaining to the Project Facilities.

Section 5.9. Annual Certificate. The Borrower will furnish to the City and to the Trustee within 120 days after the close of the Borrower's fiscal year, a certificate of the Borrower signed by the Authorized Borrower Representative stating that the Borrower has made a review of its activities during the preceding fiscal year for the purpose of determining whether or not the Borrower has complied with all of the terms, provisions and conditions of this Agreement and the Land Use Restriction Agreement and the Borrower has kept, observed, performed and fulfilled each and every covenant, provision and condition of this Agreement and the Land Use Restriction Agreement on its part to be performed and is not in default in the performance or observance of any of the terms, covenants, provisions or conditions hereof, or if the Borrower shall be in default such certificate shall specify all such defaults and the nature thereof. Additionally, the Borrower shall furnish to the City and the Trustee, if so requested, such information as may be reasonably requested in writing from time to time relative to compliance by the Borrower with the provisions of this Agreement and the Land Use Restriction Agreement.

Section 5.10. Borrower to Maintain Its Partnership Existence; Conditions Under Which Exceptions Permitted. The Borrower agrees that during the term of this Agreement and so long as any Bond is Outstanding, it will maintain its existence as an Illinois limited partnership, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another entity or permit one or more entities to consolidate with or merge into it.

Section 5.11. Continuing Disclosure Undertaking. If the Bonds become subject to the continuing disclosure requirements of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Borrower shall comply with all applicable requirements of the Rule, including the execution of a continuing disclosure undertaking required by the Rule.

ARTICLE VI.

EVENTS OF DEFAULT AND REMEDIES

Section 6.1. Events of Default. The occurrence and continuation of anyone of the following shall constitute an Event of Default hereunder:

(a) failure by the Borrower to pay any amounts required to be paid as principal, premium, if any, or interest under this Agreement or under the Note, including, without limitation, Section 4.2(a) or 4.2(e) hereof, on the dates and in the manner specified therein or herein; or

(b) failure by the Borrower to observe or perform any covenant, condition or agreement on its part to be observed or performed in this Agreement, other than as referred to in subsection (a) above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to the Borrower by the City, the Trustee or the Bank. If a default other than as described in subsection (a) above is not reasonably capable of being cured within 30 days, then the City and the Trustee shall agree in writing to an extension of such time for such period as they determine reasonable prior to expiration provided that the Borrower is diligently pursuing a cure; or

(c) the dissolution or liquidation of the Borrower or the filing by the Borrower of a voluntary petition in bankruptcy, or failure of the Borrower to promptly lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its obligations hereunder, or an order for relief under Title 11 of the United States Code, as amended from time to time, is entered against the Borrower, or a petition or answer proposing the entry of an order for relief against the Borrower under Title 11 of the United States Code, as amended from time to time, or reorganization, arrangement or debt readjustment under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged within 90 days after the filing thereof, or the Borrower shall fail generally to pay its debts as they become due, or a custodian (including without limitation a receiver, trustee, assignee for the benefit of creditors or liquidator of the Borrower) shall be appointed for or take possession of all or a substantial part of its properties and shall not be discharged within 90 days after such appointment or taking possession, or the Borrower shall consent to or acquiesce in such appointment or taking possession, or assignment by the Borrower for the benefit of its creditors, or the entry by the Borrower into an agreement of composition with its creditors, for its reorganization, arrangement or debt readjustment under any present or future federal bankruptcy act or any similar federal or state laws; or

(d) any warranty, representation or other statement made by or on behalf of the Borrower contained herein, or in any document or certificate furnished by the Borrower in compliance with or in reference hereto, is false or misleading in any material respect, or

(e) an "Event of Default" shall occur and be continuing under the Indenture.

Section 6.2. Remedies on Default. Whenever any Event of Default shall have occurred and be continuing hereunder, the City or the Trustee may take any one or more of the following remedial steps:

(a) The Trustee may exercise any right, power or remedy permitted to it by law as a holder of the Note, and shall have in particular, without limiting the generality of

the foregoing, the right to declare the entire principal and all unpaid interest accrued on the Note to the date of such declaration and any premium the Borrower shall have become obligated to pay to be immediately due and payable, if concurrently with or prior to such notice the unpaid principal of and all unpaid accrued interest and premium on the Bonds, have been declared to be due and payable under the Indenture, and upon such declaration the Note and the unpaid accrued interest thereon and such premium shall thereupon become forthwith due and payable in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds under Section 9.2 of the Indenture, without presentment, demand or protest, all of which is hereby expressly waived. The Borrower shall forthwith pay to the Trustee the entire principal of, premium, if any, and interest accrued on the Note.

(b) The City and the Trustee shall waive, rescind and annul such declaration and the consequences thereof, when any declaration of acceleration on the Bonds has been waived, rescinded and annulled pursuant to and in accordance with Section 9.2 of the Indenture.

(c) The City or the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the payments and other amounts then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement.

In case the City or the Trustee shall have proceeded to enforce its rights under this Agreement or the Note, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the City or the Trustee, as the case may be, then and in every such case the Borrower, the City and the Trustee shall be restored respectively to their several positions and rights hereunder and under the Note, and all rights, remedies and powers of the Borrower, the City and the Trustee shall continue as though no such proceeding had been taken.

In case there shall be pending proceedings for the bankruptcy of the Borrower under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Borrower, or in the case of any other similar judicial proceedings relative to the Borrower, or to the property of the Borrower, the Trustee shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to this Agreement and the Note and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee allowed in such judicial proceedings relative to the Borrower, its creditors or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Trustee, and to pay to the Trustee any amount due it for compensation and expenses, including reasonable attorneys' fees incurred by it up to the date of such distribution.

Section 6.3. Agreement to Pay Attorney's Fees and Expenses. If the City or the Trustee should employ attorneys or incur other expenses for the collection of the payments due under

this Agreement or the Note or the enforcement of the performance or observance of any obligation or agreement on the part of the Borrower contained herein, the Borrower agrees that it will on demand therefor pay to the City or the Trustee the fees of such attorneys and such other expenses so incurred by the City or the Trustee.

Section 6.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement and the Indenture now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power and accruing upon any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Article VI, it shall not be necessary to give any notice other than such notice as may be herein expressly required. Such rights and remedies as are given the City hereunder shall also extend to the Trustee, and the Trustee and the owners from time to time of the Bonds shall be deemed third party beneficiaries of all covenants and agreements contained herein.

Section 6.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this Agreement should be breached by the Borrower and thereafter waived by the City or the Trustee, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VII.

PREPAYMENT OF NOTE

Section 7.1. Obligation to Prepay the Note. Upon the occurrence of a Determination of Taxability the Borrower shall have, and hereby accepts, the obligation to prepay the principal of the Note as a whole, and not in part, on any date within 60 days after the occurrence of a Determination of Taxability, for redemption of the Bonds pursuant to Section 3.1(c) of the Indenture. The amount to be prepaid pursuant to this Section 7.1 in such event shall be 100 percent of the then outstanding principal amount of the Bonds (or 103 percent of the then outstanding principal amount of the Bonds during the Fixed Rate Period) plus accrued interest to the date fixed for redemption.

Section 7.2. General Option to Prepay the Note. The Borrower shall have, and is hereby granted, the option to prepay the principal of the Note as a whole, or in part, with the prior written consent of the Bank, by paying to the Trustee an amount sufficient to redeem all or a portion of the Bonds then Outstanding, in the manner, at the redemption prices (including premium, if any), from the sources and on the dates specified in Sections 3.1(a) and 3.1(b) of the Indenture.

Section 7.3. Redemption of the Bonds. To perform an obligation imposed upon the Borrower or to exercise an option granted to the Borrower by this Article VII, the Borrower shall give written notice to the City, the Trustee and the Bank which notice shall specify therein the date upon which prepayment of the Note (or a portion thereof) will be made, which date shall be

not less than 35 days from the date the notice is mailed, and shall specify that all of the principal amount of the Note or a specified portion thereof is to be so prepaid. On or before the date such notice is given to the Bank, the Borrower shall obtain the consent of the Bank to such redemption required by Section _____ of the initial Reimbursement Agreement or any similar provision of any subsequent Reimbursement Agreement. The Trustee shall take all steps (other than the payment of the money required to redeem the Bonds) necessary under the applicable provisions of the Indenture to effect the redemption of the Bonds (or a portion thereof) in amounts equal to the amount of the principal of the Note so prepaid as provided in this Article VII.

ARTICLE VIII.

MISCELLANEOUS

Section 8.1. Notices. All notices, certificates or other communications shall be sufficiently given and shall be deemed given when the same are (a) deposited in the United States mail and sent by first class mail, postage prepaid, or (b) delivered, in each case, to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

If to the City:

City of Chicago
Department of Housing
33 North LaSalle Street
Chicago, Illinois 60602
Attention: Commissioner, Department of Housing

With copies to:

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

City of Chicago
33 North LaSalle Street, Suite 600
Chicago, Illinois 60602
Attention: Office of Chief Financial Officer

If to the Borrower:

Community Housing Partners XI L.P.
c/o Chicago Community Development Corporation.
36 S. Wabash Avenue
Suite 1310
Chicago, Illinois 60603
Attention: Anthony J. Fusco, Jr.

With a copy to:

Duane Morris LLP
227 W. Monroe Street
Suite 3400

Chicago, Illinois 60606
Attention: Douglas J. Antonio

If to the Trustee:

Chicago, Illinois _____
Attention: Corporate Trust Department
Phone: _____
Fax: _____

If to the Bank:

If to the Remarketing
Agent:

Attention: _____

A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Borrower to the other shall also be given to the Trustee, the Remarketing Agent and the Bank.

Section 8.2. Assignments. This Agreement may not be assigned by either party without the consent of the other and the Trustee and the Bank, except that the City shall assign and pledge to the Trustee all right, title and interest in and to this Agreement as provided by Section 4.4 hereof. No transfer of title to the Project Facilities shall be made unless the transferee assumes all of the duties of the Borrower under this Agreement and the Land Use Restriction Agreement, provided that such assumption may contain an exculpation of the assignee from personal liability with respect to any obligation hereunder. Upon the assumption of the duties of the Borrower, the Borrower shall be released from all executory obligations so assumed.

Section 8.3. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 8.4. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; *provided* that for purposes of perfecting a security interest in this Agreement by the Trustee under Article 9 of the Uniform Commercial Code of the State, only the counterpart assigned, pledged and delivered to the Trustee shall be deemed the original.

Section 8.5. Amounts Remaining in Any Fund or With Trustee. It is agreed by the parties hereto that after payment in full of (a) the principal of, premium, if any, and interest on the Bonds, (b) the fees, charges and expenses of the City, the Trustee, the Bond Registrar and the Remarketing Agent in accordance herewith and with the Indenture, the Note and the Remarketing Agreement (the payment of which fees, charges and expenses shall be evidenced by a written certification of the Borrower that it has fully paid all such fees, charges and expenses), (c) all other amounts required to be paid under this Agreement, the Note and the Indenture and (d) any amounts due to the City pursuant to the Affordable Housing Loan and, thereafter, any other amounts due to the City, including, but not limited to, all taxes, water bills and parking tickets owed to the City, any amounts remaining in any fund or account maintained under this Agreement or the Indenture and not applied to the principal of, premium, if any, and interest on the Bonds shall belong to and be paid to the Borrower by the Trustee; *provided* that if the Trustee shall have drawn under the Letter of Credit, the Trustee shall request a written statement from the Bank as to whether or not the Bank has been reimbursed by the Borrower for any and all such drawings under the Reimbursement Agreement (other than an obligation for a drawing under the Letter of Credit to purchase Bonds tendered or deemed to be tendered for purchase pursuant to Section 4.1 or Section 4.2 of the Indenture, which obligations are not due and owing under the Reimbursement Agreement [and except to the extent any other obligations are disputed in good faith], such amounts remaining in the Bond Fund or the Bond Purchase Fund shall, upon written notice from the Bank that the Borrower has not reimbursed the Bank under the Reimbursement Agreement for any such drawing under the Letter of Credit (which notice shall state the unreimbursed amount), shall be deemed to constitute property of and be paid to the Bank by the Trustee to the extent that the Borrower has not so reimbursed the Bank.

Section 8.6. Amendments, Changes and Modifications. Except as otherwise provided in this Agreement or the Indenture, subsequent to the initial issuance of the Bonds and prior to their payment in full, this Agreement may not be effectively amended, changed, modified, altered or terminated except in the manner provided in the Indenture.

Section 8.7. Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the applicable law of the State.

Section 8.8. Authorized Borrower Representative. Whenever under the provisions of this Agreement the approval of the Borrower is required or the Borrower is required to take some action at the request of the City, the Trustee or the Bank, such approval or such request shall be given for the Borrower by the Authorized Borrower Representative, and the City, the Trustee and the Bank shall be authorized to act on any such approval or request and neither party hereto shall have any complaint against the other or against the Trustee or the Bank as a result of any such action taken.

Section 8.9. Terms of This Agreement. This Agreement shall be in full force and effect from the date hereof, and shall continue in effect until the payment in full of all principal of, premium, if any, and interest on the Bonds, or provision for the payment thereof shall have been made pursuant to Article VIII of the Indenture, all fees, charges and expenses of the City, the Trustee, the Bond Registrar, the Underwriter and the Remarketing Agent have been fully paid or provision made for such payment (the payment of which fees, charges, indemnities and expenses shall be evidenced by a written certification of the Borrower that it has fully paid all such fees,

charges, indemnities and expenses) and all other amounts due hereunder and under the Note have been duly paid or provision made for such payment. All representations, certifications and covenants by the Borrower as to the indemnification of various parties as described in Section 5.2 hereof, the payment of fees and expenses of the City as described in Sections 4.2(b) and 6.3 hereof and all matters affecting the tax-exempt status of the interest on Bonds shall survive the termination of this Agreement and the resignation or removal of the Trustee.

Section 8.10. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the City, the Borrower and their respective successors and assigns; subject, however, to the limitations contained in Section 4.4 hereof.

Section 8.11. References to Bank and Letter of Credit. At any time while the Letter of Credit is not in effect and all amounts payable under the Reimbursement Agreement have been paid, all references to the Bank and the Letter of Credit shall be ineffective.

Section 8.12. Limited Liability of City. No covenant, agreement or obligation contained in this Agreement shall be deemed to be a covenant, agreement or obligation of any present or future member, official, officer, employee or agent of the City in his individual capacity, and neither the members, officials, officers, employees and agents of the City nor any officer thereof executing this Agreement shall be liable personally hereon or be subject to any personal liability or accountability by reason of the execution and delivery hereof. No member, official, officer, employee or agent of the City shall incur any personal liability with respect to any other action taken by him pursuant to this Agreement or any of the transactions contemplated hereby provided he does not act in bad faith.

Section 8.13. Rights Under the Indenture. With regard to any default concerning which notice is given to the City, the Borrower, the Bank and the Remarketing Agent under the provisions of Section 9.12 of the Indenture, the City hereby grants the Borrower full authority for the account of the City to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the City with full power to do any and all lawful things and acts to the same extent that the City could do and perform any such things and acts and with power of substitution.

Section 8.14. Limited Liability of Borrower. Except as provided in this Section, neither the Borrower nor its partners are personally liable for payments on the Note. The obligations of the Borrower contained in this Agreement and in the Note are limited obligations payable solely from the Borrower's interest in and revenues derived from the Project Facilities and from the payments made by the Bank to the Trustee on behalf of the Borrower under the Letter of Credit.

Any judgment rendered against the Borrower for damages at law under this Agreement or the Note shall be limited to the Borrower's interest in and the revenues derived from the Project Facilities, and except as otherwise expressly provided herein, no deficiency or other personal judgment, or any order or decree of specific performance or other equitable remedies shall be rendered against the Borrower, its assets (other than its interest in and the revenues derived from the Project Facilities), its general or limited partners, their heirs, personal representatives, successors, transferees or assigns, as the case may be, in any action or proceedings arising out of the Agreement or the Note, or any judgment, order or decree rendered pursuant to any such actions or proceedings; provided that the limitations of this Section shall not apply to equitable remedies ordered or decreed to enforce the non-monetary covenants and agreements of this Agreement.

IN WITNESS WHEREOF, the City of Chicago and Community Housing Partners XI L.P. have caused this Agreement to be executed in their names and attested by their duly authorized officers, all as of the day first above written

CITY OF CHICAGO

By: _____
Chief Financial Officer

COMMUNITY HOUSING PARTNERS XI L.P.,
an Illinois limited partnership

By CHICAGO COMMUNITY DEVELOPMENT
CORPORATION, an Illinois corporation
Its: General Partner

By: _____
Its: President

(Sub)Exhibit "A" referred to in this Loan Agreement with Community Housing Partners XI L.P. reads as follows:

(Sub)Exhibit "A".
(To Loan Agreement With Community
Housing Partners XI L.P.)

Promissory Note.

For Value Received, Intending to be legally bound hereby, Community Housing Partners XI L.P., an Illinois limited partnership (the "Borrower") hereby promises to pay to _____, Chicago, Illinois, or its successors and assigns (the "Trustee"), in lawful money of the United States of America in federal or other immediately available funds, the principal amount of \$_____ due on January 1, 20__, and to pay interest from the date hereof on the unpaid principal balance hereof at such rates equal to the interest rates from time to time borne by the Bonds (as hereinafter defined), calculated during the Variable Rate Period (as defined in the Indenture hereinafter referred to) on the basis of a calendar year consisting of three hundred sixty-five (365) or three hundred sixty-six (366) days, as the case may be, and calculated on the actual number of days elapsed, and calculated during the Fixed Rate Period (as defined in the Indenture hereinafter referred to) on the basis of a calendar year consisting of three hundred sixty (360) days of twelve (12) thirty (30) day months, payable in lawful money of the United States of America in federal or other immediately available funds during said Variable Rate Period on [February 1], 2007, on the first Business Day (as defined in the Indenture hereinafter referred to) of each calendar month thereafter and on the date of the commencement of said Fixed Rate Period, until the earlier of the date of the commencement of said Fixed Rate Period or the date on which said principal amount is paid, and during said Fixed Rate Period on the first day of the [January or July] immediately following the commencement of said Fixed Rate Period and on the first day of each [January and July] thereafter, until said principal amount is paid.

This Promissory Note shall bear interest on any overdue installment of principal hereof, premium, if any, or interest hereon (to the extent legally enforceable) at a rate equal to the interest rate borne by this Promissory Note, from time to time, from the due date thereof until paid.

This Promissory Note is issued pursuant to the Loan Agreement dated as of [January 1], 2007, by and between the City of Chicago (the "City") and the Borrower (the "Agreement"), and is issued in consideration of the loan made thereunder and to evidence the obligations of the Borrower set forth in Section 4.2(a) thereof. The

Borrower covenants and agrees that the payments of principal hereof and premium, if any, and interest hereon will be sufficient to enable the Trustee to pay when due the principal of, premium, if any, and interest on the City's Variable Rate Demand Multi-Family Housing Revenue Bonds (Uptown Preservation Apartments Project) Series 2007 in the aggregate principal amount of \$_____ (the "Bonds"), issued pursuant to the Trust Indenture dated as of January 1, 2007 from the City to the Trustee.

Each payment of principal of, premium, if any, and interest on this Promissory Note shall at all times be sufficient to pay the total amount of principal of (whether at maturity or upon acceleration or prior redemption), premium, if any, and interest on the Bonds on the same date. The total payments to be made by the Borrower hereunder shall be sufficient to pay when due the principal of (whether at maturity or upon acceleration or prior redemption), premium, if any, and interest on the Bonds; provided that the Excess Amount (as hereinafter defined) held by the Trustee in the Bond Fund (as defined in the Agreement) on a payment date shall be credited against the payment due on such date; and provided further, that, subject to the provisions of the immediately following sentence, if at any time the amount held by the Trustee in said Bond Fund should be sufficient (and remain sufficient) to pay at the times required the principal of, interest and premium, if any, on the Bonds then remaining unpaid, the Borrower shall not be obligated to make any further payments under the provisions of the preceding sentence. If on any day the Excess Amount held by the Trustee in said Bond Fund is insufficient to make the then required payments of principal of (whether at maturity or upon redemption prior to maturity or acceleration), interest and premium, if any, on the Bonds on such date, the Borrower shall forthwith pay such deficiency. The term "Excess Amount" as of any interest payment date shall mean the amount in said Bond Fund on such date in excess of the amount required for payment of the principal of the Bonds which theretofore has matured at maturity or on a date fixed for redemption and premium, if any, on such Bonds in all cases where interest checks have not been presented for payment and paid.

This Promissory Note is entitled to the benefit and is subject to the conditions of the Agreement. The obligations of the Borrower to make the payments required hereunder are absolute and unconditional, without any defense or without right of set-off, counterclaim or recoupment by reason of any default by the City under the Agreement or under any other agreement between the Borrower, the City or the Trustee or out of any indebtedness or liability at any time owing to the Borrower by the City or the Trustee, or for any other reason.

This Promissory Note is subject to mandatory prepayment as a whole, and optional prepayment as a whole or in part, as provided in Article VII of the Agreement.

In certain events, on the conditions, in the manner and with the effect set out in the Agreement, the principal installments of this Promissory Note may be declared

due and payable before the stated maturity thereof, together with accrued interest thereon.

Except as provided in this paragraph, neither the Borrower nor its partners are personally liable for payments under this Note. The obligations of the Borrower contained in this Note are limited obligations payable solely from the Borrower's interest in and revenues derived from the Project Facilities (as defined in the Agreement) and from the payments made by the Bank (as defined in the Agreement) to the Trustee on behalf of the Borrower under the Letter of Credit (as defined in the Agreement). Any judgment rendered against the Borrower for damages at law under this Note shall be limited to the Borrower's interest in and the revenues derived from the Project Facilities, and except as otherwise expressly provided in the Agreement; no deficiency or other personal judgment, or any order or decree of specific performance or other equitable remedies shall be rendered against the Borrower, its assets (other than its interest in and the revenues derived from the Project Facilities), its general or limited partners, their heirs, personal representatives, successors, transferees or assigns, as the case may be, in any action or proceedings arising out of this Note, or any judgment, order or decree rendered pursuant to any such action or proceeding.

Reference is hereby made to the Agreement for a complete statement of the terms and conditions under which the maturity of the principal installments of this Promissory Note may be accelerated.

In Witness Whereof, The Borrower has executed and delivered this Promissory Note as of the first (1st) day of January, 2007.

Community Housing Partners XI L.P., an
Illinois limited partnership

By Chicago Community Development
Corporation, an Illinois corporation

Its: General Partner

By: _____

Its: President

Exhibit "D".
(To Ordinance)

City Of Chicago

And

As Trustee

And

*Community Housing Partners XI L.P.,
An Illinois Limited Partnership
As Owner*

Land-Use Restriction Agreement

Dated As Of January 1, 2007.

This Land-Use Restriction Agreement (this "Agreement"), entered into as of January 1, 2007, by and among the City of Chicago, a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "Issuer"), _____, as trustee (the "Trustee") under a trust indenture, dated as of January 1, 2007 (the "Indenture"), from the Issuer to the Trustee, and Community Housing Partners XI L.P., an Illinois limited partnership (the "Owner"),

Witnesseth.

Whereas, The Issuer is issuing its Variable Rate Demand Multi-Family Housing Revenue Bonds (Uptown Preservation Apartments Project), Series 2007 (the "Bonds"), for the purpose of lending the proceeds thereof to the Owner pursuant to a Loan Agreement, dated as of January 1, 2007 (the "Loan Agreement"), between the Issuer and the Owner, to pay a portion of the costs of financing the acquisition, rehabilitation and equipping, on the tracts of real property described on (Sub)Exhibit A attached hereto, of three (3) related affordable multi-family housing projects to be located within the boundaries of the Issuer at 900 West Windsor Avenue, 4431 North Clifton Avenue and 927 West Wilson Avenue (the "Windsor Project", the "Clifton Project" and the "Wilson Project", respectively, each sometimes referred to in this Agreement as a "Project" and, collectively, as the "Projects"); and

Whereas, In order to assure the Issuer and the owners of the Bonds that interest on the Bonds will be excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and to further the public purposes of the Issuer, certain restrictions on the use and occupancy of the Projects under the Code must be established;

Now, Therefore, In consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Owner, the Issuer and the Trustee agree as follows:

Section 1. Term Of Restrictions.

(a) **Occupancy Restrictions:** With respect to each Project, the term of the Occupancy Restrictions set forth in Section 3 hereof shall commence on the first day on which at least ten percent (10%) of the units in such Project are first occupied, and shall end on the latest of (i) the date which is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied; (ii) the first date on which no tax-exempt bond (including any refunding bond) issued with respect to the Project is outstanding; or (iii) the date on which any housing assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates (which period is hereinafter referred to, with respect to each Project, as the "Qualified Project Period" for that Project).

(b) **Rental Restrictions:** The Rental Restrictions set forth in Section 4 hereof shall remain in effect with respect to each Project during the Qualified Project Period set forth in paragraph (a) of this Section 1.

(c) **Involuntary Loss Or Substantial Destruction:** The Occupancy Restrictions set forth in Section 3 hereof, and the Rental Restrictions set forth in Section 4 hereof, shall cease to apply to a Project in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in federal law or an action of a federal agency after the date of delivery of the Bonds, which prevents the Issuer and the Trustee from enforcing the Occupancy Restrictions and the Rental Restrictions, or condemnation or similar event, but only if, within a reasonable time period, (i) [the portion of the Bonds allocable to such Project (as determined by a firm of nationally recognized bond counsel acceptable to the Issuer and the Trustee) is] promptly retired, or amounts received as a consequence of such event are used to provide a new project which meets all of the requirements of this Agreement, which new project is subject to new restrictions substantially equivalent to those contained in this Agreement, and which is substituted in place of the Project by amendment of this Agreement and (ii) an opinion from a firm of nationally recognized bond counsel (acceptable to the Issuer and the Trustee) is received to the effect that noncompliance with the Occupancy Restrictions and the Rental Restrictions as a result of such involuntary loss or substantial destruction resulting from an unforeseen event will not adversely

affect the exclusion from the gross income of the owners thereof for purposes of federal income taxation of the interest on the Bonds; provided, however, that the preceding provisions of this paragraph shall cease to apply in the case of such involuntary noncompliance caused by foreclosure, transfer of title by deed in lieu of foreclosure or similar event if at any time during the Qualified Project Period subsequent to such event the Owner or any Related Party (as defined in Section 147(a)(2) of the Code) obtains an ownership interest in the Project for federal income tax purposes.

(d) Termination: This Agreement shall terminate upon the earliest of (i) termination of all Occupancy Restrictions and the Rental Restrictions, as provided in paragraphs (a) and (b) of this Section 1 or (ii) delivery to the Issuer, the Trustee and the Owner of an opinion of nationally recognized bond counsel (acceptable to the Issuer and the Trustee) to the effect that continued compliance with the Rental Restrictions and Occupancy Restrictions on the Projects is not required in order for interest on the Bonds to remain excludible from gross income for federal income tax purposes.

(e) Certification: Upon termination of this Agreement, in whole or in part, the Owner and the Issuer shall execute, and the Trustee shall acknowledge, and the parties shall cause to be recorded (at the Owner's expense), in all offices in which this Agreement was recorded, a certificate of termination, specifying which of the restrictions contained herein has terminated, and the portion of the Project to which such termination relates.

Section 2. Project Restrictions.

The Owner represents, warrants and covenants as follows:

(a) The Owner has reviewed the provisions of the Code and the Treasury Regulations thereunder (the "Regulations") applicable to this Agreement (including, without limitation, Section 142(d) of the Code and Section 1.103-8(b) of the Regulations) with its counsel and understands said provisions.

(b) Each Project is being acquired, rehabilitated and equipped for the purpose of providing a "qualified residential rental project" (within the meaning of Section 142(d) of the Code) and will, during the term of the applicable Rental Restrictions and Occupancy Restrictions hereunder, continue to constitute a "qualified residential rental project" under Section 142(d) of the Code and any Regulations heretofore or hereafter promulgated thereunder and applicable thereto.

(c) At least ninety-five percent (95%) of each Project will consist of a "building or structure" (as defined in Section 1.103-8(b)(8)(iv) of the Regulations), or several proximate buildings or structures of similar construction, each containing one or

more similarly constructed residential units (as defined in Section 1.103-8(b)(8)(i) of the Regulations) located on a single tract of land or contiguous tracts of land (as defined in Section 1.103-8(b)(4)(ii)(b) of the Regulations), which will be owned, for federal tax purposes, at all times by the same person, and financed pursuant to a common plan (within the meaning of Section 1.103-8(b)(4)(ii) of the Regulations), together with functionally related and subordinate facilities (within the meaning of Section 1.103-8(b)(4)(iii) of the Regulations). Each such building or structure shall contain five (5) or more similarly constructed units.

(d) None of the residential units in any Project will at any time be used on a transient basis, nor will any Project itself be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court for use on a transient basis.

(e) In no event will continual or frequent nursing, medical or psychiatric services be made available at any Project, within the meaning of Revenue Ruling 98-47, 1998-2 C.B. 397 or any successor thereto.

(f) All of the residential units in each Project will be leased, rented, or will be available for lease or rental on a continuous basis to members of the general public (other than units for a resident manager or maintenance personnel), subject, however, to the requirements of Section 3(a) hereof. Each Qualifying Tenant (as hereinafter defined) occupying a residential unit in a Project shall be required to execute a written Lease Agreement with a stated term of not less than thirty (30) days nor more than one (1) year.

(g) Any functionally related and subordinate facilities (e.g., parking areas, swimming pools, tennis courts, et cetera) which are financed by the Bonds and included as part of a Project will be of a character and size commensurate with the character and size of the Project, and will be made available to all tenants on an equal basis. Fees will only be charged with respect to the use thereof if the charging of fees is customary for the use of such facilities at similar residential rental properties in the surrounding area (i.e., within a one (1) mile radius of the Project) and then only in amounts commensurate with the fees being charged at similar residential rental properties within such area. In any event, any fees charged will not be discriminatory or exclusionary as to the Qualifying Tenants (as defined in Section 3 hereof). No functionally related and subordinate facilities will be made available to persons other than tenants or their guests.

(h) Each residential unit in each Project will contain separate and complete facilities for living, sleeping, eating, cooking and sanitation for a single person or family.

(i) No portion of any Project will be used to provide any 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, in violation of Section 147(e) of the Code.

Section 3. Occupancy Restrictions.

The Owner represents, warrants and covenants as follows:

(a) Pursuant to the election of the Issuer and the Owner in accordance with the provisions of Section 142(d)(1)(B) of the Code, at all times during the applicable Qualified Project Period at least forty percent (40%) of the completed residential units in each Project shall be continuously occupied (or treated as occupied as provided herein) or held available for occupancy by Qualifying Tenants as herein defined. For purposes of this Agreement, "Qualifying Tenants" means individuals or families whose aggregate adjusted incomes do not exceed sixty percent (60%) of the applicable median gross income (adjusted for family size) for the area in which the Project is located, as such income and area median gross income are determined by the Secretary of the United States Treasury in a manner consistent with determinations of income and area median gross income under Section 80f the United States Housing Act of 1937, as amended (or, if such program is terminated, under such program as in effect immediately before such termination).

(b) Prior to the commencement of occupancy of any unit to be occupied by a Qualifying Tenant, the prospective tenant's eligibility shall be established by execution and delivery by such prospective tenant of an Income Computation and Certification in the form attached hereto as (Sub)Exhibit B (the "Income Certification") evidencing that the aggregate adjusted income of such prospective tenant does not exceed the applicable income limit. In addition, such prospective tenant shall be required to provide whatever other information, documents or certifications are reasonably deemed necessary by the Owner or the Issuer to substantiate the Income Certification.

(c) Not less frequently than annually, the Owner shall determine whether the current aggregate adjusted income of each tenant occupying any unit being treated by the Owner as occupied by a Qualifying Tenant exceeds the applicable income limit. For such purpose the Owner shall require each such tenant to execute and deliver to the Owner the Income Certification attached hereto as (Sub)Exhibit B.

(d) Any unit vacated by a Qualifying Tenant shall be treated as continuing to be occupied by such tenant until reoccupied, other than for a temporary period not to exceed thirty-one (31) days, at which time the character of such unit as a unit occupied by a Qualifying Tenant shall be redetermined.

(e) If an individual's or family's income exceeds the applicable income limit as of any date of determination, the income of such individual or family shall be treated as continuing not to exceed the applicable limit; provided that the income of an individual or family did not exceed the applicable income limit upon commencement of such tenant's occupancy or as of any prior income determination; and provided, further, that if any individual's or family's income as of the most recent income determination exceeds one hundred forty percent (140%) of the applicable income limit, such individual or family shall cease to

qualify as a Qualifying Tenant if, prior to the next income determination of such individual or family, any unit in the Project of comparable or smaller size to such individual's or family's unit is occupied by any tenant other than a Qualifying Tenant.

(f) For purposes of satisfying the requirement that forty percent (40%) of the completed residential units of each Project be occupied by Qualifying Tenants, the following principles shall apply: (i) at the time ten percent (10%) of the residential units in a Project are occupied, forty percent (40%) of such units must be occupied by Qualifying Tenants and (ii) after ten percent (10%) of the residential units in a Project are occupied, non-Qualifying Tenants may occupy units in the Project in the number set forth in (Sub)Exhibit D hereto, but only if the Qualifying Tenants' occupancies predate the non-Qualifying Tenants' occupancies.

(g) The Lease Agreement to be utilized by the Owner in renting any residential units in a Project to a prospective Qualifying Tenant shall provide for termination of the Lease Agreement and consent by such person to eviction following thirty (30) days notice, subject to applicable provisions of Illinois law (including for such purpose all applicable home rule ordinances), for any material misrepresentation made by such person with respect to the Income Certification with the effect that such tenant is not a Qualifying Tenant.

(h) All Income Certifications will be maintained on file at each Project so long as any Bonds are outstanding and for five (5) years thereafter with respect to each Qualifying Tenant who occupied a residential unit in the Project during the period the restrictions hereunder are applicable; and the Owner will, promptly upon receipt, file a copy thereof with the Issuer, and at the written request of the Trustee, with the Trustee.

(i) On the first (1st) day of each Qualified Project Period, on the fifteenth (15th) day of January, April, July and October of each year during the applicable Qualified Project Period, and within thirty (30) days after the final day of each month in which there occurs any change in the occupancy of a residential unit in a Project, the Owner will submit to the Issuer and the Trustee the "Certificate of Continuing Program Compliance" with respect to the Project, in the form attached hereto as (Sub)Exhibit C, executed by the Owner.

(j) The Owner shall submit to the Secretary of the United States Treasury (at such time and in such manner as the Secretary shall prescribe) an annual certification as to whether the Projects continue to meet the requirements of Section 142(d) of the Code. Failure to comply with such requirement may subject the Owner to the penalty provided in Section 66520 of the Code. The Owner shall submit a copy of each such annual certification to the Issuer and the Trustee.

Section 4. Rental Restrictions.

The Owner represents, warrants and covenants that once available for occupancy, each residential unit in each Project will be rented or available for rental on a

continuous basis to members of the general public (other than (a) units for a resident manager or maintenance personnel and (b) units for Qualifying Tenants as provided for in Section 3 hereof).

Section 5. Transfer Restrictions.

The Owner covenants and agrees that, except as provided in the last sentence of this Section 5, no conveyance, transfer, assignment or any other disposition of title to a Project (a "Transfer"), shall be made prior to the termination of the applicable Rental Restrictions and Occupancy Restrictions hereunder, unless the transferee pursuant to the Transfer assumes in writing, in a form reasonably acceptable to the Issuer and the Trustee, all of the executory duties and obligations hereunder of the Owner, including this Section 5, and agrees to cause any subsequent transferee to assume such duties and obligations in the event of a subsequent Transfer by the transferee prior to the termination of the Rental Restrictions and Occupancy Restrictions hereunder (the "Assumption Agreement"). The Owner shall deliver the Assumption Agreement to the Issuer and the Trustee at least thirty (30) days prior to a proposed Transfer. This Section 5 shall not apply to the following: (i) the Construction Mortgage, Security Agreement, Assignment of Rents and Leases, and Financing Statement, dated as of January 1, 2007, executed and delivered by the Owner to _____; and (ii) _____ [other permitted liens?]

Section 6. Enforcement.

(a) The Owner shall permit all duly authorized representatives of the Issuer or the Trustee to inspect any books and records of the Owner regarding the Projects and the incomes of Qualifying Tenants which pertain to compliance with the provisions of this Agreement and Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

(b) In addition to the information provided for in Section 3(i) hereof, the Owner shall submit any other information, documents or certifications reasonably requested by the Issuer or the Trustee which the Issuer or the Trustee deems reasonably necessary to substantiate continuing compliance with the provisions of this Agreement and Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

(c) The Issuer, the Trustee and the Owner each covenants that it will not take or permit to be taken any action within its control that it knows would adversely affect the exclusion of interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation pursuant to Section 103 of the Code. Moreover, the Issuer and the Owner covenant to take any lawful action within their control and the Trustee covenants to take any lawful action it is directed to take by the Owner, the Issuer or nationally recognized bond counsel (including amendment

of this Agreement as may be necessary, in the opinion of nationally recognized bond counsel acceptable to the Issuer and the Trustee) to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service from time to time pertaining to obligations issued under Section 142(d) of the Code and affecting the Projects.

(d) The Owner covenants and agrees to inform the Issuer and the Trustee by written notice of any violation of its obligations hereunder within five (5) days of first discovering any such violation. If any such violation is not corrected to the satisfaction of the Issuer and the Trustee within the period of time specified by either the Issuer or the Trustee, which shall be (A) the lesser of (i) forty-five (45) days after the effective date of any notice to or from the Owner, or (ii) sixty (60) days from the date such violation would have been discovered by the Owner by the exercise of reasonable diligence, or (B) such longer period as is specified in an opinion of nationally recognized bond counsel (acceptable to the Issuer and the Trustee), and as in such opinion will not result in the loss of such exclusion of interest on the Bonds, without further notice, the Issuer or the Trustee shall declare a default under this Agreement effective on the date of such declaration of default, and the Issuer or the Trustee shall apply to any court, state or federal, for specific performance of this Agreement or an injunction against any violation of this Agreement, or any other remedies at law or in equity or any such other actions as shall be necessary or desirable so as to correct noncompliance with this Agreement.

(e) The Owner, the Issuer and the Trustee each acknowledges that the primary purpose for requiring compliance with the restrictions provided in this Agreement is to preserve the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, and that the Issuer and the Trustee, on behalf of the owners of the Bonds, who are declared to be third-party beneficiaries of this Agreement, shall be entitled for any breach of the provisions hereof, to all remedies both at law and in equity in the event of any default hereunder, which in the opinion of the Issuer and nationally recognized bond counsel could adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

(f) In the enforcement of this Agreement, the Issuer and the Trustee may rely on any certificate delivered by or on behalf of the Owner or any tenant with respect to any Project.

(g) Nothing in this section shall preclude the Issuer or the Trustee from exercising any remedies they might otherwise have, by contract, statute or otherwise, upon the occurrence of any violation hereunder, which in the opinion of the Issuer and nationally recognized bond counsel could adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

Section 7. Covenants To Run With The Land.

The Owner hereby subjects the Projects to the covenants, reservations and restrictions set forth in this Agreement. The Issuer, the Trustee and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants, reservations and restrictions running with the land to the extent permitted by law, and shall pass to and be binding upon the Owner's successors in title to the Projects throughout the term of this Agreement. Each and every contract, deed, mortgage, lease or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (excluding any transferee of a limited partnership interest in the Owner) shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed, mortgage, lease or other instrument.

Section 8. Recording.

The Owner shall cause this Agreement and all amendments and supplements hereto to be recorded in the conveyance and real property records of Cook County, Illinois, and in such other places as the Issuer or the Trustee may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

Section 9. Concerning The Trustee.

(a) The Trustee is executing and delivering this Agreement solely for the purposes of acknowledging the matters set forth herein, and being bound to undertake only those duties and responsibilities specifically set forth with respect to the Trustee. With respect to matters set forth in the remaining sections of this Agreement, the Trustee has made no investigation, makes no representation and undertakes no duties or responsibilities. No implied duties or responsibilities may be read into this Agreement against the Trustee, and the Trustee shall be entitled to the protections, privileges, exculpation and indemnities contemplated under the Indenture.

(b) In determining whether any default or lack of compliance by the Owner exists under this Agreement, the Trustee shall not be required to conduct any investigation into or review the operations or records of the Owner and, absent actual knowledge of any default or noncompliance, may assume compliance by the Owner with this Agreement unless otherwise specifically notified in writing.

(c) The permissive right of the Trustee to take actions permitted by this Agreement shall not be construed as an obligation or duty to do so.

(d) The Trustee shall be under no duty to confirm or verify any financial or other statements, reports or certificates furnished pursuant to any provisions hereof, and shall be under no other duty in respect of same except to retain the same in its files and permit the inspection of same at reasonable times by the Issuer.

(e) The Trustee has the right to appoint agents to carry out any of its duties and obligations hereunder, and shall, upon request, certify in writing to the other parties hereto any such agency appointment.

Section 10. No Conflict With Other Documents.

The Owner warrants and covenants that it has not and will not execute any other agreement with provisions inconsistent or in conflict with the provisions hereof (except documents that are subordinate to the provisions hereof), and the Owner agrees that the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth, which supersede any other requirements in conflict herewith.

Section 11. Interpretation.

Any terms not defined in this Agreement shall have the same meaning as terms defined in the Indenture, the Loan Agreement or Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

Section 12. Amendment.

This Agreement may be amended by the parties hereto to reflect changes in Section 142(d) of the Code, the regulations hereafter promulgated thereunder and revenue rulings promulgated thereunder, or in the interpretation thereof, subject to an opinion of nationally recognized bond counsel that such amendment will not adversely affect the exclusion of the interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation.

Section 13. Severability.

The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 14. Notices.

Any notice, demand or other communication required or permitted hereunder shall be in writing and shall be deemed to have been given if and when personally

delivered and receipted for, or, if sent by private courier service or sent by overnight mail service, shall be deemed to have been given if and when received (unless the addressee refuses to accept delivery, in which case it shall be deemed to have been given when first presented to the addressee for acceptance), or on the first (1st) day after being sent by telegram, or on the third (3rd) day after being deposited in United States registered or certified mail, 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 the party to receive such notice may have designated to all other parties by notice in accordance herewith:

If To The Issuer:

City of Chicago Department of Housing
33 North LaSalle Street
Chicago, Illinois 60602
Attention: Commissioner, Department of
Housing

with a copy to:

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

If To The Trustee:

If To The Owner:

Community Housing Partners XI L.P.
In care of Chicago Community
Development Corporation
36 South Wabash Avenue
Suite 1310
Chicago, Illinois 60603
Attention: _____

with a copy to:

with a copy to:

Section 15. Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois, and where applicable, the laws of the United States of America.

In Witness Whereof, The parties hereto have caused this Agreement to be signed and sealed by their respective, duly authorized representatives, as of the day and year first above written.

[Seal]

City of Chicago, Illinois, as Issuer

Attest: _____

By: _____
Chief Financial Officer

By: _____
City Clerk

12/13/2006

REPORTS OF COMMITTEES

94201

Community Housing Partners XI L.P.,
an Illinois limited partnership

By: Chicago Community Development
Corporation, an Illinois for-profit
corporation

By: _____

Its: _____

As Trustee

By: _____

Its: _____

[Seal]

Attest: _____

By: _____

Its: _____

State of Illinois)
)SS.
County of Cook)

Before me, the undersigned authority, on this day personally appeared _____,
of _____, a _____ banking corporation (the "Trustee"), known to
me to be the person whose name is subscribed to the foregoing instrument, and

known to me to be the _____ of said Trustee and acknowledged to me that said individual executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of said Trustee.

Given under my hand and seal of office this the _____ day of _____, 2007.

Notary Public in and for the State of Illinois

[Seal]

My commission expires on: _____.

State of Illinois)
)SS.
County of Cook)

Before me, the undersigned authority, on this day personally appeared _____ and _____, the Chief Financial Officer and City Clerk, respectively, of the City of Chicago, a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "Issuer"), known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that each executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of the Issuer.

Given under my hand and seal of office this the _____ day of _____, 2007.

Notary Public in and for the State of Illinois

[Seal]

My commission expires on: _____.

12/13/2006

REPORTS OF COMMITTEES

94203

State of Illinois)
)SS.
County of Cook)

Before me, the undersigned authority, on this day personally appeared _____, the _____ of Chicago Community Development Corporation ("General Partner"), an Illinois for-profit corporation and a general partner of Community Housing Partners XI L.P., an Illinois limited partnership (the "Owner"), known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the _____ of said General Partner and acknowledged to me that said individual executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of the General Partner and said Owner.

Given under my hand and seal of office this the _____ day of _____, 2007.

Notary Public in and for the State of Illinois

[Seal]

My commission expires on: _____.

(Sub)Exhibits "A", "B", "C" and "D" referred to in this Land-Use Restriction Agreement read as follows:

(Sub)Exhibit "A".
(To Land-Use Restriction Agreement).

(1) Windsor Project.

Legal Description:

Address Commonly Known As:

900 West Windsor Avenue
Chicago, Illinois.

Permanent Index Numbers:

(2) Clifton Project.

Legal Description:

Address Commonly Known As:

4431 North Clifton Avenue
Chicago, Illinois.

Permanent Index Numbers:

(3) Wilson Project.

Legal Description:

Address Commonly Known As:

927 West Wilson Avenue
Chicago, Illinois.

Permanent Index Numbers:

(Sub)Exhibit "B".
(To Land-Use Restriction Agreement)

Income Computation And Certification⁽¹⁾.

Note To Apartment Owner: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Development ("H.U.D.") Regulations (24 C.F.R. Part 5). You should make certain that this form is at all times up to date with H.U.D. Regulations. All capitalized terms used herein shall have the meanings set forth in the Land-Use Restriction Agreement, dated as of January 1, 2007, among Community Housing Partners XI L.P. (the "Owner"), the City of Chicago and _____, as Trustee.

(1) The form of Income Computation and Certification shall be conformed to any amendments made to 24 C.F.R. Part 5, or any regulatory provisions promulgated in substitution therefor.

Re: Uptown Preservation Apartments Project

Chicago, Illinois

I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully and truthfully each of the following questions for all persons who are to occupy the unit in the above apartment project for which application is made. Listed below are the names of all persons who intend to reside in the unit:

1.	2.	3.	4.	5.
Name Of Members Of The Household	Relationship To Head Of Household	Age	Social Security Number	Place Of Employment
_____	Head Spouse	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

6. Total Anticipated Income. The total anticipated income, calculated in accordance with this paragraph 6, of all persons listed above for the twelve (12) month period beginning the date that I/we plan to move into a unit (i.e., _____) is \$_____.

Included in the total anticipated income listed above are:

(a) the full amount, before payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(b) the net income from operation of a business or profession or net income from real or personal property (without deducting expenditures for business expansion or amortization or capital indebtedness); an allowance for depreciation of capital assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; include any withdrawal of cash or assets from the

operation of a business or profession, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the above persons;

(c) interest and dividends (see 7(C) below);

(d) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump sum payment for the delayed start of a periodic payment;

(e) payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay;

(f) the amount of any public welfare assistance payment; if the welfare assistance payment includes any amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(i) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus

(ii) the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities (if the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph 6(f)(ii) shall be the amount resulting from one (1) application of the percentage);

(g) periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; and

(h) all regular pay, special pay and allowances of a member of the Armed Forces.

Excluded from such anticipated total income are:

(a) income from employment of children (including foster children) under the age of eighteen (18) years;

(b) payments received for the care of foster children or foster adults;

(c) lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and

workers' compensation), capital gains and settlement for personal or property losses;

(d) amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;

(e) income of a live-in aide;

(f) the full amount of student financial assistance paid directly to the student or to the educational institution;

(g) special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(h) amounts received under training programs funded by the Department of Housing and Urban Development ("H.U.D.");

(i) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (P.A.S.S.);

(j) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, et cetera) and which are made solely to allow participation in a specific program;

(k) a resident service stipend in a modest amount (not to exceed Two Hundred Dollars (\$200) per month) received by a resident for performing a service for the Owner, on a part-time basis, that enhances the quality of life in the Project, including, but not limited to, fire patrol, hall monitoring, lawn maintenance and resident initiatives coordination (no resident may receive more than one (1) stipend during the same period of time);

(l) compensation from state or local employment training programs and training of a family member as resident management staff, which compensation is received under employment training programs (including training programs not affiliated with a local government) with clearly defined goals and objectives, and which compensation is excluded only for the period during which the family member participates in the employment training program;

(m) reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(n) earnings in excess of Four Hundred Eighty Dollars (\$480) for each full-time student, eighteen (18) years or older, but excluding the head of household and spouse;

(o) adoption assistance payments in excess of Four Hundred Eighty Dollars (\$480) per adopted child;

(p) deferred periodic payments of Supplemental Security Income and Social Security benefits that are received in a lump sum payment;

(q) amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;

(r) amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;

(s) temporary, nonrecurring or sporadic income (including gifts); and

(t) amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 C.F.R. 5.609(c) apply.

7. Assets. (A) Do the persons whose income or contributions are included in Item 6 above:

(i) have savings, stocks, bonds, equity in real property or other forms of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles, equity in H.U.D. homeownership programs, and interests in Indian Trust land)?

☐ Yes

☐ No

(ii) have they disposed of any assets (other than at a foreclosure or bankruptcy sale) during the last two (2) years at less than fair market value?

☐ Yes

☐ No

(B) If the answer to (i) or (ii) above is yes, does the combined total value of all such assets owned or disposed of by all such persons total more than Five Thousand Dollars (\$5,000)?

☐ Yes

☐ No

(C) If the answer to (B) above is yes, state:

(i) the total value of all such assets: \$_____,

(ii) the amount of income expected to be derived from such assets in the twelve (12) month period beginning on the date of initial occupancy of the unit that you propose to rent: \$_____, and

(iii) the amount of such income, if any, that was included in Item 6 above: \$_____.

8. Full-Time Students. (a) Are all of the individuals who propose to reside in the unit full-time students?

☐ Yes

☐ No

A full-time student is an individual who during each of five (5) calendar months during the calendar year in which occupancy of the unit begins is a full-time student at an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance or an individual pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of such an educational organization or of a state or political subdivision thereof.

(b) If the answer to 8(a) is yes, are at least two (2) of the proposed occupants of the unit, a husband and wife, entitled to file a joint federal income tax return?

☐ Yes

☐ No

9. Relationship To Project Owner. Neither myself nor any other occupant of the unit I/We propose to rent is the owner of the rental housing project in which the unit is located (hereinafter the "Owner"), has any family relationship to the Owner, or owns directly or indirectly any interest in the Owner. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a

family member; ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trust held by the individual or a family member; and ownership, direct or indirect, by a partner of the individual.

10. Reliance. This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit and is relevant to the status under federal income tax law of the interest on bonds issued to provide financing for the apartment development for which application is being made. I/We consent to the disclosure of such information to the issuer of such bonds, the holders of such bonds, any trustee acting on their behalf and any authorized agent of the Treasury Department or the Internal Revenue Service. I/We declare that all information set forth herein is true, correct and complete and based upon information I/We deem reliable, and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

11. Further Assistance. I/We will assist the Owner in obtaining any information or documents required to verify the statements made herein, including, but not limited to, either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding two (2) calendar years.

12. Misrepresentation. I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit, and may entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct.

Executed this _ day of _____ in _____, Illinois.

Applicant

Applicant

Applicant

Applicant

[Signature of all persons over the age of seventeen (17) years
listed in Number 2 above required.]

Subscribed and sworn to before me this
_____ day of _____, 200__.

[Notary Seal]

Notary public in and for the State of _____

My commission expires: _____

For Completion By Apartment Owner Only:

1. Calculation of eligible income:

- a. Enter amount entered for entire household in 6 above: \$ _____
- b.
 - (1) if the amount entered in 7(C)(i) above is greater than Five Thousand Dollars (\$5,000), enter the total amount entered in 7(C)(ii), subtract from that figure the amount entered in 7(C)(iii) and enter the remaining balance (\$ _____);
 - (2) multiply the amount entered in 7(C)(i) times the current pass book savings rate as determined by H.U.D. to determine what the total annual earnings on the amount in 7(C)(i) would be if invested in passbook savings (\$ _____), subtract from that figure the amount entered in 7(C)(iii) and enter the remaining balance (\$ _____); and
 - (3) enter at right the greater of the amount calculated under (1) or (1) above: \$ _____
- c. Total Eligible Income (Line 1.a plus line 1.b(3)): \$ _____

2. The amount entered in 1.c is:

_____ Less than sixty percent (60%) of Median Gross Income for the Area⁽²⁾.

_____ More than sixty percent (60%) of Median Gross Income for the Area⁽³⁾.

3. Number of apartment unit assigned: _____

Bedroom Size: _____ Rent: \$_____

4. The last tenants of this apartment unit for a period of at least thirty (30) consecutive days [had/did not have] aggregate anticipated annual income, as certified in the above manner upon their initial occupancy of the apartment unit, of less than sixty percent (60%) of Median Gross Income for the Area.

5. Method used to verify applicant(s) income:

_____ Employer income verification.

_____ Copies of tax returns.

_____ Other (_____)

Owner or Manager

(2) "Median Gross Income for the Area" means the median income for the area where the Project is located as determined by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, or if programs under Section 8 are terminated, median income determined under the method used by the Secretary prior to the termination. "Median Gross Income for the Area" shall be adjusted for family size.

(3) See footnote 2.

Income Verification.
(For Employed Persons)

The undersigned employee has applied for a rental unit located in a project financed by the City of Chicago. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual wages	_____
Overtime	_____
Bonuses	_____
Commissions	_____
Total current income	_____

I hereby certify that the statements above are true and complete to the best of my knowledge.

_____	_____	_____
Signature	Date	Title

I hereby grant you permission to disclose my income to Community Housing Partners XI L.P., an Illinois limited partnership, in order that it may determine my income eligibility for rental of an apartment located in its project which has been financed by the City of Chicago.

_____	_____
Signature	Date

Please send to:

Income Verification.
(For Self-Employed Persons)

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding two (2) calendar years and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

Signature

Date

(Sub)Exhibit "C".
(To Land-Use Restriction Agreement)

Certificate Of Continuing Program Compliance.

(To Be Completed Separately With Respect To Each Project)

Project: _____

The undersigned, a general partner of Community Housing Partners XI L.P., an Illinois limited partnership (the "Owner"), hereby certifies as follows:

1. The undersigned has read and is thoroughly familiar with the provisions of the Land-Use Restriction Agreement, dated as of January 1, 2007, among the Owner, the City of Chicago and _____, as Trustee (the "Land-Use Restriction Agreement").

2. Based on Income Computations and Certifications on file with the Owner, as of the date of this Certificate the following number of completed residential units in the above-captioned Project (i) are occupied by Qualifying Tenants (as such term is defined in the Land-Use Restriction Agreement), or (ii) were

previously occupied by Qualifying Tenants and have been vacant and not reoccupied except for a temporary period of no more than thirty-one (31) days:

Occupied by Qualifying Tenants⁽⁴⁾ _____ Number of Units

Previously occupied by Qualifying
Tenants (vacant and not
reoccupied except for a
temporary period of no
more than thirty-one
(31) days) _____ Number of Units

3. The total number of completed residential units in the Project is _____.

4. No default has occurred and is subsisting under the Land-Use Restriction Agreement.

Community Housing Partners XI L.P.,
an Illinois limited partnership

By: Chicago Community
Development Corporation,
an Illinois for-profit
corporation

By: _____

Its: _____

(4) A unit all of the occupants of which are full-time students does not qualify as a unit occupied by Qualifying Tenants, unless one or more of the occupants were entitled to file a joint tax return.

(Sub)Exhibit "D".
(To Land-Use Restriction Agreement)

Ratable Rent-Up Schedule.

Total Units Occupied	Qualifying Units
1 -- 5	2
6 -- 10	4
11 -- 15	6
16 -- 20	8
21 -- 25	10
26 -- 30	12
31 -- 35	14
36 -- 40	16
41 -- 45	18
46 -- 50	20
51 -- 55	22
56 -- 60	24
61 -- 65	26
66 -- 70	28
71 -- 75	30
76 -- 80	32
81 -- 85	34
86 -- 90	36

*Exhibit "E".
(To Ordinance)*

*Uptown Preservation Apartments
Redevelopment Agreement.*

This Uptown Preservation Apartments 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**"), Community Housing Partners XI L.P., an Illinois limited partnership ("**CHP**"), and Voice of the People in Uptown, Inc., an Illinois not-for-profit corporation ("**VOP**" and collectively with CHP, the "**Developer**").

RECITALS

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

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

C. **City Council Authority:** To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on June 27, 2001: (1) "Approval of Wilson Yard Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project;" (2) "Designation of Wilson Yard Redevelopment Project Area as a Redevelopment Project Area Pursuant to Tax Increment Allocation Redevelopment Act;" and (3) "Adoption of Tax Increment Allocation Financing for the Wilson Yard Redevelopment Project Area" (the "TIF Adoption Ordinance"), (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:** The Developer intends to purchase (the "Acquisition") certain property located within the Redevelopment Area at 927 W. Wilson Avenue, 900 W. Windsor Avenue and 4431 N. Clifton Avenue, all in Chicago, Illinois 60640 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 rehabilitation of 77 affordable multi-family rental units (the "Facility") thereon. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on **Exhibit C**) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. **Redevelopment Plan:** The Project will be carried out in accordance with this Agreement and the City of Chicago Wilson Yard Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan") attached hereto as **Exhibit D**.

F. **City Financing:** The City agrees to use, in the amounts set forth in **Section 4.03** hereof, Incremental Taxes (as defined below), to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("TIF Bonds") secured by Incremental Taxes pursuant to a TIF bond ordinance (the "TIF Bond Ordinance") at a later date as described in **Section 4.03(d)** hereof, the proceeds of which (the "TIF Bond Proceeds") may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

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

SECTION 1. RECITALS

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

SECTION 2. DEFINITIONS

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

"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.

"Bond(s)" shall have the meaning set forth for such term in Section 8.05 hereof.

"Bond Ordinance" shall mean the City ordinance authorizing the issuance of Bonds.

"Certificate" shall mean the Certificate of Completion of Rehabilitation described in Section 7.01 hereof.

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

"City Council" shall have the meaning set forth in the Recitals hereof.

"City 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 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 Office of Corporation Counsel.

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

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago, including but not limited to the Municipal Code of Chicago, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

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

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

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the Title Company (or an affiliate of the Title Company), the City, 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.

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

"General Contractor" shall mean the general 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 Wilson Yard TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Lender Financing" shall mean funds borrowed by the Developer from lenders and available to pay for Costs of the Project, in the amount set forth in **Section 4.01** hereof.

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

"MBE/WBE Budget" shall mean the budget attached hereto as **Exhibit 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.

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

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

"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.

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

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

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on December 31, 2024, the date on which the Redevelopment Area is no longer in effect.

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

"TIF 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 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 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, 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, related to the Procurement Program or the Construction Program, as applicable.

"Wilson Yard 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.

SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence rehabilitation no later than January 31, 2007; and (ii) complete rehabilitation no later than July 31, 2008.

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

3.03 Project Budget. The Developer has furnished to DOH, and DOH has approved, a Project Budget showing total costs for the Project in an amount not less than Sixteen Million Nine Hundred Seventy Seven Thousand Three Hundred Sixty-Three Dollars (\$16,977,363). 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 DOH certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, 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 DOH 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 reduction in the square footage of the Facility; (b) a change in the use of the Property to a use other than multi-family affordable rental units; (c) a delay in the completion of the Project; or (d) Change Orders costing more than \$25,000 each, to an aggregate amount of \$100,000. 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). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of

City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer. Notwithstanding anything to the contrary in this Section 3.04, Change Orders costing less than Twenty-Five Thousand Dollars (\$25,000.00) each, to an aggregate amount of One Hundred Thousand Dollars (\$100,000.00), do not require DOH's prior written approval as set forth in this Section 3.04, but DPD shall be notified in writing of all such Change Orders prior to the implementation thereof and the Developer, in connection with such notice, shall identify to DOH the source of funding therefor.

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

3.06 Other Approvals. Any 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 Section 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project until the Developer has obtained all necessary permits and approvals (including but not limited to DOH's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.07 Progress Reports and Survey Updates. The Developer shall provide DOH with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring DOH's written approval pursuant to Section 3.04). The Developer shall provide three (3) copies of an updated Survey to DOH upon the request of DOH 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 DOH 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 DOH, prior to requests for disbursement for costs related to the Project pursuant to the Escrow Agreement.

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. DOH retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades.

3.10 Signs and Public Relations. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name,

photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications.

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

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

SECTION 4. FINANCING

4.01 Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$16,977,363, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections 4.03(b) and 4.06</u>)	\$ 1,500,540
Lender Financing	\$14,919,550
Estimated City Funds (subject to <u>Section 4.03</u>)	\$ 557,273

ESTIMATED TOTAL **\$ 16,977,363**

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 Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DPD evidencing such cost and its eligibility as a Redevelopment Project Cost.

Notwithstanding the obligation to reimburse the Developer as set forth in this Section 4.03(a), the maximum amount of City Funds shall be reduced as follows: on a \$0.50-for-\$1 basis to the extent that the actual Project costs are less than the budgeted Project costs as set forth in Project Budget.

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide City funds (the "City Funds") from Incremental Taxes to pay for or reimburse the Developer for the costs of the TIF-Funded Improvements, provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed Five Hundred Fifty Seven Thousand Two Hundred Seventy Three Dollars (\$557,273); and provided further, that the \$557,273 to be derived from Incremental Taxes and/or TIF Bond proceeds, if any shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as the amount of the Incremental Taxes deposited into the Wilson Yard TIF Fund shall be sufficient to pay for such costs.

The Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements is contingent upon the fulfillment of the conditions set forth above. In the event that such conditions are not fulfilled, the amount of Equity to be contributed by the Developer pursuant to Section 4.01 hereof shall increase proportionately.

4.04 Construction Escrow. The City and the Developer hereby agree to enter into the Escrow Agreement. All disbursements of Project funds shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control. The City must receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement.

4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by 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 or Lender Financing hereunder (the "Prior Expenditures"). DPD shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit I hereto sets forth the prior expenditures approved by DPD as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to 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.

(b) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of DPD, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of DPD.

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03 hereof, or if the cost of completing the Project exceeds the Project Budget, 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. Prior to each disbursement of City Fund hereunder, the Developer shall submit documentation regarding the applicable expenditures to DOH, which shall be satisfactory to DOH in its sole discretion. Delivery by the Developer to DOH of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

(a) the total amount of the disbursement request represents the actual cost of the Acquisition or the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

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

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

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

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

(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 the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such

certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in 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 if the Property, or any portion thereof, ceases to be utilized as affordable rental housing within 15 years following the date of the Certificate.

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

5.03 Other Governmental Approvals. The Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to 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 other sources set forth in Section 4.01) to complete the Project. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of 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 Developer's name (and the following trade names of the Developer: _____) 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 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(a) 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 DPD, satisfactory in form and substance to DPD, 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 Organizational Documents; Economic Disclosure Statement. The Developer has provided a copy of its Articles of Incorporation or Certificate of Limited Partnership containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws of the corporation or Limited Partnership Agreement; and such other organizational documentation as the City has requested. The Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

5.15 Litigation. The Developer has provided to Corporation Counsel and 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 the City of Chicago, and shall submit all bids received to DPD for its inspection and written approval. For the TIF-Funded Improvements, 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. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. 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 TIF-Funded Improvements 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 the Plans and Specifications have been approved by DPD and 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. 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 a form acceptable to DPD or a letter of credit. 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 3.04 (Change Orders), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to 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.

(a) Upon completion of the rehabilitation of the Project in accordance with the terms of this Agreement, and after final disbursement from the Escrow, 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.

(b) 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.

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

- (i) the Project, including all of the TIF-Funded Improvements, has been substantially completed; and
- (ii) Developer has provided DPD with evidence acceptable to DPD showing that Developer has complied with building permit requirements; and
- (iii) the City's monitoring unit has determined in writing that the Developer is in complete compliance with all requirements of Sections 8.09 and 10.

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

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

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

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

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of 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 reimbursement of the City Funds from the Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of the TIF Bonds.

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.

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) CHP is an Illinois limited partnership and VOP is an Illinois not-for-profit corporation, each duly organized, validly existing, qualified to do business in Illinois, and each licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) each of CHP and VOP 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 (as applicable) its Articles of Incorporation, by-laws or partnership agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, 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, 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) 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) neither the Developer nor any affiliate of the Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more

intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

8.02 Covenant to Redevelop. Upon DPD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all 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 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 Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements (the "Bonds"); provided, however, that any such amendments shall not have a material adverse effect on 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 Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

8.06 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 8.08, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City when the Project is 25%, 50%, 70% and 100% completed (based on the amount of expenditures incurred in relation to the Project Budget). If any such reports indicate a shortfall in compliance, 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.

8.07 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.

8.08 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 8.08.**

8.09 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, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer and reimbursement to the Developer for such costs using City Funds, or otherwise), upon DPD's request, prior to any such disbursement.

8.10 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City 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.

8.11 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 Developer's fiscal year ended December 31, 2005 and each year thereafter 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.

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

8.14 Non-Governmental Charges. (a) Payment of Non-Governmental Charges. Except for the Permitted Liens, 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 8.14); 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.

8.15 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 the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.16 Compliance with Laws. 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.

8.17 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed

against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.18 Real Estate Provisions.

(a) Governmental Charges.

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

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

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. The Developer agrees that (A) for the purpose of this Agreement, the total projected minimum assessed value of the Property ("Minimum Assessed Value") is shown on Exhibit K attached hereto and incorporated herein by reference 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. 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 this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect.

(iii) No Reduction in Real Estate Taxes. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value as shown in Exhibit K for the applicable year.

(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 the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property up to (but not above) the Minimum Assessed Value as shown in Exhibit K.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.18(c) are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.18(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.18(c).

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

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

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

(c) All of the units in the Facility has monthly rents not in excess of thirty percent (30%) of the maximum allowable income for a Low Income Family (with the applicable Family size for such units determined in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for any unit occupied by a Family (as defined below) that no longer qualifies as a Low Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.

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

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

(ii) "Low Income Families" shall mean Families whose annual income does not exceed sixty percent (60%) of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by

the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition.

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

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

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

SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

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

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

SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all

job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

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

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

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

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

10.02 City Resident Construction Worker Employment Requirement. The Developer agrees for itself and its successors and assigns, and 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.**

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

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

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

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "Construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as set forth in Exhibit H-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 24 percent by MBEs.
- (2) At least four 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" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

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

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

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

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

(g) Prior to the commencement of the Project, the Developer shall be required to meet with the City's monitoring staff with regard to the Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which

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

SECTION 11. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, [the Bond Ordinance] 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 must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) All Risk Property

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

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

(i) Workers Compensation and Employers Liability

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

(ii) Commercial General Liability (Primary and Umbrella)

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

(iii) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability

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

(v) All Risk /Builders Risk

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

(vi) Professional Liability

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

(vii) Valuable Papers

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

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, the Developer must cause remediation contractor to provide Contractor Pollution Liability

covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence.

Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

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

(d) Other Requirements:

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

The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractors.

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

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

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

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

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

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

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

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

SECTION 13. INDEMNIFICATION

13.01 General Indemnity. Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee," and collectively the "Indemnities") 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 Indemnities 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 Indemnities 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;

(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;

(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, the sale or transfer of a majority of the ownership interests of the Developer without the prior written consent of the City.

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 CHP's partnership interests.

15.02 Remedies. Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend 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.

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.

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: Community Housing Partners XI L.P.
36 S. Wabash, Suite 1310
Chicago, Illinois 60603
Attention: President

Voice of the People in Uptown, Inc.
4861 N. Kenmore Ave.
Chicago, IL 60640
Attention: Executive Director

With Copies To: Duane Morris, LLP
227 W. Monroe St.
Suite 3400
Chicago, IL 60606
Attention: Douglas J. Antonio, Esq.

And to: Miner, Barnhill & Galland, P.C.
14 West Erie Street
Chicago, IL 60610
Attention: William Miceli, 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.

SECTION 18. MISCELLANEOUS

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

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

18.03 Limitation of Liability. No member, 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 the Bond Ordinance, if any, such ordinance(s) shall prevail and control.

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

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

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, 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. The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.18 (Real Estate Provisions) and 8.20 (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-judgment 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.

(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 President of Chicago Community Development Corporation, an Illinois corporation ("CCDC"), general partner of Community Housing Partners XI L.P., an Illinois limited partnership ("CHP"), 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 CCDC, as his/her free and voluntary act and as the free and voluntary act of the CHP, 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", "D", "E", "F", "I" and "K" referred to in this
Uptown Preservation Apartments Redevelopment Agreement
unavailable at time of printing].

(Sub)Exhibits "B", "C", "G", "H-1", "H-2" and "J" referred to in this Uptown Preservation Apartments Redevelopment Agreement read as follows:

(Sub)Exhibit "B".
(To Uptown Preservation Apartments
Redevelopment Agreement)

Property Legal Description.

Parcel 1:

Lots 13 and 14 in the subdivision of Lots 266 to 273, both inclusive, and Lots 1 to 4 in the subdivision of Lots 274 and 275 and vacated street between said lots, and Lots 276 to 283, inclusive, of William Deering Surrenden Subdivision in the west half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Commonly Known As:

4431 North Clifton Avenue.

Permanent Real Estate Index Number:

14-17-217-012.

Parcel 2:

Lot 4 in Pruitt and Moore's Resubdivision of Lot 3 (except the west 70 feet) in Rufus C. Hall's Subdivision together with Lot 5 (except the west 30 feet) in H.J. Wallingford's Subdivision of 15 rods south and adjoining the north 95 rods in the east half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Commonly Known As:

900 West Windsor Avenue.

Permanent Real Estate Index Number:

14-17-220-017.

Parcel 3:

The east 50 feet of the west 150 feet of Lot 2 in Rufus C. Hall's Subdivision of the 15 rods south of and adjoining the north 80 rods of the east half of the northeast quarter of Section 17, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Commonly Known As:

927 West Wilson Avenue.

Permanent Real Estate Index Number:

14-17-220-005.

(Sub)Exhibit "C".
(To Uptown Preservation Apartments.
Redevelopment Agreement).

T.I.F.-Funded Improvements.

Line Item	Cost
Acquisition Costs	
Repayment of Debt	\$
I.H.D.A.	820,139
C.I.C.	950,381
Park National Bank	317,583
Seller (CEF/IMC)	400,000
TOTAL:	\$2,488,103

(Sub)Exhibit "G".
(To Uptown Preservation Apartments
Redevelopment Agreement).

Permitted Liens.

1. Liens or encumbrances against the Property:

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

2. Liens or encumbrances against 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-I".
(To Uptown Preservation Apartments
Redevelopment Agreement)

Project Budget.

Sources:

Bond		\$ 8,605,602
T.I.F.		557,273
L.I.H.T.C. Equity (less bridged equity)	\$1.00 ⁽¹⁾	1,500,540

1. Total L.I.H.T.C. Equity = Six Million Ninety-six Thousand Six Hundred Fifty-four Dollars (\$6,096,654) (Four Million Three Hundred Fifty-three Thousand Four Hundred Fifty Dollars (\$4,353,450)) bridged; Seven Hundred Fifty-seven Thousand Three Hundred Thirty-six Dollars (\$757,336) cash at closing; Two Hundred Forty-two Thousand Six Hundred Sixty-four Dollars (\$242,664) Letter of Credit at closing; Seven Hundred Forty-three Thousand Two Hundred Four Dollars (\$743,204) post closing)

Sources:

I.A.H.T.C. Equity (net of bridged equity)	(2)	\$ 552,051
F.H.L.B.		400,000
I.H.D.A. (100% of I.H.D.A. Note Bridged)	(3)	\$ 0
City of Chicago Note	(3)	1,137,197
Seller Financing (VOP)	(4)	3,974,700
Deferred Dev Fee		250,000
TOTAL SOURCES:		\$16,977,363

Uses:

Acquisition Costs

Repayment of Debt	(5)	
I.H.D.A.		\$ 820,139
City of Chicago		1,137,197

-
2. Illinois Affordable Housing Donation Tax Credit amount is based on the following assumptions: appraised value of Seven Million Seven Hundred Thousand Dollars (\$7,700,000) (One Hundred Thousand Dollars (\$100,000) per unit); a bargain sale price of Three Million Seven Hundred Twenty-five Thousand Three Hundred Dollars (\$3,725,300) and a donation credit price of Eighty-five cents (\$.85).
 3. Assumes the payoff and re-lending of one hundred percent (100%) public debt. City of Chicago: One Million One Hundred Thirty-seven Thousand One Hundred Ninety-seven Dollars (\$1,137,197); I.H.D.A.: Eight Hundred Twenty Thousand One Hundred Thirty-nine Dollars (\$820,139).
 4. Voice of the People (V.O.P.) will purchase the property at a bargain sale price from CEF/IMC and sell the property at the full appraised value to the limited partnership. In order to facilitate the sale to the limited partnership, V.O.P. will provide seller financing in the amount of the difference between the appraised value and the bargain sale price.
 5. Amount of indebtedness is based on pay off letters provided by the lenders as of June 30, 2006.

Uses:

C.I.C.		\$ 950,381
Park National Bank		317,583
Seller (CEF/IMC)		400,000
Seller (VOP)	(3)	\$ 3,974,700
Project Payables		100,000
Acquisition Expenses		15,000
Hard Costs		5,336,557
Soft Costs		2,700,806
Realized Dev Fee		975,000
Deferred Dev Fee		250,000
TOTAL USES:		\$16,977,363
SURPLUS/GAP		\$ 0
PUPA Expenses =	\$5,982	(\$200 RR + \$1,400 RE Taxes + \$4,400 Op Ex)

-
3. Assumes the payoff and re-lending of one hundred percent (100%) public debt. City of Chicago: One Million One Hundred Thirty-seven Thousand One Hundred Ninety-seven Dollars (\$1,137,197); I.H.D.A.: Eight Hundred Twenty Thousand One Hundred Thirty-nine Dollars (\$820,139).

	Rents And Unit Mix	30% Of 50%
Studio	12	\$550
1 Bedroom	20	683
2 Bedrooms	32	776
3 Bedrooms	13	847
TOTAL:	77	

(Sub)Exhibit "H-2".
 (To Uptown Preservation Apartments
 Redevelopment Agreement)

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

	All Projects Total Cost	M.B.E./W.B.E.
Acquisition Costs:		
Land	\$ 558,250	
Building	7,141,750	
Acquisition Expenses	\$ 15,000	
Total Acquisition Costs:	\$7,715,000	\$ 0
Hard Costs:		
Site Work/Demolition	0	
Rehab/Construction (includes bond)	4,255,288	4,255,288

	All Projects Total Cost	M.B.E./W.B.E.
General Requirements (6%)	\$ 255,317	\$ 255,317
Bond	60,000	
Contractor Overhead/Profit (2%/6%)	340,423	340,423
Contingency (10%)	425,529	425,529
Total Hard Costs:	\$5,336,557	\$5,276,557
Soft Costs:		
Professional Services		
Architect		
Design	275,000	
Supervision	81,836	
Legal Fees	180,000	
Accounting (cost certification)	10,000	
Market Study	18,500	
Environmental Report	18,500	
Taxes and Insurance		
Real Estate Tax Escrow	100,000	
Insurance Escrow	100,000	
Title and Recording (constr. and perm.)	35,000	
Developer Services	60,000	
Construction Period Insurance (including builders risk)	80,000	

	All Projects Total Cost	M.B.E./W.B.E.
Physical Needs Assessment	\$ 10,000	
Construction Period Taxes	115,500	
Long Term Operating Reserve	227,149	
Syndication Fees	35,000	
 Financing Costs		
Commitment Fee 1.00%	86,056	
Bridge Loan Fees		
LC Upfront Fee 18 months at 1.25%	161,355	
Lender Inspections	10,000	
Lenders Counsel	30,000	
Lender Architectural Review	0	
LaSalle Misc	5,000	
I.H.D.A. Fees	3,300	
 Miscellaneous Financing Fees		
T.I.F. Consultant	5,000	
Appraisal	25,000	
Survey	10,000	
D.O.H. Tax Credit Reservation Fee 3.00%	18,290	
Remarketing Fee	15,000	
Escrow Fee	2,500	
Bridge Loan Interest \$9 Million at 5%, 14 months	400,000	

	All Projects Total Cost	M.B.E./W.B.E.
Bond Costs D.O.H.	\$ 280,820	
Bank Interest Reserves		
Tenant Relocation (temporary)	100,000	
Other Soft Costs (tenant services programming)	100,000	
Replacement Reserve	77,000	
Debt Service Reserve (1 month)	25,000	
Realized Developer's Fee	975,000	
Deferred Developer's Fee	250,000	
Total Soft Costs:	\$ 3,925,806	\$ 0
TOTALS:	\$16,977,363	\$5,276,557

(Sub)Exhibit "J".
(To Uptown Preservation Apartments
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 _____, an [Illinois]

_____ (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the _____ 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");

[(b) the Escrow Agreement of even date herewith executed by the Developer and the City;]

(c) [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]; and

(d) 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 [revise if the Developer is not a corporation]; 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 Developer is a corporation duly organized, validly existing and in good standing under the laws of its state of [incorporation] [organization], 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] [entity] 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 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 [Articles of Incorporation or Bylaws] [describe any formation documents if the Developer is not a corporation] 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 is a party or by which the Developer 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 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).

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.

4. Each of the Documents to which the Developer is a party has been duly executed and delivered by a duly authorized officer of the Developer, and each such Document constitutes the legal, valid and binding obligation of the Developer, 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. (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, 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.

7. 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.

8. 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.

9. The execution, delivery and performance of the Documents by the Developer 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 action 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 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 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.]

AUTHORIZATION FOR EXECUTION OF LOAN AGREEMENT WITH AND
PROVISION OF TAX INCREMENT FINANCING FUNDS TO NORTH
AND TALMAN ELDERLY LIMITED PARTNERSHIP FOR
ACQUISITION AND CONSTRUCTION OF AFFORDABLE
SENIOR HOUSING AT 2634 -- 2644 WEST
NORTH AVENUE.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

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 loan agreement, approving an amendment to a disposition ordinance, and enter into and execute a redevelopment agreement with North and Talman Elderly Limited Partnership, amount of loan not to exceed \$1,700,000, amount of note not to exceed \$2,450,000, 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.

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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, Moore, Stone -- 40.

Nays -- None.

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

The following is said ordinance as passed:

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

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

WHEREAS, The Congress of the United States has enacted the Cranston-Gonzalez National Affordable Housing Act, 42 U.S.C. Section 12701, et seq., authorizing, inter alia, the HOME Investment Partnerships Program (the "HOME Program") pursuant to which the United States Department of Housing and Urban Development ("H.U.D.") is authorized to make funds (the "HOME Funds") available to participating jurisdictions to increase the number of families served with decent, safe, sanitary

and affordable housing and to expand the long-term supply of affordable housing; and

WHEREAS, The City has received an allocation from H.U.D. of HOME Funds to make loans and grants for the purposes enumerated above and such HOME Funds are administered by the City's Department of Housing ("D.O.H."); and

WHEREAS, The City may have available certain funds in Corporate Fund Number 100 (the "Corporate Funds") to be used as the local match of HOME Funds as required under the HOME Program; and

WHEREAS, The City may have available to it certain funds (the "Program Income") derived from repayments to the City of HOME Funds and/or other returns on the investment of HOME Funds; and

WHEREAS, D.O.H. has preliminarily reviewed and approved the making of a loan to North and Talman Elderly Limited Partnership, an Illinois limited partnership (the "Borrower") of which North and Talman Corporation, an Illinois corporation (the "General Partner") which is wholly-owned by Hispanic Housing Development Corporation, an Illinois not-for-profit corporation ("Hispanic Housing"), is the sole general partner, in an amount not to exceed One Million Seven Hundred Thousand Dollars (\$1,700,000) (the "Loan"), to be funded from HOME Funds, Corporate Funds and/or Program Income, pursuant to the terms and conditions set forth in Exhibit A attached hereto and made a part hereof; and

WHEREAS, Pursuant to an ordinance adopted by the City Council of the City (the "City Council") on March 10, 1999 and published at pages 90909 -- 90926, inclusive, of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") for such date, a certain redevelopment plan (the "Redevelopment Plan") for the Greater Humboldt Park Redevelopment Area (the "Redevelopment Area") was approved pursuant to Chapter 2-124-010 of the Municipal Code of the City, which Redevelopment Plan was subsequently amended pursuant to an ordinance adopted by the City Council on November 3, 1999 and published at pages 13967 -- 13979, inclusive, of the *Journal* for such date; and

WHEREAS, The objectives of the Redevelopment Plan included, among other things, acquiring deteriorated structures for redevelopment, encouraging the maintenance, restoration and reuse of existing structures, and providing for mixed-income residential development and rehabilitation; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on June 27, 2001 and published at pages 62056 -- 62192, inclusive, of the *Journal* for such date, a certain redevelopment plan and project (the "T.I.F. Plan") for the Humboldt Park Commercial Redevelopment Project Area (the "T.I.F. Area") was approved pursuant

to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on June 27, 2001 and published at pages 62193 -- 62204, inclusive, of the *Journal* for such date, the T.I.F. 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 June 27, 2001 and published at pages 62205 -- 62215, inclusive, of the *Journal* for such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain T.I.F. Area "redevelopment project costs" (as defined in the Act) incurred pursuant to the T.I.F. Plan; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on September 1, 2004 (the "Disposition Ordinance"), the City approved the sale to Hispanic Housing of the real property commonly known as 2656 West North Avenue and identified by Permanent Index Number 13-36-427-032-0000 (the "For Sale Acquisition Parcel") and 2634 West North Avenue and identified by Permanent Index Number 13-36-427-039-0000 (the "Rental Acquisition Parcel" and together with the For Sale Acquisition Parcel, the "Acquisition Parcels"); and

WHEREAS, The Rental Acquisition Parcel and the For Sale Acquisition Parcel (together, the "Acquisition Parcels") are located in the Redevelopment Area and the T.I.F. Area; and

WHEREAS, The City and Hispanic Housing entered into that certain Agreement for the Sale and Redevelopment of Land dated as of December 1, 2004 (the "Disposition Redevelopment Agreement"), pursuant to which Hispanic Housing agreed to construct approximately forty (40) "for sale" condominium units and approximately sixty (60) rental units on the Acquisition Parcels and certain other property previously acquired by Hispanic Housing for the residential project; and

WHEREAS, The Disposition Redevelopment Agreement provides that the sixty (60) rental units are to be occupied by households having a household income at or less than sixty percent (60%) of the metropolitan Chicago-area median income ("A.M.I.") determined from time to time by the United States Department of Housing and Urban Development, and including household members aged fifty-five (55) years old or older ("Senior Units"); and

WHEREAS, Hispanic Housing has submitted a revised proposal to construct (a) approximately twenty-four (24) lease-to-sale units and associated parking (the "Family Project") on the real property legally described on Exhibit B-1 (the "Family Property"), (b) approximately fifty-two (52) Senior Units, of which ten (10) are to be

occupied by households having a household income at or less than eighty percent (80%) of A.M.I. and forty-two (42) are to be occupied by households having a household income at or less than sixty percent (60%) A.M.I. and associated parking (the "Rental Project") on the Rental Acquisition Parcel and the other real property legally described on Exhibit B-2 (collectively, the "Rental Property"), and (c) approximately sixteen (16) market-rate condominium units and associated parking (the "Condominium Project") on the For-Sale Acquisition Parcel and the other real property legally described on Exhibit B-3 (collectively, the "Condominium Property"); and

WHEREAS, The Family Project, the Rental Project and the Condominium Project are hereinafter collectively referred to as the "Revised Proposal"; and

WHEREAS, The Borrower has proposed to undertake the redevelopment of the Rental Property in accordance with the Redevelopment Plan, the T.I.F. Plan and pursuant to the terms and conditions of the Disposition Redevelopment Agreement and a proposed T.I.F. redevelopment agreement to be executed by the Borrower and the City, including but not limited to, the acquisition of the Rental Property from Hispanic Housing and the construction of the Rental Project, to be financed in part by the proceeds of a loan from Fannie Mae to the Borrower, as further described on Exhibit A hereto, and secured by a pledge by the Borrower to Fannie Mae of a portion of Incremental Taxes, if any, deposited in the Area Special Tax Allocation Fund (as defined in the T.I.F. Ordinance) pursuant to Section 5/11-74.4-8(b) of the Act ("Incremental Taxes"); and

WHEREAS, Pursuant to Resolution 04-CDC-43 adopted by the Community Development Commission of the City of Chicago (the "Commission") on June 8, 2004 and to Resolution 05-CDC-129 adopted by the Commission on December 13, 2005, the Commission authorized the City's Department of Planning and Development ("D.P.D.") to publish notices pursuant to Section 5/11-74.4(c) of the Act of its intention to negotiate a sale of the Acquisition Parcels and to negotiate a redevelopment agreement with the Borrower for the Rental Project and to request alternative proposals for redevelopment of the Rental Property or a portion thereof; and

WHEREAS, D.P.D. published the notices, requested alternative proposals for the redevelopment of the Rental Property or a portion thereof and provided for reasonable opportunity for other persons to submit alternative bids or proposals; and

WHEREAS, Since no other responsible proposals were received by D.P.D. for the redevelopment of the Rental Property or a portion thereof within thirty (30) days after such publication, pursuant to Resolutions 04-CDC-43 and 05-CDC-129, the Commission has recommended that D.P.D. be authorized to negotiate, execute and

deliver on behalf of the City a redevelopment agreement with the Borrower for the Rental Project; and

WHEREAS, The General Partner is also the sole general partner of North and Talman Family Limited Partnership, an Illinois limited partnership, which intends to undertake the Family Project by rehabilitating a twenty-four (24) unit building for low- and moderate-income families on the Family Property; 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 Disposition Ordinance is hereby amended to approve (a) the Revised Proposal, (b) the sale of the Rental Property to the Borrower, and (c) the assignment of all of Hispanic Housing's rights and obligations under the Disposition Redevelopment Agreement relating to the Rental Project to the Borrower. The Commissioner of D.P.D. (the "D.P.D. Commissioner") and a designee of the D.P.D. Commissioner are each hereby authorized, with the approval of the Corporation Counsel as to form and legality, to negotiate, execute and deliver an amendment to the Disposition Redevelopment Agreement (the "Amendment"), and such other supporting documents as may be necessary or appropriate to carry out and comply with the provisions of the Disposition Redevelopment Agreement, as modified by the Amendment, with such changes, deletions and insertions as shall be approved by the persons executing the Amendment.

SECTION 3. Upon the approval and availability of the Additional Financing as shown in Exhibit A hereto, the D.O.H. Commissioner and a designee of the D.O.H. 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 Loan and the terms and program objectives of the HOME Program. The D.O.H. Commissioner is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms and provisions in connection with the Loan which do not substantially modify the terms described in Exhibit A hereto. Upon the execution and receipt of proper documentation, the D.O.H. Commissioner is hereby authorized to disburse the proceeds of the Loan to the Borrower.

SECTION 4. In connection with the Loan by the City to the Borrower, the City shall waive those certain fees, if applicable, imposed by the City with respect to the Rental Project and the Rental Property and as more fully described in Exhibit C attached hereto and made a part hereof. The Rental Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code

of Chicago (the "Municipal Code"). Section 2-44-090 of the Municipal Code shall not apply to the Rental Project or the Rental Property.

SECTION 5. In connection with the Family Project, the City shall waive those certain fees, if applicable, imposed by the City with respect to the Family Project and the Family Property and as described in Exhibit C attached hereto and made a part hereof. The Family Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code. Section 2-44-090 of the Municipal Code shall not apply to the Family Project or the Family Property.

SECTION 6. The D.P.D. Commissioner or a designee of the D.P.D. Commissioner, and the D.O.H. Commissioner or a designee of the D.O.H. Commissioner are each hereby authorized, with the approval of the Corporation Counsel as to form and legality, to negotiate, execute and deliver a redevelopment agreement between the Borrower and the City in substantially the form attached hereto as Exhibit D and made a part hereof (the "T.I.F. Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the T.I.F. Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the T.I.F. Redevelopment Agreement.

SECTION 7. The Mayor, the City Comptroller, the City Clerk, the Deputy City Clerk, the D.O.H. Commissioner (or his or her designee), the D.P.D. 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 8. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

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

Exhibits "A", "B-1", "B-2", "B-3", "C" and "D" referred to in this ordinance read as follows:

Exhibit "A".
(To Ordinance)

Borrower: North and Talman Elderly Limited Partnership, an Illinois limited partnership, with North and Talman Corporation, an Illinois corporation (which is wholly-owned by Hispanic Housing Development Corporation, an Illinois not-for-profit corporation), as the sole general partner (the "General Partner") and others to be hereafter selected as the limited partners.

Rental Project: Acquisition and construction of a building to be located at 2634 -- 2644 West North Avenue, Chicago, Illinois, and containing approximately 52 rental units as one- and two- bedroom units for low- and moderate-income senior citizens together with approximately 18 on-site parking spaces and certain common areas (collectively, the "Property").

Loan:

Source: HOME Program/Corporate Funds/Program Income.

Amount: Not to exceed \$1,700,000.

Term: Not to exceed 32 years.

Interest: 3% per annum, or another rate acceptable to the D.O.H. Commissioner.

Security: Non-recourse loan; second mortgage on the Property.

Additional Financing:

1. **Amount:** Not to exceed \$1,099,000.

Term: Not to exceed 32 years.

Source: MB Financial Bank, N.A., or another entity acceptable to the D.O.H. Commissioner.

Interest: Adjustable rate at MB Financial Bank's reference rate plus ½%, with a floor of 4.5% during the construction period; thereafter, a fixed rate 250 basis points over the 15 year Community Investment Program (C.I.P.) Advance Rate as quoted by the Federal Home Loan Bank of Chicago, or another rate acceptable to the D.O.H. Commissioner.

- Security: First mortgage on the Property.
2. Amount: Approximately \$2,450,000.
- Term: Not to exceed 15 years.
- Source: Proceeds from a loan from Fannie Mae to the General Partner, or another source acceptable to the D.O.H. Commissioner and the D.P.D. Commissioner.
- Interest: Not to exceed 8.5% per annum.
- Security: Pledge of the City Note (as defined in the Redevelopment Agreement).
3. Low-Income
Housing Tax
Credit
("L.I.H.T.C.")
Proceeds: Approximately \$9,360,000.
- Source: To be derived from the syndication of \$998,036. L.I.H.T.C. allocation by the Illinois Housing Development Authority.
4. Amount: Approximately \$340,000.
- Source: MB Financial Bank, N.A., from proceeds derived from the Federal Home Loan Bank of Chicago's Affordable Housing Program, or another source acceptable to the D.O.H. Commissioner.
- Security: Recapture Agreement for a recoverable grant.
5. Amount: \$100.
- Source: General Partner.

Exhibit "B-1".
(To Ordinance)

Rental Property.

(Subject To Survey And Title Policy)

Legal Description:

Lots 18 through 22 (except the north 8 feet of each of said lots) in Charles Proebsting's Subdivision of Lots 4, 5, 6 and the south 60 feet of Lot 7 in Block 8 in Borden's Subdivision of the west half of the southeast quarter of Section 36, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Building Address:

2634 -- 2644 West North Avenue.

Permanent Index Numbers:

13-36-427-035;

13-36-427-036;

13-36-427-037;

13-36-427-038; and

13-36-427-039.

Exhibit "B-2".
(To Ordinance)

Family Property.

(Subject To Survey And Title Policy)

Legal Description:

Lots 23 through 26 (except the north 8 feet of each of said lots) in Charles

Proebsting's Subdivision of Lots 4, 5, 6 and the south 60 feet of Lot 7 in Block 8 in Borden's Subdivision of the west half of the southeast quarter of Section 36 Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Building Address:

2646 -- 2654 West North Avenue.

Permanent Index Numbers:

13-36-427-033-0000; and

13-36-427-034-0000.

Legal Description:

Lot 8 (except for the west 26 feet) in C. Boettcher's Subdivision of Lots 8 and 10 and that part north of the south 60 feet of Lot 7 in Block 8 in Borden's Subdivision of the west half of the southeast quarter of Section 36, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Parking Lot Address:

1618 North Talman Avenue.

Permanent Index Number:

13-36-427-031-0000.

Exhibit "B-3".
(To Ordinance)

Condominium Property.

(Subject To Survey And Title Policy)

Legal Description:

Lots 27 and 28 (except the north 8 feet taken for alley) in Charles Proebsting's Subdivision of Lots 4, 5, 6 and the south 60 feet of Lot 7 in Block 8 in Jahn

Borden's Subdivision of the west half of the southeast quarter of Section 36, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook, Illinois.

Building Address:

2656 West North Avenue.

Permanent Index Number:

13-36-427-032-0000.

Legal Description:

Lots 9 and 10 in C. Boettcher's Subdivision of Lots 8 and 10 and that part of Lot 7 of the south 60 feet thereof in Block 8 in Borden's Subdivision of the west half of the southeast quarter of Section 36, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Parking Lot Address:

1617 -- 1619 North Washtenaw Avenue.

Permanent Index Numbers:

13-36-427-014-0000; and

13-36-427-040-0000.

Exhibit "C".
(To Ordinance)

Rental Project
And
Family Project.

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 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 Fee.

Exhibit "D".
(To Ordinance)

*North And Talman Elderly Limited Partnership
Redevelopment Agreement*

By And Between

The City Of Chicago

And

North And Talman Elderly Limited Partnership.

This North and Talman Elderly Limited Partnership 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 ("D.P.D.") and its Department of Housing ("D.O.H."), and North and Talman Elderly Limited Partnership, an Illinois limited partnership (the "Developer"), whose sole general partner is North and Talman Corporation, an Illinois corporation (the "General Partner").

Recitals.

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

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

C. City Council Authority. To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on June 27, 2001: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Humboldt Park Commercial Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Humboldt Park Commercial 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 Humboldt Park Commercial Redevelopment Project Area" (the "T.I.F. Adoption Ordinance", which together with items (1) and (2) collectively referred to herein as the "T.I.F. Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in (Sub)Exhibit A hereto.

D. The Project. D.O.H. has preliminarily reviewed and approved the making of a loan in an aggregate amount not to exceed One Million Seven Hundred Thousand Dollars (\$1,700,000) to the Developer, the General Partner of which is an affiliate of Hispanic Housing Development Corporation, an Illinois not-for-profit corporation ("Hispanic Housing"). Hispanic Housing owns certain parcels and will acquire certain parcels of real property from the City, all located within the Redevelopment Area (the "Property"), all of which are described on (Sub)Exhibit B hereto. Pursuant to an ordinance adopted by the City Council on September 1, 2004 and a certain Agreement for the Sale and Redevelopment of Land by and between the City and Hispanic Housing, dated December 1, 2004, the City is authorized to sell a certain portion of the Property to Hispanic Housing. On the Closing Date, Hispanic Housing will sell and convey the Property to the Developer. Within the time frames set forth in Section 3.01 hereof, the Developer will commence and complete construction of a fifty-three (53) unit development to be known as "North and Talman Senior Apartments" that will consist of a five (5) story building with fifty-three (53) rental units located at 2634 -- 2644 West North Avenue, Chicago, Illinois 60647 with approximately eighteen (18) parking spaces (the "Facility"). Fifty-two (52) of the rental units will be restricted to residents who are fifty-five (55) years or older, and will consist of forty-eight (48) one (1) bedroom apartments and four (4) two (2) bedroom apartments. The remaining unit will consist of a manager's apartment. Four (4) of the one (1) bedroom units are for households earning thirty percent (30%) or less of the Chicago-area median income, nine (9) of the one (1) bedroom units are for households earning between thirty-one percent (31%) and forty percent (40%) of the Chicago-area median income, seventeen (17) of the one (1) bedroom units are for households earning between forty-one (41%) and fifty percent (50%) of the Chicago-area median income, eight (8) of the one (1) bedroom units and four (4) of

the two (2) bedroom units are for households earning between fifty-one percent (51%) and sixty percent (60%) of the Chicago-area median income and ten (10) of the one (1) bedroom units are for households earning between sixty-one percent (61%) and eighty percent (80%) of the Chicago-area median income. The development will include approximately five (5) accessible and twelve (12) adaptable units to accommodate people with disabilities. The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement. But for the Developer's execution of this Agreement, the City would be unwilling to convey any portion of the Property or provide any City Funds (as described in Section 4.03(b)) or other City financing for the Project. The Facility and related improvements (including but not limited to those T.I.F.-Funded Improvements as defined below and set forth on (Sub)Exhibit C) 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 Humboldt Park Commercial Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan (the "Redevelopment Plan"), attached hereto as (Sub)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) and the interest thereon, to pay for or reimburse the Developer for the costs of T.I.F.-Funded Improvements pursuant to the terms and conditions of this Agreement.

G. Prior T.I.F. Financing. Pursuant to a note ordinance adopted by the City Council on December 4, 2002, as amended May 7, 2003, the City issued its Tax Increment Allocation Revenue Note (Humboldt Park Commercial Redevelopment Project) Taxable Series 2003 (dated June 9, 2003), in the amount of One Million One Hundred Fifty Thousand Dollars (\$1,150,000) to The Northern Trust Company, secured by the pledge of certain Incremental Taxes (as hereinafter defined) for the payment of redevelopment project costs in connection with the City's Small Business Improvement Program (the "Bank Note").

Pursuant to an ordinance adopted by the City Council on June 8, 2005, the City entered into a redevelopment agreement with La Estancia Limited Partnership, dated November 28, 2005, whereby the City pledged certain Incremental Taxes (as hereinafter defined) for the payment of a portion or all of redevelopment project costs in connection with the LaEstancia Project in an amount not to exceed One Million Five Hundred Fifty-five Thousand Four Hundred Eighty-five Dollars (\$1,555,485) (the "LaEstancia Obligation") after the payment of the Bank Note.

The Developer acknowledges that the Bank Note and the LaEstancia Obligation are prior liens on the Humboldt Park Commercial Redevelopment Project Area T.I.F.-Fund and that the Developer has no claim on any monies except for monies which are Available Incremental Taxes (as defined herein).

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

Section 1.

Recitals.

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

Section 2.

Definitions.

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

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

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

“Available Incremental Taxes” shall mean an amount up to Two Million Four Hundred Fifty Thousand Dollars (\$2,450,000), plus interest, from the Incremental Taxes deposited in the Humboldt Park Commercial Redevelopment Project Area T.I.F. Fund after payment has been made for the debt service of the Bank Note and some or all of the LaEstancia Obligation.

“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 Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

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

“City Funds” shall mean the funds paid to the Developer as described in Section 4.03(b) hereof.

“City Note” shall mean the City of Chicago Tax Increment Allocation Revenue Note (Humboldt Park Commercial Redevelopment Project Area), Series 200__ to be in the form attached hereto as (Sub)Exhibit M, in the maximum principal amount of Two Million Four Hundred Fifty Thousand Dollars (\$2,450,000), issued by the City to the General Partner on the Closing Date, bearing interest at the City Note Interest Rate, and as more fully described in Section 4.03 hereof.

“City Loan” shall mean the loan made by the City of Chicago for the Project, in the amount and on the terms set forth in Section 4.03.

“City Note Interest Rate” shall mean an annual rate equal to Fannie Mae’s thirteen (13) year cost of funds (as determined by the Comptroller’s Office based upon an interpolation of Fannie Mae’s published constant maturity debt index) plus two hundred (200) basis points, but in no event exceeding eight and one-half percent (8.5%).

“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 (Sub)Exhibit F-1 to be entered into between the Developer and the General Contractor providing for the construction of 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 (as defined below),

including but not limited to the Municipal Code of Chicago, Section 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

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

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

"Escrow Agreement" shall mean the Escrow Agreement or similarly named document 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 (Sub)Exhibit F-2 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.

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

"General Contractor" shall mean Humboldt Construction Company.

"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.

"Humboldt Park Commercial Redevelopment Area T.I.F. Fund" shall mean the special tax allocation fund created by the City in connection with the Humboldt Park Commercial Redevelopment Area into which the Incremental Taxes will be deposited.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the T.I.F. 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 Humboldt Park Commercial Special Tax Allocation Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"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.

"Limited Partner" shall mean [_____], a[n] [Illinois] [limited liability company or limited partnership or corporation].

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

"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.

"Other Financing" shall mean those funds set forth in paragraph B of (Sub)Exhibit E attached hereto hereof.

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

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

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

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

"Project Budget" shall mean the budget attached hereto as (Sub)Exhibit H, showing the total cost of the Project by line item, furnished by the Developer to D.P.D., in accordance with Section 3.03 hereof.

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

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

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

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

"Requisition Form" shall mean the document in the form attached hereto as (Sub)Exhibit L, to be delivered by the Developer to D.P.D. pursuant to Section 4.04 of this Agreement.

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

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

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on [December 31], 2024.

"T.I.F.-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. (Sub)Exhibit C lists the T.I.F.-Funded Improvements for the Project.

"T.I.F. Adoption Ordinance" shall have the meaning set forth in the recitals hereof.

"T.I.F. 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.

"W.A.R.N. Act" shall mean the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101, et seq.).

"W.B.E.(s)" shall mean a business identified in the *Directory of Certified Women Business Enterprises* published by the City's Department of Procurement Services,

or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

Section 3.

The Project.

3.01 The Project.

(a) The Facility. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof: (i) commence construction no later than six (6) months after the Closing Date and (ii) complete construction and conduct business operations therein no later than twenty-four (24) months after the Closing date.

3.02 Scope Drawings And Plans And Specifications.

The Developer has delivered the Scope Drawings and Plans and Specifications to D.P.D. and D.P.D. has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to D.P.D. as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget.

The Developer has furnished to D.P.D., and D.P.D. has approved, a Project Budget showing total costs for the Project in an amount not less than Fifteen Million Five Hundred Fifty Thousand Three Hundred Ninety-seven Dollars (\$15,550,397). The Developer hereby certifies to the City that (a) it has Lender Financing, Equity and/or Other Financing, in an amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to D.P.D. 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 D.O.H. (33 North LaSalle Street, 11th Floor, Chicago, Illinois 60602, 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 D.O.H. for D.O.H.'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. 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 D.O.H.'s written approval (to the extent required in this Section 3.04). The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

(b) The Developer must provide D.P.D. with copies of all D.O.H. 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 D.P.D./D.O.H. Approval.

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

3.06 Other Approvals.

Any D.P.D. or D.O.H. 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, proof of the General Contractor's and each subcontractor's bonding as required hereunder and under the applicable documents pertaining to the City Loan.

3.07 Progress Reports And Survey Updates.

The Developer shall provide D.P.D. with written monthly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring D.O.H.'s written approval pursuant to Section 3.04). The Developer shall provide three (3) copies of an updated Survey to D.P.D. upon the request of D.P.D. 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 D.P.D. 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 D.P.D., prior to requests for disbursement for costs related to the Project. At the Developer's option, the inspecting architect may be the inspecting architect engaged by any lender providing Lender Financing for the Project, provided that said architect is an independent architect licensed by the State of Illinois, or an inspecting agent of D.O.H.

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. D.P.D. 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 Fifteen Million Three Hundred Thirty-two Thousand Two Hundred Seventy-seven Dollars (\$15,332,277), to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources as set forth on (Sub)Exhibit E attached hereto.

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.

Uses Of City Funds. City Funds may only be used to pay directly or reimburse the General Partner for costs of T.I.F.-Funded Improvements that constitute Redevelopment Project Costs. (Sub)Exhibit C sets forth, by line item, the T.I.F. Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to D.P.D. evidencing such cost and its eligibility as a Redevelopment Project Cost.

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 the General Partner on the Closing Date and the General Partner will make a capital contribution to the Developer for the Project. The initial principal amount of the City Note on the Closing Date shall be in an amount equal to the costs of the T.I.F.-Funded Improvements which have been incurred by the Developer as of the Closing Date (that is, the amount of the Prior T.I.F. Eligible Expenditures as defined in Section 4.05 below and set forth on (Sub)Exhibit I hereto, subject to the Developer's submission to D.P.D. of a Requisition Form with respect to the Prior T.I.F.-Eligible Expenditures and D.P.D.'s issuance to the Developer of a Certificate of Expenditure with respect to the Prior T.I.F. Eligible Expenditures) and are to be reimbursed by the City through payments of principal and interest on the City Note, with the principal amount of the City Note to be thereafter increased by an amount equal to the cost of the T.I.F.-Funded Improvements which are thereafter incurred by the Developer upon the submission by the Developer of a Requisition Form to D.P.D. as required by Section 4.04; provided, however, that (1) the maximum principal amount of the City Note shall be an amount not to exceed Two Million Four Hundred Fifty Thousand Dollars (\$2,450,000) (the "Maximum Principal Amount"); and (2) payments under the City Note are subject to the amount of Available Incremental Taxes deposited into the Humboldt Park Commercial Redevelopment Project Area T.I.F. Fund being sufficient for such payments. The City's obligation to make payments on the City Note shall be limited to the lesser of the Maximum Principal Amount plus interest or the aggregate amount of Available Incremental Taxes. Interest on the City Note shall begin to accrue on the Closing Date. All payments on the City Note are subject to Sections 4.04 and 4.07 hereof, with payments as follows: (i) On March 1, 2008, the first payment of City Funds shall be an interest only payment in an amount not to exceed Two Hundred Twenty Thousand Dollars (\$220,000); (ii) the second payment shall be of principal and interest and shall be made after the Certificate is issued on March 1, 2009 in the amount indicated on the debt schedule attached to the City Note, attached hereto as (Sub)Exhibit M; however, the D.P.D. Commissioner may authorize the second payment of City Funds even if the Certificate has not been issued, if the D.P.D. Commissioner determines that such payment is necessary to complete the Project; and (iii) subsequent payments of principal and interest will be made on March 1 of each year in the amounts indicated on the debt schedule attached to the City Note, attached hereto as (Sub)Exhibit M.

(ii) The City hereby approves the General Partner's pledge of the City Note to Fannie Mae in connection with Lender Financing described in paragraph A.3 of (Sub)Exhibit E attached hereto. The General Partner shall not otherwise pledge the City Note without the prior written consent of the City.

(iii) The City Note shall bear interest at a rate not to exceed the City Note Interest Rate, with the exact rate or rates to be determined by the Chief Financial Officer on the date of issuance.

4.04 Construction Escrow And City Loan; Requisition Form.

(a) D.P.D. must receive copies of any draw requests and related documents submitted to the Title Company for disbursements of funds under the Escrow Agreement. The Construction and Monitoring Divisions of D.O.H. 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 Other Financing under the Escrow Agreement.

(b) The Developer shall submit Requisition Forms (in the form attached hereto as (Sub)Exhibit L as follows:

(i) concurrently with the Closing Date, the Developer shall provide D.P.D. with a Requisition Form, along with the documentation described therein, requesting the issuance of a Certificate of Expenditure for any Prior Expenditure;

(ii) prior to each December 31 (or such other date as the parties may agree to), the Developer shall provide D.P.D. with a Requisition Form, along with the documentation described therein, requesting the issuance of a Certificate of Expenditure by the City for Redevelopment Project Costs in an amount up to the maximum principal amount of the City Note, less the amount recognized in (i) above. Requisition for reimbursement of T.I.F.-Funded Improvements shall be made not more than one time per calendar year (or as otherwise permitted by D.P.D.).

4.05 Treatment Of Prior Expenditures.

Only those expenditures made by the Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to D.P.D. and approved by D.P.D. as satisfying costs covered in the Project Budget, shall be considered either (a) previously incurred costs of T.I.F.-Funded Improvements ("Prior T.I.F.-Eligible Expenditures") or (b) previously contributed Equity or Lender Financing hereunder ("Prior Equity/Lender Financing Expenditures") (together with "Prior T.I.F.-Eligible Expenditures", the "Prior Expenditures"). D.P.D. shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. (Sub)Exhibit I hereto sets forth the prior expenditures approved by D.P.D. as of the date hereof as Prior T.I.F.-Eligible Expenditures. Prior Equity/Lender Financing Expenditures, that is prior expenditures made for items other than T.I.F.-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 T.I.F.-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 T.I.F.-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 D.P.D. which shall be satisfactory to D.P.D. in its sole discretion. Delivery by the Developer to D.P.D. 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 Plans and Specifications;

(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 ten (10) days after a written request by the City, procure additional lender financing or deposit with an escrow agent or 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, T.I.F. Ordinances, this Agreement and the Escrow Agreement.

4.08 Conditional Grant.

The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed as provided in Section 15.02 hereof.

Section 5.

Conditions Precedent.

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

5.01 Project Budget.

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

5.02 Scope Drawings And Plans And Specifications.

The Developer has submitted to D.P.D., and D.P.D. has approved, the Scope Drawings and Plans and Specifications 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 D.P.D.

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 set forth in Section 4.01) to complete the Project. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of 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 (Sub)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 D.P.D., on 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 D.P.D.'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 Developer, the General Partner and affiliates of the General Partner, Hispanic Housing, and Tropic Construction Corporation, and any other entities the Corporation Counsel reasonably deems necessary, 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 judgements search
United States 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 D.P.D.

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 (Sub)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 (Sub)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 D.P.D. in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

5.11 Financial Statements.

The Developer has provided Financial Statements to D.P.D. for its most recent fiscal year, and audited or unaudited interim financial statements.

5.12 Documentation.

The Developer has provided documentation to D.P.D. satisfactory in form and substance to D.P.D., with respect to current employment matters.

5.13 Environmental.

The Developer has provided D.P.D. 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, the General Partner, Hispanic Housing, and Apollo Housing Capital, L.L.C. or its affiliate, or some other limited partner approved by the D.P.D. Commissioner have each provided a copy of its Articles or Certificate of Incorporation, Certificate of Organization, or Certificate of Limited Partnership, as applicable, containing the original certification of the Secretary of State of its state of incorporation; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which each is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; bylaws of the corporation, partnership agreement, or

operating agreement, as applicable; and such other corporate documentation as the City has requested. Each entity in this section 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 D.P.D., a description of all pending or threatened litigation or administrative proceedings involving the Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

Section 6.

Agreements With Contractors.

6.01 Bid Requirement For General Contractor And Subcontractors.

The City has approved the Developer's selection of [Tropic Construction Corporation], an Illinois corporation, as the General Contractor. The Developer shall submit copies of the Construction Contract to D.P.D. in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the T.I.F.-Funded Improvements shall be provided to D.P.D. 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 the Plans and Specifications have been approved by D.P.D. and all requisite permits have been obtained.

6.02 Construction Contract.

Prior to the execution thereof, the Developer shall deliver to D.P.D. a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for D.P.D.'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 D.P.D. and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 Performance And Payment Bonds.

Prior to commencement of construction of any portion of the Project, the Developer shall require that the General Contractor be bonded for its performance and payment by sureties having an AA rating or better using American Institute of Architect's Form Number A311 or its equivalent. 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 (Sub)Exhibit N 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 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 (M.B.E./W.B.E. 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 T.I.F.-Funded Improvements shall be provided to D.P.D. within five (5) business days of the execution thereof.

Section 7.

Completion Of Construction.

7.01 Certificate Of Completion Of Construction.

Upon completion of the construction of the Project in accordance with the terms of this Agreement, and upon the Developer's written request, D.P.D. 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.

The Certificate will not be issued until:

- (a) the Developer has notified the City in writing that the Project has been completed as defined in this Agreement and according to the Plans and Specifications; and
- (b) the Developer has received a Certificate of Occupancy (or other evidence acceptable to D.P.D. that the Developer has complied with building permit requirements) for all components of the Project; and
- (c) the City's Monitoring and Compliance Unit has verified that the Developer is in full compliance with City requirements set forth in Section 10 and Section 8.09 (M./W.B.E. City Residency and Prevailing Wage) with respect to the construction of the Project; and
- (d) the Developer has demonstrated to the City that it has incurred T.I.F.-eligible expenses in at least the amount requested in the Requisition Form; and
- (e) the Developer has complied with the Affordable Housing Covenant in Section 8.20; and
- (f) one hundred percent (100%) of the fifty-two (52) units are leased.

D.P.D. 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, 8.19, 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 the covenants set forth in Section 8.02 shall be deemed to have been fulfilled upon 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 Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

7.03 Failure To Complete.

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

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

(b) the right (but not the obligation) to complete those T.I.F.-Funded Improvements that are public improvements and to pay for the costs of T.I.F.-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the T.I.F.-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.03, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such T.I.F.-Funded Improvements in excess of the available City Funds.

7.04 Notice Of Expiration Of Term Of Agreement.

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

Section 8.

Covenants/Representations/Warranties Of The Developer.

8.01 General.

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

(a) the Developer is an Illinois limited partnership 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 the Developer's limited partnership agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, 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, 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) 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) except a transfer of a limited partnership interest to the Limited Partner on the Closing Date or an affiliate of the Limited Partner or another entity approved by the D.O.H. Commissioner on the same or better terms as proposed by the Limited Partner, the Developer shall not do any of the following prior to the issuance of a Certificate, without the prior written consent of D.P.D.: (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; and

(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 D.P.D., allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget; and

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

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

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

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

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

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order Number 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order Number 05-1.

Developer agrees that a violation of noncompliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order Number 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted, unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order Number 05-1 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source which are then delivered by one person to the Mayor or to his political fund-raising committee.

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

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended. Individuals are "Domestic Partners" if they satisfy the following criteria:

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

- d. a lease for a residence identifying both domestic partners as tenants.
- 4. Each partner identifies the other partner as a primary beneficiary in a will.

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

8.02 Covenant To Redevelop.

Upon D.P.D.'s approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all exhibits attached hereto, the T.I.F. Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or 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 T.I.F.-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.

[Intentionally 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. Such reports shall be delivered quarterly to the City. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to D.P.D. which shall outline, to D.P.D.'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 D.P.D., from time to time, statements of its employment profile upon D.P.D.'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 D.P.D. 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 T.I.F.-Funded Improvement. The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer and reimbursement to the Developer for such costs using City Funds, or otherwise), upon; D.P.D.'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 shall obtain and provide to D.P.D. Financial Statements for the Developer's for the first fiscal year for which such statements are available and each year thereafter 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 D.P.D. may request.

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 D.P.D., within thirty (30) days of D.P.D.'s request, official receipts from the appropriate entity, or other proof satisfactory to D.P.D., 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 D.P.D.'s sole option, to furnish a good and sufficient bond or other security satisfactory to D.P.D. in such form and amounts as D.P.D. 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 D.P.D. 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, including but not limited to the Municipal Code of Chicago, Section 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560, whether or not in the performance of this Agreement. Upon the City's request, the Developer 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. 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 (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 D.P.D. of the Developer's intent to contest or object to a Governmental Charge and, unless, at D.P.D.'s sole option,

(i) the Developer shall demonstrate to D.P.D.'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 D.P.D. in such form and amounts as D.P.D. 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 D.P.D. thereof in writing, at which time D.P.D. may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in D.P.D.'s sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which D.P.D. deems advisable. All sums so paid by D.P.D., if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to D.P.D. 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.

In connection with the Affordable Housing Loan described on the attached (Sub)Exhibit E in Section A.2, a certain Regulatory Agreement between the City and the Developer, dated as of the date hereof, shall be recorded against the Property, which shall impose certain affordability restrictions on the Project as set forth therein.

8.21 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.

8.22 Participation In City Beautification Efforts.

[Intentionally Omitted]

8.23 Public Benefits Program.

[Intentionally Omitted]

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 nondiscriminatory 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 fifty percent (50%) 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 (United States Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of D.P.D. 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 D.P.D. 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 D.P.D., 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 noncompliance, it is agreed that one-twentieth of one percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 multiplied by such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor and/or the subcontractors to prosecution. Any Retainage To Cover Contract Performance That May Become Due To The Developer Pursuant To Section 2-92-250 Of The Municipal Code Of Chicago May Be Withheld By The City Pending the Chief Procurement Officer's Determination As To Whether The Developer Must Surrender Damages As Provided In This Paragraph.

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

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

10.03 M.B.E./W.B.E. Commitment.

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

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420, et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650, et seq., Municipal Code of Chicago (the "Construction Program"), and collectively with the Procurement Program, the "M.B.E./W.B.E. Program"), and in reliance upon the provisions of the M.B.E./W.B.E. 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 aggregate hard construction costs (as set forth in (Sub)Exhibit H hereto) shall be expended for contract participation by M.B.E.s and by W.B.E.s:

- (1) At least twenty-four percent (24%) by M.B.E.s.
- (2) At least four percent (4%) by W.B.E.s.

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

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

(d) The Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this M.B.E./W.B.E. commitment. Such reports shall include, inter alia, the name and

business address of each M.B.E. and W.B.E. 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 M.B.E. or W.B.E. actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining the Developer's compliance with this M.B.E./W.B.E. commitment. The Developer shall maintain records of all relevant data with respect to the utilization of M.B.E.s and W.B.E.s in connection with the Project for at least five (5) years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on five (5) business days notice, to allow the City to review the Developer's compliance with its commitment to M.B.E./W.B.E. participation and the status of any M.B.E. or W.B.E. performing any portion of the Project.

(e) Upon the disqualification of any M.B.E. or W.B.E. 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 M.B.E. or W.B.E. as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

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

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

in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

Section 11.

Environmental Matters.

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, 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 Employer's Liability Insurance.

Workers' Compensation and Employer's Liability Insurance, as prescribed by applicable law, covering all employees who are to provide a service under this Agreement and Employer's Liability coverage with limits of not less than One Hundred Thousand Dollars (\$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 One Million Dollars (\$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, noncontributory basis for any liability arising directly or indirectly from the work.

(b) Construction.

(i) Workers' Compensation And Employer's Liability Insurance.

Workers' Compensation and Employer's Liability Insurance, as prescribed by applicable law, covering all employees who are to provide a service under this Agreement and Employer's Liability coverage with limits of not less than Five Hundred Thousand Dollars (\$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 Two Million Dollars (\$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, noncontributory 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 Two Million Dollars (\$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, noncontributory 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 Two Million Dollars (\$2,000,000) per occurrence and Six Million Dollars (\$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 One Million Dollars

(\$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 One Million Dollars (\$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, noncontributory 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, noncontributory 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, noncontributory 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, Chicago, Illinois 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. Nonconforming 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 sixty (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 "Indemnities") 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 Indemnities 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 Indemnities 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 T.I.F.-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;

(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;

(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);

(k) prior to the expiration of the Term of the Agreement and without the prior written consent of the City, (i) the sale or transfer of an ownership interest in the Developer, except to the extent that the syndicator of low-income tax credits may acquire or sell an interest in the Project and/or the Developer, but only to one of its affiliates, or (ii) a change in the general partner of the Developer.

15.02 Remedies.

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 and seek reimbursement of any City Funds paid. 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.

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.

*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 (Sub)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 or indemnification obligation 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 D.P.D., pursuant to Section 8.06.

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, Illinois 60602
Attention: Commissioner

Department of Housing
33 North LaSalle Street, 2nd Floor
Chicago, Illinois 60602
Attention: Commissioner

with copies to:

City of Chicago
Department of Law
Finance and Economic Development
Division
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

If To The Developer:

North and Talman Elderly Limited
Partnership
In care of North and Talman Corporation
325 North Wells Street, 8th Floor
Chicago, Illinois 60647

with copies to:

Paul Shadle
DLA Piper U.S. L.L.P.
203 North LaSalle Street, Suite 1900
Chicago, Illinois 60601

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 (Sub)Exhibit D hereto without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by the Developer by more than ninety (90) days.

18.02 Entire Agreement.

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

18.03 Limitation Of Liability.

No member, 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 T.I.F. 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, D.P.D. or the Commissioner, or any matter is to be to the City's, D.P.D.'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, D.P.D. 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 D.P.D. in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.15 Assignment.

Except with respect to the pledge of the City Note to Fannie Mae by the General Partner as security for a certain loan for the Project described in paragraph A.3 of (Sub)Exhibit E, the Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to 8.21 (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 W.A.R.N. Act, the Developer shall, in addition to the notice required under the W.A.R.N. Act, provide at the same time a copy of the W.A.R.N. 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 agree 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 reasonable 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 (h), 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.

Developer

North and Talman Elderly Limited
Partnership, an Illinois limited
partnership

By: North and Talman Corporation, an
Illinois corporation and its sole
general partner

By: _____

Name: _____

Its: _____

City of Chicago

City of Chicago, Illinois, acting by and
through its Department of Planning
and Development

By: _____

Name: _____
Commissioner

City of Chicago, Illinois, acting by and
through its Department of Housing

By: _____

Name: _____

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 North and Talman Corporation, an Illinois
corporation (the "Corporation") and personally known to me to be the same person
whose name is subscribed to the foregoing instrument, appeared before me this
_____ 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 general partner of North and
Talman Elderly Limited Partnership, 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 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 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]

[(Sub)Exhibits "D", "F-1", "F-2" and "I" referred to in this
Redevelopment Agreement with North and Talman Elderly
Limited Partnership unavailable at time of printing.]

[(Sub)Exhibit "B" referred to in this Redevelopment Agreement with North and Talman Elderly Limited Partnership constitutes Exhibit "B-1" to the ordinance and printed on page 94283 of this *Journal*.]

[(Sub)Exhibits "K" and "O" not referenced in this
Redevelopment Agreement with North and
Talman Elderly Limited Partnership.]

(Sub)Exhibits "A", "C", "E", "G", "H", "J", "L", "M" and "N" referred to in this Redevelopment Agreement with North and Talman Elderly Limited Partnership read as follows:

(Sub)Exhibit "A".

(To Redevelopment Agreement With North And
Talman Elderly Limited Partnership)

Redevelopment Area.

Legal Description.

All that part of the south half of Sections 35 and 36 in Township 40 North, Range 13 East of the Third Principal Meridian, and the west half of the southwest quarter of Section 31, Township 40 North, Range 14 East of the Third Principal Meridian, and the west half of Section 6, Township 39 North, Range 14 East of the Third Principal Meridian, and of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian, bounded and described as follows:

beginning at the point of intersection of the south line of West North Avenue with the east line of North Claremont Avenue; thence south along said east line of North Claremont Avenue to the easterly extension of the north line of Lot 48 in Block 4 of H. B. Bogue's Subdivision of Blocks 1, 2, 4 and 5 of Watson, Tower and Davis' Subdivision of the west half of the northwest quarter of Section 6, Township 39 North, Range 14 East of the Third Principal Meridian, said north line of Lot 48 being also the south line of the alley south of West North Avenue; thence west along said easterly extension and the north line of Lot 48 in Block 4 of H. B. Bogue's Subdivision to the northwesterly line of said Lot 48; thence southwesterly along said northwesterly line of Lot 48 in Block 4 of H. B. Bogue's Subdivision to the west line of said Lot 48, said west line of Lot 48 being also the east line of the alley east of North Western Avenue; thence south along said east line of the alley east of North Western Avenue to the north line of West Lemoyne Street; thence east along said north line of West Lemoyne Street to the east line of North Oakley Boulevard; thence south along said east line of North Oakley Boulevard to the south line of West Hirsch Street; thence west along said south line of West Hirsch Street to the west line of Lot 1 in Watson's Subdivision of Block 12 of Watson, Tower and Davis' Subdivision of the west half of the northwest quarter of Section 6, Township 39 North, Range 14 East of the Third Principal Meridian, said west line of Lot 1 being also the east line of the alley east of North Western Avenue; thence south along said east line of the alley east of North Western Avenue to the north line of West Potomac Avenue; thence east along said north line of West Potomac Avenue to the east line of North Oakley

Boulevard; thence south along said east line of North Oakley Boulevard to the easterly extension of the north line of Lot 13 in Block 2 of E. A. Cummings and Company's Subdivision of Block 2 in the subdivision of Block 4 and Lots 1 to 6 and 12 to 32 of Block 5 of Suffern's Subdivision of the southwest quarter of Section 6, Township 39 North, Range 14 East of the Third Principal Meridian, said north line of Lot 13 being also the south line of West Haddon Avenue; thence west along said easterly extension and the south line of West Haddon Avenue to southerly extension of the east line of Lot 1 in Bernhard Loeff's Resubdivision of Lots 26 to 42, both inclusive, of McCreery's Subdivision of the north half of the northeast quarter of the northeast quarter of the southeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian; thence north along said southerly extension and the east line of Lot 1 in Bernhard Loeff's Resubdivision to the north line of said Lot 1, said north line of Lot 1 being also the south line of the alley south of West Division Street; thence west along said south line of the alley south of West Division Street and along the westerly extension thereof to the west line of North Campbell Avenue; thence north along said west line of North Campbell Avenue to the north line of Lot 8 in the resubdivision of the subdivision of one acre in the northeast corner of the northwest quarter of the northeast quarter of the southeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian and of Lot "A" in Gross' Humboldt Park Addition to Chicago, a subdivision of the northwest quarter of the northeast quarter of the southeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian (except one acre in the northeast corner and one acre in the northwest corner thereof), said north line of Lot 8 being also the south line of the alley south of West Division Street; thence west along said north line of Lot 8 to the west line of said Lot 8; thence south along said west line of aforesaid Lot 8 to the easterly extension of the north line of Lots 19 through 27, inclusive, in Gross' Humboldt Park Addition to Chicago, a subdivision of the northwest quarter of the northeast quarter of the southeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian (except one acre in the northeast corner and one acre in the northwest corner thereof), said north line of Lots 19 through 27, inclusive, in Gross' Humboldt Park Addition to Chicago being also the south line of the alley south of West Division Street; thence west along said north line of Lots 19 through 27, inclusive, in Gross' Humboldt Park Addition to Chicago to the west line of said Lot 19 in Gross' Humboldt Park Addition to Chicago; thence south along said west line of said Lot 19 in Gross' Humboldt Park Addition to Chicago to the north line of Lots 11 through 18, inclusive in said Gross' Humboldt Park Addition to Chicago, said north line of Lots 11 through 18, inclusive, being also the south line of the alley south of West Division Street; thence west along said north line of Lots 11 through 18, inclusive in Gross' Humboldt Park Addition to Chicago and along the westerly extension thereof to the west line of North Rockwell Street; thence north along said west line of North Rockwell Street to the north line of Lot 4 in Gross' Third Humboldt Park Addition to Chicago, a subdivision of the east 100 feet of the northwest quarter of the southeast quarter of Section 1, Township 39 North,

Range 13 East of the Third Principal Meridian, and also the east 15 feet of Lot 1 and 42 in Block 1, and the east 15 feet of Lots 1 and 42 in Block 4 in Wetherbee and Gregory's Subdivision of the north half of the northwest quarter of the southeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian (except the east 100 feet of said tract), and also the west 15 feet of the east 10,015 feet of the south half of the northwest quarter of the southeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian, said north line of Lot 4 being also the south line of the alley south of West Division Street; thence west along said south line of the alley south of West Division Street to the west line of North Mozart Street; thence north along said west line of North Mozart Street to the south line of West Division Street; thence east along said south line of West Division Street to the east line of North California Avenue; thence north along said east line of North California Avenue to the north line of West Crystal Street; thence east along said north line of West Crystal Street to the northerly extension of the west line of Lot 16 in Block 7 of Humboldt Park Residence Association's Subdivision of the southwest quarter of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian, said west line of Lot 16 being also the east line of the alley east of North California Avenue; thence south along said northerly extension and the west line of Lot 16 in Block 7 of Humboldt Park Residence Association's Subdivision to the southwesterly line of said Lot 16; thence southeasterly along said southwesterly line of Lot 16 in Block 7 of Humboldt Park Residence Association's Subdivision to the south line of said Lot 16, said south line of Lot 16 being also the north line of the alley north of West Division Street; thence east along said north line of the alley north of West Division Street to the east line of Lot 12 in said Block 7 of Humboldt Park Residence Association's Subdivision; thence north along said east line of Lot 12 in Block 7 of Humboldt Park Residence Association's Subdivision and along the northerly extension thereof to the north line of West Crystal Street; thence east along said north line of West Crystal Street to the east line of North Washtenaw Avenue; thence south along said east line of North Washtenaw Avenue to the south line of Lot 24 in Block 8 of aforesaid Humboldt Park Residence Association's subdivision, said south line of Lot 24 being also the north line of the alley north of West Division Street; thence east along said north line of the alley north of West Division Street to the west line of North Artesian Avenue; thence north along said west line of North Artesian Avenue to the westerly extension of the south line of Lot 34 in Block 8 of Winslow and Jacobson's Subdivision of the southeast quarter of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian, said south line of Lot 34 being also the north line of the open public alley north of West Division Street; thence east along said westerly extension and the south line of Lot 34 in Block 8 of Winslow and Jacobson's Subdivision to the east line of said Lot 34, said east line of Lot 34 being also the west line of the alley west of North Western Avenue; thence north along said west line of the alley west of North Western Avenue to the northeasterly line of Lot 12 in Block 1 of Winslow, Jacobson and Tallman's Subdivision of the northeast quarter of the northeast

quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian; thence northwesterly along said northeasterly line of Lot 12 in Block 1 of Winslow, Jacobson and Tallman's Subdivision to the north line of said Lot 12, said north line of Lot 12 being also the south line of the alley south of West North Avenue; thence west along said south line of the alley south of West North Avenue and along the westerly extension thereof to the west line of North Rockwell Street; thence north along said west line of North Rockwell Street to the north line of Lot 6 in Block 1 of H. M. Thompson's Subdivision of the northwest quarter of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian; thence west along said north line of Lot 6 in Block 1 of H. M. Thompson's Subdivision to the northwest corner of said Lot 6; thence westerly along a straight line to the northeast corner of Lot 43 in said Block 1 of H. M. Thompson's Subdivision; thence west along the north line of said Lot 43 in Block 1 of H. M. Thompson's Subdivision to the east line of North Talman Avenue; thence west along a straight line to the northeast corner of Lot 6 in Block 2 of said H. M. Thompson's Subdivision of the northwest quarter of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian; thence west along the north line of said Lot 6 in Block 2 of H. M. Thompson's Subdivision and along the westerly extension thereof and along the north line of Lot 43 in said Block 2 of H. M. Thompson's Subdivision and along the westerly extension thereof to the west line of North Washtenaw Avenue; thence south along said west line of North Washtenaw Avenue to the north line of the south 0.5 feet of Lot 9 in Block 3 of said H. M. Thompson's Subdivision, said north line of the south 0.5 feet of Lot 9 being also the south line of the alley south of West North Avenue; thence west along said north line of the south 0.5 feet of Lot 9 in Block 3 of said H. M. Thompson's Subdivision to the west line of said Lot 9, said west line of Lot 9 being also the east line of the alley west of North Washtenaw Avenue; thence south along said west line of Lot 9 in Block 3 of said H. M. Thompson's Subdivision to the easterly extension of the north line of Lot 39 in said Block 3 of H. M. Thompson's Subdivision; thence west along said easterly extension and the north line of said Lot 39 in Block 3 of H. M. Thompson's Subdivision and along the westerly extension thereof to the west line of North Fairfield Avenue; thence north along said west line of North Fairfield Avenue to the north line of Lot 1 in the resubdivision of Lots 6 to 24, inclusive, in Block 4 of H. M. Thompson's Subdivision of the northwest quarter of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian; thence west along said north line of Lot 1 in the resubdivision of Lots 6 to 24, inclusive, in Block 4 of H. M. Thompson's Subdivision to the west line of said Lot 1, said west line of Lot 1 being also the east line of the alley east of North California Avenue; thence south along said west line of Lot 1 in the resubdivision of Lots 6 to 24, inclusive, in Block 4 of H. M. Thompson's Subdivision to the easterly extension of the north line of Lot 42 in Block 4 of H. M. Thompson's Subdivision of the northwest quarter of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian; thence west along said easterly extension and the north line of Lot 42 in Block 4 of H. M. Thompson's

Subdivision to the east line of North California Avenue; thence north along said east line of North California Avenue and along the northerly extension thereof to the north line of the northeast quarter of Section 1, Township 39 North Range 13 East of the Third Principal Meridian; thence west along said north line of the northeast quarter of Section 1, Township 39 North, Range 13 East of the Third Principal Meridian and along the north line of the northwest quarter of said Section 1 to the southerly extension of the east line of Lot 18 in Block 5 of Johnston and Cox's Subdivision of the southwest quarter of the southwest quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, said east line of Lot 18 being also the west line of North Troy Street; thence north along said southerly extension of the east line of Lot 18 in Block 5 of Johnston and Cox's Subdivision to the north line of West North Avenue; thence west along said north line of west north avenue to the west line of North Kedzie Avenue; thence south along said west line of North Kedzie Avenue to the south line of West Pierce Avenue; thence west along said south line of West Pierce Avenue to the southerly extension of the east line of Lot 11 in Block 1 of Pierce's Humboldt Park Addition to Chicago in the northeast quarter of Section 2, Township 39 North, Range 13 East of the Third Principal Meridian, said east line of Lot 11 being also the west line of the alley west of North Kedzie Avenue; thence north along said southerly extension and the east line of Lot 11 in Block 1 of Pierce's Humboldt Park Addition to Chicago to the northeasterly line of said Lot 11; thence northwesterly along said northeasterly line of Lot 11 to the north line of said Lot 11 in Block 1 of Pierce's Humboldt Park Addition to Chicago, said north line of Lot 11 being also the south line of the alley south of West North Avenue; thence west along said south line of the alley south of West North Avenue to the east line of Lot 12 in Block 2 in the subdivision of the north half of the northeast quarter of the northeast quarter of the northwest quarter of Section 2, Township 39 North, Range 13 East of the Third Principal Meridian, said east line of Lot 12 being also the west line of the alley west of North Monticello Avenue; thence north along the northerly extension of said east line of Lot 12 in Block 2 of the subdivision of the north half of the northeast quarter of the northeast quarter of the northwest quarter of Section 2, Township 39 North, Range 13 East of the Third Principal Meridian to the centerline of the vacated alley lying north of and adjoining said Lot 12; thence west along said centerline of the vacated alley lying north of and adjoining Lot 12 in Block 2 in the subdivision of the north half of the northeast quarter of the northeast quarter of the northwest quarter of Section 2, Township 39 North, Range 13 East of the Third Principal Meridian, to the east line of North Lawndale Avenue; thence south along said east line of North Lawndale Avenue to the easterly extension of the north line of Lot 30 in Block 4 of Beebe's Subdivision of the east half of the northwest quarter of Section 2, Township 39 North Range 13 East of the Third Principal Meridian, said north line of Lot 30 being also the south line of the alley south of West North Avenue; thence west along said easterly extension and the north line of Lot 30 in Block 4 of Beebe's Subdivision and along the westerly extension thereof, to the easterly line of the Chicago, Milwaukee, St. Paul and Pacific Railroad right-of-way; thence northerly along

said easterly line of the Chicago, Milwaukee, St. Paul and Pacific Railroad right-of-way to the south line of Lot 13 in Block 6 in the subdivision of the southeast quarter of the southwest quarter of Section 35, Township 40 North, Range 13 East of the Third Principal Meridian (except the east half of the southeast quarter of the southeast quarter of the southwest quarter of Section 35, Township 40 North, Range 13 East of the Third Principal Meridian and except the railroad), said south line of Lot 13 being also the north line of the alley north of West North Avenue; thence west along said north line of the alley north of West North Avenue to the east line of North Troy Street; thence south along said east line of North Troy Street to the centerline of the vacated alley lying south of and adjoining Lot 28 in Block 6 of Johnston and Cox's Subdivision of the southwest quarter of the southwest quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian; thence east along said centerline of the vacated alley lying south of and adjoining Lot 28 in Block 6 of Johnston and Cox's Subdivision to the east line of said vacated alley; thence north along said east line of the vacated alley lying south of and adjoining Lot 28 in Block 6 of Johnston and Cox's Subdivision to the westerly extension of the south line of Lot 17 in said Block 6 of Johnston and Cox's Subdivision, said south line of Lot 17 being also the north line of the alley north of West North Avenue; thence east along said north line of the alley north of West North Avenue to the west line of North Humboldt Boulevard; thence south along said west line of North Humboldt Boulevard to the north line of West North Avenue; thence east along said north line of West North Avenue to the east line of North Humboldt Boulevard; thence north along said east line of North Humboldt Boulevard to the south line of Lot 16 in Block 13 of Hansbrough and Hess Subdivision of the east half of the southwest quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, said south line of Lot 16 being also the north line of the alley north of West North Avenue; thence east along said north line of the alley north of West North Avenue and the easterly extension thereof to the east line of North California Avenue; thence south along said east line of North California Avenue to the south line of Lot 77 in Borden's Subdivision of the west half of the southeast quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, said south line of Lot 77 being also the north line of the alley north of West North Avenue; thence east along said north line of the alley north of West North Avenue to the west line of North Washtenaw Avenue; thence north along said west line of North Washtenaw Avenue to the westerly extension of the north line of the south 0.5 feet of Lot 10 in Young and Talbott's Subdivision of Lots 1, 2, 3, 8 and 9 of Block 1; thence east along said westerly extension and the north line of the south 0.5 feet of Lot 10 in Young and Talbott's Subdivision of Lots 1, 2, 3, 8 and 9 of Block 1 and along the easterly extension thereof and along the north line of the south 0.5 feet of Lot 7 in said Young and Talbott's Subdivision and along the easterly extension thereof to the east line of North Talman Avenue; thence south along said east line of North Talman Avenue to the south line of Lot 15 in Goodrich and Young's Subdivision of Lots 4, 5 and 6 in Block 1 of Borden's Subdivision of the west half of the southeast quarter of Section 36, Township 40 North, Range 13 East of the

Third Principal Meridian, said south line of Lot 15 being also the north line of the alley north of West North Avenue; thence east along said north line of the alley north of West North Avenue and along the easterly extension thereof to the east line of North Western Avenue; thence north along said east line of North Western Avenue to the north line of Lot 17 in the subdivision of Lot 4 of the Assessor's Division of unsubdivided land in the south half of the southwest quarter of Section 31, Township 40 North, Range 14 East of the Third Principal Meridian; thence east along said north line of Lot 17 in the subdivision of Lot 4 of the Assessor's Division to the east line of said Lot 17; thence south along said east line of Lots 17 and 18 in the subdivision of Lot 4 of the Assessor's Division to the north line of the parcel of property bearing Permanent Index Number 14-31-326-065; thence east along said north line of the parcel of property bearing Permanent Index Number 14-31-326-065 and along the easterly extension thereof to west line of Lot 41 in J. N. Mason's Subdivision of the west part of Lot 5 and the south 33 feet of Lot 3 of the Assessor's Division of unsubdivided land in the south half of the southwest quarter of Section 31, Township 40 North, Range 14 East of the Third Principal Meridian, said west line of Lot 41 being also the east line of the alley east of North Western Avenue; thence south along said east line of the alley east of North Western Avenue to the south line of Lot 41 in said J. N. Mason's Subdivision, said south line of Lot 41 being also the north line of the alley north of West North Avenue; thence east along said north line of the alley north of West North Avenue to the east line of North Claremont Avenue; thence south along said east line of North Claremont Avenue to the point of beginning at the south line of West North Avenue.

(Sub)Exhibit "C".

(To Redevelopment Agreement With North And
Talman Elderly Limited Partnership)

T.I.F.-Funded Improvements.

Acquisition	\$2,135,704
Construction Costs of Affordable Housing Units*	<u>314,296</u>
	\$2,450,000

* Fifty percent (50%) of the actual construction costs of affordable housing units for low- and very low-income occupants are eligible as defined under the provisions of the Tax Increment Allocation Redevelopment Act.

(Sub)Exhibit "E".
(To Redevelopment Agreement With North And
Talman Elderly Limited Partnership)

Financing For The Project.

A. Lender Financing:

1. Amount: Not to exceed \$1,099,000.
Term: Not to exceed 32 years.
Source: MB Financial Bank, N.A., or another entity acceptable to the D.O.H. Commissioner.
Interest: Adjustable rate at Bank's reference rate plus $\frac{1}{2}\%$, with a floor of 4.5% during construction period; thereafter, a fixed rate 250 basis points over the 15 year Community Investment Program (C.I.P.) Advance Rate as quoted by the Federal Home Loan Bank of Chicago, or another rate acceptable to the D.O.H. Commissioner.
Security: A first mortgage on the Property.
2. Amount: Not to exceed \$1,700,000.
Source: HOME Program/Corporate Funds/Program Income.
Term: Not to exceed 32 years.
Interest: Three percent (3%) per annum or another rate acceptable to the D.O.H. Commissioner.
Security: Non-recourse loan; second mortgage on the Property.
3. Amount: Not to exceed \$2,450,000.
Source: Proceeds from a loan from Fannie Mae to the General Partner or another entity acceptable to the D.O.H. Commissioner and the D.P.D. Commissioner.

Term: Maximum of 15 years, but not to exceed the remaining life of the Redevelopment Area.

Interest: A fixed rate not to exceed eight and five-tenths percent (8.5%) per annum.

Security: A pledge of the City Note (as defined in Section 4 of this Agreement).

B. Other Financing:

1. Approximately \$9,360,000 to be derived from the syndication of \$998,036 of Low-Income Housing Tax Credits expected to be allocated by the Illinois Housing Development Authority.
2. Amount: Approximately \$340,000.
Source: MB Financial Bank, N.A., from proceeds derived from the Federal Home Loan Bank of Chicago's Affordable Housing Program, or another source acceptable to the D.O.H. Commissioner.
Term: 15 years.
Security: Recapture Agreement for a recoverable grant.
3. The General Partner will contribute \$100.

(Sub)Exhibit "G".
(To Redevelopment Agreement With North And
Talman Elderly Limited Partnership)

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:

Security interest granted to Fannie Mae in the General Partner's interest in the City Note.

Recapture Agreement between the Developer and the Federal Home Loan Bank of Chicago, or a participating member ("F.H.L.B."), in connection with the F.H.L.B. grant of approximately Three Hundred Forty Thousand Dollars (\$340,000) made to the Developer.

(Sub)Exhibit "H".

(To Redevelopment Agreement With North And
Talman Elderly Limited Partnership)

Project Budget.

Land Acquisition	\$ 2,135,704
Hard Costs	10,438,245
Soft Costs	1,646,210
Developer's Fee	931,824
Deferred Developer's Fee	<u>398,414</u>
TOTAL:	\$ 15,550,397

(Sub)Exhibit "J".
(To Redevelopment Agreement With North And
Talman Elderly Limited Partnership)

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 _____, an [Illinois] _____, (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the _____ 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");

[(b) the Escrow Agreement of even date herewith executed by the Developer and the City;]

(c) [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]; and

(d) 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 [revise if the Developer is not a corporation]; 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 Developer is a corporation duly organized, validly existing and in good standing under the laws of its state of [incorporation] [organization], 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] [entity] 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 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 [Articles of Incorporation or Bylaws] [describe any formation documents if the Developer is not a corporation] 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 is a party or by which the Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute rounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Developer 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).

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.

4. Each of the Documents to which the Developer is a party has been duly executed and delivered by a duly authorized officer of the Developer, and each such Document constitutes the legal, valid and binding obligation of the Developer, 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. (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 or 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, 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.

7. 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.

8. 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.

9. The execution, delivery and performance of the Documents by the Developer 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 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. [Note: include a reference to the laws of the state of incorporation/organization of the Developer, if other than 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 "L".
(To Redevelopment Agreement With North And
Talman Elderly Limited Partnership)

Requisition Form.

State of Illinois)
)SS.
County of Cook)

The affiant, _____, _____ of _____, a _____ (the "Developer"), hereby certifies that with respect to that certain _____ Redevelopment Agreement between the Developer and the City of Chicago dated _____, _____ (the "Agreement"):

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

B. This paragraph B sets forth and is a true and complete statement of all costs of 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:

\$ _____

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

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

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

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

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

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

(Sub)Exhibit "M".
(To Redevelopment Agreement With North And
Talman Elderly Limited Partnership)

Form Of City Note.

Registered
Number R-1

Maximum Amount
\$[2,450,000]

United States Of America

State Of Illinois

County Of Cook

City Of Chicago

Tax Increment Allocation Revenue Note (Humboldt Park
Redevelopment Project Area), Taxable Series 200__.

Registered Owner: North and Talman Elderly Limited Partnership

Interest Rate: Fannie Mae's thirteen (13) year cost of funds, as determined by the City Comptroller's Office based upon an interpolation of Fannie Mae's published constant maturity index, plus two hundred (200) basis points, but in no event exceeding eight and one-half percent (8.5%) per annum.

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 to pay costs of the Project (as hereafter defined) in accordance with that certain ordinance adopted by the City Council of the City on _____, 2006 and that certain North and Tillman Elderly Limited Partnership Redevelopment Agreement (the "Redevelopment Agreement") dated as of the date hereof between the City and North and Talman Elderly Limited Partnership (the "Developer") up to the principal amount of Two Million Four Hundred Fifty Thousand Dollars (\$2,450,000) and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of this Note. Interest shall be computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid. All payments on this Note are from the Available Incremental Taxes (as defined in the Redevelopment Agreement) and subject to Sections 4.04 and 4.07 of the Redevelopment Agreement, with payments as follows: (i) On March 1, 2008, the first payment of City Funds shall be an interest only payment in an amount not to exceed Two Hundred Twenty Thousand Dollars (\$220,000); (ii) the second payment shall be of principal and interest and shall be made after the Certificate is issued on March 1, 2009 in the amount indicated on the debt schedule attached to this Note; however, the D.P.D. Commissioner may authorize the second payment of City Funds even if the Certificate has not been issued, if the D.P.D. Commissioner determines that such payment is necessary to complete the Project; and (iii) subsequent payments of principal and interest will be made on March 1 of each year in the amounts indicated on the debt schedule attached to this Note.

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 Two Million Four Hundred Fifty

Thousand Dollars (\$2,450,000) for the purpose of paying the costs of certain eligible redevelopment project costs incurred by North and Talman Elderly Limited Partnership (the "Project"), in connection with the acquisition of land and the construction of a five (5) story masonry building with approximately fifty-two (52) rental units restricted to residents who are fifty-five (55) years and older in the Humboldt Park Commercial 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 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 Available Excess 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. 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 (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 redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

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

Pursuant to the Redevelopment Agreement, the Registered Owner has agreed to acquire and construct the 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 up to the amount of Two Million Four Hundred Fifty Thousand Dollars (\$[2,450,000]) 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 and seek reimbursement of any payments of principal and of interest on this Note. 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 _____, 200__.

Mayor

[Seal]

Attest:

City Clerk

Certificate
Of
Authentication

Registrar and Paying Agent:

Chief Financial Officer 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 (Humboldt Park Redevelopment Project), Taxable Series 200__, of the City of Chicago, Cook County, Illinois.

Chief Financial Officer

Date: _____

Debt Service Schedule referred to in this Form of City Note reads as follows:

Debt Service Schedule.
(To Form Of City Note)

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Sub)Exhibit "N".
(To Redevelopment Agreement With North And
Talman Elderly Limited Partnership)

Form Of Subordination Agreement.

This subordination agreement ("Agreement") is made and entered into as of the day of _____, _____ between the City of Chicago by and through its Department of Planning and Development (the "City"), [Name Lender], a [national banking association] (the "Lender").

Witnesseth:

Whereas, The North and Talman Elderly Limited Partnership, an Illinois limited liability company (the "Developer"), has purchased certain property located with the Humboldt Park Commercial Redevelopment Project Area at 2634 -- 2644 West North Avenue, Chicago, Illinois 606__ and legally described on (Sub)Exhibit A hereto (the "Property"), in order to construct a fifty-three (53) unit development to be known as "North and Talman Senior Apartments" that will consist of a five (5) story masonry building with fifty-three (53) units located on the Property with approximately nineteen (19) parking spaces (the "Facility"). The fifty-three (53) rental units will be restricted to residents who are fifty-five (55) years or older and will consist of forty-eight (48) one (1) bedroom apartments, four (4) two (2) bedroom apartments, and one (1) manager's apartment. The Facility and related improvements are collectively referred to herein as the "Project".

Whereas, As part of obtaining financing for the Project, the Developer and _____, [as trustee under Trust Agreement dated _____ and known as Trust Number _____ (the "Land Trustee") (the Developer and the Land Trustee collectively referred to herein as the "Borrower")], have entered into a certain Construction Loan Agreement dated as of _____ with the Lender pursuant to which the Lender has agreed to make a loan to the Borrower in an amount not to exceed \$_____ (the "Loan"), which Loan is evidenced by a Mortgage Note and executed by the Borrower in favor of the Lender (the "Note"), and the repayment of the Loan is secured by, among other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the following: (i) Mortgage dated and recorded _____ as Document Number _____ made by the Borrower to the Lender; and (ii) Assignment of Leases and Rents recorded _____ as Document Number _____ made by the Borrower to the Lender (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "Loan Documents");

Whereas, The Developer desires 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");

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 8.19] [Note: Refer to Section 7.02 of the Agreement to confirm which covenants to list.] of the Redevelopment Agreement (the "City Encumbrances");

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 their respective 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

City of Chicago Department of Housing
33 North LaSalle Street, 2nd floor
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:

Attention: _____

with a copy to:

Attention: _____

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.

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 as the free and voluntary act deed of said City, for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of _____, _____.

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 [Lender], 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 _____, _____.

Notary Public

My commission expires: _____.

[Seal]

[(Sub)Exhibit "A" referred to in this Form of Subordination
Agreement unavailable at time of printing].

AUTHORIZATION FOR ISSUANCE OF MULTI-FAMILY HOUSING
REVENUE BONDS, EXECUTION OF LOAN AGREEMENT
AND CONVEYANCE OF CITY-OWNED PROPERTY
FOR CONSTRUCTION OF AFFORDABLE
HOUSING.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the issuance of Multi-Family Housing Revenue Bonds for North Lawndale L.P., Washington Park 55th Place L.P. and the West Englewood L.P., and to enter into and execute a loan agreement with West Englewood L.P., amount of bonds not to exceed \$26,000,000, amount of loan not to exceed \$4,574,433, 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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, Moore, Stone -- 39.

Nays -- None.

Alderman E. Smith 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) North Lawndale Limited Partnership, an Illinois limited partnership ("Sankofa LP"), the general partner of which is Sankofa House Company, L.L.C., an Illinois limited liability company ("Sankofa G.P."), the members of which are Sankofa Safe Child, an Illinois not-for-profit corporation, acting as managing member, and The Interfaith Housing Development Corporation of Chicago, an Illinois not-for-profit corporation (I.H.D.C.), (ii) Washington Park 55th Place Limited Partnership, an Illinois limited partnership ("Coppin House L.P."), the general partner of which is Coppin House Company, L.L.C., an Illinois limited liability company ("Coppin House G.P."), the Members of which are Coppin House A.M.E. Church Economic Development N.F.P., an Illinois not-for-profit corporation, acting as managing member, and I.H.D.C. and (iii) West Englewood Limited Partnership, an Illinois limited partnership ("West Englewood L.P." and collectively with Sankofa L.P. and Coppin House LP, the "Borrowers"), the general partner of which is Clara's Village Company, L.L.C., an Illinois limited liability company ("West Englewood G.P." and collectively with Sankofa G.P. and Coppin House G.P., the "General Partners"), the members of which are West Englewood United Organization, an Illinois not-for-profit corporation, acting as managing member, and I.H.D.C., to pay or reimburse a portion of the costs of acquiring, constructing and equipping of (i) a low-income residential facility located generally at 4041 West Roosevelt Road, consisting of one (1) building with approximately fifty-eight (58) one (1), two (2), three (3) and four (4) bedroom units (the "Sankofa House Development"), (ii) low-income residential facilities located generally at 333 East 55th Place and 338 East 56th Street, consisting of two (2) approximately twenty-seven (27) unit buildings containing a total of approximately fifty-four (54) one (1), two (2), three (3) and four (4) bedroom units (the "Coppin House Development") and (iii) low-income residential facilities located generally at 1637 West 59th Street, 1901 West 59th Street, 1941 West 59th Street, 2115 West 63rd Street and 6355 South Wood Street, consisting of five (5) scattered site buildings containing a total of approximately fifty-two (52) one (1), two (2) and three (3) bedroom units (the "Clara's Village Development" and collectively with the Sankofa House Development and the Coppin House

Development, the "Developments"), with the Developments also containing related common facilities and on-site parking; and

WHEREAS, Such financing will be provided by the City by issuing (i) a separate series of tax-exempt revenue bonds for each Development and using the proceeds of the sale thereof to purchase fully modified mortgage-backed securities, the payment of principal and interest on which corresponds to payments on a mortgage loan to be made to the Borrower insured by the Federal Housing Administration ("F.H.A.") and backing those securities, and which securities are guaranteed as to timely payment by the Government National Mortgage Association ("G.N.M.A.") and (ii) a separate series of tax-exempt revenue bonds for each Development, the principal and interest on which will be secured by separate direct-pay letters of credit to be issued by a bank or other financial institution approved by an Authorized Officer (as hereinafter defined), and loaning the proceeds thereof to the respective Borrowers to fund a portion of the costs of the respective Development; and

WHEREAS, By this ordinance, the City Council has determined that it is necessary and in the best interests of the City to borrow money for the purposes set forth above and in evidence of its limited, special obligation to repay that borrowing, to issue its (i) Multi-Family Housing Revenue Bonds (Sankofa House Project), Series 2006A (F.H.A Insured/G.N.M.A.), (ii) Multi-Family Housing Revenue Bonds (Coppin House Project), Series 2006A (F.H.A. Insured/G.N.M.A.) and (iii) Multi-Family Housing Revenue Bonds (Clara's Village Project), Series 2006A (F.H.A.- Insured/G.N.M.A.) (collectively, the "G.N.M.A. Bonds"); and

WHEREAS, In connection with the issuance of the G.N.M.A. Bonds, the City Council has determined by this ordinance that it is necessary and in the best interests of the City to enter into (i) a separate Trust Indenture to provide for the financing of each of the Developments (each, a "G.N.M.A. Indenture") between the City and a trustee (the "G.N.M.A. Trustee") to be selected by an Authorized Officer, providing for the security for and terms and conditions of the G.N.M.A. Bonds to be issued thereunder, (ii) a separate Financing Agreement to provide for the financing of each of the Developments (each, a "G.N.M.A. Financing Agreement") among the City, each respective Borrower and the G.N.M.A. Trustee providing for the use of the proceeds of the related G.N.M.A. Bonds to purchase fully modified mortgage-backed securities guaranteed by G.N.M.A. from Collateral Real Estate Capital, L.L.C., a Delaware limited liability company, or another entity acceptable to the City (the "Lender"), and the corresponding making of a mortgage loan by the Lender to each respective Borrower backing those securities and insured by the F.H.A., all for the purposes described above, (iii) one or more Bond Purchase Agreements among the City, each respective Borrower and one or more underwriters for the G.N.M.A. Bonds, or, alternatively, another sale agreement among the City, each respective Borrower and one or more purchasers of the related G.N.M.A. Bonds (in each case, a "G.N.M.A. Purchase Agreement") providing for the sale of the related G.N.M.A. Bonds and the preparation and circulation, if necessary, of a preliminary official

statement for the G.N.M.A. Bonds or, alternatively, another type of disclosure document prepared in connection with the offer and sale of such G.N.M.A. Bonds (in either case, a "G.N.M.A. Preliminary Official Statement") and an official statement or alternative disclosure document prepared in connection with the offer and sale of such G.N.M.A. Bonds (the "G.N.M.A. Official Statement"), (iv) one or more Tax Regulatory Agreements (the "G.N.M.A. Tax Agreement") among the City, the G.N.M.A. Trustee and each respective Borrower, and (v) a separate Land-Use Restriction Agreement among the City, each respective Borrower and the G.N.M.A. Trustee (also in its capacity as Variable Rate Trustee (as hereinafter defined) (a "Land-Use Restriction Agreement"); and

WHEREAS, By this ordinance, the City Council has determined that it is necessary and in the best interests of the City to borrow money for the purposes set forth above and in evidence of its limited, special obligation to repay that borrowing, to issue its (i) Variable Rate Demand Multi-Family Housing Revenue Bonds (Sankofa House Project), Series 2006B, (ii) Variable Rate Demand Multi-Family Housing Revenue Bonds (Coppin House Project), Series 2006B and (iii) Variable Rate Multi-Family Housing Revenue Bonds (Clara's Village Project), Series 2006B (collectively, the "Variable Rate Bonds" and, together with the G.N.M.A. Bonds, the "Bonds"); and

WHEREAS, In connection with the issuance of the Variable Rate Bonds, the City Council has determined by this ordinance that it is necessary and in the best interests of the City to enter into (i) a separate Trust Indenture to provide for the financing of each of the Developments (each, a "Variable Rate Indenture" and, together with the G.N.M.A. Indenture, the or an "Indenture") between the City and a trustee (the "Variable Rate Trustee") to be selected by an Authorized Officer, providing for the security for and terms and conditions of the Variable Rate Bonds to be issued thereunder, (ii) a separate Loan Agreement to provide for the financing of each of the Developments (each, a "Variable Rate Loan Agreement") among the City, each respective Borrower and the Variable Rate Trustee providing for the loan of the proceeds of the Variable Rate Bonds to each respective Borrower, (iii) one or more Bond Purchase Agreements among the City, each respective Borrower and one or more underwriters for the Variable Rate Bonds or, alternatively, another sale agreement among the City, each respective Borrower and one or more purchasers of the related Variable Rate Bonds (in each case, a "Variable Rate Purchase Agreement" and, together with the G.N.M.A. Purchase Agreement, the or a "Purchase Agreement") providing for the sale of the related Variable Rate Bonds and the preparation and circulation, if necessary, of a preliminary official statement for the Variable Rate Bonds or, alternatively, another type of disclosure document prepared in connection with the offer and sale of such Variable Rate Bonds (in either case, a "Variable Rate Preliminary Official Statement" and, together with the G.N.M.A. Preliminary Official Statement, the or a "Preliminary Official Statement") and an official statement or alternative disclosure document prepared in connection with the offer and sale of such Variable Rate Bonds (the "Variable Rate Official Statement" and, together with the G.N.M.A. Preliminary Official Statement, the or

an "Official Statement"), (iv) one or more Tax Regulatory Agreements (the "Variable Rate Tax Agreement" and, together with the G.N.M.A. Tax Agreement the or a "Tax Agreement") among the City, the Trustee and each respective Borrower relating to the use of the proceeds of the related Variable Rate Bonds and the use of the related Development, and (v) a Land-Use Restriction Agreement; and

WHEREAS, The Congress of the United States has enacted the Cranston-Gonzalez National Affordable Housing Act, 42 U.S.C. Section 12701, et seq., authorizing, inter alia the HOME, Investment Partnerships Program (the "HOME Program") pursuant to which the United States Department of Housing and Urban Development ("H.U.D.") is authorized to make funds ("HOME Funds") available to participating jurisdictions to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing. The City has received an allocation from H.U.D. of HOME Funds to make loans and grants for the purposes enumerated above and such HOME Funds are administered by the City's Department of Housing ("D.O.H."); and

WHEREAS, The City may have available certain funds in Corporate Fund Number 100 (the "Corporate Funds") to be used in connection with affordable housing bond initiatives or as the local match of HOME Funds as required under the HOME Program. The City may have available to it certain funds (the "Program Income") derived from repayments to the City of HOME Funds and/or other returns on the investment of HOME Funds; and

WHEREAS, D.O.H. has preliminarily reviewed and approved the making of a loan to West Englewood L.P. in an amount not to exceed Four Million Five Hundred Seventy-four Thousand Four Hundred Thirty-three Dollars (\$4,574,433) (the "Affordable Housing Loan"), to be funded from HOME Funds pursuant to the terms and conditions set forth in Exhibit A-1 attached hereto and made a part hereof; and

WHEREAS, The City is the owner of the vacant parcels of property described on Exhibit B attached hereto (each, a "Parcel" and collectively, the "Property"), certain of which are located in the 63rd/Ashland Redevelopment Project Area (the "Redevelopment Area") established in accordance with the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq. (the "Act") by ordinance adopted by the City Council of the City on March 29, 2006 and published in the *Journal of Proceedings of the City Council of the City of Chicago* for such date at pages 72958 -- 73124; and

WHEREAS, I.H.D.C. has proposed to purchase the Property, which has an aggregate appraised fair market value of One Million Eight Hundred Ninety-five Thousand Dollars (\$1,895,000), for the sum of One and no/100 Dollars (\$1.00), and thereafter immediately to transfer the applicable Parcels to the related Borrowers; and

WHEREAS, Pursuant to Public Act 92-0491 (as supplemented, amended and restated from time to time) and certain implementing regulations promulgated in connection therewith, the City and the Illinois Housing Development Authority ("I.H.D.A.") are each authorized to make certain allocations of tax credits ("Donation Tax Credits") in connection with certain qualified donations made in connection with affordable housing projects; 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 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 each Authorized Officer to determine to sell the G.N.M.A. Bonds and the Variable Rate Bonds on such terms as and to the extent such officer determines that such sale or sales is desirable and in the best financial interest of the City. Any such designation and determination by an Authorized Officer shall be signed in writing by such Authorized Officer and filed with the City Clerk and shall remain in full force and effect for all purposes of this ordinance unless and until revoked, such revocation to be signed in writing by an Authorized Officer and filed with the City Clerk.

SECTION 3. Authorization Of Bonds. The issuance of (i) the G.N.M.A. Bonds in an aggregate principal amount of not to exceed Nine Million Two Hundred Thousand Dollars (\$9,200,000) and (ii) the Variable Rate Bonds in an aggregate principal amount of not to exceed Sixteen Million Eight Hundred Thousand Dollars (\$16,800,000) is hereby authorized. The aggregate principal amount of the Bonds to be issued shall be as set forth in the related Notification of Sale referred to below.

The Bonds shall contain a provision that they are issued under authority of this ordinance. The G.N.M.A. Bonds shall not mature later than forty-five (45) years after the date of issuance thereof. The Variable Rate Bonds shall not mature later than five (5) years after the date of issuance thereof. The Bonds shall bear interest at a rate or rates not to exceed thirteen percent (13%), payable on the interest payment dates as set forth in the related Indenture and in the related Notification of Sale. The Bonds shall be dated, shall be subject to redemption or tender prior to maturity, shall be payable in such places and in such manner and shall have such other details and provisions as prescribed by the related Indenture, the form of the Bonds therein and the related Notification of Sale.

Each series of Variable Rate Bonds shall bear interest (computed from time to time at such rates and on such basis as shall be determined by such remarketing or other indexing agent as shall be selected by the Borrower and approved by an Authorized Officer for that purpose) payable on such dates as shall be determined by such Authorized Officer at the time of sale of such Variable Rate Bonds and specified in the related Indenture. Any Variable Rate Bonds may be made subject to optional or mandatory tender for purchase by the owners thereof at such times and at such prices (not to exceed one hundred two percent (102%) of the principal amount thereof) as shall be determined by an Authorized Officer at the time of sale of such Variable Rate Bonds.

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

Each of (i) the Mayor of the City (the "Mayor"), the (ii) Chief Financial Officer of the City (as defined below) or (iii) any other officer designated in writing by the Mayor (the Mayor, the Chief Financial Officer or any such other officer being referred to as an "Authorized Officer") is hereby authorized to execute and deliver each Indenture on behalf of the City, each G.N.M.A. Indenture to be in substantially the form attached hereto as Exhibit C-1 and each Variable Rate Indenture to be in substantially the form attached hereto as Exhibit C-2, as determined in the related Notification of Sale, and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such officer's approval and the City Council's approval of any changes or revisions from the form of the Indenture attached to this ordinance.

As used herein, the term "Chief Financial Officer" shall mean the Chief Financial Officer of the City appointed by the Mayor, or, if there is no such officer then holding said office, the City Comptroller.

Each Authorized Officer is hereby authorized to act as an authorized issuer representative (each an "Authorized Issuer Representative") of the City for the purposes provided in the Indenture.

An Authorized Officer is hereby authorized to execute and deliver each G.N.M.A. Financing Agreement on behalf of the City, each such G.N.M.A. Financing Agreement to be in substantially the form attached hereto as Exhibit D-1 and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the City Council's approval of any changes or revisions from the form of the G.N.M.A. Financing Agreement attached to this ordinance.

An Authorized Officer is hereby authorized to execute and deliver each Variable Rate Loan Agreement on behalf of the City, each such Variable Rate Loan Agreement to be in substantially the form attached hereto as Exhibit D-2, and made a part hereof and hereby approved with such changes therein as shall be approved by the Authorized Officer executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the City Council's approval of any changes or revisions from the form of the Variable Rate Loan Agreement attached to this ordinance.

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

An Authorized Officer is hereby authorized to execute and deliver one or more Tax 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, and with such other revisions in text as the Authorized Officer executing the same shall determine are necessary or desirable in connection with the exclusion from gross income for federal income tax purposes of interest on the Bonds. The execution of the Tax Agreement by the Authorized Officer shall be deemed conclusive evidence of the approval of the City Council to the terms provided in the Tax Agreement.

SECTION 4. Security For The Bonds. The G.N.M.A. Bonds shall be limited obligations of the City, payable solely from (i) all right, title and interest of the City in the G.N.M.A. mortgage-backed securities purchased pursuant to the related G.N.M.A. Financing Agreement, (ii) all right, title and interest of the City (other than certain reserved rights of the City, as described in such Financing Agreement) in the related G.N.M.A. Financing Agreement and (iii) the proceeds of the G.N.M.A. Bonds and income from the temporary investment thereof, as provided in related G.N.M.A. Indenture. In order to secure the payment of the principal of, premium, if any, and interest on the G.N.M.A. Bonds, such rights, proceeds and investment income are hereby pledged to the extent and for the purposes as provided in related G.N.M.A. Indenture and are hereby appropriated for the purposes set forth in such G.N.M.A. Indenture. Nothing contained in this ordinance shall limit or restrict the subordination of the pledge of such rights, proceeds and investment income as set forth in each G.N.M.A. Indenture 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 G.N.M.A. Bonds, all as shall be determined by the Authorized Officer at the time of the sale of the G.N.M.A. Bonds. Each G.N.M.A. Indenture shall

set forth such covenants with respect to the application of such rights, proceeds and investment income as shall be deemed necessary by the Authorized Officer in connection with the sale of the G.N.M.A. Bonds issued thereunder.

The Variable Rate Bonds shall be limited obligations of the City, payable solely from (i) all right, title and interest of the City in the related Variable Rate Loan Agreement (other than certain reserved rights of the City, as described in such Variable Rate Loan Agreement) and (ii) all monies and securities held by the Trustee in any of the funds and accounts established under the related Variable Rate Indenture (with certain exceptions as may be provided in such Variable Rate Indenture). In order to secure the payment of the principal of, premium, if any, and interest on the Variable Rate Bonds, such rights, monies and securities are hereby pledged to the extent and for the purposes as provided in related Variable Rate Indenture and are hereby appropriated for the purposes set forth in such Variable Rate Indenture. Nothing contained in this ordinance shall limit or restrict the subordination of the pledge of such rights, proceeds and investment income as set forth in each Variable Rate Indenture 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 Variable Rate Bonds, all as shall be determined by the Authorized Officer at the time of the sale of the Variable Rate Bonds. Each Variable Rate Indenture shall set forth such covenants with respect to the application of such rights, proceeds and investment income as shall be deemed necessary by the Authorized Officer in connection with the sale of the Variable Rate Bonds issued thereunder.

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 the related Purchase Agreement, or, alternatively, are hereby authorized to be sold and delivered directly to one or more investors to be selected by an Authorized Officer subject to the terms and conditions of the related Purchase Agreement. 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 Purchase Agreement in substantially the form of bond purchase agreements used in previous sales of bonds pursuant to programs similar to the Bonds, with appropriate revisions to reflect the terms and provisions of the Bonds and the fact that the Bonds may be sold to certain institutional investors, and with such other revisions in text as the Authorized Officer shall determine are necessary or desirable in connection with the sale of the Bonds. The execution of the Purchase Agreement by the Authorized Officer shall be deemed conclusive evidence of the approval of the City Council to the terms provided in the Purchase Agreement. The distribution of the Preliminary Official Statement and the Official Statement to prospective purchasers of the Bonds and the use thereof by the Underwriters in connection with the offering and sale of the Bonds are hereby authorized, provided that the City shall not be responsible for the content of the Preliminary Official Statement or the Official Statement except as specifically provided in the Purchase Agreement executed by the Authorized Officer, and provided further that, if the Bonds are sold directly to

institutional investors, the City may forego the use of a Preliminary Official Statement or Official Statement, but only if such institutional investors execute and deliver to the City "sophisticated investor" letters satisfactory to the Authorized Officer. The compensation paid to the Underwriters in connection with the sale of the Bonds shall not exceed three percent (3%) of their aggregate principal amount. In connection with the offer and delivery of the Bonds, the Authorized Officer, and such other officers of the City as may be necessary, are authorized to execute and deliver such instruments and documents as may be necessary to implement the transaction and to 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.

SECTION 6. Notification Of Sale. Subsequent to the sale of any Bonds, the Authorized Officer shall file in the Office or the City Clerk a Notification of Sale for the Bonds directed to the City Council setting forth (i) the aggregate original principal amount of, maturity schedule, redemption provisions for and nature of the Bonds sold, (ii) the extent of any tender rights to be granted to the holder of the Bonds, including, without limitation, the right of the holder to tender the Bonds in exchange for one or more mortgage certificates held by the Trustee under the Indenture, (iii) the identity of the Trustee, (iv) the interest rates on the Bonds or, in the case of Variable Rate Bonds, a description of the method of determining the interest rate applicable to such Variable Rate Bonds from time to time, (v) the identity of any Underwriters or institutional investors who purchase the Bonds directly from the City or through the Underwriters, (vi) the compensation paid to the Underwriters in connection with such sale, (vii) the identity of the issuer(s) of the letters of credit securing Variable Rate Bonds, (viii) the identity of the remarketing agent retained in connection with the issuance of Variable Rate Bonds, if any, and (ix) any other matter authorized by this ordinance to be determined by an Authorized Officer at the time of the sale of any Bonds. There shall be attached to such notification the final form of each Indenture providing for the issuance of the Bonds described in such Notification of Sale.

SECTION 7. Use Of Proceeds. The proceeds from the sale of the Bonds shall be deposited as provided in related Indenture pursuant to which such Bonds are issued and used for the purposes set forth in the second paragraph of the recitals of this ordinance.

SECTION 8. Additional Authorization. Each Authorized Officer, the City Treasurer, the Commissioner of D.O.H. (the "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 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. Each Authorized Officer may 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 such Authorized Officer pursuant to this ordinance or an Indenture. In each case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor and the Authorized Officer, respectively. A written signature of the Mayor or the Authorized Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with signatures attached, shall be recorded in the *Journal of the Proceedings of the City Council of the City of Chicago* and filed with the City Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the Mayor in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of the Authorized Officer is so affixed to an instrument, certificate or document at the direction of the Authorized Officer in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Authorized Officer in person.

SECTION 10. Volume Cap. The Bonds are obligations taken into account under Section 146 of the Internal Revenue Code of 1986, as amended, in the allocation of the City's volume cap.

SECTION 11. Sale Of Property. The City is hereby authorized to sell and convey to I.H.D.C. the Property for the sum of One and no/100 Dollars (\$1.00). The City acknowledges and agrees that I.H.D.C. shall thereafter immediately transfer the applicable Parcels to the relate Borrowers.

SECTION 12. Execution Of Deeds. The Mayor or his proxy is authorized to execute, and the City Clerk to attest, a quitclaim deed or deeds conveying to I.H.D.C., or to a land trust of which I.H.D.C. is the sole beneficiary, or to a business entity of which I.H.D.C. is the sole controlling party, the Property for the consideration described herein.

SECTION 13. Donation Tax Credits. The City hereby approves the conveyance of the Property as a donation to I.H.D.C. from the City. The Commissioner is hereby authorized to transfer any Donation Tax Credits which may be allocated to the City by I.H.D.A. in connection with the conveyance of the Property 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 I.H.D.C. the Borrowers or the General Partners, in his discretion, for use in connection with the Developments (the "Grant"). The Commissioner, or a designee of the Commissioner, are each hereby authorized, subject to the approval of the Corporation Counsel, to enter into 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 I.H.D.C., the Borrowers or the General Partners, in his discretion, for use in connection with the Developments.

SECTION 14. Approval Of Affordable Housing Loan. Upon the approval and availability of the Additional Financing is shown on Exhibit A-1 hereto, the Commissioner and any 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 Affordable Housing Loan and the terms and program objectives of the HOME Program. The Commissioner is hereby authorized, subject to the approval of the Corporation Counsel, to negotiate any and all terms in connection with the Affordable Housing Loan which do not substantially modify the terms described in Exhibit A-1 hereto. Upon the execution and receipt of proper documentation, and compliance with the terms and provisions thereof, the Commissioner is hereby authorized to disburse the proceeds of the Affordable Housing Loan to the Borrower.

SECTION 15. 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 16. Fee Waivers, Et Cetera. In connection with the Affordable Housing Loan by the City to the Borrower, the City shall waive those certain fees, if applicable, imposed by the City with respect to the Developments and as more fully described in Exhibit A-2 attached hereto. The Developments shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago (the "Municipal Code"). Section 2-44-090 of the Municipal Code shall not apply to the Developments.

SECTION 17. Inconsistent Provisions. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 18. No Impairment. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall be controlling. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to render voidable at the option of the City any document, instrument or agreement authorized hereunder or 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 or interest on the Bonds or to impair the security for the Bonds; provided further that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Municipal Code.

SECTION 19. Effective Date. This ordinance shall be in full force and effect immediately upon its passage.

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

Exhibit "A-1".
(To Ordinance)

Affordable Housing Loan.

Clara's Village Development:

1. Source: HOME Program/Corporate Fund/Program Income.
Amount: Not to exceed \$4,574,433.
Term: Not to exceed 45 years.
Interest: 0% percent per annum.
Security: Non-recourse loan; second mortgage on the Clara's Village Development.

Additional Financing:

2. Source: G.N.M.A. Bonds issued for the Clara's Village Development, as described in this ordinance. Such Bond proceeds will be used to purchase one or more G.N.M.A. securities issued by the Lender. The Lender will make a loan in an aggregate amount not to exceed \$3,000,000 (the "Senior Loan") to the Borrower, secured by a first mortgage on the Clara's Village Development (the "Senior Mortgage"). Repayments under the Senior Loan are insured by the Federal Housing Administration.

3. Source: To be derived from approximately \$689,217 in Low-Income Housing Tax Credits.

 Amount: Approximately \$6,753,650, all or a portion of which will be used to repay the Variable Rate Bonds relating to the Clara's Village Development.
4. Source: I.H.D.A., or another source acceptable to the Commissioner.

 Amount: \$750,000.

 Term: Not to exceed 45 years.

 Interest: 0% per annum, or another rate acceptable to the Commissioner.

 Security: Third mortgage on the Clara's Village Development.
5. Source: Proceeds derived from the Federal Home Loan Bank of Chicago's Affordable Housing Program, or another source acceptable to the Commissioner.

 Amount: \$546,000.

 Term: Not to exceed 45 years.

 Interest: 3% per annum or another rate acceptable to the Commissioner.

 Security: Fourth mortgage on the Clara's Village Development.
6. Source: Proceeds of various energy grants, or another source acceptable to the Commissioner.

 Amount: \$242,853.

Sankofa House Development:

1. Source: G.N.M.A. Bonds issued for the Sankofa House Development, as described in this ordinance. Such Bond proceeds will be used to purchase one or more G.N.M.A. securities issued by the Lender. The Lender

will make a loan in an aggregate amount not to exceed \$3,000,000 (the "Senior Loan") to the Borrower, secured by a first mortgage on the Sankofa House Development (the "Senior Mortgage"). Repayments under the Senior Loan are insured by the Federal Housing Administration.

2. Source: To be derived from approximately \$683,202 in Low-Income Housing Tax Credits.

 Amount: Approximately \$6,697,506, all or a portion of which will be used to repay the Variable Rate Bonds relating to the Sankofa House Development.
3. Source: I.H.D.A., or another source acceptable to the Commissioner.

 Amount: \$3,500,000.

 Term: Not to exceed 45 years.

 Interest: 0% percent per annum, or another rate acceptable to the Commissioner.

 Security: Second mortgage on the Sankofa House Development.
4. Source: I.H.D.A., or another source acceptable to the Commissioner.

 Amount: \$750,000.

 Term: Not to exceed 45 years.

 Interest: 0% percent per annum, or another rate acceptable to the Commissioner.

 Security: Third mortgage on the Sankofa House Development.
5. Source: Proceeds from the transfer of donation tax credits, or another source acceptable to the Commissioner.

 Amount: Approximately \$402,688.

6. Source: Proceeds derived from the Federal Home Loan Bank of Chicago's Affordable Housing Program, or another source acceptable to the Commissioner.

 Amount: \$600,000.

 Term: Not to exceed 45 years.

 Interest: 3% percent per annum, or another rate acceptable to the Commissioner.

 Security: Fourth mortgage on the Sankofa House Development.
7. Source: Proceeds of various energy grants, or another source acceptable to the Commissioner.

 Amount: \$176,360.

Coppin House Development:

1. Source: G.N.M.A. Bonds issued for the Coppin House Development, as described in this ordinance. Such Bond proceeds will be used to purchase one or more G.N.M.A. securities issued by the Lender. The Lender will make a loan in an aggregate amount not to exceed \$3,000,000 (the "Senior Loan") to the Borrower, secured by a first mortgage on the Coppin House Development (the "Senior Mortgage"). Repayments under the Senior Loan are insured by the Federal Housing Administration.
2. Source: To be derived from approximately \$681,143 in Low-Income Housing Tax Credits.

 Amount: Approximately \$6,682,357, all or a portion of which will be used to repay the Variable Rate Bonds relating to the Coppin House Development.
3. Source: I.H.D.A., or another source acceptable to the Commissioner.

 Amount: \$3,500,000.

- Term: Not to exceed 45 years.
- Interest: 0% percent per annum, or another rate acceptable to the Commissioner.
- Security: Second mortgage on the Coppin House Development.
4. Source: I.H.D.A., or another acceptable to the Commissioner.
- Amount: \$750,000.
- Term: Not to exceed 45 years.
- Interest: 0% percent per annum, or another source acceptable to the Commissioner.
- Security: Third mortgage on the Coppin House Development.
5. Source: Proceeds from the transfer of donation tax credits, or another source acceptable to the Commissioner.
- Amount: Approximately \$402,688.
6. Source: Proceeds derived from the Federal Home Loan Bank of Chicago's Affordable Housing Program, or another source acceptable to the Commissioner.
- Amount: \$600,000.
- Term: Not to exceed 45 years.
- Interest: 3% percent per annum, or another rate acceptable to the Commissioner.
- Security: Fourth mortgage on the Coppin House Development.
7. Source: Proceeds of various energy grants, or another source acceptable to the Commissioner.
- Amount: \$254,625.

Exhibit "A-2".
(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.

Exhibit "B".
(To Ordinance)

Legal Descriptions.

Parcel 1:

Lots 21, 22, 34, 35 and 36 in E. A. Cummings & Co.'s 63rd Street Subdivision of the west half of the southeast quarter of Section 18, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

The west 3½ feet of Lot 1 and all of Lots 2 and 3 in Block 2 in Demarest's Subdivision of the northeast quarter of the southeast quarter of Section 18 Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 3:

Lots 6, 7, 8 and 9 in Block 11 in South Lynne, being Vail's Subdivision of the north half of Section 19, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 4:

Lot 1 in the resubdivision of Lots 27 and 28 in Block 4 in Drexel Park being a subdivision of the east quarter of the north half of Section 19, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 1:

The west 40 feet of the north half of Lot 20 in Block 2 in Yerby's Subdivision of the north half of the north half of the northwest quarter and the west half of the northeast quarter of Section 15, Township 38 North, Range 14, East of the Third Principal Meridian (except that part of the premises taken or used for alleys) in Cook County, Illinois.

Parcel 2:

The east 40 feet of the west 80 feet of the north half of Lot 20 in Block 2 in Yerby's Subdivision of the north half of the north half of the northwest quarter and the west half of the northeast quarter of Section 15, Township 38 North, Range 14 East of the Third Principal Meridian (except that part of said premises taken or used for alley) in Cook County, Illinois.

Parcel 3:

The west 30 feet of the north half of Lot 18 and north half of Lot 19 and that part of the north half of Lot 20, lying east of the west 80.00 feet thereof all in Block 2 of Yerby's Subdivision of the north half of the north half of the northwest quarter and the west half of the northeast quarter of Section 15, Township 38 North, Range 14, East of the Third Principal Meridian (except the south 8.00 feet of said premises taken and condemned for alley purposes), all in Cook County, Illinois.

Parcel 4:

That part of the south half of Lot 20 in Block 2 lying east of the east of the west 73.33 feet thereof; also the west 10.00 feet of the south half of said Lot 19 in

Block 2 (excepting from said premises that part thereof taken or used for alley), all in Yerby's Subdivision of the north half of the north half of the northwest quarter and the west half of the northeast quarter of Section 15, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 5:

The east 36 feet, 8 inches of the west 73-4/12 feet of the south half of Lot 20 in Block 2 in Yerby's Subdivision of the north half of the north half of northwest quarter and the west half of the northeast quarter of Section Township 38 North, Range 14, East of the Third Principal Meridian (except the north 8.00 feet of the above described property taken and used for alley) in Cook County, Illinois.

Parcel 6:

The east 45.00 feet of the west 55.00 feet of the south half of Lot 19 in Block 2 in Yerby's Subdivision of the north half of the north half of the northwest quarter and the west half of the northeast quarter of Section 15, Township 38 North, Range 14, East of the Third Principal Meridian (except said land that part thereof condemned, used or occupied as an alley), in Cook County, Illinois.

Parcel 7:

That part of the south half of Lot 19 in Block 2, lying east of the east line of the west 55.00 feet thereof (excepting therefrom the north 8.00 feet thereof taken or used for alley) all in Yerby's Subdivision of the north half of the north half of the northwest quarter and the west half of the northeast quarter of Section 15, Township 38 North, Range 14, East of Third Principal Meridian, in Cook County, Illinois.

Parcel 8:

The west 30 feet of the south half of Lot 18 in Block 2 in Yerby's Subdivision of the north half of the north half of the northwest quarter and the west half of the northeast quarter of Section 15, Township 38 North, Range 14 East of the Third Principal Meridian (excepting therefrom the north 8.00 feet thereof), all in Cook County, Illinois.

Lots 1 through 10 in Block 2 in Merigold's Resubdivision of the north 50 acres of the east half of the northeast quarter of Section 22, Township 39 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

*Exhibit "C-1".
(To Ordinance)*

Trust Indenture

Between

City Of Chicago

And

As Trustee

With Respect To

*\$ _____,000 Multi-Family Housing Revenue Bonds
(_____ Project)
Series 2006A (F.H.A.-Insured/G.N.M.A.)*

Dated As Of _____, 2006.

THIS TRUST INDENTURE, dated as of _____, 2006, 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 _____, 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").

RECITALS

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

WHEREAS, the Issuer has determined to issue, sell and deliver \$____,000 aggregate principal amount of Multi-Family Housing Revenue Bonds (____ Project), Series 2006A (FHA Insured/GNMA) (the "*Bonds*"), as provided herein for the purpose of financing the Mortgage Loan (as herein defined) and HUD (as herein defined) has issued its Firm Commitment dated _____, 2006, to provide mortgage insurance; and

WHEREAS, Collateral Real Estate Capital, LLC (the "*GNMA Issuer*") has agreed (a) to make a FHA-insured mortgage loan in the amount of \$____,000 (the "*Mortgage Loan*") to _____, an Illinois limited partnership (the "*Borrower*"), and (b) to issue fully modified mortgage-backed securities that are guaranteed as to timely payment by the Government National Mortgage Association (the "*GNMA Security*" or "*GNMA Securities*"); and

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

NOW, THEREFORE, the Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Holders thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, has executed and delivered this Indenture and does hereby bargain, sell, convey, pledge, assign and grant a security interest unto the Trustee in and to the following, subject only to the provisions of this Indenture permitting the application thereof or to the purposes and on the terms and conditions set forth herein (said property being herein referred to as the "*Trust Estate*"), to wit

GRANTING CLAUSES

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

A. All right, title and interest of the Issuer in and to the GNMA Securities, including all extensions and renewals of the term thereof, if any, including but without limiting the generality of the foregoing, the present and the continuing right to make claim for, collect, receive and receipt for any and all amounts due and payable under the GNMA Securities, to bring actions and proceedings under the GNMA Securities or for the enforcement thereof and to

do any and all things that the owner of the GNMA Securities is or may be entitled to do, and all payments with respect to the GNMA Securities and any interest, profits and other income derived from the investment thereof; and

B. All right, title and interest of the Issuer in and to any and all funds, moneys and securities from time to time held under this Indenture by the Trustee in the Bond Fund, the Project Fund and the Reserve Fund, including, without limitation, the proceeds of any Bonds deposited in such funds, any investments of said funds, moneys or proceeds and any interest, profits and other income derived from any investment thereof; and

C. All right, title and interest of the Issuer in and to the Financing Agreement, including all extensions and renewals of the term thereof, if any, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any income, revenues, issues and profits and other sums of money payable by the Borrower or receivable by the Issuer under the Financing Agreement, whether payable pursuant to the Financing Agreement, to bring actions and proceedings under the Financing Agreement or for the enforcement thereof, and to do any and all things which the Issuer is or may become entitled to do under the Financing Agreement, and all payments with respect to the Financing Agreement and any interest, profits, and other income derived from the investment thereof, but excluding and reserving, however, the rights of the Issuer, (a) to receive or inspect documentation, to make such other inspections as described in Section 4.2 of the Financing Agreement, and to give and receive notices under the Financing Agreement and this Indenture, (b) to execute and deliver (subject to the provisions of the Financing Agreement and this Indenture), or to decline to execute and deliver, supplements or amendments to the Financing Agreement or this Indenture and (c) to be held harmless, to be paid and reimbursed for its expenses and to be indemnified under Section 4.6 of the Financing Agreement, and to enforce such rights in its own name and for its own account and in its sole discretion to waive the same (collectively, the "*Reserved Rights*");

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

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said trust and to them and their assigns forever;

PROVIDED, HOWEVER, that if the Issuer or its successors or assigns shall pay or cause to be paid to the Holders of the Bonds the principal, interest and premium, if any, to become due thereon at the times and in the manner provided in Article IX hereof and if the Issuer shall keep, perform and observe, or cause to be kept, performed and observed, all its covenants, warranties and agreements contained herein, this Indenture and the estate and rights hereby granted shall, at the option of the Issuer, cease and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such

instruments in writing as shall be requisite to satisfy the lien hereof, and reconvey to the Issuer any property at the time subject to the lien of this Indenture which may then be in its possession, except funds held by the Trustee for the payment of interest on, premium, if any, and principal of the Bonds; otherwise this Indenture shall be and remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereinafter set forth.

ARTICLE I DEFINITIONS

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

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

"Affiliated Party" means a limited or general partner of the Borrower, a Person whose relationship with the Borrower would result in a disallowance of losses under Section 267 or 707(b) of the Code, or a Person who, together with the Borrower, is a member of the same controlled group of corporations (as defined in Section 1563 (a) of the Code, except that more than 50 percent" shall be substituted for "at least 80 percent" each place it appears therein).

"Authorized Denomination" means \$5,000 or any integral multiple thereof.

"Authorized Issuer Representative" means any person or persons specifically authorized by ordinance to take the action intended, and, if there is no such specific authorization, shall mean the Mayor, the Chief Financial Officer or the City Comptroller of the Issuer.

"Authorized Borrower Representative" means the General Partner and any other authorized representative of the Borrower.

"Bond Counsel" means Perkins Coie LLP or any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America or the District of Columbia.

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

"Bond Register" has the meaning as set forth in Section 2.09 hereof.

"Bonds" means the Issuer's Multi-Family Housing Revenue Bonds (_____ Project), Series 2006A (FHA Insured/GNMA) in the aggregate principal amount of \$_____,000 issued under and secured by this Indenture.

"Borrower" means _____, a limited partnership organized under the laws of the State of Illinois, and its successors and assigns.

"Building Loan Agreement" means the Building Loan Agreement between the Borrower and the GNMA Issuer.

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

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

"CLC" means a construction loan certificate maturing on the CLC Maturity Date that is a GNMA Security which represents an amount advanced by the GNMA Issuer to the Borrower and which bears interest at the Pass-Through Rate.

"CLC Maturity Date" means _____, 20__

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

"Commencement of Amortization" means _____, 200__, the date on which the Borrower is obligated to begin to repay principal of the Mortgage Loan, except as such date may be extended with the approval of HUD.

"Commitment" means that certain Section 221(d)(4) Commitment for Insurance of Advances and any amendments thereto, dated _____, 2006, from HUD and which has been assigned to the GNMA Issuer.

"Completion Date" means the date of the completion of the acquisition, construction, rehabilitation and equipping of the Project, as that date shall be certified as provided in Section 4.8 of the Financing Agreement.

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

"Costs of Issuance" means all items of expense payable or reimbursable directly or indirectly by the Borrower and related to the authorization, sale and issuance of the Bonds, including but not limited to expenses of printing, reproducing documents, filing and recording,

costs incurred in arranging for the acquisition of the GNMA Securities, initial fees and charges of the Trustee, legal and other professional services and consultation, credit ratings, execution, transportation and safekeeping of the Bonds and other costs, charges and fees in connection with any of the foregoing.

"Event of Default" means any of those events specified in and defined by the applicable provisions of Article VI hereof to constitute an event of default.

"FHA" means the Federal Housing Administration, an organizational unit within HUD, and may refer to the Commissioner thereof, any authorized representative thereof or the successor thereof.

"FHA Insurance" means the mortgage insurance for the Mortgage Loan by FHA under the provisions of Section 221(d)(4) of the National Housing Act and the regulations promulgated thereunder.

"Final Advance" means the final advance of the Mortgage Loan proceeds to the Borrower made in connection with the delivery of the final CLC.

"Final Endorsement" means the date on which the Mortgage Note is finally endorsed for mortgage insurance by FHA, following completion of the Project and compliance with the terms and conditions of the Commitment.

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

"General Partner" means _____, an Illinois limited liability company.

"GNMA" means the Government National Mortgage Association, and its successors and assigns.

"GNMA Guaranty Agreement" means the GNMA Guaranty Agreement (relating to the GNMA Securities) between GNMA and the GNMA Issuer, together with all supplements thereto.

"GNMA Issuer" means Collateral Real Estate Capital, LLC, a Delaware limited liability company, and its successors and assigns.

"GNMA Security" or *"GNMA Securities"* means a fully modified pass-through security in the form of a CLC or a PLC issued by the GNMA Issuer, registered in the name of the Trustee or its designee and guaranteed by GNMA as to timely payment of principal of and interest on a PLC and as to the timely payment of interest only until maturity and the timely payment of principal and interest at maturity on a CLC, pursuant to the GNMA I Mortgage Backed Securities Program under Section 306(g) of the National Housing Act of 1934, as

amended, and the regulations promulgated thereunder, backed by the Mortgage Loan made by the GNMA Issuer to finance the Project in accordance with the Mortgage Loan Documents, which Mortgage Loan is insured by the Secretary of HUD by and through the FHA.

"Government Obligations" means bonds, notes and other evidences of indebtedness of the United States of America or any agency or instrumentality thereof backed by the full faith and credit of the United States of America.

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

"HUD" means the United States Department of Housing and Urban Development, and its successors.

"HUD Regulatory Agreement" means the Regulatory Agreement for Multifamily Housing Projects (HUD-92466) with respect to the Project between the Borrower and HUD, as the same may be amended, restated or supplemented from time to time.

"Indenture" means this Indenture and all indentures supplemental hereto.

"Initial Advance" means the first advance under the Mortgage Loan from Mortgage Loan proceeds by the GNMA Issuer to the Borrower.

"Initial CLC" means the CLC delivered by the GNMA Issuer to the Trustee with respect to the Initial Advance.

"Initial CLC Delivery Date" means the earlier of (a) the date on which the Initial CLC is delivered to the Trustee and (b) _____, 200_, or such later date as may be permitted by the provisions of Section 4.03(c) hereof.

"Interest Payment Date" means each _____ and _____, commencing _____, 200_.

"Interest Rate" means, with respect to a Bond, the rate per annum as set forth in Section 2.01 hereof.

"Investment Agreement" means the investment agreement for the Project Fund and the Reserve Fund, between the Trustee and _____ providing for investment of moneys in the Project Fund and the Reserve Fund at the rate of ____% per annum, or any substitute investment agreement. The Trustee shall promptly notify the Rating Agency of any substitute investment agreement.

"Land Use Agreement" means the Land Use Restriction Agreement dated as of _____, 2006, by and among the Borrower, the Trustee and the Issuer.

"Mortgage" means the mortgage from the Borrower to the GNMA Issuer securing the Mortgage Note, as may be amended.

"Mortgage Loan" means the mortgage loan made to the Borrower by the GNMA Issuer concurrently with the delivery of the Bonds and insured by FHA under the provisions of Section 221(d)(4) of the National Housing Act.

"Mortgage Loan Documents" means the Mortgage Note, the Mortgage, the HUD Regulatory Agreement, the Security Agreement, the Building Loan Agreement and other documents required by FHA in connection with the closing of the Mortgage Loan, as the same may be amended, restated or supplemented from time to time.

"Mortgage Note" means the mortgage note, in the form endorsed for mortgage insurance by FHA, made by the Borrower to the GNMA Issuer, evidencing the Borrower's obligation to the GNMA Issuer to repay the Mortgage Loan.

"National Housing Act" means the National Housing Act of 1934, as amended.

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

If to the Issuer:

City of Chicago
Department of Housing
33 North LaSalle Street
Suite 1100
Chicago, Illinois 60602
Attention: Commissioner, Department of Housing
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

with copies to:

City of Chicago
Office of the Corporation Counsel
City Hall - Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

and to:

City of Chicago
Department of Finance - Financial Policy
33 North LaSalle Street

12/13/2006

REPORTS OF COMMITTEES

94401

Chicago, Illinois 60602

Attention: _____

Phone:

Fax:

If to the Borrower:

Phone:

Fax:

with copies to:

Phone:

Fax:

and to:

Phone:

Fax:

If to the Trustee:

If to the GNMA Issuer:

Phone:

Fax:

If to the Rating Agency:

Phone:

Fax:

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

"*Ordinance*" means the ordinance adopted by the City Council of the Issuer on _____, 200_, authorizing the issuance, sale and delivery of the Bonds.

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

(a) Bonds theretofore cancelled by the Trustee or theretofore delivered to the Trustee for cancellation;

(b) Bonds for the payment or redemption of which money or obligations shall have been theretofore deposited with the Trustee in accordance with Article IX; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Indenture.

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

"*Pass-Through Rate*" means the rate of interest on the GNMA Security which shall be ____%.

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

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

"*PLC*" means the permanent loan certificate that is the GNMA Security issued after Final Endorsement which shall bear interest at the Pass-Through Rate and which shall be in a principal amount equal to the full principal amount of the Mortgage Loan upon Final Endorsement, minus any principal reduction payments or scheduled principal payments made to the GNMA Issuer prior to the dated date of the PLC and after giving effect to the principal payment due on the dated date of the PLC.

"*PLC Delivery Date*" means the earlier of (a) the date on which the PLC is delivered to the Trustee and (b) _____, 200_, or such later date as may be permitted by the provisions of Section 4.03(d) of this Indenture.

"*Project*" means the acquisition, rehabilitation, construction and equipping of a low-income multi-family residential facility project consisting of _____.

"*Project Costs*" means, to the extent authorized by the Code, any and all costs incurred by the Borrower with respect to the acquisition, rehabilitation, construction and equipping of the Project, including, without limitation, costs for site preparation, the planning of

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

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

"Purchase and Sale Agreement" means that certain GNMA Securities Purchase and Sale Agreement dated as of _____, 200_, by and between the Trustee and the GNMA Issuer, as the same may be amended, restated or supplemented from time to time.

"Qualified Investments" means any of the following which at the time of investment are legal investments under the laws of the State for the investment of the Issuer's funds:

- (a) Government Obligations;
- (b) Obligations of agencies of the United States government issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank and the Bank for Cooperatives;
- (c) Bonds or other obligations issued by any public housing agency or municipality in the United States of America, which bonds or obligations are assigned a rating of "Aaa" or better by the Rating Agency and are fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America government, or project notes issued by any public housing agency, urban renewal agency or municipality in the United States assigned a rating of "Aaa" or better by the Rating Agency and fully secured as to payment of both principal and interest by a requisition, loan or payment agreement with the United States government;
- (d) The Investment Agreement;
- (e) Interest-bearing time deposits, repurchase agreements, rate guarantee agreements or other similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50 million or with any government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York having capital aggregating at least \$50 million or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Company Act of 1956

and whose unsecured or uncollateralized long-term debt obligations are assigned a rating by the Rating Agency of "Aaa" or better for agreements of more than three years, and "Aa3/P-1" or better for agreements of more than one year but less than three years or whose unsecured and uncollateralized short-term debt obligations are assigned a rating by the Rating Agency of "P-1" or better for agreements of one year or less, provided that each such interest-bearing deposit, repurchase agreement, guarantee agreement or other similar banking arrangement shall permit the moneys so placed to be available for use at the time provided with respect to the investment or reinvestment of such moneys; and

(f) No-load, open-end money market mutual funds (including those of the Trustee and its affiliates) registered under the Investment Company Act of 1940, provided the portfolio of such fund is limited to Government Obligations and such fund has been assigned a rating by the Rating Agency of "Aaa"

Qualified Investments shall not include the following: (i) any investments with a final maturity or any agreements with a term greater than 365 days from the date of the investment (except (A) obligations that provide for the optional or mandatory tender, at par, by the holder thereof at least once within 365 days of the date of purchase, (B) any investments listed in subparagraphs (a) or (b) above that are irrevocably deposited with the Trustee for payment of Bonds pursuant to Section 9.01, and (C) agreements listed in subparagraph (d) or (e) above), (ii) any obligation with a purchase price greater than the par value of such obligation (except for obligations described in subparagraph (A) or (B) above which are noncallable by the issuer thereof), (iii) mortgage-backed securities, real estate mortgage investment conduits or collateralized mortgage obligations, (iv) interest-only or principal-only stripped securities, (v) obligations bearing interest at inverse floating rates, (vi) investments which may be prepaid or called at a price less than its purchase price prior to stated maturity or (vii) 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, and provided further that if any such investment described in subparagraphs (a) through (f) above is required to be rated, such rating requirements will not be satisfied if such rating is evidenced by the designation of an "r" or "t" highlighter affixed to its rating.

"Qualified Project Costs" means Project Costs (excluding Costs of Issuance) paid after the date which is 60 days prior to the adoption of the 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 Project for federal income tax and financial accounting purposes, or would be so chargeable either with a proper election by the Borrower or but for the proper election by the Borrower to deduct those amounts within the meaning of Code Regulation 1.103-8(a)(1)(i); provided, however, that only such portion of interest accrued during construction of the Project shall constitute a Qualified Project Cost as bears the same ratio to all such interest as the Qualified Project Costs bear to all Project Costs; and provided, further, that interest accruing after the Completion Date shall not be a Qualified Project Cost; and provided still further that, if any portion of the Project is being constructed by an Affiliated Party (whether as a general contractor or a subcontractor), "Qualified Project Costs" shall include only (a) the actual out-of-pocket costs incurred by such Affiliated Party in

constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Affiliated Party and (c) any overhead expenses incurred by the Affiliated Party which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the construction of the Project or payments received by such Affiliated Party due to early completion of the Project (or any portion thereof).

"Rating Agency" means _____, or its successor, if such rating agency is then maintaining a rating on the Bonds, and any other nationally recognized securities rating agency to which the Issuer has applied for a rating on any Outstanding Bonds and which rating is currently in effect.

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

"Redemption Date" means any date fixed by the Trustee on which Bonds are redeemed in accordance with this Indenture.

"Registrar" means the Trustee, or any successor Registrar, appointed in accordance with Section 2.09 of this Indenture. *"Principal Office"* of the Registrar shall mean the principal corporate trust office of the Trustee if the Trustee is serving as Registrar, and with respect to any other Registrar shall mean the office thereof designated in writing to the Trustee.

"Regular Record Date" means, with respect to an Interest Payment Date, the close of business on the fifteenth day [of the calendar month] next preceding such Interest Payment Date whether or not a Business Day.

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

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

"Security Agreement" means _____.

"Sinking Fund Installments" means the amounts required to be paid in connection with the mandatory redemption of Bonds pursuant to Section 3.01(b) hereof.

"Special Record Date" means the date and time established by the Trustee for the determination of which Holders shall be entitled to receive overdue interest on the Bonds pursuant to Section 2.02 hereof.

"State" means the State of Illinois.

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

"*Tax Regulatory Agreement*" means the Tax Regulatory Agreement dated _____, 2006, among the Borrower, the Issuer and the Trustee.

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

"*Underwriter*" means _____.

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

ARTICLE II THE BONDS

Section 2.01 Issuance of Bonds. The Bonds shall be issued in the aggregate principal amount of \$_____,000; shall be designated "Multi-Family Housing Revenue Bonds (_____ Project), Series 2006A (FHA Insured/GNMA)"; shall be issued only as fully registered bonds, without coupons; and shall be in the Authorized Denominations requested by the Holder (provided, however, that each Bond shall have only one principal maturity date). Unless the Issuer shall otherwise direct, the Bonds shall be numbered from R-1 upward.

Each Bond shall be in the form attached as *Exhibit A* to this Indenture, shall be dated _____, 2006, and shall bear interest until paid from the most recent date to which interest has been duly paid or provided for or, if no interest has been paid or duly provided for, from _____, 2006 and shall bear interest, until paid, at the rate per annum of ____%.

Interest on the Bonds is payable on each Interest Payment Date, calculated on the basis of a 360-day year of twelve 30-day months.

The Bonds shall mature on _____, 20__.

Section 2.02 Payment of Bonds. Payment of principal, premium, if any, and interest shall be made in lawful money of the United States of America. Principal of and premium, if any, on the Bonds due upon maturity or earlier redemption shall be paid only upon presentation and surrender thereof for cancellation at the principal corporate trust office of the Trustee or at the principal office of any additional paying agent appointed pursuant to Section 7.13 hereof to the Person appearing on the registration books as the registered Holder thereof. Payment of the interest on any Bond shall be made to the Person whose name appears on the Bond Register as the registered Holder thereof as of the close of business on the Regular Record Date applicable to such Interest Payment Date, such interest to be paid by check or draft mailed to such registered Holder at his or her address as it appears on such Bond Register,

notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Regular Record Date and prior to such Interest Payment Date; provided, however, that payment of interest on any Interest Payment Date shall be made by wire transfer to the Holder as of the close of business on the Regular Record Date upon written notice of such wire transfer address in the continental United States of America by such Holder to the Trustee given prior to such Regular Record Date (which notice may provide that it will remain in effect until revoked), and further provided that such wire transfer shall only be made with respect to an owner of \$1,000,000 or more in aggregate principal amount of the Bonds as of the close of business on the Regular Record Date relating to such Interest Payment Date.

If the funds available under this Indenture are insufficient on any Interest Payment Date to pay the interest then due, the Regular Record Date shall no longer be applicable with respect to the Bonds. If sufficient funds for the payment of such overdue interest thereafter become available, the Trustee shall immediately establish a special interest payment date for the payment of the overdue interest and a Special Record Date (which shall be a Business Day) for determining the Holders entitled to such payments. Notice of such day so established shall be given by first-class mail by the Trustee to each Holder at least 10 days prior to the Special Record Date, but not more than 30 days prior to the special interest payment date. The overdue interest shall be paid on the special interest payment date to the Person whose name appears on the Bond Register as the Registered Holder thereof as of the close of business on the Special Record Date. Prior Holders of Bonds who transfer or exchange Bonds prior to such Special Record Date shall have no rights with respect to the payment of overdue interest on the Bonds so transferred or exchanged.

Section 2.03 Restriction on Issuance of Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of Bonds that may be issued hereunder, other than Bonds issued pursuant to the provisions of Sections 2.08 and 2.10 hereof or in substitution for other Bonds, is expressly limited to the amount set forth in Section 2.01.

Section 2.04 Limited Obligations. The Bonds and the interest thereon are limited obligations of the Issuer, payable solely from the revenues, receipts and security pledged therefor in the Granting Clauses hereof. The Bonds, together with premium, if any, and interest thereon, do not constitute an indebtedness, liability, general or moral obligation or a pledge of the full faith or loan of credit of the Issuer, the State, or any political subdivision of the State within the meaning of any constitutional or statutory provisions. 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 2.05 Indenture Constitutes Contract. In consideration of the purchase and acceptance of the Bonds issued hereunder by those who shall hold them from time to time, the provisions of this Indenture shall be deemed to be a part of, and continue to be, a contract between the Issuer and the Holders of the Bonds from time to time.

Section 2.06 Execution. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of its Mayor, attested by the manual or facsimile signature of its City Clerk, under the official seal, or a facsimile thereof, of the Issuer. Any facsimile signatures shall have the same force and effect as if said officers had manually signed said Bonds. Any reproduction of the official seal of the Issuer on the Bonds shall have the same force and effect as if the official seal of the Issuer had been impressed on the Bonds.

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

Section 2.07 Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form on the attached *Exhibit A* set forth duly executed by the Trustee shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed manually by the Trustee; and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same person sign the certificate of authentication of all of the Bonds.

Section 2.08 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate a new Bond, of like date, interest rate, maturity and denomination as that mutilated, lost, stolen or destroyed. Any mutilated Bond shall first be surrendered to the Trustee; and in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the Issuer and the Trustee evidence of such loss, theft or destruction reasonably satisfactory to them together with indemnity reasonably satisfactory to them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond or Bonds the Trustee may pay the same without surrender thereof. The Issuer and the Trustee may charge the holder or owner of such Bond with their reasonable fees and expenses, including the cost of printing replacement Bonds.

Every new Bond issued pursuant to this Section shall, with respect to such Bond, constitute an additional contractual obligation of the Issuer, whether or not the mutilated, lost, stolen or destroyed Bond shall be found at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

All Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, stolen or destroyed Bonds and shall preclude any and all rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.09 Transfer and Exchange of Bonds; Persons Treated as Holders.

The Trustee as Registrar shall cause a bond register (herein sometimes referred to as the "*Bond Register*") to be kept for the registration of transfers of Bonds. Any Bond may be transferred only upon an assignment duly executed by the registered Holder or his duly authorized representative in such form as shall be satisfactory to the Registrar, and upon surrender of such Bond to the Trustee for cancellation. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall execute and the Trustee shall authenticate and deliver to the transferee a replacement fully registered Bond or Bonds of Authorized Denomination in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds being presented and surrendered for transfer.

Any Bond may, in accordance with its terms, be exchanged, at the office of the Trustee, for a new fully registered Bond or Bonds, of the same maturity, of any Authorized Denomination or Authorized Denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate as, the Bonds being exchanged.

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

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

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

Section 2.10 Temporary Bonds. Until definitive Bonds are ready for delivery, there may be executed, and upon the request of the Issuer, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, temporary printed, typewritten, engraved or lithographed Bonds, in such Authorized Denomination as shall be determined by the Issuer, in fully registered form, in substantially the tenor hereinabove set forth and with such appropriate omissions, insertions and variations as may be required.

If temporary Bonds shall be issued, the Issuer shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it at its principal corporate trust office of any temporary Bonds, shall cancel the same and authenticate and deliver in exchange therefor, without charge to the holder or owner thereof, a definitive Bond or Bonds, as the case may be, of an equal aggregate principal amount in Authorized Denominations, of the same series and maturities and bearing interest at the same rates as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder. Interest on temporary Bonds, when due and payable, if the definitive Bonds shall not be ready for exchange, shall be paid in the manner provided in Section 2.02 hereof.

Section 2.11 Safekeeping and Cancellation of Bonds. Any Bond surrendered for the purpose of payment or retirement, or for exchange, or for replacement or payment pursuant to Section 2.08, shall be cancelled upon surrender thereof to the Trustee. Certification of such surrender and cancellation shall be made to the Issuer by the Trustee. Cancelled Bonds, or unissued Bond inventory held in blank by the Trustee upon the maturity or total redemption of the Bonds, shall be destroyed by shredding or cremation by the Trustee, and certificates of such destruction (describing the manner thereof) shall be provided by the Trustee to the Issuer.

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

(a) **Payments.** The Bonds shall be payable to the Securities Depository, or its nominee, as the registered owner of the Bonds, on each date on which the principal of, interest on, and premium, if any, on the Bonds is due as set forth in this Indenture and in the Bonds. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the Issuer and the Trustee in writing. Without notice to or the consent of the beneficial owners of the Bonds, the Issuer and the Securities Depository may agree in writing to make payments of principal, premium, if any, and interest in a manner different from that set forth herein. If such different manner of payment is agreed upon, the Issuer shall give the Trustee notice thereof, and the Trustee shall make payments with respect to the Bonds in the manner specified in such notice as set forth herein. Neither the Issuer nor the Trustee shall have any obligation with respect to the transfer or crediting of the principal of, interest on, and premium, if any, on the Bonds to Participants or the beneficial owners of the Bonds or their nominees.

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

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

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

Section 2.13 Delivery of the Bonds. Upon execution and delivery of this Indenture, the Trustee shall authenticate and deliver the Bonds as provided in this Indenture, but only upon the receipt of the following:

- (a) an order of the Issuer directing the Trustee to authenticate and deliver the Bonds against receipt of the purchase price therefor;
- (b) a certified copy of the Ordinance;
- (c) an approving opinion of Bond Counsel regarding the validity of the Bonds and the exclusion of interest on the Bonds from federal income taxation;
- (d) an executed copy of the Purchase and Sale Agreement;
- (e) evidence that the Mortgage Loan has been initially endorsed for FHA Insurance by FHA under the applicable provisions of the National Housing Act;
- (f) an executed copy of the Financing Agreement;
- (g) an executed counterpart of the Continuing Disclosure Agreement;
- (h) certification of the GNMA Issuer (substantially in the form of *Exhibit C* hereto) that it has sufficient commitment authority to issue the GNMA Securities;
- (i) an opinion of counsel to the GNMA Issuer to the effect that the GNMA Issuer is authorized under the GNMA Commitment to Guaranty Mortgage-Backed Securities to issue the GNMA Securities in an aggregate principal amount equal to at least \$_____,000;
- (j) copies of the executed FHA-insured Mortgage Note and Mortgage;
- [(k) executed copies of the Investment Agreement(s); and]
- (l) evidence of recordation of the Land Use Restriction Agreement (which may be in the form of a title company certified copy).
- (m) evidence that the Bonds are rated "[AAA/Aaa]" by _____.

ARTICLE III REDEMPTION OF BONDS

Section 3.01 Redemption of Bonds.

(a) *Extraordinary Mandatory Redemption.* The Bonds are subject to mandatory redemption prior to maturity on the earliest practicable date for which notice of redemption can be given by the Trustee pursuant to Section 3.03 hereof (provided that in no event shall such redemption occur later than [37] days after the date on which all or a portion of the Bonds become subject to redemption pursuant to the respective provisions of subsections (i) through (v) hereof), unless otherwise provided, at a redemption price equal to the principal amount thereof plus accrued interest to the Redemption Date without premium (i) as a whole on _____, 200_ (or such later date as shall be permitted under Section 4.03(c) of this Indenture),

if the Initial CLC in the amount of at least \$____,000 is not delivered to the Trustee and purchased by the Trustee by the Initial CLC Delivery Date (or such later date as shall be permitted under Section 4.03(c) of this Indenture) from amounts on deposit in or held for the benefit of the Project Fund, the Reserve Fund and the Bond Fund, (ii) as a whole if the PLC is not delivered to the Trustee by the PLC Delivery Date (or such later date as shall be permitted under Section 4.03(d) of this Indenture) in the amounts and on the dates determined as follows: on (x) _____, 200_ (or such later date as shall be permitted under Section 4.03(d) of this Indenture), from amounts on deposit in or held for the benefit of the Project Fund, the Reserve Fund and the Bond Fund (excluding the principal of the CLCs) and (y) on _____, 200_, from the principal of the CLCs, (iii) in part after acquisition of the PLC by the Trustee from amounts remaining on deposit in the Project Fund; (iv) as a whole or in part, if the Trustee receives payments on the GNMA Security exceeding regularly scheduled payments of principal and interest thereon (other than optional prepayments of the Mortgage Loan), including payments representing (A) casualty insurance proceeds, condemnation awards or other amounts applied to the prepayment of the Mortgage Loan following a partial or total destruction or condemnation of the Project, (B) mortgage insurance proceeds or other amounts received with respect to the Mortgage Loan following the occurrence of an event of default thereunder, (C) a prepayment of the Mortgage Loan required or permitted by applicable rules, regulations, policies and procedures of FHA or GNMA (including the possible exercise by HUD of its right to override the prepayment and premium provisions of the Mortgage Note following an event of default thereunder if HUD determines that prepayment of the Mortgage Loan will avoid a mortgage insurance claim and is therefore in the best interest of the Federal government), or (D) prepayments on the GNMA Security derived from prepayments on the Mortgage Loan made by the Borrower without notice or prepayment penalty while under the supervision of a trustee in bankruptcy; or (v) in part on any date on or after the PLC Delivery Date, in the event and to the extent funds on deposit in the Bond Fund on any Interest Payment Date exceed [\$____,000]. If less than all the Bonds then outstanding shall be called for redemption, Bonds to be redeemed shall be selected as provided in Section 3.02 hereof.

(b) *Mandatory Sinking Fund Redemption of Bonds.* The Bonds are subject to mandatory redemption prior to maturity by lot, at a redemption price of par, plus accrued interest to the Redemption Date, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem or pay on _____ and _____ of each year specified below the respective principal amount of such Bonds specified for each such date, as hereinafter set forth:

Date

Principal Amount

Date

Principal Amount

<u>Date</u>	<u>Principal Amount</u>	<u>Date</u>	<u>Principal Amount</u>

(c) *Optional Redemption of Bonds.* The Bonds are also subject to redemption at the option of the Issuer at the direction of the Borrower in whole or in part at any time, on or after _____, 20__ (and then at the earliest practical date for which notice of redemption can be given by the Trustee pursuant to Section 3.03 hereof), from (i) payments on the GNMA Security representing optional prepayments on the Mortgage Loan, or (ii) any other source provided that the Trustee shall have received an opinion of Bond Counsel or bankruptcy counsel to the effect that moneys derived from such other source are not subject to the provisions of Sections 362(a), 547 and 550 of the United States Bankruptcy Code at the redemption prices (expressed as percentages of their principal amount) set forth in the table below plus accrued interest to the Redemption Date:

Redemption Dates

Redemption Prices

Section 3.02 Selection of Bonds for Redemption.

(a) If less than all the Bonds shall be called for extraordinary mandatory or optional redemption, the Trustee shall redeem (and adjust the mandatory sinking fund schedules set forth in Section 3.01(b) above accordingly), an amount of Bonds of each maturity so that the resulting decrease in debt service on the Bonds during each six-month period ending on each Interest Payment Date, is proportional, as nearly as practicable, to the decrease in the payments on the GNMA Security in each six-month period.

(b) If less than all the Bonds of any maturity then Outstanding shall be called for redemption, the Bonds (or portions of Bonds in the Authorized Denominations) of such maturity to be redeemed shall be selected by the Trustee by lot.

(c) The portion of any Bond to be redeemed shall be in the principal amount of an Authorized Denomination, and, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

In case part but not all of an Outstanding Bond shall be selected for redemption, the Holder thereof or his attorney or legal representative shall present and surrender such Bond

to the Trustee for payment of the principal amount thereof so called for redemption, and the Issuer shall execute and the Trustee shall authenticate and deliver to or upon the order to such Holder or his legal representative, without charge therefor, for the unredeemed portion of the Bond so surrendered a Bond of the same maturity and bearing interest at the same rate.

Section 3.03 Notice of Redemption. Subject to the provisions of Section 3.01(a) hereof, unless waived by any Holder of Bonds to be redeemed, official notice of redemption shall be given by the Trustee on behalf of the Issuer by mailing a copy of an official redemption notice by first class mail to the Holder of each Bond to be redeemed, at the address of such Holder shown on the Bond Register, not less than 30 days nor more than 60 days prior to the date fixed for redemption. Except in the case of mandatory sinking fund redemptions pursuant to Section 3.01(b) hereof, the Trustee shall not mail a notice of redemption until it has received funds to affect such redemption. As provided in Section 3.01(a) hereof, the Trustee shall redeem any Bonds to be redeemed under said Section 3.01(a) on the earliest practicable date for which notice can be given by the Trustee under this Section 3.03 and shall provide the shortest practicable notice period permitted hereunder.

All official notices of redemption shall be dated and shall state:

- (a) the Redemption Date,
- (b) the redemption price,
- (c) if less than all Outstanding Bonds are to be redeemed, the identification and the respective principal amounts of the Bonds to be redeemed,
- (d) that on the Redemption Date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Trustee.

Failure to duly give official notice of redemption by mail or any defect therein shall not affect the validity of the proceedings for the redemption of any Bond or Bonds. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered Holder receives notice.

In addition to the foregoing official notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any delay in giving such notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if the official notice thereof is given as above prescribed.

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

2. Each further notice of redemption shall be sent at least 30 days before the Redemption Date by registered or certified mail or overnight delivery service to all registered security depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being The Depository Trust Company of New York, New York) and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

3. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Additionally, in the event of an optional redemption of Bonds on a date on which the redemption price includes a redemption premium, the Trustee shall not give notice of such redemption unless the Trustee shall have received: (a) written notice from the GNMA Issuer or the Borrower not less than 45 days prior to the applicable scheduled GNMA prepayment date; (b) at least 15 days prior to the applicable scheduled GNMA prepayment date, written notice from the GNMA Issuer of its receipt of the amount of the prepayment, which amount shall include the principal to be prepaid under the GNMA Security plus accrued interest through the last day of the preceding month; (c) the prepayment premium from the Borrower; and (d) a written certificate of the Borrower, upon which the Trustee may conclusively rely, that no Act of Bankruptcy has occurred during the 366-day period prior to the deposit by the Borrower of the prepayment premium with the Trustee, provided that if the Trustee shall receive a written commitment by the GNMA Issuer (with the written consent of GNMA) to make or pass through payment of the required prepayment premium, then the requirements of (c) and (d) shall no longer apply. The Borrower is required under the Financing Agreement to cause additional amounts, if any, necessary to effect the redemption of the Bonds to be paid to the Trustee, if any, to assure payment of all interest due on the Bonds to the Redemption Date, taking into account the anticipated earnings on the reinvestment of funds held under the Indenture, or to deposit such amounts with the Trustee, provided that the payment of such amounts meets the requirements of (c) and (d) above.

Section 3.04 Effect of Notice of Redemption. Notice of Redemption having been given in the manner provided in this Article III, and money sufficient for the redemption being held by the Trustee for that purpose, the Bonds so called for redemption shall become due and payable on the Redemption Date, and interest thereon shall cease to accrue on such date; and 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 and, to the extent provided in Section 3.02 hereof, to receive Bonds for any unredeemed portions of such Bonds.

Section 3.05 Cancellation. All Bonds which shall have been redeemed shall be cancelled and destroyed by the Trustee and shall not be reissued. A counterpart of the certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Issuer.

ARTICLE IV FUNDS; INVESTMENTS

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

- (a) Project Fund;
- (b) Bond Fund;
- (c) Reserve Fund;
- (d) Costs of Issuance Fund;
- (e) Expense Fund; and
- (f) Rebate Fund.

Section 4.02 Application of Bond Proceeds and Other Moneys. Upon delivery of the Bonds, the proceeds thereof shall be deposited with the Trustee, together with \$ _____ of other moneys received from the Underwriter, and shall be applied as follows:

- (a) \$ _____ of accrued interest on the Bonds shall be deposited in the General Account of the Bond Fund;
- (b) \$ _____ shall be deposited in the Reserve Fund; and
- (c) \$ _____ shall be deposited in the Project Fund.

Section 4.03 Project Fund.

(a) The Trustee shall deposit into the Project Fund the amounts required by Section 4.02(c) and any amounts paid to the Trustee for deposit into the Project Fund in accordance with Section 4.03(c) or Section 4.03(d) and shall invest such proceeds under the Investment Agreement. The Trustee shall request funds invested under the Investment Agreement in accordance with the terms thereof such that funds will be timely available in advance of the date such funds are needed to fund advances hereunder. No funds shall be advanced from the Project Fund prior to recordation of the Land Use Restriction Agreement.

(b) Moneys in the Project Fund shall be disbursed by the Trustee as follows:

(i) On each date upon which the Trustee acquires from the GNMA Issuer a CLC, the Trustee shall transfer from the Project Fund to the GNMA Issuer an amount equal to 100% of the principal amount of such CLC, plus accrued and unpaid interest on such CLC at the Pass-Through Rate; provided, however, the portion of the purchase price of the CLC representing accrued and unpaid interest on such CLC at the Pass-Through Rate shall be paid to the GNMA Issuer from the Bond Fund on the date of acquisition of the CLC.

(ii) Without limiting the provisions of subsection (b)(i) above, with respect to the acquisition of the Initial CLC, the Trustee must receive, in addition to a requisition signed by the Borrower in the form required by the Financing Agreement, the items specified in Section 3.2(a) of the Financing Agreement to be delivered in connection with the Initial Advance.

(iii) Following the delivery to the Trustee of the Initial CLC, the Trustee shall disburse from the Project Fund, the Bond Fund, if applicable, and the Reserve Fund to the GNMA Issuer, on behalf of the Owner, the amount necessary to purchase each CLC issued for a subsequent advance of the Mortgage Loan, determined in accordance with the Purchase and Sale Agreement, but only if the Trustee has (A) received a copy of the Application for Insurance of Advance of Mortgage Proceeds with respect to such advance executed by the GNMA Issuer, [(B) received confirmation that all CLCs representing prior advances have been registered in the name of the Trustee or its designees,] (C) received the CLC representing the current advance (the CLC shall be delivered to the Trustee simultaneously with payment by the Trustee of the purchase price therefor), [(D) received a certificate of the GNMA Issuer to the effect that neither the GNMA Issuer nor, to its actual knowledge, the Owner is in default under any of the Mortgage Loan Documents and a certificate of the Owner to the effect that it is not in default under any of the Mortgage Loan Documents or the Financing Agreement, (E) received a certificate of the GNMA Issuer that (1) the unpaid principal amount balance of the Mortgage Loan, after such advance, will be equal to the aggregate principal amount of all CLCs, (2) the CLCs previously issued are valid and binding obligations of the GNMA Issuer, (3) the CLCs are validly issued and subject to the guaranty of GNMA as to the payments of the principal and interest thereon] and (4) if the disbursement by the Trustee is to purchase the final CLC and the aggregate principal amount of the final CLC then being issued and all previously issued CLCs is less than \$_____,000, notification of (x) the amount, if any, of FHA-required reduction of the Mortgage Loan at Final Endorsement and (y) the amount, if any, of scheduled principal amortization payments for the Mortgage Loan prior to the acquisition of the final CLC by the Trustee, [(F) received a statement of the Owner that such disbursement will not violate the provisions of the Financing Agreement], (G) confirmed that the requirements of Section 4.03(c) and 4.04(g) will be satisfied, and (H) received

notice of the amount of such disbursement no later than two Business Days prior to such disbursement; provided; however, that the Trustee shall not purchase CLCs in an aggregate principal amount in excess of \$_____,000 and shall not purchase the PLC if its principal amount exceeds \$_____,000; [and provided further, however, that the Trustee shall not purchase any CLC unless, immediately after such purchase, the principal amount of Bonds authorized to be issued hereunder and not yet issued is equal to the amount of \$_____000 minus the sum of (i) the principal amount of the CLC being purchased and (ii) the aggregate principal amount of all CLCs previously delivered to the Trustee or requested from GNMA].

(iv) The Trustee shall acquire the PLC by surrendering to the GNMA Issuer for cancellation concurrently with such payment all CLCs owned by the Trustee, provided that the PLC shall have a principal amount equal to the aggregate principal amount of all outstanding CLCs and shall be dated the first day of the month in which the final CLC is acquired.

(c) If the Initial CLC having a principal amount of at least \$_____ is not delivered on or by the Initial CLC Delivery Date, the Trustee shall, on the Business Day immediately prior to _____, 200__ (or such later date as may be established in this paragraph (c)), transfer to the Bond Fund all amounts on deposit in the Project Fund and the Reserve Fund for application to the mandatory redemption of Bonds in accordance with Section 3.01(a)(i) hereof; provided, however, that such transfer and such redemption shall be delayed for no more than 24 successive 30-day periods [if an Event of Default has not occurred and is not then continuing and] the Trustee shall have received no later than the Business Day next preceding _____ (or any date to which such date is extended pursuant to the provisions hereof) a written request from either the GNMA Issuer or the Borrower for such delay (whether or not a conflicting request is received from the other such party) accompanied by (i) a cash flow projection prepared by financial consultants acceptable to the Issuer or the Underwriter demonstrating that the sum of (A) the amounts in the Project Fund, the Reserve Fund and the Bond Fund, (B) the investment earnings to accrue on the amounts held in the Project Fund, the Reserve Fund and the Bond Fund during the period ending 30 days after the end of any period of delay requested and (C) any additional sums paid to or held by the Trustee by or on behalf of the Borrower or the GNMA Issuer for deposit into the Project Fund, the Reserve Fund or the Bond Fund (accompanied by an opinion of counsel acceptable to the Trustee to the effect that such sums are not subject to the provisions of Sections 362(a) and 547 of the Federal Bankruptcy Code in the event of a bankruptcy of the Borrower) will be at least equal to (1) the debt service on the Bonds as originally scheduled and will also be at least equal to (2) the debt service on the Bonds through the date which is 30 days after the end of any such period, plus, in each case, originally scheduled and accrued unpaid Trustee fees (assuming redemption of all Bonds on the date set forth in this clause (2)) and any other amounts which were shown to be available at such time for debt service on the Bonds in the original cash flows prepared and submitted to the Rating Agency in connection with the issuance of the Bonds; (ii) [an opinion of Bond Counsel to the effect that such extension will not adversely affect the exclusion of interest on the Bonds

from gross income for federal income tax purposes]; (iii) arrangements satisfactory to the Trustee for the making of the investments contemplated by the cash flow projection; and (iv) written notice from the Rating Agency that the rating then assigned to the Bonds will not be lowered or withdrawn as a result of such extension of the Initial CLC Delivery Date. Upon the receipt of the documents and upon the arrangements listed in this subdivision, the Trustee shall permit the extension(s); provided, however, that if such documents have not been received and such arrangements have not been made by the Business Day next preceding the Initial CLC Delivery Date, then the amounts on deposit in or held for the benefit of the Project Fund, the Reserve Fund and the Bond Fund on such date shall be transferred to the Bond Fund on the Business Day next preceding _____, 200_ (or such later date as previously established under this paragraph (c)), and applied to the redemption of the Bonds pursuant to Section 3.01(a).

(d) If the PLC is not delivered on or by the Business Day next preceding _____, 20_ (or such later date as may be established in this paragraph (d)), the Trustee shall, on the Business Day next preceding _____ (or such later date as may be established in this paragraph (d)), transfer to the Bond Fund all amounts on deposit in the Project Fund for application to the mandatory redemption of Bonds in accordance with Section 3.01(a)(ii) hereof; provided, however, that such transfer and such redemption shall be delayed for no more than _____ successive 30-day periods if [an Event of Default has not occurred and is not then continuing and] the Trustee shall have received no later than the Business Day next preceding _____, 200_ (or any date to which such date is extended pursuant to the provisions hereof) a request from either the GNMA Issuer or the Borrower for such delay (whether or not a conflicting request is received from the other such party) accompanied by (i) a cash flow projection accompanied by a verification report prepared by financial consultants acceptable to the Issuer or the Underwriter demonstrating that the sum of (A) the amounts in the Project Fund, the Reserve Fund and the Bond Fund, (B) the investment earnings to accrue on the amounts held in the Project Fund, the Reserve Fund and the Bond Fund during the period ending 30 days after the end of any period of delay requested and (C) any additional sums paid to or held by the Trustee by or on behalf of the Borrower or the GNMA Issuer (including payments on the CLCs) for deposit into the Project Fund or Bond Fund [(accompanied by an opinion of counsel acceptable to the Trustee to the effect that such sums are not subject to the provisions of Sections 362(a) and 547 of the Federal Bankruptcy Code in the event of a bankruptcy of the Borrower)] will be at least equal to (1) the debt service on the Bonds as originally scheduled and will also be at least equal to (2) the debt service on the Bonds through the date which is 30 days after the end of any such period, plus, in each case, originally scheduled and accrued unpaid Trustee fees and rebate calculation fees (assuming redemption of all Bonds on the date set forth in this clause (2)) and any other amounts which were shown to be available at such time for debt service on the Bonds in the original cash flows prepared and submitted to the Rating Agency in connection with the issuance of the Bonds; [(ii) an opinion of Bond Counsel to the effect that such extension will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes;] (iii) arrangements satisfactory to the Trustee for the making of the investments contemplated by the cash flow projection; and (iv) written notice from the Rating Agency that the rating then assigned to the Bonds will not be lowered or withdrawn as a result of such extension of the PLC Delivery Date. Upon the receipt of the documents and upon the arrangements listed in this subdivision, the Trustee shall permit the extension(s); provided, however, that if such documents have not been received and such arrangements have not been made by the Business Day next preceding the PLC Delivery Date, then the moneys remaining on

deposit in the Project Fund on such date shall be transferred to the Bond Fund on the Business Day next preceding _____, 200_ (or such later date as previously established under this paragraph (d)), and applied, together with amounts on deposit in the Reserve Fund and the Bond Fund, to the redemption of Bonds pursuant to Section 3.01(a)(ii) [and further provided, however, that the Trustee shall not consent to any such extension if such extension would in the opinion of the Trustee adversely impact the Bondholders].

[The payments of any amounts necessary to effect in extension of the CLC Delivery Date or the CLC Delivery Date set forth in Subsections (c) and (d) above shall be the obligation of Borrower, and if made by the GNMA Issuer, the GNMA Issuer shall be entitled to reimbursement from the Borrower for such sums. Any collateral posted with the Trustee hereunder by the Borrower, if not necessary for payments on the Bonds, may be released to the GNMA Issuer to the extent that sums paid by the GNMA Issuer hereunder remain unreimbursed.]

(e) In the event Commencement of Amortization occurs prior to the PLC Delivery Date, under no circumstances shall the GNMA Issuer pass through to the Trustee principal payments on the Mortgage Note prior to the PLC Delivery Date (except to the extent provided in the CLCs); such principal payments shall be paid only pursuant to the terms of the Mortgage Note.

[Upon delivery of the final CLC, any amounts remaining in the Project Fund shall be transferred to the Bond Fund to be applied to pay debt service on the next Interest Payment Date (other than Bonds issued in accordance with Section 2.08 of this Indenture). The Trustee shall transfer for cancellation pursuant to the book-entry system all CLCs held by it in exchange for the PLC. Notwithstanding such transfer by the Trustee of the CLCs, all such CLCs shall remain registered in the name of the Trustee and continue to be enforceable by the Trustee until such time as the Trustee has received delivery of the PLC.]

(f) Notwithstanding anything herein to the contrary, the Trustee shall not be required to acquire a GNMA Security unless the Trustee has on deposit in the Project Fund and the Reserve Fund sufficient funds to do so and unless the GNMA Security pays interest at the Pass-Through Rate and, in the case of the PLC, matures no later than _____, 20___. The GNMA Security shall be registered in accordance with the provisions of Section 4.04(e).

((g) If the PLC is not delivered by the PLC Delivery Date, as such date may be extended pursuant to Section 4.03(d), the Trustee shall redeem all CLCs held by it upon their maturity and use the funds derived therefrom, together with the proceeds remaining in the Project Fund and transferred to the Bond Fund pursuant to Section 4.03(d), to redeem Bonds as provided in Section 3.01(a)(ii) in part on _____, 200_ with the balance to be redeemed on _____, 200_.]

(h) The Trustee shall compare the GNMA Security or its book-entry form with the GNMA prospectus relating to the GNMA Security and GNMA Guaranty Agreement provided by the GNMA Issuer to assure delivery of the correct GNMA Security.

Section 4.04 Bond Fund.

(a) There shall be established and maintained by the Trustee in the Bond Fund two Accounts: the General Account and the Optional Redemption Account. The Trustee shall deposit into the General Account of the Bond Fund (i) the amounts required by Section 4.02 hereof, (ii) all amounts received by the Trustee from or with respect to the GNMA Security (other than payments on the GNMA Security resulting from optional prepayments of the Mortgage Loan), (iii) all amounts required by Section 6.06(a) hereof and (iv) investment earnings on amounts held by the Trustee hereunder. The Trustee shall deposit into the Optional Redemption Account of the Bond Fund all payments on the GNMA Security resulting from optional prepayments of the Mortgage Loan.

(b) The Trustee shall apply amounts on deposit in the General Account (i) first, to pay the portion of the purchase price of each CLC and the PLC representing accrued and unpaid interest, (ii) second, to pay the principal of and interest on the Bonds as the same becomes due; and (iii) third, to transfer on each Interest Payment Date to the Expense Fund an amount sufficient to pay the fees and expenses of the Trustee and a rebate analyst then due and owing as provided in Section 4.08 hereof. If and to the extent the amount on deposit in the General Account exceeds the amount required under clauses (ii) and (iii) above as of any Interest Payment Date after the PLC Delivery Date, such excess to the extent it exceeds [\$25,000] shall be applied to the redemption of Bonds in accordance with Section 3.01 (a)(v) hereof.

(c) The Trustee shall apply amounts on deposit in the Optional Redemption Account to the optional redemption of Bonds pursuant to Section 3.01(c) hereof, provided that the Trustee shall not send any notice of redemption or apply such amounts for such purpose unless and until the Trustee is in receipt of an opinion of bankruptcy counsel to the effect that the amounts to be applied to the optional redemption of the Bonds will not be subject to an automatic stay or avoidance as a preferential transfer in the event of an Act of Bankruptcy.

(d) The GNMA Security shall be held at all times for the benefit of the Bond Fund. If the Trustee does not receive a payment on the GNMA Security when due by the close of business on the sixteenth day of any month, the Trustee shall notify and demand payment from GNMA by the close of business on the next succeeding Business Day. The Trustee shall demand payment from GNMA for all CLCs held by it upon their maturity in return for payment of their principal amount or shall exchange the CLCs for the PLC as provided in Section 4.03(b)(iv).

(e) The Trustee shall transfer to the Rebate Fund from the Bond Fund the amounts, if any, required pursuant to the Tax Regulatory Agreement.

(f) All GNMA Securities shall be in book-entry only form and shall be registered in the name of the Trustee or the participant acting on behalf of the Trustee at the depository for such book-entry designation at the time of purchase of the GNMA Securities by the Trustee and the Trustee shall have a first-lien position perfected security interest in the GNMA Securities.

(g) The Trustee shall be or shall become a member of the Federal Reserve System, and the GNMA Securities shall be held under the Federal Reserve System.

(h) The GNMA Issuer shall deliver to the Trustee a certificate setting forth the revised regularly scheduled future principal and interest payments on the GNMA Securities on (x) the delivery of the final CLC if the aggregate principal amount of such final CLC together with all previously delivered CLCs is less than \$ _____ due to mortgage reduction at Final Endorsement and (y) each instance that the Trustee receives payment on the GNMA Securities exceeding regularly scheduled payments of principal and interest thereon. Such certificate of the GNMA Issuer will include all regularly scheduled future principal and interest payments on the GNMA Securities until scheduled maturity.

Section 4.05 Reserve Fund. The Trustee shall deposit into the Reserve Fund (i) the amounts required by Section 4.02(b) hereof, and (ii) any additional amounts required by the provisions of the Indenture to be deposited therein.

The Trustee shall apply amounts on deposit in the Reserve Fund on each Interest Payment Date or any Redemption Date to pay or provide for the payment of the principal of, premium, if any, or interest on the Bonds becoming due and payable, whether at maturity or by prior redemption, on such date, and for which sufficient moneys are not yet available for such purpose in the Bond Fund.

On the Business Day after the first Interest Payment Date occurring after the PLC Delivery Date, all amounts on deposit in the Reserve Fund shall be paid to the Borrower (or the Issuer, if any amounts (including, but not limited to, amounts due under loans from the Issuer to the Borrower) are then due from the Borrower); provided, however, that if the PLC is not delivered to the Trustee by the PLC Delivery Date, no amounts remaining in the Reserve Fund shall be paid to the Borrower until such time as no Bonds remain Outstanding.

Section 4.06 Costs of Issuance Fund. The Trustee shall deposit into the Costs of Issuance Fund any amounts deposited with the Trustee by the Borrower for deposit into the Costs of Issuance Fund.

The Trustee shall apply amounts on deposit in the Costs of Issuance Fund to pay costs of issuance of the Bonds pursuant to the written direction of the Borrower filed with the Trustee. Any amounts remaining in the Costs of Issuance Fund on _____, 200_, shall be transferred to the Project Fund, except that, with respect to such amounts remaining in the Cost of Issuance Fund that do not constitute Bond proceeds (within the meaning of the Code), such amounts shall be applied toward any amounts due to the Issuer by the Borrower.

Section 4.07 Rebate Fund. The purpose of the Rebate Fund is to facilitate compliance with Section 148(f) of the Code. Any Rebate Amount (as defined in the Tax Regulatory Agreement) deposited in such Fund shall be for the sole benefit of the United States of America and shall not be subject to the lien of the Indenture or to the claim of any other person, including, without limitation, the Bondholders and the Issuer. The requirements of this Section 4.07 are subject to, and shall be interpreted in accordance with, Section 148(f) of the Code and the Treasury Regulations applicable thereto (the "Regulations") and shall apply except

to the extent the Trustee is furnished with an opinion of Bond Counsel or other satisfactory evidence that the Regulations contain an applicable exception. The Trustee shall make all payments, and file all forms, under the direction of the Borrower and pursuant to the Tax Regulatory Agreement.

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

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

The Borrower and the Trustee, on behalf of the Issuer, shall keep such records as will enable them to fulfill their respective responsibilities under this Section 4.07 and Section 148(f) of the Code, and the Borrower shall engage a rebate analyst as may be necessary in connection with such responsibilities. The Trustee, to the extent furnished to it, will retain records of all calculations performed by the rebate analyst until six years after the retirement of the last obligation of the Bonds. The fees and expenses of the rebate analyst shall be paid by the Borrower pursuant to the Financing Agreement to the extent amounts provided hereunder are insufficient for such purpose. For purposes of the computation of the Rebate Amount required under the Tax Regulatory Agreement, the Trustee shall make available to the Borrower and the Issuer during normal business hours all information in the Trustee's control which is necessary to such computations.

Section 4.08 [Expense Fund. Amounts on deposit in the Expense Fund shall be applied to pay (i) the fees and expenses of the Trustee (not in excess of the amount set forth in Section 7.07 hereof) and (ii) the cost (in an amount not to exceed \$_____ for each five year period, commencing upon the date of issuance of the Bonds (reduced pro rata to the extent of the extraordinary redemption prior to maturity of Outstanding Bonds)) of a rebate analyst to calculate rebate as required under the Code and as described in the Tax Regulatory Agreement.]

Section 4.09 Investment of Funds. The Trustee is hereby directed to enter into the Investment Agreement. Any moneys held as part of any fund created in this Article and not able to be invested pursuant to the Investment Agreement shall be invested or reinvested by the

Trustee in Qualified Investments at the written or telephonic direction of the Authorized Borrower Representative, such telephonic direction to be promptly confirmed in writing. Such moneys may only be invested in Qualified Investments which mature or are subject to redemption or repurchase at par plus accrued interest at the option of the Trustee (i) on or prior to the date or dates on which the Trustee anticipates that cash funds will be required, or (ii) within six months of the date of investment. The investments so made and earnings thereon shall be held by the Trustee and shall be deemed at all times to be a part of the fund in which such moneys were held until transferred in accordance with Section 4.04(d); provided that for purposes of investment moneys held in any of the funds established hereunder may be commingled. The Trustee is directed to sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund shall be insufficient to cover a proper disbursement from any fund. The Trustee shall incur no liability resulting from any investments made pursuant to this Section.

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

Section 4.10 Custody of Funds; Moneys to Be Held in Trust. The funds created under this Indenture shall be in the custody of the Trustee in its trust capacity hereunder; and the Issuer authorizes and directs the Trustee to withdraw moneys from said funds for the purposes specified herein, which authorization and direction the Trustee hereby accepts. All moneys required to be deposited with or paid to the Trustee under any provision of this Article IV shall be held by the Trustee in trust, and except for moneys held in the Rebate Fund or deposited with or paid to the Trustee for the redemption of Bonds, notice of redemption of which has been duly given, shall while held by the Trustee constitute part of the security for the Holders and be subject to the lien hereof.

Section 4.11 Final Balances. Except as otherwise provided herein, upon final payment of all principal of, premium, if any, and interest on the Bonds, and upon satisfaction of all claims against the Issuer hereunder, including the payment of all fees, charges and expenses of the Trustee which are due and payable hereunder, or upon the making of adequate provision for the payment of such amounts, as permitted hereby, and after satisfaction of all of the Borrower's obligations under the Financing Agreement, all money and securities remaining hereunder shall be remitted to the Borrower.

Section 4.12 Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due in whole or in part, whether at maturity, at the Redemption Date or otherwise, or a check or draft for interest is uncashed, if funds sufficient to pay such Bonds shall have been made available to the Trustee for the benefit of the Holder or Holders thereof, all liabilities of the Issuer to the Holder thereof for the payment of such Bond, as the case may be, shall thereupon cease and be completely discharged, and it shall be the duty of the Trustee to hold such funds for a period of six years after maturity of all Bonds, without liability for interest thereon, in a separate account in the Bond Fund for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. After the expiration of such six-year period, the Trustee shall return said funds to the

Issuer upon its written request and the Holder or Holders of any such unrepresented Bond shall be entitled to payment of said Bond only from said funds held by the Issuer. The obligation of the Trustee under this Section to pay any such funds to the Issuer shall be subject to any provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of unclaimed property.

ARTICLE V GENERAL COVENANTS AND REPRESENTATIONS

Section 5.01 Payment of Principal or Redemption Price of and Interest on Bonds. The Issuer shall promptly pay or cause to be paid the principal or redemption price of, and the interest on, every Bond issued hereunder according to the terms thereof, but shall be required to make such payment or cause such payment to be made only out of revenues available therefor under this Indenture. The Issuer hereby designates the principal corporate trust office of the Trustee as the place of payment for the Bonds.

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

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

Section 5.04 No Modification of Security. The Issuer shall not, without the written consent of the Trustee, alter, modify or cancel, or agree to consent to alter, modify or cancel any agreement which relates to or affects the security for the Bonds. The Trustee shall not consent to any change in the maturity of the GNMA Security or the Mortgage Note, except as provided in Sections 4.03(c), 4.03(d), 5.07 and Article VIII hereof.

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

Section 5.06 Tax Covenants.

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

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

Section 5.07 Concerning the GNMA Security.

(a) The Trustee shall defend its rights in and to the GNMA Security for the benefit of the Bonds against the claims and demands of all Persons whomsoever.

(b) The Trustee shall not sell or otherwise dispose of the GNMA Security for an amount less than the amount sufficient, together with other amounts held under this Indenture, to provide for the payment of the Bonds in accordance with Article IX hereof.

(c) Except as otherwise specifically permitted by this Indenture, the Trustee shall not consent to any sale, modification or amendment of the GNMA Security without (i) notifying the Rating Agency of any proposed sale, modification or amendment, and (ii) obtaining the express written consent of 100% of the Holders of the Bonds.

**ARTICLE VI
DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND HOLDERS**

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

- (a) default in the due and punctual payment of any interest on any Bond; or
- (b) default in the due and punctual payment of the principal of or premium, if any, on any Bond whether at the stated maturity thereof, or on proceedings for redemption thereof, or on the maturity thereof by declaration; or
- (c) default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in this Indenture or in the Bonds; or
- (d) the occurrence and continuation of an event of default under the Financing Agreement of which the Trustee has actual notice or of which the Trustee is deemed to have notice pursuant to Section 7.04(i) hereof.

The Trustee and the Issuer agree that notwithstanding the provisions hereof, no default under the terms of this Indenture shall be construed as resulting in a default under the Mortgage Loan Documents unless such event also constitutes a default thereunder. [Furthermore, notwithstanding the occurrence of any Event of Default or acceleration of the principal and interest due on the Bonds under this Indenture, the Trustee shall continue to acquire GNMA Securities and fund advances in accordance with this Indenture, and funds in the Project Fund and the Bond Fund shall remain available for that purpose.]

Section 6.02 Acceleration. Upon the occurrence of an Event of Default described in Section 6.01(a) or (b) hereof, and provided that the Mortgage Loan shall have been paid in full as certified by the GNMA Issuer to the Trustee, the Trustee may, and upon the written request of the holders of not less than 25% in aggregate principal amount of all Bonds then Outstanding shall, by notice in writing delivered to the Borrower and the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable and such principal and interest shall thereupon become and be immediately due and payable.

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

- (a) by mandamus or other suit, action or proceeding at law or in equity require the Issuer to perform its covenants and duties under this Indenture;
- (b) bring suit upon the Bonds;
- (c) by action or suit in equity require the Issuer to account for its actions as if it were the trustee of an express trust for the holders of the Bonds;
- (d) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the holders of the Bonds;
- (e) take any action to enforce its remedies under the Financing Agreement; or

(f) take such other steps to protect and enforce its rights and the rights of the holders of the Bonds, whether by action, suit or proceeding in aid of the execution of any power herein granted or for the enforcement of any other appropriate legal or equitable remedy.

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

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

Section 6.06 Application of Moneys. All moneys received by the Trustee or a receiver pursuant to any right given or action taken pursuant to a default under Section 6.01(a) or (b) hereof and all moneys in the possession of the Trustee shall, after payment of the cost and expenses of any proceedings resulting in the collection of such moneys and after payment of the fees and expenses of the Trustee, its agents and attorneys, be deposited in the Bond Fund; and all moneys in the Bond Fund shall be applied, together with the other moneys held by the Trustee hereunder, except the Rebate Fund, as follows:

(a) Unless the principal of all the Bonds shall have become due and payable or have been declared due and payable, all such moneys shall be applied:

FIRST — to the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege except as to any difference in the respective rates of interest specified in the Bonds;

SECOND — to the payment to the Persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which money shall be held pursuant to Section 4.12 of this Indenture) whether at maturity or by call for redemption, in the order of their due dates and beginning with the earliest such due date, with interest on such Bonds from the date upon which they become due and, if the amount available shall not be sufficient to pay in full principal of, premium, if any, and interest on the Bonds due on any particular date, together with such interest, then to the payment thereof ratably,

according to the amount of the principal, interest, and premium, if any, due on such date, to the Persons entitled thereto without any discrimination or privilege; and

THIRD — to the payment of any unpaid fees and expenses of the Issuer and the GNMA Issuer.

Any moneys remaining after application as described above shall be deposited in the General Account of the Bond Fund.

(b) If the principal of all the Bonds shall have become due and payable or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, 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 premium over principal or interest or of principal or interest over premium or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal, premium, if any, and interest, to the persons entitled thereto without any discrimination or privilege except as to any difference in the respective Interest Rates specified in the Bonds.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time as the Trustee shall determine, having due regard to the amount of such moneys available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it 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 shall cease to accrue. 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 Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

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

Section 6.08 Remedies of Holders. No Holder of any Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any provision of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless: (a) a default shall have occurred of which the Trustee shall have been notified as provided herein; (b) such default shall have become an Event of Default; (c) the Holders of at least 25% in aggregate principal amount of the Outstanding Bonds shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (d) such Holders shall have offered to the Trustee

indemnity as provided herein; and (e) the Trustee shall within 60 days thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding, and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts under this Article VI, and to any action or cause of action for the enforcement of this Indenture, or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture or the rights of any other Holders of the Bonds or to obtain priority or preference over any other Holders (other than as provided herein) or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Holders of Bonds. Nothing contained in this Indenture shall, however, affect or impair the right of any Holder to enforce the payment of the principal of, the premium, if any, and interest on any Bond at the maturity thereof or the obligation of the Issuer to pay the principal of, premium, if any, and interest on the Bonds issued hereunder to the respective Holders thereof, at the time, in the place, from the sources and in the manner expressed in said Bonds.

Section 6.09 [Obligation to Purchase. Notwithstanding the occurrence of any event of default under this Agreement or under the other documents relating to the issuance of the Bonds and the exercise of any available rights or remedies thereunder, the Trustee shall continue to purchase the GNMA Securities from the GNMA Issuer and to make disbursements pursuant to Section ___ or Section ___, and the funds on deposit in the Project Fund and the Bond Fund shall remain available for such purpose.]

Section 6.10 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder with respect to the Trust Estate herein conveyed, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 6.11 Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Bonds upon the written request of the Holders of a majority of the Outstanding Bonds; provided, however, that there shall not be waived (a) any default in the payment of the principal of any Bonds at the date of maturity specified therein, or upon proceedings for mandatory redemption, or (b) any default in the payment when due of the interest or premium on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all fees, costs, and expenses of the Trustee, in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no

such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereto.

Section 6.12 Notice of Defaults; Opportunity of the Issuer, the Borrower and the GNMA Issuer to Cure Defaults. Anything herein to the contrary notwithstanding no default under subsection (c) of Section 6.01 hereof (other than a default occasioned by the nonpayment of money) shall constitute an Event of Default until (i) actual notice of such default by registered or certified mail shall have been received by the Trustee, and a notice of default shall have been given by the Trustee or by the Holders of not less than 25% in aggregate principal amount of the Outstanding Bonds to the Borrower, the GNMA Issuer and the Issuer, and (ii) the Borrower and the Issuer shall have had with respect to a default under such subsection (c), 30 days after receipt of such notice, to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period, and thereafter, with respect to a default described in such subsection (c), the GNMA Issuer shall have had 30 days to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if a default under such subsection (c) be such that it cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Borrower, the Issuer or the GNMA Issuer, as the case may be, within the applicable period and diligently pursued until the default is corrected.

With regard to any alleged default concerning which notice has been given to the Borrower under the provisions of this Section, the Issuer hereby grants the Borrower full authority for the account of the Issuer to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts and with power of substitution.

In the event the Issuer fails to perform any of its covenants or obligations under this Indenture, the Borrower shall have the right to perform such covenants or obligations and the Issuer hereby consents to such fulfillment and waives any right it may have to interfere therewith.

ARTICLE VII THE TRUSTEE

Section 7.01 Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default:

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

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such

certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether they conform to the requirements of this Indenture.

(b) In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

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

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

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

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

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

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

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

Section 7.03 Required Reporting. The Trustee shall provide to the Rating Agency (with copies to the Issuer and the Borrower):

(a) notice of any of the following events: (i) any GNMA Security is sold (except for the exchange of the CLCs for the PLC), (ii) a partial prepayment is made on any GNMA Security, (iii) the Investment Agreement is amended or replaced by a new Investment Agreement, (iv) the Bonds are no longer Outstanding in accordance with Article IX hereof, (v) this Indenture or any Mortgage Loan Document is amended in accordance with Article VIII hereof, and (vi) the appointment of any successor Trustee or co-trustee;

(b) notice of the initial acquisition by the Trustee of (i) the Initial CLC, and (ii) the PLC (within 30 days of such acquisition);

(c) a copy of any notices sent to the GNMA Issuer, HUD or GNMA after the Trustee has become entitled to claim any benefits under the GNMA Security; and

(d) such other information as the Rating Agency may reasonably request from time to time (i) in connection with its ongoing surveillance of the rating on the Bonds and (ii) in order to maintain the rating on the Bonds.

Section 7.04 Certain Rights of Trustee. Except as otherwise provided in Section 10.01 hereof:

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

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

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

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

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

(f) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of the

Bonds pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

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

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

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

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

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

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

Section 7.07 Compensation. The Trustee may on each Interest Payment Date reimburse itself as provided in Section 4.08 hereof for all reasonable expenses, disbursements and advances incurred or made by the Trustee in performing its obligations in accordance with any provision of this Indenture (including the compensation and the expenses and disbursements of any Paying Agent, separate Trustee or co-trustee, its agents and counsel) provided, however, that the Trustee's monthly compensation under this Section 7.07 shall be limited to ___% of the outstanding aggregate principal amount of the Bonds for the preceding calendar month (payable monthly as provided in Section 4.04 hereof), including its services as dissemination agent under the Continuing Disclosure Agreement, which amount shall reduce ratably if and to the extent of the aggregate principal amount of Outstanding Bonds is reduced. [*Consider compensation*]

Any amounts payable to the Trustee in excess of the amounts specified in the preceding paragraph shall be paid by the Borrower in accordance with Section 4.7 of the Financing Agreement.

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

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

Section 7.10 Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee and the Issuer, and signed (a) by the Holders of a majority of the Bonds Outstanding at the time, or (b) with the concurrence of the Issuer, by the GNMA Issuer, provided, that such removal shall not be effective until all reasonable fees and expenses of the Trustee have been paid in full, and provided, further, that the Trustee shall continue to serve as Trustee hereunder until a new Trustee has been appointed.

Section 7.11 Appointment of Successor Trustee by the Holders; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Holders of a majority of the principal amount of the Outstanding Bonds, with the consent of the Borrower and notice to the GNMA Issuer, which consent shall not be unreasonably withheld, by an instrument or concurrent instruments in writing signed by such Holders, or by their duly authorized attorneys; provided, nevertheless, that in case of vacancy the Issuer, with the consent of the Borrower, which consent shall not be unreasonably withheld, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by such Holders in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the trustee so appointed by such Bondholders.

Section 7.12 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the

Issuer an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, and upon payment of all amounts due such predecessor, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers, trusts, duties and obligations of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and money held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by a successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed and/or recorded by the successor Trustee in any recording office where the Indenture shall have been filed and/or recorded. Any such successor Trustee shall be bound by all of the provisions hereof, including but not limited to Section 7.07 hereof. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank organized under the laws of the United States of America or any state thereof and which is in good standing, within or outside the State, having a reported capital and surplus of not less than \$10,000,000 if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

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

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

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

Section 7.15 Co-Trustee or Separate Trustee. At any time, but subject to compliance with all applicable regulations, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located or for the purpose of enforcing any provisions of this Indenture or the Financing Agreement, the Issuer and the Trustee shall have power to appoint an additional Person as a co-trustee or separate trustee (provided, however, that the total fee payable to the Trustee and the co-trustee or the Trustee and the separate trustee, may not exceed the fee payable to the Trustee prior to that appointment), and upon the request of the Trustee or of the Holders of at least 25% in aggregate principal amount of Outstanding Bonds the Issuer shall for such purpose join with the Trustee in the execution,

delivery and performance of all instruments and agreements necessary or proper to appoint such Person to act as co-trustee of all or any part of the Trust Estate, and to vest in such Person or institution, in such capacity, such title to the Trust Estate, 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.

If the Issuer shall not have made such appointment within 30 days after the receipt by it of a request to do so, or in case an event of default shall have occurred and be continuing, the Trustee alone shall have the power to make such appointment.

The Trustee, the Issuer and the Borrower shall execute, acknowledge and deliver all such instruments as may be reasonably 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.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) the Bonds shall be authenticated and delivered, and all rights, powers, trusts, duties and obligations by this Indenture conferred upon the Trustee in respect of the custody, control or management of money, papers, securities and other personal property shall be exercised solely by the Trustee;

(b) all rights, powers, duties and obligations conferred or imposed upon the Trustee shall be conferred or imposed upon or exercised or performed by the Trustee, or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, 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 separate trustee;

(c) 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;

(d) 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;

(e) 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, and, upon the request of the Trustee, the Issuer shall join with the Trustee in the execution, delivery, and performance of all instruments and agreement 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;

(f) no trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder;

(g) any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing executed by the Holders and delivered to the Trustee shall be deemed to have been delivered to each such co-trustee or separate trustee; and

(h) any money, paper, 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 such appointment, any such co-trustee or separate trustee shall be vested with such title to the Trust Estate or any part thereof, 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 Indenture. Every such acceptance shall be filed with the Trustee and the Issuer.

In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, the title to the 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 manner herein provided.

Section 7.16 Representation by Trustee. The Trustee hereby represents and warrants that as of the date of execution of this Indenture:

(a) it is duly organized and validly existing in good standing under the laws of the jurisdiction of its organization and has the power and authority to enter into and perform its obligations under this Indenture;

(b) this Indenture has been duly authorized, executed and delivered by it; and

(c) to the best of the Trustee's knowledge, the execution of this Indenture by the Trustee does not violate laws, statutes, ordinances, regulations or agreements which are binding on the Trustee.

Section 7.17 Interpretation of Intent. The Trustee, in exercising its authority under this Indenture, may interpret the intent of the parties hereunder. In exercising such authority, the Trustee shall be held to a reasonable fiduciary standard subject to Section 7.01 hereof.

ARTICLE VIII SUPPLEMENTAL INDENTURE

Section 8.01 Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Trustee, without the consent of or notice to any of the Bondholders, may enter into an indenture or indentures supplemental to this Indenture as shall

not be inconsistent with the terms and provisions hereof or materially adverse to the interest of the Holders of the Bonds for any one or more of the following reasons:

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

The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture have been effected in compliance with the provisions of this Article. [Notwithstanding the foregoing, no amendments may be enacted under this Section which will effect the rights of the GNMA Issuer under the Purchase and Sale Agreement, hereunder or in the Financing Agreement without the prior written consent of the GNMA Issuer.]

Section 8.02 Supplemental Indentures Requiring Consent of Bondholders. With the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds, the Trustee, from time to time, may enter into supplemental indentures for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Article contained shall permit, or be construed as permitting without the consent

of the Holders of 100% of the Bonds outstanding: (a) an extension of the stated maturity or a reduction in the principal amount or reduction in the rate, or extension of time of payment of interest on, or reduction of any premium payable on the redemption of, any Bonds; (b) the creation of any lien on the Trust Estate prior to or on a parity with the lien of this Indenture; (c) a reduction in the amount of the Bonds, the Holders of which are required to approve any such supplemental indenture, without the consent of the Holders of all Bonds at the time Outstanding which would be affected by the action to be taken; (d) the modification of the rights, duties or immunities of the Trustee without the consent of the Trustee; (e) a privilege or priority of any Bond over any other Bonds; (f) any reduction in the Borrower's obligations under the Mortgage Note, or change in the GNMA Issuer's obligations under (or GNMA's guaranty of) the GNMA Securities; (g) any amendment to Section 5.07 or Article VIII hereof, or (h) any action which may result in the denial of the exclusion of interest on the Bonds from gross income for federal income taxation.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed, postage prepaid, to all Bondholders. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the corporate trust office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Issuer following the mailing of such notice, the Holders of not less than two-thirds or 100%, as applicable under the first paragraph of this Section 8.02, in aggregate principal amount of Outstanding Bonds at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith. The Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of a supplemental indenture have been effected in compliance with the provisions of this Article.

Anything herein to the contrary notwithstanding, a supplemental indenture under this Article which affects any rights of the Borrower shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to be mailed by certified or registered mail to the Borrower at least 15 days prior to the proposed date of execution and delivery of any supplemental indenture. The Borrower shall be deemed to have consented to the execution and delivery of any such supplemental indenture if the Trustee does not receive a letter of protest or objection thereto signed by or on behalf of the Borrower on or before the close of business of the Trustee on the fifteenth day after the mailing of said notice and a copy of the proposed supplemental indenture.

Section 8.03 Amendments to Financing Agreement Not Requiring Consent of the Bondholders. The Issuer and the Borrower, without the consent of the Bondholders, may enter into any amendment, change or modification to the Financing Agreement as shall not be

inconsistent with the terms of the Financing Agreement or materially adverse to the interests of the Holder of the Bonds for any one or more of the following purposes:

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

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

Section 8.04 Amendments to Financing Agreement Requiring Consent of Bondholders. With the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, the Issuer, the Trustee and the Borrower may from time to time enter into amendments, changes and modifications to the Financing Agreement for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained therein; provided, however, that no such amendment, change or modification shall permit or be construed as permitting: (a) any adverse effect on the security for the Bonds, (b) a reduction in the amount of Bonds, the Holders of which are required to approve any such amendment, change or modification without the consent of Holders of all Bonds at the time Outstanding which would be affected by the action to be taken; or (c) any action which may result in the denial of the exclusion of the interest on the Bonds from gross income for federal income tax purposes. [Notwithstanding the foregoing, no amendments may be enacted under this Section which will effect the rights of the GNMA Issuer under the Purchase and Sale Agreement, hereunder or in the Financing Agreement without the prior written consent of the GNMA Issuer.]

If at any time, the Borrower or the Issuer shall request the consent of the Trustee to any such amendment, change or modification of the Financing Agreement, the Trustee shall, upon being satisfactorily indemnified by the Borrower with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided above with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the corporate trust office of the Trustee for inspection by all

Bondholders. If, within 60 days following the giving of such notice the Holders of not less than two-thirds in aggregate principal amount of Outstanding Bonds at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as described above, no Holder of any Bond shall have any right to object to the terms and provisions contained therein, or to the operation thereof, or in any manner to question the propriety of the execution thereof or to enjoin or to restrain the Issuer or the Trustee from consenting to the execution thereof. The Trustee may rely upon an opinion of counsel as conclusive evidence that such amendment, change or modification has been effected in compliance with the provisions of this Article.

Section 8.05 Modification of Mortgage Loan Documents. Nothing contained herein or in the Financing Agreement shall limit or impair the right of the GNMA Issuer to require or agree to any amendment, change or modification of the Mortgage Loan Documents for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in regard to matters or questions arising under said Mortgage Loan Documents so long as any such amendment, change or modification shall not adversely affect the payment terms of, the security for, or the tax-exempt status of the Bonds.

ARTICLE IX SATISFACTION AND DISCHARGE OF INDENTURE

Section 9.01 Discharge of Lien. If the Issuer shall pay or cause to be paid to the Holders of the Bonds the principal, interest and premium, if any, to become due thereon at the times and in the manner stipulated therein and herein (including without limitation, as provided in Section 3.01(d) hereof), and shall have paid all fees and expenses of the Trustee, and if the Issuer shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Indenture expressed as to be kept, performed and observed by it or on its part, then these presents and the estate and rights hereby granted shall, at the option of the Issuer, cease, determine and be void, and thereupon the Trustee shall cancel and discharge the lien of this Indenture and execute and deliver to the Issuer such instruments in writing as shall be requisite to satisfy the lien hereof, shall reconvey to the Issuer the estate hereby conveyed, and shall assign and deliver to the Issuer (to the extent that the Issuer certifies to the Trustee that the Issuer is owed money by the Borrower) or to the Borrower (if no such certification of the Issuer is delivered to the Trustee) any interest in property at the time subject to the lien of this Indenture which may then be in its possession, except amounts held by the Trustee for the payment of principal of and interest and premium, if any, on the Bonds.

All Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section if, under circumstances which, in the opinion of Bond Counsel, do not cause interest on the Bonds to be includable in gross income for federal income purposes, the following conditions shall have been fulfilled: (a) in case any of the Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to mail, as provided in Article III hereof, notice of redemption of such bonds on said date; and (b) there shall be on deposit with the Trustee either money or direct non-callable obligations of, or non-callable obligations guaranteed by, the United States of America in an amount sufficient, as certified to the Trustee by independent public accountants of national

standing, to pay when due the principal or redemption price, if applicable, and interest due and to become due on the Bonds on and prior to the Redemption Date or maturity date thereof, as the case may be. Upon satisfaction and discharge of this Indenture as aforesaid, the Trustee shall provide notice of such discharge by first class mail to Holders of all Bonds Outstanding, provided that for any Bonds subject to optional redemption within 90 days of the discharge of this Indenture no such notice need be given.

Section 9.02 Survival of Certain Provisions. Notwithstanding the foregoing, any provisions of this Indenture which relate to the maturity of Bonds, interest payments and dates thereof, optional and mandatory redemption provisions, credit against mandatory sinking fund requirements, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, the holding of moneys in trust, and repayments of moneys in funds held hereunder, and the duties of the Trustee and the Registrar in connection with all of the foregoing, shall remain in effect and be binding upon the Trustee, the Registrar, the Paying Agent and the Holders notwithstanding the release and discharge of this Indenture. The provisions of this Article shall survive the release, discharge and satisfaction of this Indenture.

Section 9.03 Return of GNMA Securities. Upon the defeasance and discharge of the Bonds as set forth above, the Trustee shall deliver and return the GNMA Securities to the Lender for cancellation; provided that upon the written request and direction of the [Owner], in lieu thereof, the Trustee shall deliver and assign such GNMA Securities to such person as the [Owner] shall direct.

ARTICLE X MISCELLANEOUS

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

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

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

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

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

Section 10.02 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or implied in this Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Borrower and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions hereof.

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

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

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

Section 10.05 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the GNMA Securities, or the date fixed for redemption of any Bonds, shall be a Saturday, Sunday, legal holiday or a

day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 10.06 Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.07 Situs of Contract. The State shall be deemed to be the situs of contract for all purposes of this Indenture.

Section 10.08 No Recourse. No recourse shall be had for the principal of, redemption premium, if any, and interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Indenture or the Financing Agreement against any past, present or future official, officer or employee of the Issuer, as such, either directly or through the Issuer or any successor, under any rule of law, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the Financing Agreement and the issuance of the Bonds.

Section 10.09 Successors and Assigns. All the covenants and representations contained in this Indenture, by or on behalf of the Issuer, shall bind and inure to the benefit of its successors and assigns, whether or expressed or not.

Section 10.10 Books, Records and Accounts. The Trustee agrees to keep proper books, records and accounts in which complete and correct entries shall be made of all transactions relating to the receipt, disbursements, investment, allocation and application of the proceeds received from the sale of the Bonds, the revenues received in connection with the GNMA Security, the revenues received from the Funds created pursuant to this Indenture and all other money held by the Trustee hereunder. The Trustee shall make such books, records and accounts available for inspection by the Issuer or the Holder of any Bond during reasonable hours and under reasonable conditions.

Section 10.11 HUD and GNMA Requirements to Control. Notwithstanding anything in this Indenture to the contrary, the provisions of this Indenture and the Financing Agreement are subject and subordinate to the National Housing Act, all applicable HUD insurance regulations and related administrative requirements and the Mortgage Loan Documents and all applicable GNMA regulations and related administrative requirements; and in the event of any conflict between the provisions of this Indenture or the Financing Agreement and the provisions of the National Housing Act, any applicable HUD regulations, related administrative requirements and the Mortgage Loan Documents, any applicable GNMA regulations and related administrative requirements, the said National Housing Act, HUD regulations, related administrative requirements and Mortgage Loan Documents, and the said GNMA regulations and related administrative requirements shall be controlling in all respects.

Section 10.12 [Enforcement Not to Affect Mortgage Loan or GNMA Security. Notwithstanding any provision in this Agreement to the contrary, enforcement of this Agreement will not result in any claim under the Mortgage Loan, or claim against the Project, the Mortgage Loan proceeds, any reserve or deposit made with the Mortgagee or another Person required by HUD in connection with the Mortgage Loan, or against the rents or other income from the Project (other than available "Surplus Cash," as defined in the HUD Regulatory Agreement) for payment hereunder.]

Section 10.13 HUD Regulations. Notwithstanding anything in this Indenture to the contrary, the Issuer, its designee or any person shall not and cannot acquire or succeed to the General Partner's interest or exercise the General Partner's rights or powers as such general partner unless and until the Issuer, its designee or any person first complies with all HUD requirements pertaining to transfers of physical assets and received HUD's written preliminary approval. Prior to satisfying the requirements pertaining to transfers of physical assets neither the Issuer, its designee nor any person will assert any claim or interest in the HUD Project (HUD Project No. _____) by reasons of the provisions of this Indenture.

Section 10.14 [Third Party Beneficiary. To the extent that the Financing Agreement or this Indenture confers upon or gives or grants to the GNMA Issuer any right, remedy or claim under or by reason of the Financing Agreement or this Indenture, the GNMA Issuer is hereby explicitly recognized as being a third-party beneficiary under this Indenture and may enforce any such right or remedy or claim conferred, given or granted under this Indenture.]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed and their respective corporate seals to be hereunto affixed and attested, all as of the date and year first above written.

(SEAL)

CITY OF CHICAGO

Attest:

By: _____
Chief Financial Officer

City Clerk

Attest:

as Trustee

Authorized Signatory

By: _____
Authorized Signatory

[(Sub)Exhibit "B" not referenced in this Trust Indenture.]

(Sub)Exhibits "A" and "C" referred to in this Trust Indenture read as follows:

(Sub)Exhibit "A".
 (To Trust Indenture)
 [To Be Conformed]

Form Of Bond.

UNITED STATES OF AMERICA
 STATE OF ILLINOIS
 CITY OF CHICAGO

Multi-Family Housing Revenue Bond
 (_____ Project),
 Series 200_A (FHA Insured/GNMA)

No. RA-1

Principal Amount:
 \$_____,000

		Interest Rate	Interest	
		from _____, 200	Rate	
<u>Maturity Date</u>	<u>Dated Date</u>	to _____, 200	<u>Thereafter</u>	<u>CUSIP No.</u>

Registered Owner: CEDE & CO.

Principal Amount:

The City of Chicago, a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "Issuer"), for value received, hereby promises to pay (but only from the revenues and other assets and in the manner hereinafter described) to the Registered Borrower specified above or registered assigns (the "Holder") (subject to any right of prior redemption provided for in the Indenture referred to below), on the Maturity Date set forth above, the principal amount set forth above and to pay interest on said principal amount until said principal amount shall have been fully paid, at the rate per annum specified above, payable on each _____ and _____, commencing _____, 200 (the "Interest Payment Dates"). This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from _____, 200. Principal of, premium, if any, and interest on this Bond are payable, without deduction for exchange, collection or service charges, in lawful money of the United States of America. Principal is payable at the principal corporate trust office of _____, in the City of Chicago, Illinois, or its successors in

trust (the "Trustee") upon presentation and surrender of this Bond. The interest so payable on any Interest Payment Date shall be calculated on a 30-day month, 360-day year basis, and shall, subject to certain exceptions provided in the Indenture referred to below, be paid to the Holder in whose name this Bond is registered at the close of business on the fifteenth day [of the calendar month] next preceding such Interest Payment Date (the "Regular Record Date"). Payment of interest shall be made by check or draft mailed on that Interest Payment Date to the Holder hereof at the close of business on the Regular Record Date at the address shown on the registration records for the Bonds kept by the Trustee; provided, however, that payment of interest on any Interest Payment Date shall be made by wire transfer to the Holder as of the close of business on the Regular Record Date upon written notice of such wire transfer address in the continental United States by such Holder to the Trustee given prior to such Regular Record Date (which notice may provide that it will remain in effect until revoked), provided that such wire transfer shall only be made with respect to an owner of \$1,000,000 or more in aggregate principal amount of the Bonds as of the close of business on the Regular Record Date relating to such Interest Payment Date. If any interest is not timely paid or duly provided for, the Trustee is required to establish a Special Record Date for the payment of that overdue interest to the Holders as of that Special Record Date. Notice of the Special Record Date shall be mailed to Holders not less than 10 days prior thereto. So long as this Bond is restricted to being registered in the registration books of the Issuer in the name of a Securities Depository (as defined in the Indenture), the provisions of the Indenture governing Book-Entry Bonds shall govern the payment of principal of, premium, if any, and interest on this Bond.

This Bond is one of a duly authorized series of bonds of the Issuer designated as its Multi-Family Housing Revenue Bonds (_____ Project), Series 200_A (FHA Insured/GNMA), in the aggregate principal amount of \$_____,000 (the "Bonds"), pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois, and pursuant to the Ordinance adopted by the Issuer on _____, 2006. The Bonds are issued under and are equally and ratably secured as to principal, premium, if any, and interest by a Trust Indenture dated as of _____, 2006, between the Issuer and the Trustee (the "Indenture"), to which Indenture and all indentures supplemental thereto (copies of which are on file at the office of the Trustee) reference is hereby made. By the acceptance of this Bond, the Holder hereof assents to all of the provisions of the Indenture.

The Bonds are limited obligations of the Issuer payable solely from funds, moneys and securities held by the Trustee under the Indenture and amounts derived under the Financing Agreement (as defined in the Indenture), including amounts derived from the GNMA Security described herein.

The Bonds, together with premium, if any, and interest thereon, do not constitute an indebtedness, liability, general or moral obligation or a pledge of the full faith or loan of credit of the Issuer, the State of Illinois, or any political subdivision of the State of Illinois within the meaning of any constitutional or statutory provisions. Neither the Issuer, the State of Illinois 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 revenues and assets

pledged with respect thereto. Neither the full faith and credit nor the taxing power of the United States of America, the Issuer, the State of Illinois or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or other costs incident thereto. The Bonds are not a debt of the United States of America or any agency thereof, and are not guaranteed by the United States of America or any agency thereof.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication shall have been signed by the Trustee.

The Bonds are being issued by the Issuer for the purpose of financing a FHA-insured mortgage loan (the "Mortgage Loan") to be made to _____, an Illinois limited partnership (the "Borrower"), for the purpose of financing a portion of the cost of acquiring, rehabilitating, constructing and equipping a low-income multi-family residential project facility situated in the City of Chicago and known as "_____."

To secure payment of principal of and interest on the Bonds, the Borrower has arranged for the acquisition by the Trustee of fully modified mortgage-backed securities (the "GNMA Security") to be issued by _____ (the "GNMA Issuer"), which will be guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA").

The Bonds are subject to mandatory redemption prior to maturity on the earliest practicable date for which notice of redemption can be given by the Trustee pursuant to the Indenture, unless otherwise provided, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date without premium (i) as a whole on _____, 200_ (or such later date as shall be permitted under the Indenture), if the Initial CLC in the amount of at least \$_____ is not delivered to the Trustee and purchased by the Trustee by the Initial CLC Delivery Date (or such later date as shall be permitted under Section 4.03(c) of the Indenture) from amounts on deposit in or held for the benefit of the Project Fund, the Reserve Fund and the Bond Fund, (ii) as a whole if the PLC is not delivered to the Trustee by the PLC Delivery Date (or such later date as shall be permitted under Section 4.03(d) of the Indenture) on (x) _____, 200_ (or such later date as shall be permitted under Section 4.03 of the Indenture), from amounts on deposit in or held for the benefit of the Project Fund, the Reserve Fund and the Bond Fund (excluding the principal of the CLCs) and (y) _____, 200_, from the principal of the CLCs, (iii) in part after delivery of the PLC to the Trustee from amounts on deposit in the Project Fund created pursuant to the Indenture; (iv) as a whole or in part, if the Trustee receives payments on the GNMA Security exceeding regularly scheduled payments of principal and interest thereon (other than optional prepayments of the Mortgage Loan), including payments representing (A) casualty insurance proceeds, condemnation awards or other amounts applied to the prepayment of the Mortgage Loan following a partial or total destruction or condemnation of the Project, (B) mortgage insurance proceeds or other amounts received with respect to the Mortgage Loan upon the occurrence of an event of default thereunder, (C) a prepayment of the Mortgage Loan required by applicable rules, regulations,

policies and procedures of FHA or GNMA (including the possible exercise by HUD of its right to override the prepayment and premium provisions of the Mortgage Note following an event of default thereunder if HUD determines that prepayment of the Mortgage Loan will avoid a mortgage insurance claim and is therefore in the best interest of the Federal government), or (D) prepayments on the GNMA Security derived from prepayments on the Mortgage Loan made by the Borrower without notice or prepayment penalty while under the supervision of a trustee in bankruptcy; or (v) on any date on or after the PLC Delivery Date, in the event and to the extent funds on deposit in the Bond Fund on any Interest Payment Date exceed \$25,000. If less than all the Bonds then outstanding shall be called for redemption, Bonds to be redeemed shall be selected as provided in the Indenture and within any maturity by lot in multiples of \$5,000.

Bonds are also subject to redemption in whole or in part on the earliest practicable date for which notice of redemption can be given by the Trustee pursuant to the Indenture at the option of the Issuer at the direction of the Borrower, at any time on or after _____, 20____, from payments on the GNMA Security representing optional prepayments on the Mortgage Loan or any other source, at the redemption prices (expressed as percentages of their principal amount) set forth in the table below plus accrued interest to the redemption date:

Redemption Dates

Redemption Prices

The Bonds will be subject to redemption in whole at any time on and after _____, 2008 at the written direction of a single Holder of 100% of the Bonds outstanding delivered to the Trustee, the Issuer and the Borrower, which direction shall specify a redemption date to occur not less than 30 days after receipt of such direction, provided that no such redemption shall occur on any date on which the Bonds are held in book-entry form with a Securities Depository. The redemption price for the Bonds shall consist of the transfer of ownership of the PLC to such Holder, together with any amounts in the General Account or Optional Redemption Account of the Bond Fund representing payments received by the Trustee with respect to the PLC since the last Interest Payment Date, less any unpaid fees and expenses of the Trustee or the rebate analyst due and owing and payable from the Expense Fund. Upon delivery of the PLC and other amounts described in the preceding sentence, the Bonds shall become due and payable on the redemption date, and interest thereon shall cease to accrue on such date; and the Holder of the Bonds shall thereafter no longer have any security or benefit under this Indenture except to receive payment of the redemption price.

The Bonds are subject to mandatory redemption prior to maturity by lot, at a redemption price of par, plus accrued interest to the Redemption Date, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem or pay on _____ and _____ of each year specified below the respective principal amount of such Bonds specified for each such date, as hereinafter set forth:

Date

Principal Amount

Date

Principal Amount

<u>Date</u>	<u>Principal Amount</u>	<u>Date</u>	<u>Principal Amount</u>

Bonds subject to scheduled mandatory redemption as set forth above shall be subject to pro rata reduction of such scheduled mandatory redemption payments to the extent that such Bonds are redeemed prior to maturity otherwise than pursuant to such scheduled mandatory redemption.

Except as otherwise provided in the Indenture, notice of redemption, unless waived, is to be given by the Trustee by mailing an official redemption notice by first class mail not less than 30 nor more than 60 days prior to the redemption date to the Holder of each Bond to be redeemed at the address of such Holder as shown on the Trustee's registration records. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Failure to duly give such notice by mail or any defect therein shall not affect the validity of the proceedings for the redemption of any Bond or Bonds. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the Holder receives notice.

The Holder of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

Neither the Issuer nor the Borrower shall be liable for an acceleration of the Bonds or payment of additional interest thereon in the event that interest on the Bonds is declared or becomes includable in gross income for federal income tax purposes.

Modifications or alterations of the Indenture or of any indenture supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture.

This Bond is transferable by the Holder hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same maturity and interest rate and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Issuer and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

The Bonds are issuable only as registered Bonds without coupons in denominations of \$5,000 principal amount, and any integral multiple thereof. Subject to the limitations of the Indenture and upon payment of any tax, fee or other governmental charge required to be paid with respect to such exchange, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same maturity and interest rate of other authorized denominations.

The principal hereof may be declared or may become due on the conditions and in the manner and at the time set forth in the Indenture upon the occurrence of an event of default as provided in the Indenture.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on this Bond, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any trustee, officer or employee, as such, past, present or future, of the Issuer or any successor, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released. The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

UNIF GIFT MIN ACT --

Custodian
(Cust) (Minor)
under Uniform Gifts to Minors
Act _____
 (State)

TEN COM -- as tenants in common
TEN ENT -- as tenants by the entireties
JT TEN -- as joint tenants with right
 of survivorship and not as
 tenants in common

Additional abbreviations may also be used though
not in the above list.

It is hereby certified, recited and declared that all facts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and inanner as required by law and that the issuance of this Bond, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be duly executed in its name by the manual or facsimile signature of its Mayor under its official seal, or a facsimile thereof, and attested by the manual or facsimile signature of its City Clerk, all as of _____, 200__.

(SEAL)

CITY OF CHICAGO

Attest:

By: _____
Mayor_____
City Clerk

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of and described in the within-mentioned Indenture.

as Trustee

Dated:

By: _____
Authorized Signatory

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as if requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

[Name and Address of Assignee]

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Signature Guarantee:

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

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

(Sub)Exhibit "C".
(To Trust Indenture)

Form Of Section 2.13 Certificate.

[Letterhead of GNMA Issuer]

[Date]

as Trustee under that certain
Trust Indenture, dated as of
_____, 200_ from the
City of Chicago to the Trustee

Re: Multi-Family Housing Revenue Bonds
(_____ Project)
Series 200_A (FHA Insured/GNMA)

Ladies and Gentlemen:

Reference is made to that certain Trust Indenture, dated as of _____, 200_ (the "Indenture"), between the City of Chicago and _____, as Trustee. The undersigned, _____, an Illinois _____, is the GNMA Issuer (as defined in the Indenture). Pursuant to Section 2.13 of the Indenture, the undersigned hereby certifies that it has sufficient commitment authority to issue the GNMA Securities (as defined in the Indenture).

By: _____

*Exhibit "C-2".
(To Ordinance)*

City Of Chicago

To

As Trustee

Trust Indenture

Dated As Of _____, 2006.

*Securing City Of Chicago
Variable Rate Demand Multi-Family Housing Revenue Bonds
(_____ Project) Series 2006B.*

THIS TRUST INDENTURE, dated as of _____, 2006, is from the CITY OF CHICAGO, a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "City"), to _____, a national banking association having its principal corporate trust office in Chicago, Illinois, as trustee (the "Trustee").

RECITALS:

WHEREAS, _____, an Illinois _____ (the "Borrower"), has requested financial assistance from the City to finance a project (the "Project") that consists of, among other things, the acquisition, rehabilitation, construction and equipping of a multi-family residential facility project consisting of _____ and located at _____, Chicago, Illinois (the "Project Facilities"); and

WHEREAS, pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois, the City is authorized to finance the Project for the Borrower by issuing its bonds and loaning the proceeds thereof to the Borrower, and, to that end, the City has adopted a Bond Ordinance duly authorizing and directing the issuance, sale and delivery of its multi-family

housing revenue bonds, to be known generally as City of Chicago Variable Rate Demand Multi-Family Housing Revenue Bonds (_____ Project) Series 2006B (the "*Bonds*"), to be issued as fully registered bonds and to secure payment of the principal thereof and of the interest and premium, if any, thereon and the performance and observance of the covenants and conditions herein contained, the City has authorized the execution and delivery of this Indenture; and

WHEREAS, upon the issuance of the Bonds, the City also will issue its \$_____,000 aggregate principal amount of Multi-Family Housing Revenue Bonds (_____ Project) Series 2006A (FHA Insured/GNMA) to finance a portion of the cost of the Project; and

WHEREAS, the City will loan the proceeds of the Bonds to the Borrower by entering into a Loan Agreement dated as of _____, 2006 (the "*Agreement*"), between the City and the Borrower, and to evidence its payment obligations thereunder, the Borrower will deliver to the Trustee a Promissory Note (the "*Note*") in the amount of \$_____; and

WHEREAS, pursuant to the Agreement, the Borrower has agreed, among other things, to pay to or for the account of the Trustee an amount equal to the principal of, redemption premium and interest on the Bonds, as the same become due, all as set forth in the Agreement and the Note; and

WHEREAS, the City has determined to assign, transfer and pledge unto the Trustee as Trustee under this Indenture, for the benefit of the owners of the Bonds and the Bank, as set forth herein, all right, title and interest of the City in and to the Agreement and sums payable thereunder (except as otherwise provided herein and therein); and

WHEREAS, _____, Chicago, Illinois (together with any other issuer of a Letter of Credit, as hereinafter defined, the "*Bank*"), will issue an irrevocable, transferable Letter of Credit dated the date of issuance and delivery of the Bonds, in favor of the Trustee for the benefit of the owners from time to time of the Bonds, in the amount of the aggregate principal amount of the Bonds, plus an amount equal to the interest to accrue on the Bonds for _____ days at a rate per annum equal to the Cap Rate, as defined herein, which initial Letter of Credit, together with any substitute Letter of Credit, is hereinafter referred to as the "*Letter of Credit*"; and

WHEREAS, the Bonds, the form of assignment and transfer and the Trustee's certificate of authentication to be endorsed thereon shall be in substantially the following forms, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture:

[FORM OF BONDS]

No. R- _____

\$ _____

STATE OF ILLINOIS
UNITED STATES OF AMERICA
CITY OF CHICAGO
VARIABLE RATE DEMAND MULTI-FAMILY HOUSING REVENUE BOND
(_____ PROJECT) SERIES 2006B

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP

Variable Rate	_____	_____, 20__	

Registered Owner:

Principal Amount:

The City of Chicago (the "City"), a municipality and home rule unit of local government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "State") for value received, hereby promises to pay solely from the sources and as hereinafter provided, to the Registered Owner shown above, or registered assigns, the Principal Amount shown above on the Maturity Date shown above, except as the provisions hereinafter set forth with respect to redemption and acceleration prior to the Maturity Date may become applicable hereto, and in like manner to pay interest on said Principal Amount at the Interest Rate hereinafter specified from the Dated Date shown above or from the most recent date to which interest has been paid, in accordance with the provisions hereof. During any Variable Rate Period, as hereinafter defined, interest hereon shall be calculated on the basis of a calendar year consisting of 365 or 366 days, as the case may be, and on the actual number of days elapsed, payable on _____, 200__ and on the first Business Day (as hereinafter defined) of each calendar month thereafter and on the Conversion Date, as hereinafter defined (each a "Variable Rate Interest Payment Date"), until the earlier of the Conversion Date or until the principal sum hereof becomes due and payable. During the Fixed Rate Period, as hereinafter defined, interest hereon shall be calculated on the basis of a calendar year consisting of 360 days of 12 30-day months, payable on the [January] 1 or [July] 1 immediately following the announcement of the Fixed Rate Period and on the first day of each [January] and [July] thereafter (each a "Fixed Rate Interest Payment Date" and, together with a Variable Rate Interest Payment Date, an "Interest Payment Date"), until the principal sum hereof becomes due and payable. Interest

shall be payable on any overdue installment of principal, premium, if any, and (to the extent that such interest shall be legally enforceable) interest on this Bond at the rate of interest from time to time borne by this Bond from the due date thereof until paid. Principal of and premium, if any, on this Bond shall be payable in lawful money of the United States of America only at the principal corporate trust office of _____, as Paying Agent, or its successors under trust (the "*Paying Agent*").

Interest on this Bond shall be payable to the Registered Owner hereof as of the Record Date (as hereinafter defined). Payments of interest on this Bond shall be made in lawful money of the United States of America by check or draft of the Paying Agent mailed on the applicable Interest Payment Date to the Registered Owner hereof at his address as it appears on the registration books of the City kept by the Paying Agent, as registrar (the "*Bond Registrar*"), or at such other address as is furnished to the Paying Agent in writing by such Registered Owner no later than the close of business on the Record Date immediately preceding the applicable Interest Payment Date; provided that on or prior to the Conversion Date, as hereinafter defined, payments of interest on this Bond may be made by wire transfer to the Registered Owner of this Bond if the Registered Owner hereof is the Registered Owner of at least \$1,000,000 in principal amount of the Bonds (as hereinafter defined) as of the close of business on the Record Date immediately preceding the applicable Interest Payment Date and such Registered Owner shall have given written notice to the Paying Agent on or before the second Business Day immediately preceding such Record Date, directing the Paying Agent to make such payments of interest by wire transfer and identifying the location and number of the account to which such payments should be wired. As used herein, the term "*Record Date*" shall mean, during the Variable Rate Period, the Business Day immediately preceding a Variable Rate Interest Payment Date on this Bond, and during the Fixed Rate Period, the fifteenth day of the calendar month immediately preceding a Fixed Rate Interest Payment Date on this Bond.

This Bond is one of an authorized series of Bonds in the aggregate principal amount of \$_____ (the "*Bonds*") issued for the purpose of loaning the proceeds thereof to _____, an Illinois limited partnership (the "*Borrower*"), for the purpose of providing funds to pay a portion of the cost of acquiring, constructing and equipping a certain multi-family housing project to be located at _____, Chicago, Illinois (the "*Project*") owned and operated by the Borrower and located in Chicago, Illinois. The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of a Trust Indenture dated as of _____, 2006 (which indenture, as from time to time amended and supplemented, is herein referred to as the "*Indenture*"), duly executed and delivered by the City to _____, Chicago, Illinois, as trustee (the "*Trustee*"). Reference is hereby made to the Indenture for a description of the rights, duties and obligations of the City, the Trustee and the owners of the Bonds and the terms upon which the Bonds are issued and secured. The terms and conditions of the loan of the proceeds of the Bonds to the Borrower for the financing of the Project and the repayment of said funds are contained in a Loan Agreement dated as of _____, 2006, by and between the City and the Borrower (which agreement, as from time to time amended and supplemented, is hereinafter referred to as the "*Agreement*").

Except as otherwise provided in the Indenture, the Bonds are issuable only as fully registered Bonds without coupons in denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof during the Variable Rate Period, and in denominations of \$5,000 and any integral multiple thereof during the Fixed Rate Period. This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The City, the Trustee, the Paying Agent and _____, as tender agent, or its successors under trust (the "*Tender Agent*") 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 premium, if any, hereon and interest due hereon and for all other purposes, and neither the City, the Trustee, the Paying Agent nor the Tender Agent shall be affected by any notice to the contrary.

Subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation thereof, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations. The Bond Registrar shall not be required to transfer or exchange any Bond after notice calling such Bond or portion thereof for redemption prior to maturity has been given as herein provided, nor during the period of 10 days next preceding the giving of such notice of redemption.

_____ has issued an irrevocable, transferable letter of credit dated the date of delivery of the Bonds in favor of the Trustee for the benefit of the owners from time to time of the Bonds, supporting the payment of the unpaid principal amount of the Bonds or the purchase price of the Bonds and in either case up to 35 days of interest at the Cap Rate (as hereinafter defined) accrued on the Bonds to pay interest on the Bonds when due under the conditions set forth therein. The initial letter of credit, together with any substitute letter of credit, is hereinafter referred to as the "*Letter of Credit*," and _____, together with the issuer of any substitute Letter of Credit, is hereinafter referred to as the "*Bank*."

This Bond shall bear interest on the unpaid principal balance hereof until paid at the rates provided below. This Bond shall bear interest at the Variable Rate (as hereinafter defined) during the Variable Rate Period from the Variable Rate Interest Payment Date to which interest on this Bond has been paid or duly provided for immediately preceding the date of authentication hereof, unless (a) such date of authentication shall be dated on or prior to the Record Date for the first Variable Rate Interest Payment Date, in which case this Bond shall bear interest from the date of the initial delivery of this Bond, or (b) such date of authentication shall be after a Record Date and prior to a Variable Rate Interest Payment Date to which interest on this Bond has been paid or duly provided for, in which case this Bond shall bear interest from such Variable Rate Interest Payment Date, and shall bear interest at the Fixed Rate (as hereinafter defined) during the Fixed Rate Period from the first day of the April or October to which interest on this Bond

has been paid or duly provided for immediately preceding the date of authentication hereof, unless (a) such date of authentication shall be on or prior to the Record Date for the first day of April or October immediately following the date of commencement of the Fixed Rate Period (the "*Conversion Date*"), in which case this Bond shall bear interest from the Conversion Date, or (b) such date of authentication shall be after the fifteenth day of the month preceding a Fixed Rate Interest Payment Date and prior to such Fixed Rate Interest Payment Date, in which case this Bond shall bear interest from such Fixed Rate Interest Payment Date.

For the period from the date of the initial delivery of the Bonds to the earlier of the Conversion Date or the maturity date of this Bond (the "*Variable Rate Period*"), this Bond shall bear interest from such initial delivery date or the Thursday of a week, as the case may be, to and including the Wednesday of the immediately following week, at the Variable Rate (described below) for such interest rate period (an "*Interest Rate Period*"). This Bond shall bear interest (i) during the initial Interest Rate Period, as measured from the date of the initial delivery of the Bonds to and including the Wednesday of the immediately following week, at the rate set forth in the Indenture, and (ii) during each Interest Rate Period thereafter, at a rate (the "*Variable Rate*") equal to the lesser of (a) the Cap Rate (as hereinafter defined) or (b) the interest rate established by the Remarketing Agent, as defined in the Indenture, in the following manner: on the Wednesday of each week succeeding the initial delivery date (or the immediately preceding Business Day, in the event that any such Wednesday is not a Business Day), the Remarketing Agent shall determine the interest rate that would result in the market value of the Bonds on the effective date of such interest rate being 100 percent of the principal amount thereof, and on such date shall give notice of the interest rate so determined by telephone, facsimile or electronic transmission, promptly confirmed in writing to the City (if requested by the City), the Trustee, the Paying Agent, the Borrower and the Bank, and the interest rate so determined (if not greater than the Cap Rate) shall be the interest rate on this Bond for the immediately following Interest Rate Period; provided that if for any reason the interest rate on this Bond for any such Interest Rate Period is not or cannot be established in the foregoing manner, the Variable Rate for such Interest Rate Period shall be equal to the BMA Index. As used herein, "*BMA Index*" means, as of any date, the seven day high grade market index of tax exempt variable rate demand obligations, as produced by Municipal Market Data or any successor thereto and published or made available by the Bond Market Association, or any person acting in cooperation with or under the sponsorship of the Bond Market Association, or, if such index is unavailable, then such other publicly available index or measurement of seven day yields on high grade tax exempt variable rate demand obligations selected by _____ and agreed to by the Remarketing Agent.

"*Cap Rate*" means the rate per annum equal to the least of (a) 18 percent per annum, (b) the maximum interest rate at the time then specified in the Letter of Credit (initially, 10 percent per annum), or (c) the maximum contract rate of interest permitted from time to time by the laws of the State.

Notwithstanding the above, this Bond shall bear interest at a fixed rate (the "*Fixed Rate*") from the Conversion Date to the maturity date of this Bond (the "*Fixed Rate Period*") equal to the lesser of (a) the Cap Rate, or (b) the interest rate established by the Remarketing

Agent in the following manner: in order to establish the Fixed Rate, the City, the Trustee, the Remarketing Agent and the Tender Agent shall have received written notice from the Borrower of the exercise of its option to convert the interest rate borne by the Bonds to the Fixed Rate, at least 45 days prior to the date specified by the Borrower as the Conversion Date (the "*Proposed Conversion Date*"), together with the written consent of the Bank to such conversion. On or before the Business Day immediately preceding the Proposed Conversion Date, the Remarketing Agent shall determine the interest rate that would result in the market value of the Bonds on the Proposed Conversion Date being 100 percent of the principal amount thereof, and the interest rate so determined shall be the Fixed Rate from and after the Conversion Date. Notwithstanding the foregoing, such Fixed Rate shall not take effect if there shall not have been supplied to the City, the Trustee, the Borrower, the Remarketing Agent, the Tender Agent and the Bank at or prior to 10:00 A.M., New York time, on the Proposed Conversion Date an opinion of Bond Counsel stating that such conversion to the Fixed Rate is lawful under applicable law and permitted by the Indenture and that such conversion to the Fixed Rate will not have an adverse effect on the exclusion of the interest on the Bonds from gross income of the registered owners thereof for federal income tax purposes. If all conditions to the establishment of the Fixed Rate are not met, this Bond shall bear interest at the Variable Rate determined as set forth in the Indenture and will continue to remain outstanding as if no such election had been made by the Borrower to convert the interest rate borne by the Bonds to the Fixed Rate.

The City, at the direction of the Borrower, has appointed _____ as Remarketing Agent under the Indenture, which appointment has been approved by the Borrower. The City, at the direction of the Borrower, may, from time to time, remove or replace the Remarketing Agent. The determination of any interest rate by the Remarketing Agent shall be conclusive and binding on the City, the Borrower, the Trustee, the Bank, the Tender Agent and the owners from time to time of all of the Bonds.

The Registered Owner hereof has the right to tender this Bond or a portion hereof (in authorized denominations, provided that after such tender such remaining portion shall also be in an authorized denomination) to the Tender Agent for purchase as a whole or in part on any Business Day during the Variable Rate Period, but not thereafter, at a purchase price equal to 100 percent of the principal amount hereof tendered plus accrued interest to the specified purchase date, in accordance with the Indenture. In order to exercise such option with respect to this Bond or any portion hereof, the Registered Owner hereof must give to the Tender Agent at its designated corporate trust office by the opening of business at such office on a Business Day which is at least seven days immediately preceding the purchase date, notice by telephone, confirmed by written notice of tender to the Tender Agent on a Business Day not more than two Business Days after such notice, or written notice of tender to the Tender Agent (which written notice of tender in either case shall be in the form attached hereto or shall be in such other form acceptable to the Tender Agent). Upon the delivery of such written notice of tender, such election to tender shall be irrevocable and binding upon the Registered Owner hereof. At or before 10:00 A.M., New York time, on the specified purchase date, the owner of each Bond as to which any such notice of tender shall have been given shall deliver this Bond and an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on this Bond or in such other form acceptable to the Tender Agent) to the Tender Agent at its designated corporate trust office, and on the specified purchase date, the Tender Agent shall purchase this Bond only out of funds made available to it for such

purpose, or cause this Bond to be purchased, at a purchase price equal to the principal amount hereof plus accrued interest to the specified purchase date, if any, thereon. The Registered Owner hereof, by his acceptance hereof, hereby covenants and agrees to tender this Bond in the manner and at the times aforesaid. If this Bond is not so tendered (an "*Unsurrendered Bond*"), and there has been irrevocably deposited in the Bond Purchase Fund referred to in the Indenture Available Moneys (as defined in the Indenture) sufficient to pay the purchase price of this Bond and all other Bonds so tendered or deemed tendered for purchase on such specified purchase date, this Bond shall be deemed to have been tendered by the Registered Owner hereof and purchased from such Registered Owner on the specified purchase date, and the Registered Owner hereof shall not be entitled to receive interest on this Bond on and after the specified purchase date. Upon surrender of this Unsurrendered Bond to the Tender Agent, the Tender Agent shall pay to the Registered Owner of this Unsurrendered Bond only an amount equal the purchase price of this Unsurrendered Bond due on such purchase date. The Tender Agent shall, in its sole discretion, determine whether, with respect to any Bond, the owner thereof shall have properly exercised the option to have its Bond purchased as a whole or in part.

Subject to the provisions below, the Registered Owner of this Bond is required to tender this Bond to the Tender Agent for purchase on (i) the Proposed Conversion Date, (ii) a Letter of Credit Substitution Date (as hereinafter defined) and (iii) a Letter of Credit Termination Date (as hereinafter defined) (each a "*Mandatory Tender Date*"), all as more fully provided below. Notice of a mandatory tender shall be given by the Bond Registrar by first class mail, postage prepaid, to the owner of this Bond at its address appearing on the registration books of the City maintained by the Bond Registrar, not less than 30 nor more than 35 days prior to a Mandatory Tender Date. Such notice of mandatory tender shall specify the Mandatory Tender Date and shall state that the Mandatory Tender Date is a Proposed Conversion Date, a Letter of Credit Substitution Date or a Letter of Credit Termination Date, as the case may be, and shall state that this Bond must be tendered by the Registered Owner hereof for purchase at or before 10:00 A.M., New York time, on the Mandatory Tender Date (or if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day) to the Tender Agent at its designated corporate trust office, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on this Bond or such other form acceptable to the Tender Agent), and shall be purchased on the Mandatory Tender Date (or if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day) at a purchase price equal to the principal amount hereof plus accrued interest, if any, hereon, and if this Bond is not so tendered, but there has been irrevocably deposited in the Bond Purchase Fund referred to in the Indenture an amount sufficient to pay the purchase price for this Bond and all other Bonds so tendered or deemed tendered for purchase on the Mandatory Tender Date, this Bond shall be deemed to have been tendered for purchase by the owner hereof and purchased from such owner on the Mandatory Tender Date.

This Bond shall be tendered by the owner hereof to the Tender Agent for purchase at or before 10:00 A.M., New York time, on the Mandatory Tender Date (or if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day), by delivering this Bond to the Tender Agent at its designated corporate trust office, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on this Bond or such other form acceptable to the Tender Agent), and on the Mandatory Tender Date (or if the Mandatory Tender Date is not a Business Day, on the

immediately following Business Day), the Tender Agent shall purchase this Bond, or cause this Bond to be purchased, at a purchase price equal to the principal amount hereof, and the owner of this Bond, by his acceptance hereof, hereby covenants and agrees to tender this Bond in the manner and at the time as aforesaid.

If this Bond is not tendered at or before 10:00 A.M., New York time, on any Mandatory Tender Date (or if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day), and there has been irrevocably deposited in the Bond Purchase Fund referred to in the Indenture an amount sufficient to pay the purchase price hereof and all other Bonds tendered or deemed tendered for purchase on such Mandatory Tender Date, this Bond shall be deemed to be tendered by the Registered Owner hereof and purchased from such Registered Owner on the Mandatory Tender Date, and the Registered Owner hereof shall not be entitled to receive interest on this Unsurrendered Bond on and after such Mandatory Tender Date. Upon surrender of this Unsurrendered Bond to the Tender Agent, the Tender Agent shall pay to the Registered Owner of this Unsurrendered Bond only an amount equal to the purchase price of this Unsurrendered Bond due on such Mandatory Tender Date.

"Business Day" means any day other than (i) a day on which banking institutions in the city in which the principal corporate trust office of the Trustee or the Tender Agent is located are required or authorized by law to remain closed, (ii) a day on which banking institutions in the city in which the office of the Bank where drawings under the Letter of Credit are to be made is located are required or authorized by law to remain closed, (iii) a day on which the principal office of the Remarketing Agent is closed, or (iv) a day on which the New York Stock Exchange is closed.

"Letter of Credit Substitution" means the delivery of a substitute Letter of Credit to the Trustee pursuant to the terms of the Agreement

"Letter of Credit Substitution Date" means the fifth Business Day next preceding the proposed date of a Letter of Credit Substitution.

"Letter of Credit Termination Date" means the first Business Day of the calendar month in which the Stated Expiration Date of the Letter of Credit is to occur, unless the Borrower shall have caused the delivery of a substitute Letter of Credit to the Trustee pursuant to the Agreement at least 35 days prior to such Letter of Credit Termination Date.

Prior to the Conversion Date, the Bonds are subject to redemption prior to maturity by the City from any available funds, including moneys derived from a prepayment of the Note (or a portion thereof) at the option of the Borrower, as a whole or in part (and, if in part, by lot in such manner as may be designated by the Trustee, provided that Bonds held by or on the behalf of the Tender Agent for the account of the Borrower resulting from a draw upon the Letter of Credit shall be first selected for redemption until all such Bonds have been redeemed which may be selected for redemption), on any date, at a redemption price of 100 percent of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption.

After the Conversion Date, the Bonds are subject to redemption prior to maturity by the City from any available funds, including funds derived from a prepayment of the Note (or a

portion thereof) at the option of the Borrower, as a whole on any date, subject to the terms of the Indenture, or in part on any Interest Payment Date (and, if in part, by lot in such manner as may be designated by the Trustee, provided that Bonds held by or on behalf of the Tender Agent for the account of the Borrower resulting from a draw upon the Letter of Credit shall be first selected for redemption until all such Bonds have been redeemed which may be selected for redemption), subject to the terms of the Indenture, at a redemption price of 100 percent of the principal amount thereof to be redeemed and accrued interest to the date fixed for redemption, plus the applicable premium, if any, set forth in the Indenture.

After the Conversion Date, the Bonds are also subject to redemption at the option of the Borrower, as a whole or in part (and, if in part, by lot in such manner as may be designated by the Bond Registrar, provided the Bonds held by the Tender Agent for the account of the Borrower resulting from a draw upon the Letter of Credit shall be first subject to such redemption prior to any other Bonds which may be selected for redemption) on any date at the redemption price of 100 percent of the principal amount thereof to be redeemed plus accrued interest, if any, to the date fixed for redemption, upon the occurrence of any of certain events described in the Indenture relating to damage, destruction or condemnation of the Project.

The Bonds are also subject to mandatory redemption prior to maturity by the City, as a whole and not in part, on any date within 60 days of the occurrence of a Determination of Taxability (as defined in the Indenture), at a redemption price of 100 percent of the principal amount to be redeemed (or 103 percent of the principal amount thereof to be redeemed during the Fixed Rate Period) plus accrued interest to the date fixed for redemption.

If any of the Bonds or portions thereof (which shall be an authorized denomination) are called for redemption prior to maturity as aforesaid, the Trustee shall give notice, at the direction of the Borrower (which direction shall be in writing), by directing the Bond Registrar to mail a copy of the redemption notice by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed as a whole or in part at the address shown on the registration books of the City maintained by the Bond Registrar; provided that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond or a portion thereof with respect to which no such failure or defect has occurred. Any notice mailed as provided above shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice.

The Registered Owner of this Bond has no right to enforce the provisions of the Indenture or the Agreement or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture or the Agreement, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. The Indenture prescribes the manner in which it may be discharged, including a provision that under certain circumstances the Bonds shall be deemed to be paid if Governmental Obligations, as defined therein, maturing as to principal and interest in such amounts and on such dates as will provide sufficient funds to pay the principal of and interest

and premium, if any, on such Bonds and all fees, charges and expenses of the Trustee, and all other liabilities of the Borrower under the Agreement, shall have been deposited with the Trustee, after which such Bonds shall no longer be secured by or entitled to the benefits of the Indenture or the Agreement, except for purposes of transfer and exchange and payment from such Governmental Obligations on the date or dates specified at the time of such deposit.

The Indenture permits the amendment thereof and the modification of the rights and obligations of the City and the rights of the owners of the Bonds at any time by the City with the consent of the Registered Owners of a majority, or in certain instances 100 percent, in aggregate principal amount of the Bonds at the time outstanding, as defined in the Indenture. Any such consent or waiver by the Registered Owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent or waiver is made upon this Bond. The Indenture also contains provisions permitting the Trustee to enter into certain supplemental indentures without the consent of the owners of the Bonds and to waive certain past defaults under the Indenture and their consequences. No supplemental indenture will become effective without the consent of the Borrower and, if a Letter of Credit is then in effect and if the Bank has not failed to honor a properly presented drawing thereunder, the Bank.

THIS BOND AND ALL OTHER BONDS ISSUED UNDER AND SECURED BY THE INDENTURE, AS HEREINAFTER DEFINED, ARE, AND ARE TO BE, EQUALLY AND RATABLY SECURED, TO THE EXTENT PROVIDED IN THE INDENTURE, SOLELY BY A PLEDGE OF THE REVENUES AND OTHER FUNDS PLEDGED UNDER THE INDENTURE. THE BONDS, TOGETHER WITH PREMIUM, IF ANY, AND INTEREST THEREON, ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY, PAYABLE SOLELY FROM THE REVENUES AND ARE A VALID CLAIM OF THE OWNERS FROM TIME TO TIME THEREOF ONLY AGAINST THE MONEYS HELD BY THE TRUSTEE AND THE TENDER AGENT AND PLEDGED TO THE PAYMENT OF THE BONDS, AND THE REVENUES, WHICH REVENUES SHALL BE USED FOR NO OTHER PURPOSE THAN TO PAY THE PRINCIPAL INSTALLMENTS OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, EXCEPT AS MAY BE OTHERWISE EXPRESSLY AUTHORIZED IN THE INDENTURE OR THE AGREEMENT. THE BONDS ARE NOT AN INDEBTEDNESS OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR THE GENERAL CREDIT TAXING POWERS OF THE STATE, THE CITY, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, AND SHALL NEVER GIVE RISE TO ANY PECUNIARY LIABILITY OF THE CITY, AND NEITHER THE CITY, THE STATE NOR ANY OTHER POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE FOR THE PAYMENTS OF PRINCIPAL OF AND, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, AND THE BONDS ARE PAYABLE FROM NO OTHER SOURCE, BUT ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY, PAYABLE SOLELY OUT OF THE REVENUES AND RECEIPTS OF THE CITY DERIVED PURSUANT TO THE AGREEMENT. NO OWNER OF THE BONDS HAS THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING POWER OF THE STATE, THE CITY OR ANY OTHER POLITICAL SUBDIVISION THEREOF TO PAY THE BONDS OR THE INTEREST OR PREMIUM, IF ANY, THEREON.

No recourse shall be had for the payment of the principal or premium, if any, or purchase price of, or interest on, this Bond, or for any claim based hereon or on the Indenture, against any member, officer or employee, past, present or future, of the City or of any successor body, as such, either directly or through the City or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise.

This Bond is not valid unless the Certificate of Authentication endorsed hereon is duly executed by the Paying Agent.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or electronic transmission signature of its Mayor and its corporate seal or a electronic transmission thereof to be affixed, imprinted, lithographed or reproduced hereon and attested by the manual or electronic transmission signature of its City Clerk or Deputy City Clerk.

CITY OF CHICAGO

By: _____
Mayor

[Seal]

Attest:

City Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Bonds of the issue described in the within mentioned Trust Indenture.

Date of Authentication:

as Authenticating Agent

By: _____
Authorized Signatory

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

Unif Gift Min Act	-- Uniform Gifts to Minor Act
Cust	-- Custodian
Ten Com	-- as tenants in common
Ten Ent	-- as tenants by the entireties
Jt Ten	-- as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For Value Received, the undersigned sells, assigns and transfer unto _____

(Name, Address and Taxpayer Identification Number of Assignee)

the Variable Rate Demand Multi-Family Housing Revenue Bond (_____

Project) Series 2006B (the "Bond") of the City of Chicago, numbered _____

and does hereby irrevocably constitute and appoint _____ to transfer the

Bond 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 as it appears upon the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or on such other guarantee program acceptable to the Trustee.

[Form of Bondholder Tender Notice]

BONDHOLDER TENDER NOTICE

The undersigned hereby elects to have the Variable Rate Demand Multi-Family Housing Revenue Bond (_____ Project) Series 2006B, numbered _____ (the "Bond") of the City of Chicago (the "City") (or any portion thereof in any authorized denomination) purchased in accordance with the provisions of the Bond and the Trust Indenture (the "Indenture") dated as of _____, 2006, by and from the City to _____, Chicago, Illinois, as Trustee (the "Trustee"), on _____ (the "Purchase Date"), which Purchase Date shall be a Business Day at least seven days immediately following the submission of this Bondholder Tender Notice to _____, as tender agent (the "Tender Agent") (unless the owner of the Bond shall have given telephonic notice of its election to tender the Bond at the opening of business of the Tender Agent, confirmed by submission of this Bondholder Tender Notice not more than two Business Days after such telephonic notice, in which event such Purchase Date shall be a Business Day at least seven days immediately following the date of such telephonic notice), at the purchase price of 100 percent of the principal amount thereof being purchased plus accrued interest to the date of purchase (the "Purchase Price"). The Bond may be tendered for purchase in part in the principal amount of \$100,000 or any integral multiple of \$5,000 in excess thereof, but the Bond shall not be tendered for purchase if the unpurchased part of the Bond shall be less than \$100,000.

Pursuant to the terms of the Indenture, the Purchase Price of the Bond (or portion thereof) to be purchased shall be paid to the Registered Owner of the Bond in immediately available funds, as provided in the Indenture, at or before 3:00 P.M., New York time, on the Purchase Date (or, if the Purchase Date is not a Business Day, as defined in the Indenture, then on the immediately following Business Day) upon presentation of the Bond to the Tender Agent, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on this Bond or in such other form acceptable to the Tender Agent), at or before 10:00 A.M., New York time, on the Purchase Date (or if the Purchase Date is not a Business Day, on the immediately following Business Day), at:

The undersigned hereby acknowledges and agrees to such terms.

This Bondholder Tender Notice shall not be accepted by the Tender Agent unless it is properly completed and received by the Tender Agent at the address designated above. If this Bond is submitted for purchase in part, the undersigned hereby directs the Tender Agent to exchange this Bond for (i) a Bond representing the principal amount of the Bond to be purchased, and (ii) a Bond (or Bonds of authorized denominations if the owner specifies the authorized denominations) representing the principal amount of the Bond not to be purchased. The Bond or Bonds not to be purchased shall be registered in the same name(s) as this Bond tendered for purchase. Unless the Registered Owner of this Bond delivers instructions to the Tender Agent with this Bondholder Tender Notice, specifying that said Registered Owner wishes to have the Tender Agent deliver more than one Bond representing the principal amount of the

Bond not to be purchased, and specifying the authorized denominations of such replacement Bonds, the Tender Agent will deliver only one replacement Bond to such Registered Owner in the principal amount of the Bond not to be purchased.

THIS ELECTION IS IRREVOCABLE AND BINDING
ON THE UNDERSIGNED AND CANNOT BE WITHDRAWN.

The undersigned hereby authorizes the Tender Agent to accept on behalf of the undersigned the Purchase Price of the Bond (or portion thereof) subject to this Bondholder Tender Notice.

Print or Type:

Name(s) of Bondholder(s)

Street City State Zip

Area Code Telephone Number

Signature(s): _____

Date: _____

Note: The signature(s) to this Bondholder Tender Notice must correspond exactly to the name(s) appearing on the registration books of the City maintained by _____ as Bond Registrar, in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.
The principal amount of this Bond requested to be purchased pursuant to this Bondholder Tender Notice is

\$_____. (Insert Total Principal Amount
of Bond or a portion thereof in the amount of \$100,000 or any integral multiple of
\$5,000 in excess thereof)

IF NO AMOUNT IS INDICATED IN THE SPACE ABOVE, THE REGISTERED OWNER OF THIS BOND SUBJECT TO THIS BONDHOLDER TENDER NOTICE WILL BE DEEMED TO HAVE TENDERED THE BOND IN ITS FULL PRINCIPAL AMOUNT FOR PURCHASE.

SPECIAL DELIVERY INSTRUCTIONS

To be completed only if the Registered Owner of this Bond is the Registered Owner of at least \$1,000,000 in aggregate principal amount of this Bond and the issue of which it is a part, and wishes to direct the Tender Agent to wire transfer the purchase price of the Bond (or portion thereof) to be purchased.

Wire transfer purchase price to:

Account Number: _____

Location of Account: _____

(Include Zip Code)

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued, as in this Indenture provided, valid, binding and legal special, limited obligations of the City, and to constitute this Indenture a valid and binding agreement securing payment of the principal of, premium, if any, and interest on all Bonds issued and to be issued hereunder, have been done and performed; and the creation, execution and delivery of this Indenture and the creation, execution and issuance of the Bonds, subject to the terms hereof, in all respects duly have been authorized;

GRANTING CLAUSES

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH: That, to secure the payment of the principal and purchase price of, and premium, if any, and interest on the Bonds according to their tenor and effect and the performance of all covenants and conditions therein and herein contained, and on a subordinated basis, to secure the obligations of the Borrower to the Bank under the Reimbursement Agreement, and in consideration of the premises, and of the purchase of the Bonds by the holders thereof, the City by these presents does grant, to the Trustee and its successors in trust, a lien on and a security interest in the following described property, rights, privileges and franchises,

GRANTING CLAUSE FIRST

All right, title and interest and privilege of the City now owned or hereafter acquired in, to and under the Agreement and any agreement supplementing, extending or modifying the same, including, without limitation, all present and future rights of the City to make claim for, collect and receive any income, revenues, issues, profits, insurance proceeds and other sums of money payable to or for the account of or receivable by the City under the Agreement (whether payable pursuant to the Agreement or otherwise), to bring actions and proceedings under the Agreement or for the enforcement thereof, to pursue the remedies provided in the Agreement

upon the occurrence of an event of default thereunder, and to do any and all things that the City is or may become entitled to do under the Agreement, but excluding the rights of the City (a) to receive payment of expenses and attorneys' fees thereunder, (b) for indemnification under Section 5.2 of the Agreement, (c) to receive notices and other documents under the Agreement, and (d) to inspect the Project Facilities and the books and records of the Borrower under Sections 5.1 and 5.3 of the Agreement;

GRANTING CLAUSE SECOND

All monies and securities held by the Trustee in any of the funds or accounts established under this Indenture (except certain amounts held in the Bond Purchase Fund, as provided herein), subject, however, to the application thereof to the uses and in the manner set forth in this Indenture;

GRANTING CLAUSE THIRD

All property which is by the express provisions of this Indenture required to be subject to the lien hereof and any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien hereof, by the City or by anyone in its behalf, and the Trustee is hereby authorized to receive the same at any time as additional security hereunder; and

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights, accounts receivable, chattel paper, instruments, general intangibles or other rights and the proceeds thereof, which may, by delivery, assignment or otherwise, be subject to the lien and security interest created by this Indenture, to the Trustee and its successors in trust and assigns forever.

IN TRUST, NEVERTHELESS, upon the terms and conditions herein set forth for the equal and proportionate benefit, security and protection of all present and future Owners of the Bonds issued under and secured by this Indenture, without preference, privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any other of the Bonds except as provided herein; and on a subordinated basis for the benefit, security and protection of the Bank as described above.

PROVIDED that if the City, its successors and assigns, shall well and truly pay or cause to be paid the principal or redemption price of the Bonds and the interest due or to become due thereon, at the times and in the manner recited in the form of Bond hereinbefore set forth according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as required under Article V hereof or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon (or Governmental Obligations, as hereinafter defined, sufficient for that purpose as provided in Article VIII hereof), and shall well and truly keep, perform and observe all the covenants and conditions required pursuant to the terms of this Indenture to be kept, performed and observed by it, 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, and shall pay all amounts owing to the Bank under the Reimbursement Agreement and return the Letter of Credit to the Bank for cancellation,

then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void, and the Trustee shall forthwith release, surrender and otherwise cancel any interest it may have in the Agreement and the Note; otherwise this Indenture be and remain in full force and effect.

THIS TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said payments, revenues, rents and receipts hereby pledged are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners, from time to time, of the said Bonds, as follows:

ARTICLE I.

DEFINITIONS

All words and phrases defined in Article I of the Agreement shall have the same meanings in this Indenture. In addition, the following words and phrases shall have the following meanings:

"Acquisition and Construction Fund" means the City of Chicago Acquisition and Construction Fund (_____ Project), created and established in Section 6.6 of this Indenture.

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

"Agreement" means the Loan Agreement dated as of _____, 2006, by and between the City and the Borrower, as from time to time supplemented and amended.

"Alternate Credit Facility" means an irrevocable letter of credit, a surety bond, an insurance policy or other credit facility delivered to the Trustee pursuant to Section 5.7(d) of the Agreement.

"Authenticating Agent" means the Trustee or the Paying Agent.

"Available Moneys" mean (a) with respect to any date on which principal of, premium, if any, or interest on the Bonds is due or the purchase price of any Bond is payable during the term of the Letter of Credit, (i) Bond proceeds deposited with the Trustee contemporaneously with the issuance and sale of the Bonds and which were continuously thereafter held subject to the lien of this Indenture in a separate and segregated fund, account or subaccount established hereunder in which no moneys which were not Available Moneys were at any time held, together with investment earnings on such Bond proceeds; (ii) moneys (A) paid by the Borrower to the Trustee, (B) held in any fund, account or subaccount established hereunder in which no other moneys which are not Available Moneys are held, and (C) which have so been on deposit with the Trustee for at least 123 consecutive days from their receipt by the Trustee during and prior to

which period no petition by or against the City or the Borrower under any bankruptcy or similar law now or hereafter enacted shall have been filed (unless such petition shall have been dismissed and such dismissal be final and not subject to appeal), together with investment earnings on such moneys; (iii) moneys received by the Trustee from any draw on the Letter of Credit, together with investment earnings on such moneys; (iv) proceeds from the remarketing of any Bonds pursuant hereto to any person other than the Borrower, any affiliate or general partner of the Borrower, the City or any person which is an "insider" of any such person within the meaning of Title 11 of the United States Code, as amended (the "*Bankruptcy Code*"); (v) the proceeds of any obligations issued to refund the Bonds (and the proceeds of the investment thereof); and (vi) any other moneys or securities, if there is delivered to the Trustee at the time of issuance and sale of such Bonds an opinion (which may assume that no owner of Bonds is an "insider" within the meaning of the *Bankruptcy Code*) of nationally recognized bankruptcy counsel to the effect that the use of such proceeds to pay the principal of, premium, if any, or interest on the Bonds would not be avoidable as preferential payments under Section 547 of the *Bankruptcy Code* which could be recovered under Section 550(a) of the *Bankruptcy Code* should the City or the Borrower become a debtor in a case or proceeding commenced thereunder and (b) with respect to any date on which principal of, premium, if any, or interest on the Bonds is due or the purchase price of any Bond is payable during a period in which the Letter of Credit is not in effect, any moneys furnished to the Trustee pursuant to this Indenture and the proceeds from the investment thereof. Notwithstanding the foregoing, when used with respect to the payment of any amounts due in respect of Borrower Bonds, the term "*Available Moneys*" shall mean any moneys held by the Trustee and the proceeds from the investment thereof, except for moneys drawn under the Letter of Credit.

"*Bank*" means _____, Chicago, Illinois, in its capacity as the issuer of the initial Letter of Credit pursuant to Section 5.7(a) of the Agreement, its successors in such capacity and their assigns, and the issuer of any substitute Letter of Credit or Alternate Credit Facility pursuant to Section 5.7(c) or Section 5.7(d) of the Agreement, its successors in such capacity and their assigns.

"*Beneficial Owners*" means the person in whose name a Bond is recorded as beneficial owner of such Bond by the Depository as a participant or indirect participant.

"*Bond*" or "*Bonds*" means the Variable Rate Demand Multi-Family Housing Revenue Bonds (_____ Project) Series 2006B of the City, in the original aggregate principal amount of \$_____ issued pursuant to this Indenture.

"*Bond Counsel*" means the counsel who rendered the opinion as to the tax-exempt status of the interest on the Bonds on the date of the issuance, sale and delivery of the Bonds or such other nationally recognized municipal bond counsel of recognized expertise with respect to such matters as may be mutually satisfactory to the City, the Borrower, the Bank and the Trustee.

"*Bond Fund*" means the City of Chicago Bond Fund (_____ Project), created and established by Section 6.2 of this Indenture.

"*Bond Ordinance*" means the ordinance adopted by the City Council of the City on _____, 2006, which authorizes the issuance of the Bonds.

"Bond Purchase Agreement" means the Bond Purchase Agreement dated _____, 2006, among the City, the Borrower and the Underwriter, as from time to time supplemented and amended, relating to the purchaser by the Underwriter of the Bonds.

"Bond Purchase Fund" means the City of Chicago Bond Purchase Fund (_____ Project) created and established by Section 6.8 of this Indenture.

"Bond Registrar" means _____, Chicago, Illinois, and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor bond registrar at the time serving as such hereunder.

"Bondholder" or **"holder"** or **"owner"** of a Bond means the Registered Owner of such Bonds.

"Borrower" means _____, an Illinois limited partnership, its successors and assigns.

"Borrower Bonds" means any Bonds (i) owned or held by the Borrower or the City or an agent of the Trustee for the account of the Borrower or the City or (ii) with respect to which the Borrower or the City has notified the Trustee, or which the Trustee actually knows, was purchased by another person for the account of the Borrower or the City.

"Business Day" means any day other than (i) a day on which banking institutions in the city in which the principal corporate trust office of the Trustee or the Tender Agent is located are required or authorized by law to remain closed, (ii) a day on which banking institutions in the city in which the office of the Bank where drawings under the Letter of Credit are to be made is located are required or authorized by law to remain closed, (iii) a day on which the principal office of the Remarketing Agent is required or authorized by law to remain closed or (iv) a day on which the New York Stock Exchange is closed.

"Cap Rate" means the rate per annum equal to the least of (a) 18 percent per annum, (b) the maximum interest rate at the time then specified in the Letter of Credit (initially, 10 percent per annum) or (c) the maximum contract rate of interest permitted by the laws of the State.

"City" means the City of Chicago, party of the first part to this Indenture, and its lawful successors and assigns.

"Code" means the federal Internal Revenue Code of 1986, as amended, and any regulations, temporary regulations and proposed regulations promulgated thereunder, or applicable thereto.

"Conversion Date" means the date on which the Fixed Rate on the Bonds is effective pursuant to Section 2.2 hereof.

"Cost" or **"Costs"** means any cost in respect of the Project permitted under the Agreement.

"Depository" means DTC, or any other person who shall be an owner of all Bonds directly or indirectly for the benefit of Beneficial Owners and approved by the City, the Borrower, the Trustee and the Remarketing Agent to act as the Depository; provided that any Depository shall be registered or qualified as a *"clearing agency"* within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended.

"Determination of Taxability" means (i) the receipt by the Borrower of a written notice from the Trustee or the receipt by the Borrower and the Trustee of a written notice from any owner of any Bond of the issuance of a preliminary letter regarding a proposed deficiency or a statutory notice of deficiency by the Internal Revenue Service which holds, in effect, that the interest payable on such Bond, or any installment thereof, is includible in the federal gross income of the taxpayer named therein (other than a *"substantial user"* of the Project Facilities or a *"related person,"* within the meaning of Section 147(a) of the Code); or (ii) the delivery to the Borrower and the Trustee of an opinion of Bond Counsel to the effect that the interest payable on any Bond, or any installment thereof, is includible in the federal gross income of the taxpayer named therein (other than a *"substantial user"* of the Project Facilities or a *"related person,"* within the meaning of Section 147(a) of the Code); or (iii) filing by the Borrower with the Trustee, any owner of any Bond or the Internal Revenue Service of any certificate, statement, or other tax schedule, return or document which discloses that the interest payable on any Bond, or any installment thereof, is includible in the federal gross income of the owner of any Bond or any former owner of any Bond (other than a *"substantial user"* of the Project Facilities or a *"related person,"* within the meaning of Section 147(a) of the Code); or (iv) any amendment, modification, addition or change shall be made in any provision of the Code or in any regulation or proposed regulation thereunder, or any ruling shall be issued or revoked by the Internal Revenue Service; or any other action shall be taken by the Internal Revenue Service, the Department of Treasury or any other governmental agency, authority or instrumentality, or any opinion of any federal court or of the United States Tax Court shall be rendered, and the Trustee, the Bank or the owner of any Bond shall have notified the Borrower and the Trustee in writing that, as a result of any such event or condition, Bond Counsel is unable to give an unqualified opinion that the interest payable on any Bond, or any installment thereof, made on or after a date specified in said notice is excludible from the federal gross income of the taxpayer named therein (other than a *"substantial user"* of the Project Facilities or a *"related person,"* within the meaning of Section 147(a) of the Code). No event described in clause (i) above shall constitute a Determination of Taxability unless the Borrower has been afforded the opportunity to contest the same either directly or in the name of any Bondholder or Beneficial Owner, and until conclusion of any appellate review, if sought.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Event of Default" means any occurrence or event specified as such in Section 9.1 hereof.

"Fixed Rate" means the interest rate to be borne by the Bonds on and after the Conversion Date, established in accordance with Section 2.2 hereof.

"Fixed Rate Interest Payment Date" has the meaning set forth in Section 2.2 hereof.

"Fixed Rate Period" means the period from and after the Conversion Date until the maturity date of the Bonds.

"Governmental Obligations" means noncallable, direct general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Indenture" means this Trust Indenture, as from time to time supplemented and amended.

"Interest Payment Date" means, as the context requires, a Variable Rate Interest Payment Date or a Fixed Rate Interest Payment Date.

"Land Use Restriction Agreement" means the Land Use Restriction Agreement dated as of the date hereof, among the City, the Borrower and the Trustee.

"Letter of Credit" means the initial irrevocable, transferable Letter of Credit delivered to the Trustee pursuant to Section 5.7(a) of the Agreement, and, unless the context of use indicates another or different meaning or intent, any substitute Letter of Credit delivered to the Trustee pursuant to Section 5.7(c) of the Agreement, and any extensions or amendments thereof.

"Letter of Credit Substitution" means the delivery of a substitute Letter of Credit to the Trustee pursuant to Section 5.7(c) of the Agreement.

"Letter of Credit Substitution Date" means the fifth Business Day next preceding the proposed date of a Letter of Credit Substitution.

"Letter of Credit Termination Date" means the first Business Day of the calendar month in which the Stated Expiration Date of the Letter of Credit is to occur (as extended from time to time), unless the Borrower shall have caused the delivery of a substitute Letter of Credit to the Trustee pursuant to Section 5.7(c) of the Agreement at least 35 days prior to such Letter of Credit Termination Date.

"Moody's" means Moody's Investors Service, Inc., a corporation duly organized and validly existing under the laws of the State of Delaware, and its successor and assigns.

"Note" means the promissory note of the Borrower made payable to the Trustee pursuant to Section 4.2(a) of the Agreement.

"Outstanding" or "Bonds outstanding" means all Bonds which have been authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds canceled after purchase or because of payment at maturity or upon redemption prior to maturity;

(b) Bonds or portions thereof (of authorized denominations) deemed to be paid, as provided in Article VIII hereof;

(c) Bonds in lieu of which other Bonds have been authenticated under Sections 2.7, 2.8, 3.2, 4.1 and 4.2 hereof; and

(d) Unsurrendered Bonds.

If this Indenture shall have been discharged pursuant to the provisions of Article VIII hereof, no Bonds shall be deemed to be Outstanding within the meaning of this provision.

"Paying Agent" means the Bond Registrar, serving as paying agent pursuant to this Indenture.

"Project" means the acquisition, construction and equipping of the Project Facilities.

"Project Facilities" means, collectively, the real estate and other property located at _____, Chicago, Illinois, including all of the buildings and improvements to be erected or installed therein and thereon, together with fixtures, machinery, furnishings and equipment included therein and all replacements thereto.

"Proposed Conversion Date" means any Interest Payment Date designated by the Borrower as the Conversion Date under this Indenture.

"Purchased Bonds" has the meaning set forth in Section 6.9 hereof.

"Rating Agency" means S&P, Moody's, and their respective successors and assigns, and, if for any reason either such rating agency no longer performs the functions of a securities rating agency, any other nationally recognized securities rating agency designated by the City and approved in writing by the Borrower and the Bank.

"Rating Category" or *"Rating Categories"* means one or more of the generic rating categories of a nationally recognized securities rating agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

"Record Date" means, during the Variable Rate Period, the Business Day immediately preceding a Variable Rate Interest Payment Date on the Bonds, and during the Fixed Rate Period, the fifteenth day of the calendar month immediately preceding a Fixed Rate Interest Payment Date on the Bonds.

"Registered Owner" means the person or persons in whose name or names a Bond is registered on the registration books of the City maintained by the Bond Registrar for that purpose in accordance with the terms of this Indenture.

"Reimbursement Agreement" means the Letter of Credit and Reimbursement Agreement dated as of _____, 2006, between the Borrower and the Bank, as from time to time supplemented and amended, under the terms of which the Bank agrees to issue and deliver the initial Letter of Credit to the Trustee; and, unless the context or use indicates another or different meaning or intent, any letter of credit agreement or reimbursement agreement between the Borrower and the issuer of any substitute Letter of Credit delivered to the Trustee pursuant to Section 5.7(b), Section 5.7(c) or Section 5.7(d) of the Agreement, as from time to time

supplemented and amended, which provides that it is a Reimbursement Agreement for purposes of the Agreement and this Indenture.

"Remarketing Agent" means _____, and any successors thereto, appointed in accordance with Section 10.11 hereof.

"Remarketing Agreement" means the Remarketing Agreement dated as of _____, 2006, by and between the Borrower and the Remarketing Agent, as from time to time supplemented and amended.

"Representation Letter" means the Blanket Issuer Letter of Representations from the City and accepted by DTC.

"Revenues" means the amounts pledged to the payment of the principal of, premium, if any, and interest on the Bonds, consisting of the following: (i) all amounts payable pursuant to Section 4.2(a) of the Agreement, including amounts payable on the Note, and all receipts of the Trustee credited under the provisions of this Indenture against said amount payable, including all moneys drawn by the Trustee under the Letter of Credit to pay the principal of, premium, if any, and interest on the Bonds, (ii) any portion of the net proceeds of the Bonds deposited with the Trustee under Sections 6.1 and 6.7 hereof, and (iii) any amounts paid into the Bond Fund from the Acquisition and Construction Fund, including income on investments of the Bond Fund and the Acquisition and Construction Fund.

"S&P" means Standard & Poor's, a Division of The McGraw-Hill Companies, Inc., and its successors and assigns.

"State" means the State of Illinois.

"Stated Expiration Date" means the fifteenth day of a calendar month, which day is the date on which the Letter of Credit is stated to expire.

"Substantial User" means "substantial user" within the meaning of Section 147(a) of the Code (or any successor sections thereto).

"Tax Agreement" means the Arbitrage and Tax Regulatory Agreement dated as of the date of issuance of the Bonds, among the Borrower, the City and the Trustee.

"Tender Agent" means _____, Chicago, Illinois, serving as tender agent pursuant to this Indenture and any successor tender agent at the time serving as such hereunder.

"Trust Estate" means the property conveyed to the Trustee pursuant to the Granting Clauses of this Indenture.

"Trustee" means _____, Chicago, Illinois, a national banking association and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

"Underwriter" means _____, Chicago, Illinois, the initial purchaser of the Bonds.

"Unsurrendered Bonds" means Bonds (or portions thereof in authorized denominations) which are not tendered as required under the provisions of Section 4.1 and Section 4.2 hereof, but for which there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the purchase price thereof and of all other Bonds tendered or deemed to be tendered for purchase on the applicable Mandatory Tender Date, as defined in Section 4.2 hereof.

"Variable Rate" means the interest rate on the Bonds from time to time in effect during the Variable Rate Period, as established in Section 2.2 hereof.

"Variable Rate Interest Payment Date" has the meaning set forth in Section 2.2 hereof.

"Variable Rate Period" means the period from the date of the initial delivery of the Bonds to the earlier of the Conversion Date or the maturity date of the Bonds.

ARTICLE II.

THE BONDS

Section 2.1. Authorized Amount of Bonds/Authentication and Delivery of Bonds. The total principal amount of Bonds that may be issued is hereby expressly limited to \$ _____ except as provided in Sections 2.7, 2.8, 3.2, 4.1 and 4.2 hereof.

The Trustee, forthwith upon execution and delivery of this Indenture or thereafter, from time to time, upon execution and delivery to the Trustee by the City of the Bonds, and without any further action on the part of the City, shall authenticate the Bonds in an aggregate principal amount not to exceed \$ _____, and shall deliver the Bonds upon the request of the City.

Section 2.2. Issuance of Bonds; Disposition of Proceeds. The Bonds shall be designated "City of Chicago, Variable Rate Demand Multi-Family Housing Revenue Bonds (_____ Project) Series 2006B," and shall be in the aggregate principal amount of \$ _____. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article II. Except as provided in Section 3.2 hereof, the Bonds shall be issuable only as fully registered Bonds without coupons in denominations of \$100,000 and any integral multiple of \$5,000 in excess thereof during the Variable Rate Period, and in denominations of \$5,000 and any integral multiple thereof during the Fixed Rate Period. Unless the City shall otherwise direct, the Bonds shall be numbered separately from R-1 upward.

All Bonds shall be dated the date of initial issuance and delivery thereof by the City, and shall mature on _____ 1, 200__ (subject to prior redemption as hereinafter provided in Article III). Bonds shall also bear the date of their respective authentication as specified in Section 2.4 hereof. Interest on the Bonds shall be payable during the Variable Rate Period on _____ 1, 200__, on the first Business Day of each calendar month thereafter and on the Conversion Date (each a "Variable Rate Interest Payment Date"), until the earlier of the Conversion Date or the maturity date of the Bonds; and during the Fixed Rate Period on the first

day of the [January] or [July] immediately following the Conversion Date and on the first day of each [January] and [July] thereafter (each a "*Fixed Rate Interest Payment Date*"), until paid.

The Bonds shall bear interest at the rate that is in effect from time to time in accordance with the provisions hereinafter set forth (calculated during the Variable Rate Period on the basis of a calendar year consisting of 365 or 366 days, as the case may be, and calculated on the actual number of days elapsed, and calculated during the Fixed Rate Period on the basis of a calendar year of 360 days consisting of twelve 30-day months). Interest shall accrue on overdue payments of principal, premium, if any, and interest as provided in the form of Bond. The Bonds shall bear interest at the Variable Rate during the Variable Rate Period from the Variable Rate Interest Payment Date to which interest on the Bonds has been paid or duly provided for immediately preceding the date of authentication thereof, unless (a) such date of authentication shall be dated on or prior to the Record Date for the first Variable Rate Interest Payment Date, in which case the Bonds shall bear interest from the date of the initial delivery of the Bonds, or (b) such date of authentication shall be after a Record Date and prior to a Variable Rate Interest Payment Date to which interest on the Bonds has been paid or duly provided for, in which case the Bonds shall bear interest from such Variable Rate Interest Payment Date; and shall bear interest at the Fixed Rate during the Fixed Rate Period from the Fixed Rate Interest Payment Date to which interest on the Bonds has been paid or duly provided for immediately preceding the date of authentication thereof, unless (a) such date of authentication shall be on or prior to the Record Date for the first Fixed Rate Interest Payment Date immediately following the Conversion Date, in which case the Bonds shall bear interest from the Conversion Date, or (b) such date shall be a Fixed Rate Interest Payment Date to which interest on the Bonds has been paid or duly provided for, in which case the Bonds shall bear interest from such Fixed Rate Interest Payment Date.

During the Variable Rate Period, the Bonds shall bear interest from the date of the initial delivery of the Bonds or the Thursday of a week, as the case may be, to and including the Wednesday of the next week at the Variable Rate for such interest rate period (an "*Interest Rate Period*") as follows: (i) during the initial Interest Rate Period, as measured from the date of the initial delivery of the Bonds to and including the Wednesday of the immediately following week, at a rate of ____ percent, and (ii) during each Interest Rate Period thereafter, at a rate equal to the lesser of (a) the Cap Rate, or (b) the interest rate established by the Remarketing Agent in the following manner: on the Wednesday of each week succeeding the initial delivery date (or the immediately preceding Business Day if any such Wednesday is not a Business Day), the Remarketing Agent shall determine the interest rate that would result in the market value of the Bonds on the effective date of such interest rate being 100 percent of the principal amount thereof, and on such date shall give notice of the interest rate so determined by telephone or electronic transmission to the Trustee, the Paying Agent, the Borrower and the Bank, and the interest rate so determined (if not greater than the Cap Rate) shall be the interest rate on the Bonds for the immediately following Interest Rate Period; provided that if for any reason the interest rate on the Bonds for any such Interest Rate Period is not or cannot be established in the foregoing manner, the Variable Rate for the immediately preceding interest rate period shall remain in effect for such Interest Rate Period. The Trustee shall confirm the interest rate on the Bonds from time to time in effect by telephone (confirmed in writing if requested). The determination of the Variable Rate shall be conclusive and binding on the City, the Borrower, the

Trustee, the Tender Agent, the Paying Agent, the Remarketing Agent, the Bank and the Registered Owners from time to time of the Bonds.

Notwithstanding the above, the Bonds shall bear interest at the Fixed Rate for the Fixed Rate Period equal to the lesser of (a) the Cap Rate, or (b) the interest rate established by the Remarketing Agent in the following manner: in order to establish the Fixed Rate, the City, the Trustee, the Remarketing Agent and the Tender Agent shall have received written notice from the Borrower of the exercise of its option to convert the interest rate borne by the Bonds to the Fixed Rate at least 45 days prior to the Proposed Conversion Date, together with the written consent of the Bank. On or before the Business Day next preceding the Proposed Conversion Date, the Remarketing Agent shall determine the interest rate that would result in the market value of the Bonds on the Proposed Conversion Date being 100 percent of the principal amount thereof, and on such date shall give notice by electronic transmission or telephone, promptly confirmed in writing, of the interest rate so determined to the City, the Trustee, the Borrower, the Tender Agent and the Bank, and the interest rate so determined shall be the Fixed Rate from and after the Conversion Date. Notwithstanding the foregoing, such Fixed Rate shall not take effect if there shall not have been supplied to the City, the Trustee, the Borrower, the Remarketing Agent, the Tender Agent and the Bank at or prior to 10:00 A.M., New York time, on the Proposed Conversion Date an opinion of Bond Counsel stating that such conversion to the Fixed Rate is lawful under applicable law and permitted by the Indenture and that such conversion to the Fixed Rate will not have an adverse effect on the exclusion of the interest on the Bonds from the gross income of the Registered Owners thereof for purposes of federal income taxation. If all conditions to the establishment of the Fixed Rate are not met, the Bonds shall bear interest at the Variable Rate for the remaining portion of the current Interest Rate Period at the Variable Rate then in effect, or for an Interest Rate Period at the Variable Rate in effect for the immediately preceding Interest Rate Period and will continue to remain outstanding in accordance with the terms of this Indenture as if no such election had been made by the Borrower to convert the interest rate borne by the Bonds to the Fixed Rate. The determination of the Fixed Rate shall be conclusive and binding on the City, the Borrower, the Trustee, the Remarketing Agent, the Tender Agent, the Bank and the owners from time to time of all the Bonds.

Notwithstanding any term or provision hereof to the contrary, there shall be no Letter of Credit, substitute Letter of Credit or Alternate Credit Facility with respect to Bonds in the Fixed Rate Period, unless the Trustee shall have received an opinion of Bond Counsel to the effect that the addition or extension of any Letter of Credit, substitute Letter of Credit or Alternate Credit Facility with respect to the Bonds in the Fixed Rate Period will not have an adverse effect on the exclusion of interest on the Bonds from the gross income of the Registered Owners thereof for purposes of federal income taxation.

The Bond Registrar shall stamp a legend on the face of each Bond authenticated on or after the Conversion Date in substantially the following form:

"This Bond bears interest at the Fixed Rate, as defined in this Bond, which is ____% per annum, from and after _____."

The Bonds shall be subject to redemption prior to maturity as set forth in Article III hereof, and shall be subject to tender for purchase as set forth in Article IV hereof.

The proceeds derived from the issuance of the Bonds shall be applied as provided in Section 2.10 hereof.

Section 2.3. Execution; Limited Obligation. The Bonds shall be executed on behalf of the City with the manual or electronic transmission signature of its Mayor and shall have impressed or imprinted thereon the official seal of the City or a electronic transmission thereof and shall be attested by the manual or electronic transmission signature of its City Clerk or Deputy City Clerk. All authorized electronic transmission signatures shall have the same force and effect as if manually signed. If any official whose signature or a electronic transmission of whose signature shall appear on the Bonds shall cease to be such official before the authentication or delivery of such Bonds, such signature or such electronic transmission shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery. The Bonds may be signed on behalf of the City by such persons who, at the time of the execution of such Bonds, are duly authorized or hold the appropriate office of the City, although on the date of the Bonds such persons were not so authorized or did not hold such offices.

The Bonds, together with premium, if any, and interest thereon, are special, limited obligations of the City, payable solely from the Revenues and are a valid claim of the owners from time to time thereof only against the Bond Fund and other moneys held by the Trustee and the Tender Agent and pledged to the payment of the Bonds, and the Revenues, which Revenues shall be used for no other purpose than to pay the principal installments of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in this Indenture or the Agreement. The Bonds are not an indebtedness of the City or a charge against its general credit or the general credit taxing powers of the State, the City, or any other political subdivision thereof, and shall never give rise to any pecuniary liability of the City, and neither the City, the State nor any other political subdivision thereof shall be liable for the payments of principal of and, premium, if any, and interest on the Bonds, and the Bonds are payable from no other source, but are special, limited obligations of the City, payable solely out of the Revenues and receipts of the City derived pursuant to the Agreement. No owner of the Bonds has the right to compel any exercise of the taxing power of the State, the City or any other political subdivision thereof to pay the Bonds or the interest or premium, if any, thereon.

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on the Bonds or for any claim based thereon or any obligation, covenant or agreement in this Indenture against any official of the City, or any official, officer, agent, employee or independent contractor of the City or any person executing the Bonds. No covenant, stipulation, promise, agreement or obligation contained in the Bonds, this Indenture or any other document executed in connection herewith shall be deemed to be the covenant, stipulation, promise, agreement or obligation of any present or future official, officer, agent or employee of the City in his or her individual capacity and neither any official of the City nor any officers executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds.

Section 2.4. Authentication. No Bond is valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond substantially in the form hereinabove set forth has been duly executed by the

Authenticating Agent, and such executed certificate of the Authenticating Agent upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture and that the Bondholder thereof is entitled to the benefit of the trust hereby created.

Section 2.5. Form and Place of Payment of Bonds. The Bonds issued under this Indenture shall be substantially in the form hereinabove set forth with such variations, omissions and insertions as are permitted or required by this Indenture.

The principal of and premium, if any, and interest on the Bonds is payable in lawful money of the United States of America only at the principal corporate trust office of the Paying Agent. Payment of interest on any Bond due on any regularly scheduled Interest Payment Date shall be made to the Registered Owner thereof. Payments of interest on any Bond shall be made by check or draft of the Paying Agent mailed on the applicable Interest Payment Date to the Registered Owner thereof as of the Record Date preceding such Interest Payment Date at the address of such Registered Owner as it appears on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished to the Paying Agent in writing by such Registered Owner no later than the close of business on such Record Date; provided that on or prior to the Conversion Date, payments of interest on any Bond may be made by wire transfer in immediately available funds to the Registered Owner of such Bond if such Registered Owner is the Registered Owner of at least \$1,000,000 in aggregate principal amount of the Bonds as of the close of business on the Record Date immediately preceding the applicable Interest Payment Date and such Registered Owner gives written notice to the Paying Agent on or before the second Business Day immediately preceding such Record Date, directing the Paying Agent to make such payments of interest by wire transfer and identifying the location and number of the account to which such payments should be wired. The Trustee shall transfer to the Paying Agent, from moneys on deposit in the Bond Fund, on or before a scheduled payment date, amounts sufficient to make such payments to the Registered Owner in immediately available funds.

Section 2.6. Delivery of Bonds. Upon the execution and delivery of this Indenture, the City shall execute and deliver to the Trustee and the Trustee shall authenticate the Bonds and deliver them to the purchaser or purchasers thereof as directed by the City as hereinafter in this Section 2.6 provided.

Prior to the delivery of any of the Bonds there shall be filed with the Trustee (and the Trustee shall notify the Authenticating Agent of such filing):

1. A copy, duly certified by an authorized officer of the City, of the Bond Ordinance.
2. The Note, the Letter of Credit and original executed counterparts of this Indenture, the Agreement, the Reimbursement Agreement, the Bond Purchase Agreement and the Remarketing Agreement.
3. A written request and authorization to the Authenticating Agent by the City and signed by an authorized officer of the City to authenticate and deliver the Bonds

to the purchaser or purchasers therein identified upon payment to the Trustee, but for the account of the City, of a sum specified in such written request and authorization representing the principal proceeds of the Bonds, plus a sum specified in such request and authorization representing accrued interest, if any, thereon to the date of delivery.

4. Evidence of recordation of the Land Use Restriction Agreement.

Section 2.7. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond is mutilated, lost, stolen or destroyed, the City may execute and the Authenticating Agent may authenticate a new Bond of like denomination as that mutilated, lost, stolen or destroyed, bearing a number not contemporaneously then outstanding; provided that in the case of any mutilated bond, such mutilated Bond shall first be surrendered to the Bond Registrar, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the City, the Trustee, the Bond Registrar and the Borrower evidence of such loss, theft or destruction satisfactory to the City, the Trustee, the Bond Registrar and the Borrower, together with an indemnity satisfactory to each of them. If any such Bond shall have matured or is to mature within 15 days after the request for a new Bond, instead of issuing a duplicate Bond, the City may pay the same on the appropriate date. As a prerequisite to the delivery of such Bonds, the City and the Authenticating Agent may charge the owner of such Bond with their reasonable fees and expenses in this connection.

Section 2.8. Registration, Transfer and Exchange of Bonds.

(a) The Trustee, as Bond Registrar, shall fully register, on the registration books of the City to be maintained by the Trustee, each of the Bonds issued hereunder in the name of the owner. The registration books shall be kept for that purpose at the principal corporate trust office of the Trustee. No transfer of a Bond shall at any time be valid unless it is made in the registration books at the written request of the Registered Owner or his legal representative. A Bond is transferable by the Registered Owner or his duly authorized attorney at the principal corporate trust office of the Trustee, upon surrender of the Bond, accompanied by a duly executed instrument of transfer in form and with guaranty of signature satisfactory to the Trustee, subject to such reasonable regulations as the City or the Trustee may prescribe, and upon payment of any taxes or other governmental charges incident to such transfer. Upon any such transfer a new fully registered Bond or Bonds of the same maturity and in the same aggregate principal amount will be issued to the transferee.

(b) The City and the Trustee shall not be required to (i) issue or register the transfer of or exchange any Bonds to be considered for redemption during the period beginning on the 10th day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day of mailing of the notice of redemption or (ii) register the transfer of or exchange any portion of any Bonds selected for redemption until after the redemption date.

(c) Upon payment of any required tax, fee or other governmental charge and subject to the conditions provided in this Indenture, Bonds, upon the surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Registered Owner thereof, may be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity and interest rate of any other authorized denomination.

(d) The City and the Trustee may deem and treat the person in whose name the Bond shall be registered at any particular point in time (whether such time is a Record Date or otherwise) as the absolute owner thereof for all purposes, whether such Bond shall be overdue or not, and payment of or on account of the principal of or interest on any such Bond shall be made only to or upon the order of the Registered Owner thereof (at such point in time as provided herein) or his legal representative, but such registration may be changed, as herein provided. All such payments made by the Trustee pursuant to this Indenture shall be valid and effectual to satisfy and discharge the liability of the City upon any such Bond, to the extent of the sum or sums so paid, and neither the City nor the Trustee shall be affected by any notice to the contrary.

Section 2.9. Cancellation of Bonds; Reductions of Letter of Credit. Whenever any outstanding Bond shall be delivered to the Trustee or the Bond Registrar for cancellation pursuant to this Indenture, upon payment of the principal amount represented thereby, or for replacement pursuant to Section 2.7 hereof, or upon exchange or transfer pursuant to Section 2.8 hereof, or upon partial redemption pursuant to Section 3.2 hereof, or upon tender for purchase pursuant to Section 4.1 or Section 4.2 hereof, such Bond shall be delivered by the Trustee or the Tender Agent to the Bond Registrar, shall be promptly canceled and destroyed by the Bond Registrar and counterparts of a certificate evidencing such cancellation and destruction shall be furnished by the Bond Registrar to the Trustee, the Tender Agent, the City and the Borrower. If the Bonds (other than Bonds held by the Tender Agent pursuant to Section 6.9 hereof) are redeemed prior to maturity in part pursuant to Article III hereof and delivered by the Borrower to the Trustee for cancellation pursuant to this Section 2.9 in the aggregate principal amount of \$100,000 or more, the Trustee may reduce the amount of the Letter of Credit in accordance with its terms in an amount equal to the principal amount of such Bonds plus interest on such principal amount for the number of days of interest coverage then specified in the Letter of Credit at the Cap Rate.

Section 2.10. Application of Bond Proceeds. The proceeds of the Bonds shall be deposited with the Trustee, as follows:

(a) Accrued interest, if any, shall be deposited in the Principal and Interest Account of the Bond Fund;

(b) \$_____ shall be deposited in the Acquisition and Construction Fund

(c) *Section 2.11. Book Entry System.* Initially, it is intended that the Bonds be registered so as to participate in a securities depository system with DTC (the "DTC System"), as set forth herein. The Bonds shall be initially issued in the form of a single fully registered Bond. Upon initial issuance, the ownership of such Bond shall be registered in the name of Cede & Co., as nominee of DTC. The City and the Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Representation Letter. In the event of any conflict between the terms of the Representation Letter and the terms of this Indenture, the terms of this Indenture shall control. DTC may exercise the rights of an owner only in accordance with the terms hereof applicable to the exercise of such rights.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City, the Trustee and the Borrower shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "DTC Participant") or to any person on behalf of whom such a DTC Participant directly or indirectly holds an interest in the Bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, the City, the Trustee and the Borrower shall 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 an owner, as shown in the registration books of the City, 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 an owner, as shown in the registration books of the City, of any amount with respect to principal of, premium, if any, or interest on, the Bonds or the purchase price with respect to any Bonds tendered for purchase or (iv) any consent given by DTC as owner. So long as certificates for the Bonds are not issued pursuant to Section 2.12, the City, the Borrower and the Trustee may treat DTC or any successor Depository as, and deem DTC or any successor Depository to be, the absolute owner of the Bonds for all purposes whatsoever, including without limitation (i) the payment of principal and interest on the Bonds and the purchase price with respect to any Bonds tendered for purchase, (ii) giving notice of redemption and other matters with respect to the Bonds, (iii) registering transfers with respect to the Bonds and (iv) the selection of Bonds for redemption. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond certificate with respect to any Bond. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the owner at the close of business on the Record Date applicable to any Interest Payment Date, the name "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

So long as Cede & Co. is the registered owner of the Bonds, optional tender notices hereunder shall be given by the Beneficial Owner of such Bonds exercising ownership rights through DTC Participants pursuant to DTC's operating procedures as in effect from time to time.

Section 2.12. Successor Securities Depository; Transfers Outside Book Entry System. If (a) the City or the Borrower determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason or (c) the City or the Borrower determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify DTC of the availability through DTC of Bond certificates and the Bonds shall no longer be restricted to being registered in the registration books of the City in the name of Cede & Co., as nominee of DTC. At that time, the City may determine that the Bonds shall be registered in the name of and deposited with a successor Depository operating a securities depository system, as may be acceptable to the City, or such Depository's agent or designee, or if the City does not select such an alternate securities depository system then the Bonds may be registered in whatever name or names owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

Section 2.13. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Indenture to the contrary, so long as any of the Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE III.

REDEMPTION OF BONDS BEFORE MATURITY

Section 3.1. Certain Redemption Dates and Prices.

(a) *Optional Redemption.* On or prior to the Conversion Date, the Bonds are subject to redemption prior to maturity by the City at the option of the Borrower pursuant to Section 7.2 of the Agreement from funds derived pursuant to Section 6.4 hereof, as a whole or in part (and, if in part, by lot in such manner as may be designated by the Trustee, provided that Bonds held by or on behalf of the Tender Agent for the account of the Borrower resulting from a draw upon the Letter of Credit shall be first selected for redemption until all such Bonds have been redeemed which may be selected for redemption) on any date, at a redemption price of 100 percent of the principal amount thereof to be redeemed plus accrued interest to the date fixed for redemption.

After the Conversion Date, the Bonds also are subject to redemption prior to maturity by the City at the option of the Borrower pursuant to and in accordance with Sections 7.2 and 7.3 of the Agreement from funds derived pursuant to Section 6.4 hereof, as a whole on any date, or in part on any Interest Payment Date (and, if in part, by lot in such manner as may be designated by the Trustee, provided that Bonds held by or on behalf of the Tender Agent for the account of the Borrower resulting from a draw upon the Letter of Credit shall be first selected for redemption until all such Bonds have been redeemed which may be selected for redemption), during the redemption periods and at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued interest to the date fixed for redemption:

YEARS REMAINING FROM CONVERSION DATE UNTIL FINAL MATURITY OF THE BOND TO BE REDEEMED	FIRST DAY OF REDEMPTION PERIOD	REDEMPTION PRICES
More than 10 years	Eighth Anniversary of Conversion Date	102% declining by 1% on each succeeding anniversary of the Conversion Date until reaching 100%, and thereafter at 100%
More than seven but not more than ten	Sixth Anniversary of Conversion Date	101% declining by 1% on each succeeding anniversary of the Conversion Date until reaching 100%, and thereafter at 100%
Seven years or fewer	Bonds not callable	

Notwithstanding any provision in this Indenture or the Bonds to the contrary, the Indenture and the Bonds may be amended as of the Conversion Date upon the request of the Borrower, without the consent of any of the Bondholders, to change the redemption provisions applicable during the Fixed Rate Period to such redemption provisions as are acceptable to the Borrower provided that the Borrower provides an opinion of Bond Counsel to the Trustee to the effect that such amendment will not adversely affect the exclusion from gross income of interest on the Bonds for purposes of federal income taxation and obtains the prior written consent of the Bank if the Bonds are then held by or on behalf of the Tender Agent for the account of the Borrower resulting from a draw upon the Letter of Credit.

(b) *Extraordinary Optional Redemption.* After the Conversion Date, at the option of the Borrower, the Bonds are subject to redemption as a whole prior to maturity on any date at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the date fixed for redemption, within 360 days after the occurrence of any one of the following events:

(i) the Project Facilities shall have been damaged or destroyed to such an extent that, in the opinion of the Borrower, (x) the required restoration and repair could not reasonably be expected to be completed within a period of six months after commencement of restoration or repair, (y) the Borrower is prevented or would likely be prevented from using the Project Facilities for normal purposes for a period of six months or more, or (z) the cost of restoration and repair would exceed 25 percent of the original cost of acquiring, constructing and equipping the Project Facilities; or

(ii) title to the whole or any part of the Project Facilities or the use or possession thereof shall have been taken or condemned by a competent authority to such an extent that, in the opinion of the Borrower, the Borrower is prevented from using the Project Facilities for normal purposes for a period of six months or more.

(c) *Mandatory Redemption Upon Determination of Taxability.* The Bonds are subject to mandatory redemption prior to maturity by the City from funds derived from the prepayment of the Note by the Borrower pursuant to Section 7.1 of the Agreement, as a whole and not in part, on any date within 60 days of the occurrence of a Determination of Taxability, at a redemption price of 100 percent of the principal amount to be redeemed (or 103 percent of the principal amount thereof to be redeemed during the Fixed Rate Period) plus accrued interest to the date fixed for redemption.

(d) *Direction to Trustee to Call for Redemption.* The City hereby directs the Trustee to, and the Trustee shall, direct the Bond Registrar to call Bonds for redemption when it shall have been notified in writing by the Borrower, pursuant to Section 7.3 of the Agreement and shall direct the Bond Registrar to mail a copy of the notice of redemption to the Bank, the Borrower, the Paying Agent and the Remarketing Agent at the same time as the Bond Registrar

mails such notice of redemption to the owners of the Bonds that have been called for redemption pursuant to Section 3.3 hereof; provided that so long as the Letter of Credit is in effect, the Trustee shall not direct the Bond Registrar to give notice of any redemption pursuant to Section 3.1(a) hereof unless the Bank has consented in writing to such redemption.

Section 3.2. Partial Redemption of Bonds. In the case of a partial redemption of Bonds prior to maturity by lot when Bonds of denominations greater than \$100,000 during the Variable Rate Period or greater than \$5,000 during the Fixed Rate Period are then outstanding, then for all purposes in connection with such redemption, each \$5,000 of face value of principal amount shall be treated as though it were a separate Bond in the denomination of \$5,000, as the case may be. If it is determined that one or more, but not all of the \$5,000 units of face value represented by any Bond is to be called for redemption, then upon notice of redemption of such \$5,000 unit or units, the owner of such Bond shall forthwith surrender such Bond to the Paying Agent (1) for payment of the redemption price (including the premium, if any, and interest, if any, to the date fixed for redemption) of the \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed balance of the principal amount of such Bond. If the owner of any such Bond of a denomination greater than \$5,000 of principal amount shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such Bond represented by such \$5,000 unit or units of face value on and after the date fixed for redemption and (funds sufficient for the payment of the redemption price having been deposited with the Paying Agent, and being available for the redemption of said unit or units on the date fixed for redemption) such Bond shall not be entitled to the benefit or security of this Indenture to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such \$5,000 unit or units of face value nor shall new Bonds be thereafter issued corresponding to said unit or units. Bonds shall be redeemed only in authorized denominations. During any period in which this Indenture requires minimum denominations of \$100,000, the Trustee shall not select portions of Bonds for redemption, such that the outstanding principal amount of any Bond is less than \$100,000 after giving effect to such call for redemption.

Section 3.3. Notice of Redemption. (a) Such notice of the call for any redemption shall be given by the Trustee, at the direction of the Borrower or the City (which direction shall be in writing), by directing the Bond Registrar to mail a copy of the redemption notice by first class mail, postage prepaid, at least 30 but not more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed as a whole or in part at the address shown on the registration books of the City maintained by the Bond Registrar; provided that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond, or portion thereof with respect to which no such failure or defect has occurred.

All notices of redemption shall state:

- (1) the redemption date;

- (2) the redemption price;
- (3) the identification, including complete designation and issue date of the series of Bonds of which such Bonds are a part and the CUSIP number (and in the case of partial redemption, the respective principal amounts), interest rates and maturity dates of the Bonds to be redeemed;
- (4) that on the date fixed for redemption the redemption price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after said date;
- (5) the name and address of the Trustee and any Paying Agent for such Bonds, including the name and telephone number of a contact person and the place where such Bonds are to be surrendered for payment of the redemption price; and
- (6) such other information as the Trustee deems advisable.

(b) In addition to the redemption notice required by the Section 3.3(a) hereof, further notice (the "*Additional Redemption Notice*") shall be given by the Trustee as set forth below, but no defect in the Additional Redemption Notice, nor any failure to give all or any portion of the Additional Redemption Notice, shall in any manner affect the effectiveness of a call for redemption if notice thereof is given as prescribed in Section 3.3(a) of this Indenture.

Each Additional Redemption Notice given hereunder shall contain the information required by Section 3.3(a) hereof, plus (i) the date such notice has been or will be mailed pursuant to this subsection (b); (ii) the date of issuance of the Bonds being redeemed, as originally issued; (iii) the maturity date of each Bond (or portion thereof) to be redeemed prior to maturity; and (iv) any other descriptive information needed to identify accurately the Bonds being redeemed prior to maturity.

Each Additional Redemption Notice shall be sent at least 30 days before the date fixed for redemption by legible electronic transmission, registered or certified mail (postage prepaid) or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds, and to at least two national information services that disseminate notices of redemption of obligations such as the Bonds.

Section 3.4. Redemption Payments. On or prior to the date fixed for redemption, funds immediately available hereunder at the principal corporate trust office of the Trustee on such redemption date shall be deposited in the Bond Fund and transferred to the Paying Agent to pay, and the Paying Agent is hereby authorized and directed to apply such funds in the Bond Fund to the payment of, the Bonds or portions thereof called for redemption, together with accrued interest, if any, thereon to the date fixed for redemption and any required premium. Upon the giving of notice and the deposit of funds for redemption, interest on the Bonds or portions thereof thus called shall no longer accrue from and after the date fixed for redemption, and such Bonds shall no longer be entitled to the benefit or security of this Indenture.

Section 3.5. Cancellation. All Bonds which have been redeemed shall not be reissued but shall be canceled and disposed of by the Trustee or Bond Registrar in accordance with Section 2.9 hereof.

ARTICLE IV.

TENDERS FOR PURCHASE AND REMARKETING OF BONDS

Section 4.1. Purchase of Bonds at Option of Holder. The owner of any Bond shall have the right to tender such Bond to the Tender Agent for purchase in whole or in part (in any authorized denomination, provided that after such tender such remaining portion shall also be in an authorized denomination) on any Business Day during the Variable Rate Period, but not thereafter, at a purchase price equal to 100 percent of the principal amount of Bonds tendered plus accrued interest to the specified purchase date. In order to exercise such option with respect to any Bond or portion thereof, the owner thereof must give to the Tender Agent at its designated corporate trust office by the opening of business at such office on a Business Day at least seven days immediately preceding the proposed purchase date, written notice or notice by telephone, confirmed by written notice of tender to the Tender Agent on a Business Day not more than two Business Days after such telephonic notice, of tender to the Tender Agent (which written notice of tender shall in either case be in the form provided in this Indenture or shall be in such other form acceptable to the Tender Agent). Upon the delivery of such written notice of tender, such election to tender shall be irrevocable and binding upon the owner thereof. At or before 10:00 A.M., New York time, on the specified purchase date, the owner of each Bond as to which such written notice of tender shall have been given shall deliver each Bond to be purchased as a whole or in part and an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on such Bond or in such other forms acceptable to the Tender Agent), to the Tender Agent at its designated corporate trust office, and any Bond which is not so tendered, but for which there has been irrevocably deposited in the Bond Purchase Fund Available Moneys sufficient to pay the purchase price thereof and all other Bonds tendered or deemed tendered for purchase on such specified purchase date, shall be deemed to have been tendered by the owner thereof and purchased from such owner on the specified purchase date. The Tender Agent shall, in its sole discretion, determine whether, with respect to any Bond, the owner thereof shall have properly exercised the option to have its Bond purchased as a whole or in part.

If any such notice of tender for purchase shall have been given to the Tender Agent pursuant to this Section 4.1, the Tender Agent shall immediately give telephonic notice, promptly confirmed by a written notice, to the Remarketing Agent, the Bank, the Trustee and the Borrower on the same date that the Tender Agent receives notice of the tender for purchase, if possible, or on the immediately following Business Day, specifying the principal amount of Bonds as to which notice of tender for purchase has been given and the proposed date of purchase. On the specified purchase date, the Tender Agent shall purchase, or cause to be purchased, all Bonds as to which written notices of tender for purchase have been received at a purchase price equal to the principal amount thereof plus accrued interest, if any, thereon. Funds for payment of the purchase price of such Bonds shall be withdrawn by the Tender Agent from the Bond Purchase Fund as provided in Section 6.9 of this Indenture.

If there has been irrevocably deposited in the Bond Purchase Fund Available Moneys sufficient to pay the purchase price of all Bonds tendered or deemed to be tendered for purchase on such specified purchase date, the owner of any Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond on and after the specified purchase date, and all such Unsurrendered Bonds shall be deemed to have been tendered for purchase and purchased pursuant to this Section 4.1 on such specified purchase date. The Bond Registrar, at the direction of the Tender Agent, shall issue a new Bond or Bonds in the same aggregate principal amount for any Unsurrendered Bonds which are not tendered for purchase on any specified purchase date and, upon receipt of any such Unsurrendered Bonds from the owner thereof, shall pay the purchase price of such Unsurrendered Bonds to the owners thereof and cancel such Unsurrendered Bonds as provided in Section 2.9 of this Indenture.

When the Bonds are held under a Book-Entry System pursuant to Section 2.11, Beneficial Owners shall have the right to require a purchase of Bonds as provided in Section 2.11.

Section 4.2. Mandatory Tender of Bonds. Subject to the provisions below, on or prior to the Conversion Date the owner of each Bond is required to tender such Bond to the Tender Agent for purchase on (i) a Proposed Conversion Date, (ii) a Letter of Credit Substitution Date or (iii) a Letter of Credit Termination Date (each a "*Mandatory Tender Date*"), all as more fully provided in this Section 4.2.

Notice of a mandatory tender shall be prepared by the Trustee and given by the Bond Registrar by first class mail, postage prepaid, to the owners of all Bonds at their addresses appearing on the registration books of the City maintained by the Bond Registrar, not less than 30 nor more than 35 days prior to a Mandatory Tender Date. Such notice of mandatory tender shall specify the Mandatory Tender Date and (a) shall state that the Mandatory Tender Date is a Proposed Conversion Date or a Letter of Credit Substitution Date or a Letter of Credit Termination Date, as the case may be, and that all Bonds shall be tendered by the owner or Beneficial Owner thereof for purchase at or before 10:00 A.M., New York time, on such Mandatory Tender Date (or, if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day) to the Tender Agent at its designated corporate trust office, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on the Bonds or such other form acceptable to the Tender Agent), and shall be purchased on the Mandatory Tender Date (or, if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day) at a purchase price equal to the principal amount thereof and accrued interest, if any, thereon, and any such Bond which is not so tendered but for which there has been irrevocably deposited in the Bond Purchase Fund Available Moneys sufficient to pay the purchase price thereof and of all other Bonds so tendered and deemed to be tendered for purchase on the Mandatory Tender Date, shall be deemed to have been tendered for purchase by the owner thereof and purchased from such owner on the Mandatory Tender Date.

All Bonds shall be tendered by the owner thereof to the Tender Agent for purchase at or before 10:00 A.M., New York time on the Mandatory Tender Date (or, if the Mandatory Tender Date is not a Business Day, on the immediately following Business Day), by delivering such Bonds to the Tender Agent at its designated corporate trust office, together with an instrument of

assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on the Bonds or such other form acceptable to the Tender Agent). On the Mandatory Tender Date, the Tender Agent shall purchase, or cause to be purchased, all Bonds at a purchase price equal to the principal amount thereof and accrued interest, if any, thereon. Funds for payment of the purchase price of such Bonds shall be drawn by the Tender Agent from the Bond Purchase Fund as provided in Section 6.9 of this Indenture.

If there has been irrevocably deposited in the Bond Purchase Fund Available Moneys sufficient to pay the purchase price of all Bonds tendered or deemed tendered for purchase on the Mandatory Tender Date, the owner of any Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond on and after the relevant Mandatory Tender Date, and all such Unsurrendered Bonds shall be deemed to have been tendered for purchase and purchased pursuant to this Section 4.2 on such Mandatory Tender Date. The Tender Agent shall issue a new Bond or Bonds in the same aggregate principal amount for any Unsurrendered Bonds which are not tendered for purchase on any Mandatory Tender Date and, upon receipt of any such Unsurrendered Bonds from the owners thereof, shall pay the purchase price of such Unsurrendered Bonds to the owners thereof and cancel such Unsurrendered Bonds as provided in Section 2.9 of this Indenture.

Section 4.3. Procedures for Purchase of Bonds. Unless otherwise directed by the Borrower not to do so, the Remarketing Agent will use its best efforts to remarket all Bonds tendered or deemed to be tendered for purchase pursuant to Section 4.1 or Section 4.2 hereof at a purchase price equal to 100 percent of the principal amount thereof, and to remarket all Bonds held by the Tender Agent pursuant to Section 6.9 hereof. The Borrower may at any time, upon written direction to the Remarketing Agent, direct the Remarketing Agent to cease to resume the remarketing of some or all of the Bonds. The Bank's written consent is required for any such direction by the Borrower to the Remarketing Agent not to remarket Bonds that have been purchased with the proceeds of a draw under the Letter of Credit and the Borrower has not reimbursed the Bank for such draws.

At or prior to 3:00 P.M., New York time, on the Business Day immediately preceding the applicable purchase date, the Remarketing Agent shall give notice by electronic transmission or telephone, promptly confirmed in writing, to the Trustee, the Borrower, the Bond Registrar, the Tender Agent (to be received by the Tender Agent by the close of business on such day) and the Bank, specifying or confirming the names, addresses and taxpayer identification numbers of the new Registered Owners of, and the principal amount and denominations of, such Bonds, if any, remarketed by it pursuant to this Section 4.3, and also specifying the principal amount of Bonds to be purchased on such purchase date which it has failed to remarket (if any) and the amount of accrued interest, if any, on such Bonds. The Remarketing Agent shall make appropriate settlement pursuant to this Section 4.3 between the purchasers of such remarketed Bonds and the Tender Agent, and shall direct said purchasers by appropriate instructions to pay all moneys in immediately available funds for the purchase price of the Bonds which have been remarketed pursuant to this Section 4.3 to the Tender Agent for deposit in the Bond Purchase Fund pursuant to Section 6.8 hereof at or before 11:00 A.M., New York time, on the purchase date. The Tender Agent shall deposit the proceeds of any such remarketing in the Bond Purchase Fund pursuant to Section 6.8 hereof, and the Tender Agent shall hold and disburse such moneys pursuant to this Section 4.3 and Sections 4.4 and 6.9 hereof.

At or before 3:00 P.M., New York time, on each purchase date (or the immediately following Business Day if such purchase date is not a Business Day), the Tender Agent, but only to the extent it shall have received money for such purpose, shall:

(i) pay the purchase price to each owner of a Bond (or portion thereof) tendered for purchase by mailing a check to the owner, or by wire transfer to the Registered Owner thereof if the Registered Owner of at least \$1,000,000 in aggregate principal amount of Bonds gives written notice to the Tender Agent directing the Tender Agent to make such payment of purchase price by wire transfer and identifying the location and the number of the account to which such payment should be wired. The Tender Agent shall pay each such purchase price from moneys on deposit in the Bond Purchase Fund in the manner set forth in Section 6.9 hereof; provided that the Tender Agent shall not pay or wire transfer the purchase price of any Unsurrendered Bond, unless and until the owner of such Unsurrendered Bond presents such Unsurrendered Bond, together with an instrument of assignment or transfer duly executed in blank, to the Tender Agent; and

(ii) redeliver or cancel all Bonds in accordance with this Section 4.3 and Section 6.9 hereof.

Notwithstanding any provision herein contained to the contrary, any Bond remarketed by the Remarketing Agent which has been called for prior redemption pursuant to Article III hereof shall be redelivered with a copy of the redemption notice and any Bond as to which notice of mandatory tender has been given pursuant to Section 4.2 hereof shall be redelivered with a copy of the notice of mandatory tender.

Section 4.4. Duties of Tender Agent. The Tender Agent agrees that it shall:

(a) hold all Bonds delivered to it pursuant to Section 4.1 or Section 4.2 hereof in trust solely for the benefit of the respective owners which shall have so delivered such Bonds until moneys representing the purchase price of such Bonds shall have been delivered to or for the account of or to the order of such owners; and

(b) subject to Section 6.10 hereof, hold all moneys delivered to it pursuant to Sections 4.3 and 6.9 hereof for the purchase of Bonds in the Bond Purchase Fund in trust solely for the benefit of the person which shall have so delivered such moneys until the purchase date; and on and after the purchase date, the Tender Agent shall hold all such moneys in the Bond Purchase Fund in trust solely for the benefit of the respective owners of the Bonds so purchased until the Tender Agent shall have paid the purchase price with respect to such Bonds to such owners; provided, that if any moneys remain in the Bond Purchase Fund after the payment in full of the purchase price of all Bonds tendered for purchase pursuant to Section 4.1 or Section 4.2 hereof, such moneys shall be held in trust for the benefit of the Bank and the Borrower, to be applied in accordance with Section 6.9(d) hereof.

Section 4.5. Duties of the Remarketing Agent. The Remarketing Agent shall perform the duties set out in Section 4.3 hereof. The Remarketing Agent shall not remarket any Bonds to the City, the Borrower, any guarantor of the Borrower's obligations under the Agreement, or any

general partner of the Borrower. Notwithstanding any other provision herein to the contrary, the Remarketing Agent shall be under no obligation to remarket Bonds if an Event of Default has occurred and is continuing hereunder.

ARTICLE V.

GENERAL COVENANTS

Section 5.1. Payment of Principal, Premium, if any, and Interest. The City covenants that it will promptly pay or cause to be paid the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof. The principal of, premium, if any, and interest on the Bonds are payable by the City solely and only from the Revenues, and nothing in the Bonds or this Indenture should be considered as assigning or pledging any other funds or assets of the City, other than such Revenues and the right, title and interest of the City in and to the Agreement (except as otherwise provided herein) in the manner and to the extent herein specified.

Section 5.2. Compliance with Code. (a) The City, to the extent that it has control over any of the following proceeds or payments, and the Trustee, to the extent that it has discretion with respect to investment of such proceeds, covenant and agree that they will not take any action or fail to take any action with respect to the payments derived from the security pledged hereunder or from the Agreement which would result in constituting the Bonds "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code. The City and the Trustee further covenant and agree that they will comply with and take the specific actions required by the Tax Agreement.

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

Section 5.3. Instruments of Further Assurance. The City covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee or the Bank may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular the rights assigned hereby and the amounts assigned and pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds. The City covenants and agrees that, except as herein and in the Agreement and the Note provided, it will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Revenues or its rights under the Agreement.

Section 5.4. List of Bondholders. The Bond Registrar will keep on file a list of names and addresses of all Registered Owners of the Bonds on the registration books of the City

maintained by the Bond Registrar, together with the principal amount and numbers of such Bonds. At reasonable times and under reasonable regulations established by the Bond Registrar, said list may be inspected and copied by the Trustee, by the Borrower, by the Bank, by the Remarketing Agent or by the owners (or a designated representative thereof) of 15 percent or more in aggregate principal amount of Bonds then outstanding, such ownership and the authority of such designated representative to be evidenced to the satisfaction of the Trustee, or by any other person mandated by law. It is expressly understood that so long as the Bonds are held in the DTC System, the sole Registered Owner is Cede & Co.

Section 5.5. Rights Under Agreement. The Agreement, a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the City and the Borrower, and reference is hereby made to the same for a detailed statement of said covenants and obligations of the Borrower thereunder, and the City agrees that the Trustee in its name or in the name of the City may enforce all rights of the City (except those rights reserved by the City hereunder) and all obligations of the Borrower under and pursuant to the Agreement for and on behalf of the Registered Owners, whether or not the City is in default hereunder.

ARTICLE VI.

REVENUES AND FUNDS

Section 6.1. Source of Payment of the Bonds. The Bonds herein authorized and all payments to be made by the City hereunder, are not general obligations of the City, but are special, limited obligations payable solely and only from the Revenues and as provided in the Agreement and in this Indenture.

The Revenues are to be remitted directly to the Trustee for the account of the City and deposited in the Bond Fund (hereinafter created). The entire amount of said Revenues is hereby assigned and pledged to the payment of the principal of and interest and premium, if any, on the Bonds (and as otherwise provided in this Indenture).

Section 6.2. Creation of Bond Fund. There is hereby created by the City and established with the Trustee a Bond Fund to be designated "City of Chicago Bond Fund (_____ Project)," which is pledged and shall be used to pay the principal of, premium, if any, and interest on the Bonds. Within the Bond Fund there are hereby established accounts to be designated "Bond Fund - Principal and Interest Account" and "Bond Fund - Letter of Credit Account".

Section 6.3. Payments into Bond Fund. There shall be deposited in the Bond Fund, as and when received, (a) any amount in the Acquisition and Construction Fund directed to be paid into the Principal and Interest Account under Section 6.7 and Article VII hereof; (b) all Revenues for deposit in the Principal and Interest Account; and (c) all other moneys received by the Trustee under and pursuant to any of the provisions of the Agreement, the Note or the Letter of Credit which are required or which are accompanied by directions that such moneys are to be paid into the Principal and Interest Account or the Letter of Credit Account, as the case may be.

Section 6.4. Use of Moneys in Bond Fund; Draws on Letter of Credit. Except as provided in Sections 6.12 and 10.2 hereof, moneys in the Bond Fund shall be used solely for the payment of the principal of and premium, if any, on the Bonds at maturity or upon acceleration and for the redemption of the Bonds prior to maturity, and for the payment of the interest on the Bonds when due and for the payment of the obligations of the Borrower under the Reimbursement Agreement, but shall not be used to pay the purchase price of any Bond tendered to the Tender Agent for purchase pursuant to Section 4.1 or Section 4.2 hereof.

The City hereby authorizes and directs the Trustee to withdraw, from time to time, sufficient moneys from the Bond Fund to pay or cause to be paid the principal of, premium, if any, and interest on the Bonds as the same become due and payable, which authorization and direction the Trustee hereby accepts. Funds for such payments of the principal of and premium, if any, and interest on such Bonds shall be derived from the following sources in the order of priority indicated:

- (a) if the Letter of Credit is then in effect, all moneys derived by the Trustee from a draw under the Letter of Credit for principal of, premium, if any, and interest on the Bonds, provided that in no event shall such moneys be used to pay the principal of, premium, if any, and interest on Purchased Bonds or Borrower Bonds;
- (b) moneys transferred from the Acquisition and Construction Fund to the Bond Fund pursuant to Section 3.4 of the Agreement, provided that such moneys constitute Available Moneys, to pay principal of the Bonds at maturity or upon redemption prior to maturity;
- (c) Available Moneys held by the Trustee pursuant to Article VIII hereof, such moneys to be applied only to the payment or the redemption of Bonds which are deemed to be paid in accordance with Article VIII hereof;
- (d) payments made by the Borrower pursuant to the Note and Article VII of the Agreement, such moneys to be applied only to the redemption of Bonds, provided that such amounts constitute Available Moneys;
- (e) all payments made by the Borrower pursuant to the Note and Section 4.2(a) of the Agreement, and amounts derived from the investment of such amounts; and
- (f) all other amounts received by the Trustee under and pursuant to the Agreement, the Note or from any other source when required or accompanied by directions by the Borrower that such amounts are to be paid into the Bond Fund, and amounts derived from the investment of such amounts.

If the Letter of Credit is then in effect, on the Business Day immediately preceding the date on which any principal and/or interest shall become due on the Bonds, whether upon any Interest Payment Date, at maturity, upon the date fixed for redemption or upon maturity by declaration of acceleration of the Bonds, the Trustee shall, without making any prior claim or demand upon the Borrower, draw under and in accordance with the Letter of Credit so as to receive moneys thereunder in an amount which shall be equal to the amount of principal and interest coming due on the Bonds on the date such payment is due; provided that such draw upon a declaration of acceleration shall be as soon as possible and in no event later than three Business

Days after such declaration of acceleration; and provided further, that the Trustee shall not draw under the Letter of Credit to pay the principal of and/or interest on any Purchased Bonds or any Borrower Bonds. Any such moneys drawn under the Letter of Credit shall be deposited and held in the Bond Fund - Letter of Credit Account which shall be a separate, segregated account in the Bond Fund, and shall not be commingled with other moneys in the Bond Fund. If for any reason funds are not available under the Letter of Credit for payment of principal and/or interest due on the Bonds on any such date, the Trustee shall immediately request from the Borrower funds sufficient to make all such payments of principal and/or interest on the Bonds pursuant to the Note and Section 4.2(a) of the Agreement by directing that the Borrower deposit such funds with the Trustee at its principal corporate trust office.

If the Letter of Credit is then in effect, all payments by the Borrower under Section 4.2(a) of the Agreement and deposited into the Bond Fund pursuant to clause (e) above and any amounts referenced in clause (b) above shall be paid by the Trustee to the Bank and applied against the Borrower's obligation to reimburse the Bank for draws under the Letter of Credit under the Reimbursement Agreement.

Section 6.5. Custody of Bond Fund. The Bond Fund shall be in the custody of the Trustee but in the name of the City, and the City hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund and transfer same to the Paying Agent to pay or cause to be paid the principal of, premium, if any, and interest on the Bonds as the same become due and payable, which authorization and direction the Trustee hereby accepts.

Section 6.6. Creation of Acquisition and Construction Fund. There is hereby created by the City and established with the Trustee a trust fund to be designated the "City of Chicago Acquisition and Construction Fund (_____ Project)," which shall be expended in accordance with the provisions of Sections 3.3 and 3.4 of the Agreement and Section 6.7 hereof.

Section 6.7. Payments into Acquisition and Construction Fund; Disbursements. The proceeds of the Bonds shall be deposited in the Acquisition and Construction Fund as provided in Section 2.10(b) hereof. All moneys in the Acquisition and Construction Fund shall be expended on written requisitions signed by an Authorized Borrower Representative, as defined in the Agreement, and approved in writing by the Bank, in the form attached as Exhibit A hereto in accordance with the provisions of the Agreement.

The Trustee shall keep and maintain adequate records pertaining to the Acquisition and Construction Fund and all disbursements therefrom, and after the Project has been completed and a certificate of payment of all costs is or has been filed as provided in Section 3.4 of the Agreement, the Trustee shall file an accounting thereof with the City or the Borrower upon the written request of the City or the Borrower, as the case may be. The completion of the Project and payment or provision made for payment of the full Cost of the Project shall be evidenced by the filing with the Trustee of a certificate required by the provisions of Section 3.4 of the Agreement. Any balance remaining in the Acquisition and Construction Fund on the Completion Date shall be used in accordance with said Section 3.4. If the Borrower should prepay installments in whole pursuant to Section 7.1 or 7.2 of the Agreement, or if an event of default shall occur and be continuing hereunder, any balance then remaining in the Acquisition

and Construction Fund shall without further authorization be deposited in the Bond Fund by the Trustee.

Section 6.8. Creation and Sources of Bond Purchase Fund. There is hereby created by the City and ordered established with the Tender Agent, as agent of the Trustee, a trust fund to be designated the "City of Chicago Bond Purchase Fund (_____ Project)", which shall be used to pay the purchase price of Bonds tendered or deemed to be tendered for purchase pursuant to Section 4.1 or Section 4.2 of this Indenture. The Tender Agent, as agent of the Trustee, shall hold all moneys on deposit in the Bond Purchase Fund in trust as provided in Section 4.4 hereof. The Trustee hereby appoints the Tender Agent to serve as its agent for such purpose. The Tender Agent shall notify the Trustee by 11:15 a.m. New York time on the purchase date, confirmed in writing, of the amount of funds received described in clause (i) below, with respect to such purchase date, and the amount of any deficiency in the amount of funds available to pay the purchase price.

There shall be paid into the Bond Purchase Fund, as and when received:

- (i) the proceeds of the remarketing of Bonds by the Remarketing Agent pursuant to Section 4.3 of this Indenture (which proceeds shall at all times prior to their transfer from the Bond Purchase Fund be held by the Tender Agent in a separate and segregated account in the Bond Purchase Fund separate and apart from all other moneys in the Bond Purchase Fund);
- (ii) all moneys drawn by the Trustee, or the Tender Agent as agent of the Trustee, under the Letter of Credit for the purpose of paying such purchase price (all of which moneys shall at all times prior to their transfer from the Bond Purchase Fund be held by the Tender Agent, as agent of the Trustee, in a separate and segregated account in the Bond Purchase Fund separate and apart from all other moneys in the Bond Purchase Fund);
- (iii) all payments made directly by the Borrower pursuant to Section 4.2(e) of the Agreement (each of which payments shall at all times prior to their transfer from the Bond Purchase Fund be held by the Tender Agent in a separate and segregated account in the Bond Purchase Fund separate and apart from all other moneys in the Bond Purchase Fund); and
- (iv) all other moneys received by the Trustee under and pursuant to any of the provisions of this Indenture, the Agreement, the Note, the Letter of Credit or otherwise which are required or which are accompanied by directions that such moneys are to be paid into the Bond Purchase Fund (each of which payments shall at all times prior to their transfer from the Bond Purchase Fund be held by the Tender Agent, as agent of the Trustee, in a separate and segregated account in the Bond Purchase Fund separate and apart from all other moneys in the Bond Purchase Fund).

Section 6.9. Use of Moneys in the Bond Purchase Fund.

- (a) Except as provided in this Section 6.9 or Section 6.12 of this Indenture, moneys in the Bond Purchase Fund shall be used solely for the payment of the purchase price of Bonds

tendered or deemed to be tendered for purchase on any purchase date pursuant to Section 4.1 or Section 4.2 of this Indenture and to pay any obligations of the Borrower under the Reimbursement Agreement.

(b) On each purchase date (or, if such purchase date is not a Business Day, on the immediately following Business Day), the Tender Agent shall pay the purchase price of Bonds tendered for purchase from moneys on deposit in the Bond Purchase Fund from funds derived from the following sources in the order of priority indicated:

(i) proceeds of the remarketing of such Bonds pursuant to Section 4.3 hereof which constitute Available Moneys under clause (iv) of the definition thereof;

(ii) if the Letter of Credit is then in effect, moneys derived from a draw under the Letter of Credit to pay the purchase price of Bonds tendered or deemed to be tendered for purchase;

(iii) any other moneys on deposit in the Bond Purchase Fund that constitute Available Moneys;

(iv) payments made by the Borrower pursuant to Section 4.2(e) of the Agreement; and

(v) any other moneys received by the Trustee which are required to be paid into the Bond Purchase Fund or which are accompanied by instructions that such moneys be paid into the Bond Purchase Fund.

Bonds (or portions thereof in authorized denominations) purchased with moneys described in clause (ii) above ("*Purchased Bonds*") shall be registered in the name of the Borrower, shall be held by the Tender Agent in trust for the account of the Borrower, and shall not be transferred or exchanged by the Tender Agent until (A) the Tender Agent has received from the Bank notice in writing, by telecopy or tested telex, that the Borrower has reimbursed the Bank for the drawing or portion of the drawing made under the Letter of Credit to pay the purchase price of such Bonds, pursuant to the Reimbursement Agreement, and that the Letter of Credit has been reinstated in the amount of the aggregate principal amount of such Bonds and the amount originally drawn under the Letter of Credit to pay the portion of the purchase price equal to the accrued interest, if any, on such Bonds, or (B) the Remarketing Agent shall have given the Tender Agent notice by telephone, promptly confirmed in writing, that such Bonds have been remarketed by the Remarketing Agent, and the Tender Agent shall have moneys in an amount sufficient to reimburse the Bank for the drawing or portion of the drawing made under the Letter of Credit to pay the purchase price of such Bonds, which moneys are on deposit in the Bond Purchase Fund, and the Bank has given the Tender Agent notice in writing, by electronic transmission, that the Letter of Credit has been reinstated in the amount of the aggregate principal amount of such Bonds and the amount originally drawn under the Letter of Credit to pay the portion of the purchase price equal to the accrued interest, if any, on such Bonds; and in either event, the Tender Agent may then release such Bonds, and register the transfer of such Bonds at the direction of the Borrower in the event of (A) above or in the names of the new Registered Owners thereof as shall be provided by the Remarketing Agent by telephone or

electronic transmission, promptly confirmed in writing, in the manner set forth in Section 4.3 hereof, in the event of (B) above. Bonds (or portions thereof in authorized denominations) purchased with moneys described in clause (iii) above shall, at the direction of the Borrower, be held by the Tender Agent for the account of the Borrower and registered in the name of the Borrower or be cancelled.

(c) If the Letter of Credit is in effect on a purchase date (or, if such day is not a Business Day, on the immediately following Business Day), and the funds available under clause (i) of subsection (b) above for the payment of the purchase price of the Bonds to be purchased pursuant to Section 4.1 or Section 4.2 of this Indenture on such purchase date are not sufficient to pay the purchase price of such Bonds in full at or before 11:15 A.M., New York time, on such purchase date, the Trustee shall, without making any prior demand or claim upon the Borrower, make a drawing under the Letter of Credit before 12:00 Noon, New York time, and the Bank shall make payment under the Letter of Credit to the Tender Agent at or before 2:00 P.M., New York time, in immediately available funds which funds will be wired directly from the Bank to the Tender Agent, in an amount which will be sufficient, together with the funds available under such clause (i) of subsection (b) above, to pay the purchase price of such Bonds on such purchase date (or the immediately following Business Day if such purchase date is not a Business Day). If for any reason funds are not available under the Letter of Credit for payment of the purchase price of such Bonds on such purchase date (or the immediately following Business Day if such purchase date is not a Business Day), the Trustee shall immediately request from the Borrower funds sufficient to pay the purchase price of such Bonds pursuant to Section 4.2(e) of the Agreement by directing that the Borrower deposit such funds with the Tender Agent at its principal corporate trust office.

(d) Notwithstanding any other provision of this Indenture to the contrary, if (i) the Remarketing Agent shall remarket any Bonds tendered for purchase pursuant to Section 4.1 or Section 4.2 hereof and the proceeds of such remarketing are received by the Tender Agent after the Trustee has made a drawing under the Letter of Credit to pay the purchase price of such remarketed Bonds, pursuant to subsection (c) above, or (ii) the Remarketing Agent shall subsequently remarket any Bonds held by the Tender Agent for the account of the Borrower and registered in the name of the Borrower, the purchase price of which Bonds was paid by the Tender Agent as a result of a drawing under the Letter of Credit, pursuant to subsection (b) above, then all proceeds of any such remarketing which necessitated a drawing under the Letter of Credit (or which would otherwise be payable to the Borrower as the Registered Owner of the Bonds) shall be paid by the Tender Agent to the Bank to satisfy the obligations of the Borrower under the Reimbursement Agreement, relating to such drawing under the Letter of Credit. The Trustee and the Tender Agent shall immediately notify the Bank by telecopy or telephone, promptly confirmed in writing, that such proceeds are on deposit in the Bond Purchase Fund, and the Bank shall certify to the Trustee the amount of the obligation of the Borrower under the Reimbursement Agreement relating to such drawing under the Letter of Credit. When such obligations of the Borrower to the Bank under the Reimbursement Agreement have been satisfied, then all such moneys remaining in the Bond Purchase Fund shall be paid to the Borrower.

Section 6.10. Non-Presentment of Bonds. If any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date

fixed for redemption thereof, or on the date set for purchase of such Bond pursuant to Section 4.1 or Section 4.2 hereof, then if funds sufficient to pay or purchase such Bond shall have been made available to the Tender Agent, all liability of the City for the payment of such Bond and all liability of the Borrower for the purchase of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Tender Agent to hold such fund or funds, without liability of interest thereon, for the benefit of the owner of such Bond or the owner of such Unsurrendered Bond, as the case may be, who shall thereafter be restricted exclusively to such fund or funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. Subject to applicable law, any moneys so deposited with and held by the Tender Agent for the benefit of such persons, if any, for five years after the date upon which such moneys were so deposited, shall be paid to the Borrower or to the Bank as provided in Section 6.12 hereof, on written request of the Borrower or the Bank, as the case may be, and thereafter such persons shall look only to the Borrower for the purpose of payment from such moneys and the Tender Agent shall have no further liability with respect to such moneys.

Section 6.11. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for the account of the Bond Fund and the Acquisition and Construction Fund and moneys deposited with or paid to the Tender Agent for the account of the Bond Purchase Fund under any provision of this Indenture shall be held by the Trustee and the Tender Agent in trust, and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, and except for moneys deposited with or paid to the Trustee for the payment of interest on specific Bonds, and except for moneys held in trust in the Bond Purchase Fund, and except for moneys which have been deposited with the Trustee pursuant to Article VIII hereof, while held by the Trustee and Tender Agent constitute part of the Trust Estate and be subject to the lien or security interest created hereby.

Section 6.12. Repayment to the Borrower and the Bank from Bond Fund and Bond Purchase Fund. Except as otherwise provided in Section 6.9(d) hereof, any amounts remaining in the Bond Fund, the Bond Purchase Fund or any other fund or account established pursuant to this Indenture after payment in full of the Bonds (or provision therefor having been made in accordance herewith), other than Bonds held by the Tender Agent pursuant to Section 6.9(b) hereof, the purchase price of all Bonds tendered or deemed to be tendered to the Tender Agent for purchase pursuant to Section 4.1 or Section 4.2 hereof, the payment of the fees, charges and expenses of the Trustee, the Bond Registrar and all other amounts required to be paid hereunder and under the Agreement, the Note and the Letter of Credit, shall be paid to the Borrower or the Bank, as provided in Section 8.5 of the Agreement, and at such time the Note shall be canceled and delivered to the Borrower.

Section 6.13. Additional Payments Under the Agreement. Pursuant to Section 4.2(c) of the Agreement the Borrower has agreed to pay as provided therein fees and expenses of the Trustee and the Tender Agent. All such additional payments received by the Trustee shall not be paid into the Bond Fund or the Bond Purchase Fund, but shall be disbursed by the Trustee solely for the purposes for which said additional payments are received. The Trustee hereby agrees to make such disbursements.

ARTICLE VII.

INVESTMENT OF MONEYS

Any moneys held as part of the Acquisition and Construction Fund or the Bond Fund shall be invested and reinvested by the Trustee at the direction of the Borrower in accordance with the provisions of Section 3.5 of the Agreement. Any moneys derived from a drawing under the Letter of Credit and deposited in the Bond Fund (including any moneys held for the payment of a particular Bond and any income derived from the investment of such moneys), if invested or reinvested, shall be invested or reinvested in Governmental Obligations which mature in not more than 30 days or as needed to make timely payment of principal and interest on the Bonds. The Trustee may make any and all such investments through its own bond department. Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund for which they were made. The interest accruing thereon and any profit realized from such investments shall be credited to such fund, and any net loss resulting from such investments shall be charged to such fund. Notwithstanding the foregoing, interest accruing thereon and profits realized from investments in the Acquisition and Construction Fund shall be initially credited to such fund and then transferred to the Bond Fund pursuant to Section 6.3 hereof. The Trustee, at the direction of the Borrower, shall sell and reduce to cash a sufficient amount of such investments of the Acquisition and Construction Fund, as specified in such direction, whenever the cash balance in the Acquisition and Construction Fund is insufficient to pay a requisition when presented. The Trustee shall sell and reduce to cash a sufficient amount of such investments of the Bond Fund whenever the cash balance in the Bond Fund is insufficient to pay the principal of, premium, if any, and interest on the Bonds when due; provided, that the Trustee shall first sell and reduce to cash those investments of the Bond Fund which mature earliest.

Any moneys held as part of the Bond Purchase Fund shall not be invested or reinvested by the Tender Agent.

ARTICLE VIII.

DISCHARGE OF LIEN

If the City shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made to or for the owners from time to time of the Bonds, the principal, premium, if any, and interest due or to become due thereon on the dates and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, and the Borrower shall pay or cause to be paid all obligations of the Borrower to reimburse the Bank for drawings under the Reimbursement Agreement (other than any reimbursement for drawings under the Letter of Credit to pay the purchase price of Bonds tendered or deemed to be tendered for purchase pursuant to Section 4.1 or Section 4.2 hereof which reimbursement is not then due and payable under the Reimbursement Agreement) and other amounts due and payable to the Bank under the Reimbursement Agreement and the Borrower shall pay or cause to be paid all obligations of the Borrower to the City, then these presents and the estate and rights hereby granted shall cease, determine and be void, whereupon the lien of this Indenture shall be canceled and except for amounts in the Bond Fund or the Bond

Purchase Fund required to be paid to the Bank under Section 6.12 hereof, all amounts held hereunder shall be paid to the Borrower. Upon such discharge, the Trustee shall cancel the Note and return it to the Borrower and shall cancel the Letter of Credit and return it to the Bank.

On or after the Conversion Date, any Bond shall be deemed to be paid within the meaning of this Article VIII when payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption prior to maturity as provided in this Indenture or upon payment of the purchase price on a purchase date, or otherwise), either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided by irrevocably depositing with the Trustee, in trust and irrevocably setting aside exclusively for such payment, (1) Available Moneys sufficient to make such payment, or (2) Governmental Obligations purchased with Available Moneys (provided that in the opinion of Bond Counsel such deposit will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bonds or cause any of the Bonds to be classified as "*arbitrage bonds*" within the meaning of Section 148 of the Code) maturing as to principal and interest in such amounts and on such dates as will provide sufficient moneys without reinvestment to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made and all other liabilities of the Borrower under the Agreement shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. There shall be no defeasance during the Variable Rate Period and no defeasance shall be effective during the Fixed Rate Period until the Trustee shall receive prior written evidence from each Rating Agency then rating the Bonds that such deposit referred to in the prior sentence will not cause a reduction or withdrawal of the then current rating on the Bonds. At such time as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes set forth in Sections 2.7 and 2.8 hereof and any such payment from such moneys or Governmental Obligations on the date or dates specified at the time of such deposit.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Borrower, on behalf of the City, shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(a) stating the date when the principal (and premium, if any) of each such Bond is to be paid, whether at maturity or on a redemption date (which may be any redemption date permitted by this Indenture);

(b) to direct the Bond Registrar to call for redemption pursuant to this Indenture any Bonds to be redeemed prior to maturity pursuant to (a) hereof; and

(c) to direct the Bond Registrar to mail, as soon as practicable, in the manner prescribed by Article III hereof, a notice to the owners of such Bonds that the deposit required by (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Article VIII and stating the maturity or redemption date upon which

moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in (a) hereof.

Any moneys so deposited with the Trustee as provided in this Article VIII may at the written direction of the Borrower also be invested and reinvested in Governmental Obligations, maturing in the amounts and on the dates as hereinbefore set forth, and all income from all Governmental Obligations in the hands of the Trustee pursuant to this Article VIII which is not required for the payment of the Bonds and interest and premium, if any, thereon with respect to which such moneys are deposited, shall be deposited in the Bond Fund as and when collected for use and application as are other moneys deposited in that fund.

Anything in Article XI hereof to the contrary notwithstanding, if moneys or Governmental Obligations have been deposited or set aside with the Trustee pursuant to this Article VIII for the payment of the principal of, premium, if any, and interest on the Bonds and the principal of, premium, if any, and interest on such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article VIII shall be made without the consent of the owner of each of the Bonds affected thereby.

Notwithstanding the release and discharge of the lien of this Indenture as provided above, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and dates thereof, redemption provisions, tender and purchase provisions, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost, stolen or Unsurrendered Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of moneys in trust, redemption of Bonds and the duties of the Trustee, the Bond Registrar, the Tender Agent, the Paying Agent and the Remarketing Agent in connection with all of the foregoing, remain in effect and shall be binding upon the Trustee and the owners of the Bonds.

ARTICLE IX.

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 9.1. Defaults; Events of Default. If any of the following events occur, it is hereby declared to constitute an "Event of Default" hereunder:

(a) Failure to pay interest on any Bond when such interest shall have become due and payable;

(b) Failure to pay the principal of, or premium, if any, on any Bond, when due, whether at the stated maturity thereof or upon proceedings for redemption thereof;

(c) Failure to pay when due the purchase price of any Bond tendered or deemed to be tendered to the Tender Agent for purchase pursuant to Section 4.1 or Section 4.2 hereof when due;

(d) Receipt by the Trustee, not later than the last day provided for in the Letter of Credit on which the Bank can give notice preventing a reinstatement of the Letter of Credit following a drawing under the Letter of Credit to pay regularly scheduled interest on the Bonds, of written notice by the Bank that the Borrower has not reimbursed the Bank for such drawing or

of the occurrence of an "*Event of Default*" under the Reimbursement Agreement, and, that as a consequence of either of the above, the Bank will not reinstate the Letter of Credit with respect to such drawing;

(e) Receipt by the Trustee of written notice from the Bank of the occurrence of an "*Event of Default*" under the Reimbursement Agreement and requesting the Trustee to accelerate the Bonds;

(f) Failure to perform or observe any other of the covenants, agreements or conditions on the part of the City in this Indenture or in the Bonds contained and failure to remedy the same after notice thereof pursuant to Section 9.12 hereof; or

(g) The occurrence of an "*Event of Default*" under the Agreement.

Section 9.2. Acceleration. Upon (i) the occurrence of an Event of Default under Section 9.1(d) or Section 9.1(e), the Trustee shall, or (ii) the occurrence and continuance of any other Event of Default hereunder the Trustee may, and upon the written request of the owners of not less than a majority in aggregate principal amount of Bonds then Outstanding shall, declare the principal of all Bonds then Outstanding and the interest accrued thereon to the date of such declaration immediately due and payable (and interest on the Bonds shall cease to accrue from and after the date of declaration of acceleration), and such principal, interest, and any premium the City shall have become obligated to pay prior to such date, if any, shall thereupon become and be immediately due and payable; provided that so long as a Letter of Credit is in effect and the Bank has not failed to honor a properly presented and conforming drawing thereunder, no acceleration shall be declared under subsection (ii) of this Section 9.2 by reason of a default under Sections 9.1 (f) or (g) hereof without the prior written consent of the Bank. Upon any declaration of acceleration hereunder the Trustee shall immediately declare an amount equal to all amounts then due and payable on the Bonds to be immediately due and payable under Section 4.2(a) of the Agreement and under the Note in accordance with Section 6.2(a) of the Agreement, and, if the Letter of Credit is then in effect, the Trustee shall as soon as possible and in no event later than three Business Days after such declaration, draw under the Letter of Credit to the fullest extent permitted by the terms thereof to pay the principal of, and accrued interest on, the Bonds and shall fix the date upon which funds shall be applied as provided in Section 9.7 hereof. As soon as practicable upon any such declaration of acceleration, the Trustee shall give written notice thereof to the City, the Borrower, the Tender Agent and the Remarketing Agent; provided that failure to give such notice shall not affect the validity or effectiveness of such declaration.

Section 9.3. Other Remedies; Rights of Bondholders. Upon the occurrence of an Event of Default hereunder the Trustee may, in addition or as an alternative to the remedy provided for in Section 9.2 hereof, pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding. If an Event of Default shall have occurred, and if requested so to do by the owners of a majority in aggregate principal amount of Bonds then Outstanding and indemnified as provided in Section 10.1(l) hereof, the Trustee shall and in its own name:

(a) By mandamus, other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, including the right to require the City to collect the amounts payable

under the Agreement and the Note and to require the City to carry out any other provisions of this Indenture for the benefit of the Bondholders;

- (b) Pursue any and all remedies available to it under the Agreement;
- (c) Bring suit upon the Bonds;
- (d) By action or suit in equity require the City to account as if it were the trustee of an express trust for the Bondholders; and
- (e) By action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Bondholders.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the City (or to the Registered Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or the City or to the Registered Owners hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any default or Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver of any such default or Event or Default or acquiescence therein; and such right and power may be exercised from time to time as often as may be deemed expedient.

No waiver of any default or event of default hereunder, whether by the Trustee or by the Registered Owners, shall extend to or shall affect any subsequent default or Event or Default or shall impair any rights or remedies consequent thereon.

Section 9.4. Right of Bank and Bondholders to Direct Proceedings. Subject to the provisions of Section 10.1(l) hereof, anything in this Indenture to the contrary notwithstanding, the Bank or the owners of a majority in aggregate principal amount of the Bonds then Outstanding 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 for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture and shall not result in the personal liability of the Trustee; and provided further, that the Bank shall have no such right to direct proceedings relating to remedies against the Bank, including any drawing under the Letter of Credit. In the event of conflict between the directions of the Bank and those of the Registered Owners with respect to an Event of Default, the directions of the Bank shall prevail so long as the Bank has not failed to honor a properly presented and conforming drawing under the Letter of Credit. The Trustee may take any other action under this Indenture which is not inconsistent with such direction.

Section 9.5. Appointment of Receivers. Upon the occurrence of an Event of Default hereunder and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Registered Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and

of the revenues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 9.6. Waiver. Upon the occurrence of an Event of Default hereunder, to the extent that such rights may then lawfully be waived, neither the City, nor anyone claiming through or under the City, shall set up, claim, or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture, and the City, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

Section 9.7. Application of Moneys. All moneys (other than moneys derived from a drawing under the Letter of Credit) received by the Trustee pursuant to any right given or action taken under the provisions of this Article IX or pursuant to Section 6.9 hereof shall, after payment to the Trustee and the Bond Registrar of all amounts due and payable pursuant to Section 10.2 hereof and after payment of all expenses of the Trustee incurred in connection with litigation against the Bank resulting from the Bank's failure to honor a properly presented drawing under the Letter of Credit, be deposited in the Bond Fund; all moneys derived from a drawing under the Letter of Credit to pay principal of and interest on the Bonds shall be deposited in the Bond Fund - Letter of Credit Account, a separate, segregated account in the Bond Fund; and all moneys in the Bond Fund (other than moneys held for the payment of a particular Bond) during the continuation of an Event of Default hereunder shall be applied in the order of priority set forth in Section 6.4 hereof, as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of all interest then due on the Bonds (other than Borrower Bonds), and, if the amount available shall not be sufficient to pay said amount in full, then to the payment ratably, according to the amounts due, to the persons entitled thereto, without any discrimination or privilege;

SECOND - To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture, and other than Borrower Bonds), and, if the amount available shall not be sufficient to pay in full such unpaid principal premium and, then to the payment ratably to the persons entitled thereto without any discrimination or privilege;

THIRD - To the payment of the obligations of the Borrower due and owing to the Bank under the Reimbursement Agreement (other than any reimbursement for drawings under the Letter of Credit to pay the purchase price of Bonds tendered or deemed to be

tendered for purchase pursuant to Section 4.1 or Section 4.2 hereof, which reimbursement is not then due and payable under the Reimbursement Agreement); and

FOURTH - To the payment of the principal of, premium, if any, and interest on Borrower Bonds in the same manner as above provided.

(b) If the principal of all the Bonds shall have become due or shall have 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 (other than Borrower 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 (other than Borrower Bonds), ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege, *Second*, to the payment of the obligations of the Borrower due and owing under the Reimbursement Agreement (other than any reimbursement for drawings under the Letter of Credit to pay the purchase price of Bonds tendered or deemed to be tendered for purchase pursuant to Section 4.1 or Section 4.2 thereof, which reimbursement is not due and payable under the Reimbursement Agreement), and *Third*, to the payment of principal of and interest on Borrower Bonds in the same manner.

(c) If the principal of all of the Bonds shall have been declared due and payable, and if such declarations shall thereafter have been rescinded and annulled under the provisions of this Article IX then, subject to the provisions of Section 9.7(b) hereof if the principal of all of the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of Section 9.7(a) hereof.

Subject to the provisions of Section 10.2 hereof, whenever moneys are to be applied pursuant to the provisions of this Section 9.7, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it 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 shall cease to accrue; provided that if the Trustee shall declare an acceleration and shall draw under the Letter of Credit to pay the principal of and accrued interest on the Bonds, pursuant to Section 6.4 hereof, the Trustee shall fix the date upon which such application is to be made, which date shall be the date of such drawing under the Letter of Credit. 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 shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 9.8. Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be

brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the owners of the outstanding Bonds.

Section 9.9. Rights and Remedies of Bondholders. No owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture, the Agreement or the Note or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder or thereunder, unless a default has also occurred and the Trustee has been notified as provided in Section 10.1(h) hereof, or by said subsection it is deemed to have notice, nor unless such default shall have become an Event of Default hereunder and the owners of a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 10.1(l), nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name for 60 days after such notification, request, and offer of indemnification; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, the Agreement or the Note, or for the appointment of a receiver or for any other remedy hereunder or thereunder; it being understood and intended that not one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his or their action or to enforce any right hereunder or thereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the owners of all Bonds then Outstanding. Nothing contained in this Indenture, however, shall affect or impair the right of any Registered Owner to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof, or the obligation of the City to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective owners thereof on the date, at the place, from the source and in the manner in the Bonds expressed, or the payment of the purchase price of any Bond which is due and payable, subject to the rights of the Bank as set forth in Section 9.4 hereof.

Section 9.10. Termination of Proceedings. If the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the City, the Trustee and the Registered Owners shall be restored to their former positions and rights hereunder respectively with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceeding had been taken.

Section 9.11. Waivers of Events of Default. The Trustee may at its discretion waive any Event of Default hereunder and its consequences, other than any Event of Default under Sections 9.1(d) or (e) hereof, the waiver of which shall require the prior written consent of the Bank provided that the Bank shall not have failed to honor a properly presented and conforming drawing under the Letter of Credit, and rescind any declaration of acceleration of principal, and

shall do so upon the written request of the owners of (1) a majority in aggregate principal amount of all the Bonds then Outstanding in respect of which default in the payment of principal or interest, or both, exists, or in respect of which a default in the payment of the purchase price exists, or (2) a majority in aggregate principal amount of all Bonds then Outstanding in the case of any other default; provided that there shall not be waived (a) any default in the payment of the principal of or premium, if any, on any Outstanding Bonds at the date of maturity specified therein or redemption prior to maturity, or (b) any default in the payment when due of the interest on any such Bonds, or (c) any default in the payment when due of the purchase price of any such Bonds tendered or deemed to be tendered for purchase under Section 4.1 or Section 4.2 hereof unless prior to such waiver or rescission, all arrears of principal or interest, or both, with interest, to the extent permitted by law, as in the Bonds provided on overdue installments or all arrears of payments of such purchase price, as the case may be, and all expenses of the Trustee, in connection with such default shall have been paid or provided for; provided that if the Trustee shall have made a drawing under the Letter of Credit in connection with any such Event of Default to be so waived, no such waiver shall be effective during the Variable Rate Period until the Trustee receives written evidence from the Bank that it has rescinded its notice of an event of default under the Reimbursement Agreement and that the Letter of Credit shall have been reinstated to an amount equal to the outstanding principal amount of the Bonds plus interest thereon for the sum of (i) 35 days (or 185 days if the Bonds are then in the Fixed Rate Period), plus (ii) if the interest component of the Letter of Credit does not automatically and immediately reinstate after a drawing to pay interest on the Bonds, the sum of (A) six days, plus (B) the maximum number of calendar days the Bank is allowed pursuant to the provisions of the Letter of Credit to reinstate the Letter of Credit after a drawing thereon for interest on the Bonds, at the Cap Rate; and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the City, the Trustee and the Registered Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon; provided further, that a waiver of any "Event of Default" under the Reimbursement Agreement by the Bank and a rescission and annulment of its consequences by the Bank and (if the Event of Default hereunder is the event described in Section 9.1(d) or Section 9.1(e) hereof), a reinstatement of the Letter of Credit shall, upon written notice, delivered to the Trustee from the Bank of such waiver, rescission, annulment and reinstatement, constitute a waiver of the corresponding Event of Default hereunder and a rescission and annulment of the consequences thereof.

Section 9.12. Notice of Defaults Under Section 9.1(f); Opportunity of the City and the Borrower to Cure Such Defaults. Anything herein to the contrary notwithstanding, no default under Section 9.1(f) hereof shall constitute an Event of Default hereunder until notice of such default by registered or certified mail, return receipt requested, shall be given to the City, the Borrower, the Bank and the Remarketing Agent by the Trustee or to the City, the Borrower, the Trustee, the Tender Agent, the Bank and the Remarketing Agent by the owners of not less than a majority in aggregate principal amount of all Bonds then Outstanding, which notice shall specify such default, request that said default be remedied and state that such notice is a "Notice of Default" hereunder, and the City and the Borrower shall have had 90 days after receipt of such notice to correct said default or cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period.

With regard to any default concerning which notice is given to the City, the Borrower, the Bank and the Remarketing Agent under the provisions of this Section 9.12, the City hereby grants the Borrower full authority for the account of the City to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the City with full power to do any and all lawful things and acts to the same extent that the City could do and perform any such things and acts and with power of substitution.

Section 9.13. Remedies Not Exclusive. No remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

ARTICLE X.

TRUSTEE, BOND REGISTRAR, TENDER AGENT AND REMARKETING AGENT

Section 10.1. Acceptance of Trusts. The Trustee and the Bond Registrar hereby accept the respective trusts imposed upon them by this Indenture and agree to perform said trusts and all ministerial duties and obligations of the City under the Agreement and this Indenture, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after any and all Events of Default which may have occurred hereunder have been cured by the appropriate party, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If an Event of Default has occurred hereunder (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Trustee and the Bond Registrar may execute any of the trusts or powers hereof and perform any of their respective duties by or through attorneys, agents, receivers or employees, but shall, in the case of attorneys, agents, receivers or employees, not be answerable for the conduct of the same if appointed by the Trustee or the Bond Registrar in good faith and without negligence, and shall be entitled to advice of counsel concerning its duties hereunder and thereunder, and the advice of such counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder or thereunder in good faith in reliance thereon, and may in all cases pay such reasonable compensation to all such attorneys, agents and receivers as may reasonably be employed in connection with the trusts hereof or thereof.

(c) The Trustee and the Bond Registrar shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of the Authenticating Agent endorsed on the Bonds and the legend required by Section 2.2 hereof), or for the validity of the execution by the City of this Indenture or any supplemental indentures hereto, or of any instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby. In purchasing Bonds hereunder, the Tender Agent shall be acting as a conduit and shall not be purchasing Bonds for its own account. No provision of this Indenture shall require the Tender Agent to expend or risk its own funds.

(d) The Trustee and the Bond Registrar shall not be accountable for the use of the proceeds of any Bonds authenticated or delivered hereunder. The Trustee or the Bond Registrar may become the owner of Bonds secured hereby with the same rights which it would have if it were not the Trustee or the Bond Registrar.

(e) The Trustee and the Bond Registrar shall be protected in acting upon any requisition, notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed in good faith to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee and the Bond Registrar 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, shall be conclusive and binding upon such owner and all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof or on registration of transfer thereof.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee and the Bond Registrar shall be entitled to rely upon a certificate signed by a member or an authorized officer of the City or an Authorized Borrower Representative under the Agreement as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has been notified as provided in Section 10.1(h) hereof, or of which by Section 10.1(h) it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee and the Bond Registrar may accept a certificate of an officer of the City under the seal of the City to the effect that an authorization in the form therein set forth has been adopted by the City as conclusive evidence that such authorization has been duly adopted, and is in full force and effect.

(g) The permissive right of the Trustee and the Bond Registrar to do things enumerated in this Indenture shall not be construed as a duty and neither the Trustee nor the Bond Registrar shall be answerable for other than their negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the City to cause to be made any of the payments to the Trustee required to be made by Article V hereof, unless the Trustee shall be specifically notified in writing of such default by the City, the Bank or by the owners of at least a majority in aggregate principal amount of Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee (unless otherwise provided in the Bonds and this Indenture), and in the absence of such notice so delivered the Trustee may conclusively assume there is no default except as aforesaid.

(i) At any and all reasonable times and after reasonable notice has been provided, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the property herein conveyed, including all books, papers and records of the City pertaining to the Project and the Bonds.

(j) The Trustee and the Bond Registrar shall not be required to give any bond or surety in respect of the execution of said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture and the Agreement with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture and the Agreement and the Note, the Trustee or the Bond Registrar shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, by the Trustee or the Bond Registrar deemed desirable for the purpose of establishing the right of the City to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking any action hereunder, the Trustee may require that a satisfactory indemnity bond be furnished by such owners 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 failure to comply with the standard of care prescribed by Section 10.1(a) hereof in the case of actions referred to in Sections 9.3, 9.4 and 9.5 hereof, and, in the case of an action referred to in Section 10.4 hereof, liability which is adjudicated to have resulted from its negligence or willful misconduct. Notwithstanding anything contained herein to the contrary, the Trustee is required to draw on the Letter of Credit pursuant to its terms and without indemnification from any party.

Section 10.2. Fees, Charges, Indemnities and Expenses of the Trustee, the Bond Registrar and the City. The Trustee, the Bond Registrar and the City shall be entitled to payment and reimbursement for reasonable fees for their respective services rendered hereunder and all advances, counsel fees and other expenses reasonably made or incurred by the Trustee, the Bond Registrar and the City in connection with such services and in connection with entering into this Indenture, including any such fees and expenses incurred in connection with action taken under Article IX hereof. The Trustee, the Bond Registrar and the City shall also be entitled to payment of their reasonable fees, charges and expenses in the event that provision for the payment of the Bonds is made pursuant to Article VIII hereof. The Trustee shall have a first lien for the foregoing fees, charges and expenses with the right to enforce such lien for payment prior to payment on account of principal of, premium, if any, and interest on any Bond upon the Trust Estate (other than moneys derived from a drawing under the Letter of Credit or held for the payment of particular Bonds whether or not such payment is then due and owing) for the foregoing fees, charges and expenses incurred by it. The Trustee shall have no such lien for such fees, charges and expenses on moneys in the Bond Purchase Fund or otherwise held hereunder for the payment of the purchase price of Bonds tendered or deemed to be tendered to the Trustee for purchase. Notwithstanding anything herein to the contrary, including the failure to pay fees and expenses, the Trustee shall at all times be required to (i) pay, to the extent moneys are on deposit under this Indenture and available therefor, principal of, premium, if any, and interest on the Bonds when due at maturity, upon redemption prior to maturity, acceleration or otherwise, (ii) to make drawings under the Letter of Credit, when required to do so by the terms of this Indenture, (iii) to accelerate payment of the principal of and interest on the Bonds when required

to do so by the terms of this Indenture and (iv) to cause a mandatory tender of the Bonds when required to do so by the terms of the Indenture.

Section 10.3. Notice to Bondholders if Default Occurs. If a default occurs of which the Trustee is by Section 10.1(h) hereof required to take notice or if notice of default be given as therein provided, then the Trustee shall promptly give written notice thereof to the Bond Registrar, the Bank, the Remarketing Agent, the Borrower and the Tender Agent, and the Bond Registrar shall promptly give written notice thereof by first class mail, postage prepaid, to the owner of each Bond as shown by the list of Registered Owners required by the terms of Section 5.8 hereof to be kept at the office of the Trustee.

Section 10.4. Intervention by the Trustee. In any judicial proceeding to which the City is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the owners from time to time of the Bonds, the Trustee may intervene on behalf of Registered Owners and shall do so if requested in writing by the owners of at least a majority of the aggregate principal amount of Bonds then Outstanding.

Section 10.5. Successor Trustee, Bond Registrar or Tender Agent. Any corporation or association into which the Trustee, Bond Registrar or Tender Agent may be converted or merged, or with which be consolidated, or to which any one of them may sell or transfer its corporate trust business as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, merger or consolidation to which any one of them is a party, shall be and become successor Trustee, Bond Registrar or Tender Agent hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding. Any such successor Trustee, Bond Register or Tender Agent shall give notice thereof to the City, the Borrower, the Bank and the Remarketing Agent.

Section 10.6. Resignation by the Trustee; Bond Registrar or Tender Agent. The Trustee, Bond Registrar or Tender Agent and any successor Trustee, Bond Registrar or Tender Agent may at any time resign from the trusts hereby created by giving 30 days' written notice by first class mail, postage prepaid, to the City, the Borrower, the Bank, the Remarketing Agent and the owner of each Bond as shown by the list of Registered Owners required by Section 5.6 hereof to be kept by the Bond Registrar, provided that such resignation shall only take effect when a successor Trustee, successor Bond Registrar or successor Tender Agent, as the case may be, has been appointed pursuant to Section 10.8.

Section 10.7. Removal of the Trustee, Bond Registrar or Tender Agent. The Trustee, Bond Registrar or Tender Agent may be removed at any time (subject to the appointment of a successor Trustee, successor Bond Registrar or successor Tender Agent, as the case may be, pursuant to Section 10.8 hereof), by (i) the City, at the written request of the Borrower, delivered to the Trustee, to the Bond Registrar, to the Tender Agent, to the City, to the Bank and to the Remarketing Agent, and (ii) an instrument or concurrent instruments in writing delivered to the Trustee, to the Bond Registrar, to the Tender Agent, to the City, to the Borrower, to the Bank and to the Remarketing Agent, and signed by the owners of a majority in aggregate principal amount

of Bonds then Outstanding provided that no such removal shall take effect until a successor Trustee, successor Bond Registrar or successor Tender Agent, as the case may be, has been appointed pursuant to Section 10.8.

Section 10.8. Appointment of Successor Trustee, Bond Registrar or Tender Agent by Bondholders or City. If the Trustee, Bond Registrar or Tender Agent hereunder shall give notice of resignation or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public office or offices, or of a receiver appointed by a court, a successor may with the prior written consent of the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Agreement) be appointed by the owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their duly authorized attorneys in fact, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the City, the retiring Trustee, the successor Trustee, the Bond Registrar or successor Bond Registrar, the Tender Agent or successor Tender Agent, the Borrower, the Bank and the Remarketing Agent. Pending such appointment by the Bondholders, the City may, with the prior written consent of the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Agreement) appoint a temporary successor Trustee, Bond Registrar or Tender Agent by an instrument in writing signed by an authorized officer of the City, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the retiring Trustee, the successor Trustee, the Bond Registrar or successor Bond Registrar, the Tender Agent or successor Tender Agent, the Borrower, the Bank and the Remarketing Agent. If the City fails to act pursuant to the previous sentence, the Borrower may (to the extent no "Event of Default" shall have occurred and be continuing under the Agreement) appoint a temporary successor Trustee, Bond Registrar or Tender Agent by an instrument in writing signed by an authorized officer of the Borrower, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the City, the retiring Trustee, the successor Trustee, the Bond Registrar or successor Bond Registrar, the Tender Agent or successor Tender Agent, the City, the Bank and the Remarketing Agent. If the Registered Owners and the City or Borrower fail to so appoint a successor Trustee, Bond Registrar or Tender Agent hereunder within 45 days after the Trustee, Bond Registrar or Tender Agent has given notice of its resignation, has been removed, has been dissolved, has otherwise become incapable of acting hereunder or has been taken under control by a public officer or receiver, the Trustee, Bond Registrar or Tender Agent shall have the right to petition a court of competent jurisdiction to appoint a successor hereunder. Every such Trustee, Bond Registrar or Tender Agent appointed pursuant to the provisions of this Section 10.8 shall be a trust company or bank in good standing in the state of its incorporation and have a reported capital and surplus of not less than \$50,000,000 if there be such an institution willing, qualified and able to accept the trust upon customary terms and applicable law. Notwithstanding any of the provisions of this Article X to the contrary concerning the resignation or removal of the Trustee or the appointment of a successor Trustee, no such resignation, removal or appointment shall be effective until the Bank shall have issued and delivered to the successor Trustee (i) a substitute Letter of Credit in substantially the same form as the existing Letter of Credit, but in favor of the successor Trustee, whereupon the retiring Trustee shall simultaneously return the Letter of Credit then held by it to the Bank for cancellation, or (ii) an amendment to the existing Letter of Credit, evidencing transfer thereof in

all respects to the successor Trustee, to the extent permitted by law and by the terms of the Letter of Credit.

Section 10.9. Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the City an instrument in writing accepting such appointment hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of the City, or of its successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder or thereunder to its successor. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby or thereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder and thereunder, together with all other instruments provided for in this Article X, shall be filed or recorded by the successor Trustee in each recording office where the Indenture shall have been filed or recorded.

Section 10.10. Appointment of Successor Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, the Agreement, the Note or the Letter of Credit, and in particular in case of the enforcement of any of them on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies granted herein or in the Agreement or the Note to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint, with the consent of the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Agreement) and the Bank, an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 10.10 are adapted to these ends.

If the Trustee appoints an additional individual or institution as a separate trustee or co-trustee, in the event of the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers, trusts and remedies herein granted to the Trustee or to hold title to the Trust Estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, obligation, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be imposed upon, exercised by or voted in or conveyed to the Trustee with respect thereto shall be imposed upon, exercisable by and vest in such separate trustee or co-trustee, but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights, trusts and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Such separate trustee or co-trustee shall deliver an instrument in writing acknowledging

and accepting its appointment hereunder to the City, the Trustee, the Borrower, the Bank and the Remarketing Agent.

Should any instrument in writing from the City be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. If the City shall fail to deliver the same within 15 days of such request, the Trustee is hereby appointed attorney-in-fact for the City to execute, acknowledge and deliver such instruments in the City's name and stead. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the states, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 10.11. Appointment of a Remarketing Agent. The City and the Borrower shall, with the consent of the Bank, which consent shall not be unreasonably withheld, appoint the Remarketing Agent, subject to the conditions hereinafter set forth, and the Remarketing Agent shall act as the agent of the City in determining the Variable Rate and the Fixed Rate pursuant to Section 2.2 hereof, and shall act as the agent of the Borrower in connection with the remarketing of the Bonds pursuant to Section 4.3 hereof. _____ is hereby appointed the initial Remarketing Agent. The Remarketing Agent shall designate to the Trustee its principal office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the City, the Borrower, the Trustee and the Bank (which written instrument may be the Remarketing Agreement), under which the Remarketing Agent will agree to fulfill its duties and obligations set forth in this Indenture and keep such books and records with respect to its duties as Remarketing Agent as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Trustee, the City, the Borrower and the Bank at all reasonable times.

The Remarketing Agent shall be a member of the National Association of Securities Dealers, Inc., or a commercial bank chartered under the laws of the United States of America or any state thereof, having a capitalization of at least \$50,000,000 and authorized by law to perform all the duties imposed upon it by this Indenture. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' written notice to the City, the Borrower, the Bank and the Trustee. The Remarketing Agent may be removed at any time by the Borrower by an instrument filed with the Remarketing Agent and the Trustee. Upon any such resignation or removal the Borrower shall, with the consent of the Bank (which consent shall not be unreasonably withheld), appoint a successor Remarketing Agent by an instrument filed by the Borrower and the Bank with the City, the Remarketing Agent and the Trustee.

Section 10.12. Bond Registrar, Authenticating Agent, Paying Agent and Tender Agent. The Trustee is hereby appointed as and agrees to act as Bond Registrar, Paying Agent, Authenticating Agent and Tender Agent for and in respect of the Bonds.

Section 10.13. Notices to Rating Agencies. The Trustee shall provide Moody's or S&P, as appropriate, with prompt written notice following the effective date of such event of (i) the appointment of any successor Trustee, Remarketing Agent or Tender Agent, or any agent appointed by the Trustee to perform a material duty, (ii) the delivery of a substitute Letter of Credit, (iii) any material amendments to this Indenture, the Agreement, the Letter of Credit or any other document relating to this transaction to which the Trustee is a party or with respect to which the Trustee has received prior written notice, (iv) the expiration, termination or extension of any Letter of Credit, (v) the conversion of the interest rate borne by the Bonds from the Variable Rate to the Fixed Rate, or (vi) the redemption in whole or the mandatory tender of the Bonds. The Trustee shall not be liable to any party for failing to provide any notice pursuant to this Section 10.13.

ARTICLE XI.

SUPPLEMENTAL INDENTURES

Section 11.1. Supplemental Indentures Not Requiring Consent of Bondholders. The City and the Trustee may, without consent of, or notice to, any of the Bondholders enter into an indenture or indentures supplemental to this Indenture for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture or to make any other change, provided that no such action in the judgment of the Trustee is to the prejudice of the Registered Owners;

(b) 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;

(c) To provide for an Alternate Credit Facility pursuant to Section 5.9(e) of the Agreement and to make any other change necessary to facilitate the provision of the Alternate Credit Facility;

(d) To permit fully registered Bonds to be exchanged for coupon Bonds (which may be registrable as to principal only) upon receipt by the City, the Borrower and the Trustee of an opinion of Bond Counsel to the effect that the exchange of fully registered Bonds for Bonds in coupon form is permitted by applicable law and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation;

(e) To make further provisions for a book-entry system of registration for the Bonds;

(f) To provide for the purchase of Bonds on the open market on behalf of the Borrower from funds derived through drawings under the Letter of Credit, provided that the Borrower provide the Trustee with an opinion of Bond Counsel to the effect that any such amendment is permitted by applicable law and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal

income taxation and will not have an adverse effect on the security provided to the owners from time to time of the Bonds by this Indenture;

(g) To secure or maintain ratings from the Rating Agencies in both the highest short-term or commercial paper debt Rating Category and also in either of the two highest long-term debt Rating Categories of the applicable Rating Agency or Agencies, which changes will not restrict, limit or reduce the obligation of the Borrower to pay the principal of and premium, if any, and interest on the Bonds or otherwise materially adversely affect the Registered Owners under this Indenture, but only if there shall be supplied to the Borrower, the City, the Bank, the Trustee and the Remarketing Agent an opinion of Bond Counsel stating that the proposed modification or amendment will not adversely affect the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation; or

(h) To make any other change which in the sole determination of the Trustee does not materially adversely affect the owners; in making such determination the Trustee may rely on the opinion of such counsel as it may select, but only if there shall be supplied to the Borrower, the City, the Bank, the Trustee and the Remarketing Agent an opinion of Bond Counsel stating that the proposed modification or amendment will not adversely affect the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation.

Upon the execution of such supplemental indenture as in this Section 11.1 permitted and provided, this Indenture shall be deemed to be modified and amended in accordance therewith.

Section 11.2. Supplemental Indentures Requiring Consent of Bondholders. Exclusive of supplemental indentures covered by Section 11.1 hereof and subject to the terms and provisions contained in this Section 11.2, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the City and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided that nothing in this Section 11.2 or in Section 11.1 hereof contained shall permit, or be construed as permitting, without the consent of the owners of 100 percent in aggregate principal amount of the Bonds then Outstanding, (a) an extension of the maturity (or mandatory redemption date) of the principal of, premium, if any, or the interest on, any Bond issued hereunder, or (b) a reduction in the principal amount of, or redemption premium on, or the Variable Rate or the Fixed Rate borne by any Bond issued hereunder, except as provided in Section 2.2 hereof, or a change in the method of calculating the Variable Rate or the Fixed Rate, or (c) a change of any date upon which any Bond may be purchased in accordance with the terms thereof and the provisions of Sections 4.1 and 4.2 of this Indenture, or (d) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indenture or for consent to any amendment, change or modification to the Agreement as provided in Section 12.2 hereof, or (f) the creation of any lien ranking prior to or on a parity with the lien of this Indenture on the Trust Estate or any part thereof, except as hereinbefore expressly permitted, or (g) the deprivation of the owner of any Bond then outstanding of the lien hereby created on the Trust Estate.

If at any time the City shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 11.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed by first class mail, postage prepaid, to the owner of each Bond then Outstanding as shown by the list of Registered Owners required by the terms of Section 5.8 hereof to be kept at the office of the Trustee. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Registered Owners. If, within 60 days or such longer period as shall be prescribed by the City following the mailing of such notice, the owners of not less than a majority or 100 percent, as the case may be, in aggregate principal amount of the Bonds then Outstanding shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the City from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 11.2 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 11.3. Consent of Borrower and Bank. Anything herein to the contrary notwithstanding, a supplemental indenture under this Article XI shall not become effective unless and until the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Agreement) and the Bank (provided that the Bank shall not have failed to honor a properly presented and conforming drawing under the Letter of Credit) shall have consented in writing to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution of any such supplemental indenture, together with a copy of the proposed supplemental indenture, to be given by first class mail, postage prepaid, to the Borrower and the Bank at least 15 days prior to the proposed date of execution and delivery of any such supplemental indenture. The Borrower shall be deemed to have consented to the execution and delivery of any such supplemental indenture if the Trustee does not receive a letter of protest or objection thereto signed by or on behalf of the Borrower, as the case may be, on or before 4:30 P.M., local time, at the principal corporate trust office of the Trustee, on the fifteenth day after the mailing of said notice. Prior to the execution of any supplemental indenture which affects the duties of the Bond Registrar hereunder, consent must be obtained from the Bond Registrar.

Section 11.4. Notices to Remarketing Agent. The Trustee shall give written notice to the Remarketing Agent at the direction of the Borrower of any supplement or amendment to the Indenture, together with a copy of such supplement or amendment, entered into pursuant to this Article XI; provided, that the Trustee shall not be responsible for or incur any additional liability for failing to give such notice.

ARTICLE XII.

AMENDMENT OF AGREEMENT AND NOTE

Section 12.1. Amendments, Etc., to Agreement and Note Not Requiring Consent of Bondholders. The City and the Trustee may, without the consent of or notice to the Registered

Owners, consent to any amendment, change or modification of the Agreement (including an assignment thereof) and the Exhibits thereto and the Note as may be required (i) by the provisions of the Agreement or this Indenture; (ii) for the purpose of curing any ambiguity or formal defect or omission or in connection with any other change therein, provided, that any such action in the judgment of the Trustee will not materially adversely affect the Registered Owners; (iii) to provide for an Alternate Credit Facility pursuant to Section 5.9(e) of the Agreement and to make any other change necessary to facilitate the provision of the Alternate Credit Facility; (iv) to secure or maintain ratings from the Rating Agencies in both the highest short-term or commercial paper debt Rating Category and also in either of the two highest long-term debt Rating Categories of the applicable Rating Agency or Agencies; (v) to provide for the purchase of Bonds on the open market on behalf of the Borrower from funds derived through drawings under the Letter of Credit; and (vi) to make any other change which in the sole determination of the Trustee does not materially adversely affect the Registered Owners; in making such determination the Trustee may rely on the opinion of such counsel as it may select. With respect to any such amendment the Borrower must provide the Trustee with an opinion of Bond Counsel to the effect that any such amendment is permitted by applicable law and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation.

Section 12.2. Amendments, Etc., to Agreement and Note Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 12.1 hereof, the City and the Trustee shall not consent to any other amendment, change or modification of the Agreement or the Note without the giving of notice and the written approval or consent of the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding given as in this Section 12.2; provided that nothing in this Section 12.2 or in Section 12.1 hereof contained shall permit or be construed as permitting, without the consent of the owners of 100 percent in aggregate principal amount of the Bonds then Outstanding, (a) an extension of time for the payment of an amount due pursuant to Section 4.2(a) or 4.2(e) of the Agreement; (b) a reduction in the total amount due pursuant to Section 4.2(a) or 4.2(e) of the Agreement and on the Note; or (c) a reduction in the aggregate principal amount of the Bonds required for consent to such amendment, change or modification of the Agreement and the Note. With respect to any such amendment the Borrower must provide the Trustee with an opinion of Bond Counsel to the effect that any such amendment is permitted by applicable law and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation. If at any time the City and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Agreement or the Note, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 11.2 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal corporate trust office of the Trustee for inspection by all owners.

Section 12.3. Consent of Bank. Anything herein to the contrary notwithstanding, any amendment, change or modification of the Agreement or the Note under this Article XII shall not become effective unless and until the Bank, provided that the Bank shall not have failed to honor a properly presented and conforming drawing under the Letter of Credit, shall have consented in

writing to the execution and delivery of such amendment, change or modification. In this regard, the City shall cause the Trustee to give notice of the proposed execution of any such amendment, change or modification, together with a copy of the proposed amendment, change or modification, to be given by the first class mail, postage prepaid, to the Bank at least 15 days prior to the proposed date of execution and delivery of any such amendment, change or modification.

Section 12.4. Notice to Remarketing Agent. The Trustee shall give written notice to the Remarketing Agent at the direction of the Borrower of any amendment or supplement to the Agreement or the Note, together with a copy of such amendment or supplement, entered into pursuant to this Article XII; provided, that the Trustee shall not be responsible for or incur any additional liability for failing to give such notice.

ARTICLE XIII.

AMENDMENT AND SUBSTITUTION OF LETTER OF CREDIT

Section 13.1. Amendment of Letter of Credit. The Trustee may, without the consent of or notice to the owners of the Bonds, consent to any amendment, change or modification of the Letter of Credit or the exhibits thereto as may be required (i) for the purpose of curing any ambiguity or formal defect or omission; (ii) to obtain a credit rating on the Bonds from a Rating Agency; (iii) to effect a transfer thereof to a successor Trustee; (iv) to effect an extension of the terms thereof; (v) to effect a reduction or reinstatement thereof in accordance with its terms; or (vi) in connection with any other change which, in the judgment of the Trustee, does not adversely affect the interests of the owners of the Bonds; provided that the Trustee shall not consent to any other change, modification or amendment to the Letter of Credit without notice to and the written consent or approval of the owners of not less than 100 percent in aggregate principal amount of the Bonds then Outstanding. The Trustee shall give written notice to the Remarketing Agent at the direction of the Borrower of any amendment or supplement to the Letter of Credit, together with a copy of such amendment or supplement, entered into pursuant to this Article XIII; provided that the Trustee shall not be responsible for or incur any additional liability for failing to give such notice. The consent of the City under this Section 13.1 shall not be unreasonably withheld.

Section 13.2. Substitute Letters of Credit. The parties hereto acknowledge that the Borrower may, at its option, deliver substitute Letters of Credit to the Trustee in accordance with the provisions of Section 5.7 of the Agreement. Upon receipt by the Trustee from the Borrower of notice that the Borrower intends to deliver a substitute Letter of Credit, the Trustee shall promptly notify the Bond Registrar thereof, whereupon the Bond Registrar shall give notice of the proposed substitution to the City and the Bondholders, in the same manner provided in Section 4.2 for the giving of notices of mandatory tender, not less than 10 Business Days prior to the expected date of receipt of said substitute Letter of Credit. Such notice shall be prepared by the Trustee and submitted to the Bond Registrar, and shall (i) identify the Bank which is to issue the substitute Letter of Credit, (ii) describe the term, principal amount and expected date of receipt of the proposed substitute Letter of Credit, and (iii) state that the City's and the Trustee's acceptance of the proposed Letter of Credit will be contingent upon fulfillment of the requirements of Section 5.7(c) of the Agreement.

ARTICLE XIV.**MISCELLANEOUS**

Section 14.1. Consents, Etc., of Bondholders. Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the owners may be in any number of concurrent documents and may be executed by such owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgment within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of any witness to such execution, or in any manner satisfactory to the Trustee.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of owning the same shall be proved by the registration books of the City maintained by the Trustee pursuant to Section 2.8 hereof.

In determining whether the owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the Borrower or any person related to the Borrower shall be disregarded and deemed not to be Outstanding under this Indenture, except that in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Borrower.

Notwithstanding the foregoing paragraph, Bonds owned by the Borrower or any person related to the Borrower shall be deemed to be Outstanding under the Indenture if all the Bonds Outstanding at the time are owned by the Borrower; provided that in such event the Borrower may not consent to any supplement to this Indenture that would adversely affect the validity of the Bonds or the exclusion of the interest on the Bonds from gross income of the owners thereof for purposes of federal income taxation; and provided further, that if a supplement to this Indenture is executed at a time when the Borrower or any person related to the Borrower are the owners of all the Outstanding Bonds, Bond Counsel shall render an opinion that the execution of the supplement to this Indenture does not have an adverse effect on the validity of the Bonds or the exemption of the interest thereon from gross income of the owners thereof for purposes of federal income taxation.

Section 14.2. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or borrower other than the parties hereto, the Borrower, the Remarketing Agent, the Bank, the Bond Registrar and the owners of the Bonds, any legal or equitable right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions therein contained, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Borrower, the Remarketing Agent, the Bank, the Bond Registrar and the owners from time to time of the Bonds as herein provided.

Section 14.3. Notices. Unless otherwise specifically provided herein, all notices, certificates or other communications shall be sufficiently given and shall be deemed given when the same are (a) deposited in the United States mail and sent by first class mail, postage prepaid, or (b) delivered, in each case, to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

If to the City:

City of Chicago

Chicago, Illinois

Attention: Commissioner, Department of Housing

With a copy to:

City of Chicago

Office of the Corporation Counsel

City Hall – Room 600

33 North LaSalle Street, Suite 600

Chicago, Illinois 60602

Attention: Finance and Economic Development Division

City of Chicago

Office of the City Comptroller

City Hall – Room 501

121 North LaSalle Street

Chicago, Illinois 60602

Attention: City Comptroller

If to the Borrower:

With a copy to:

If to the Trustee:

If to the Bank:

If to the Remarketing Agent:

A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Borrower to the other shall also be given to the Trustee, the Remarketing Agent and the Bank.

Section 14.4. Payments Due on Non-Business Days. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds or the date for payment of the purchase price of any Bonds tendered or deemed to be tendered for purchase is not a Business Day, then payment of the principal, premium, if any, or interest or purchase price need not be made on such date, but may be made on the immediately following Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or the date for payment of the purchase price, and no interest shall accrue for the period after such date.

Section 14.5. Action by Borrower. Wherever it is herein or in the Agreement provided or permitted for any action to be taken by the Borrower, such action may be taken by an Authorized Borrower Representative as defined in the Agreement, unless the context clearly indicates otherwise.

Section 14.6. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.7. Applicable Provisions of Law. This Indenture shall be governed by and construed in accordance with the laws of the State; provided that the rights, duties and immunities and standard of care of the Trustee and the Bond Registrar shall be governed by and construed in accordance with the laws of the state in which their respective principal corporate trust offices are located.

Section 14.8. Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

Section 14.9. References to Bank and Letter of Credit. At any time while the Letter of Credit is not in effect and all amounts payable under the Reimbursement Agreement have been paid, all references herein to the Bank and the Letter of Credit shall be ineffective.

Section 14.10. Provisions for Payment of Expenses. The City shall not be obligated to execute any documents or take any other action under or pursuant to this Indenture, the Agreement or any other document in connection with the Bonds unless and until provision for

the payment of expenses of the City shall have been made. Provisions for expenses shall be deemed to have been made upon arrangements reasonably satisfactory to the City for the provision of expenses being agreed upon by the City and the party requesting such execution.

Section 14.11. Severability. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 14.12. Third Party Beneficiary. The Trustee and the City acknowledge that so long as the Letter of Credit is in effect or any amount remains payable under the Reimbursement Agreement, the Bank shall be an express third party beneficiary of the provisions of this Indenture, with the power to enforce the same.

IN WITNESS WHEREOF, the City of Chicago and _____ have caused this Trust Indenture to be executed in their respective names and attested by their duly authorized officers, all as of the day first above written.

CITY OF CHICAGO

By _____
City Comptroller

_____, as Trustee,
Tender Agent, Paying Agent, Authenticating Agent
and Bond Registrar

By _____
Its _____

Attest:

By _____
Its _____

(Sub)Exhibit "A" referred to in this Trust Indenture reads as follows:

12/13/2006

REPORTS OF COMMITTEES

94529

(Sub)Exhibit "A".
(To Trust Indenture)

Form Of Requisition Certificate.

Requisition No _____
Date _____

REQUISITION CERTIFICATE

To: _____ AS TRUSTEE UNDER THE SERIES 2006B TRUST
INDENTURE DATED AS OF _____, 2006, FROM CITY OF CHICAGO TO THE TRUSTEE,
AND SERIES 200_B LOAN AGREEMENT DATED AS OF _____, 2006, BETWEEN THE
CITY AND THE BORROWER.

The undersigned hereby requests that the following amounts be paid to the following
payees for the following Costs of the Project as defined in the above-mentioned Loan
Agreement:

Amount	Payee and Address	Description

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 Project, have

been properly incurred and are a proper charge against the Acquisition and Construction 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 Acquisition and Construction Fund, and that such amounts are costs which can be capitalized for federal income tax purposes to the extent required by Section 142 of the Internal Revenue Code of 1986, as amended, (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 Project 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 Acquisition and Construction Fund in any previous or pending application for payment made pursuant to the Loan Agreement; (iv) payment of this Requisition will not breach any limitation on disbursements contained in the Project Certificate (as defined in the Loan Agreement); (v) the amount remaining in the Acquisition and Construction Fund after payment of the amount(s) requested in this Requisition, 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 Project; and (vi) the amount(s) requested hereby are "Costs" permitted by the Agreement and the Indenture.

Authorized Borrower Representative

Approved:

By _____
Title _____

*Exhibit "D-1".
(To Ordinance)*

City Of Chicago

And

As Trustee

And

An Illinois Limited Partnership, As Borrower

Financing Agreement.

Dated As Of _____, 200__.

THIS FINANCING AGREEMENT (the "*Agreement*") dated as of _____, 200__, 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*"), _____, an Illinois limited partnership (the "*Borrower*"), and _____, a national banking association, as trustee (the "*Trustee*") under that certain Trust Indenture dated as of _____, 200__, from the Issuer to the Trustee securing the Bonds described below (the "*Indenture*").

WITNESSETH:

For and in consideration of the mutual covenants and representations hereinafter contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. Terms used in this Agreement and defined in the Indenture shall have the meanings given to such terms in the Indenture. In addition, unless otherwise expressly provided herein, or unless the context clearly requires otherwise, the following terms shall have the respective meanings set forth below:

"*Authorized Representative*" means a representative of the Borrower, as appropriate, authorized to perform any act or discharge any duty under this Agreement.

"*Bond Counsel*" means Perkins Coie LLP or any attorney at law or firm of attorneys, of nationally recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America or the District of Columbia.

"Bonds" means the Issuer's \$_____,000 aggregate principal amount of Multi-Family Housing Revenue Bonds (_____ Project), Series 200_A (FHA Insured/GNMA), issued pursuant to the Ordinance and the Indenture and secured by the Indenture.

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

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement dated _____, 200_, between the Borrower and the Trustee.

"FHA" means the Federal Housing Administration, an organizational unit within HUD.

"GNMA Issuer" means Collateral Real Estate Capital, LLC, and its successors and assigns.

"HUD" means the United States Department of Housing and Urban Development.

"HUD Regulatory Agreement" means the Regulatory Agreement for Multifamily Housing Projects (HUD-92466) with respect to the Project between the Borrower and HUD, as the same may be amended, restated or supplemented from time to time.

"Land Use Restriction Agreement" means the Land Use Restriction Agreement dated as of _____, 20_ among the Issuer, the Borrower and the Trustee.

"Mortgage" means the Mortgage executed by the Borrower, as mortgagor to secure the Mortgage Loan.

"Mortgage Insurance" means the mortgage insurance with respect to the Mortgage Loan issued by FHA under Section 221(d)(4) of the National Housing Act.

"Mortgage Loan" means the Mortgage Loan with respect to the Project endorsed for Mortgage Insurance by FHA pursuant to Section 221(d)(4) of the National Housing Act to be made by the GNMA Issuer to Borrower.

"Mortgage Loan Documents" means, collectively, the Mortgage Note, the Mortgage, the HUD Regulatory Agreement, the Building Loan Agreement and other documents required by FHA in connection with the closing of the Mortgage Loan, as the same may be amended, restated or supplemented from time to time.

"Mortgage Note" means the promissory note executed by the Borrower, as mortgagor, to evidence the Mortgage Loan and delivered to the GNMA Issuer.

"Permitted Encumbrances" means, as of any particular date, those encumbrances approved by FHA in connection with the initial or final endorsement of the Mortgage Note for Mortgage Insurance.

"Project" means the acquisition, rehabilitation, construction and equipping of a multi-family residential facility project consisting of _____.

"Project Fund" means the Project Fund established under the Indenture for the purpose of acquiring GNMA Securities (as defined in the Indenture).

"Schedule of Subscribers and GNMA Guaranty Agreement" means HUD form of Schedule of Subscribers and GNMA Guaranty Agreement (HUD-11705) or any replacement form issued by HUD.

"State" means the State of Illinois.

"Tax Regulatory Agreement" means the Tax Regulatory Agreement dated _____, 200_, among the Borrower, the Issuer and the Trustee.

"Trustee" means _____, in the City of Chicago, Illinois, and its successors in trust.

Section 1.2 Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number, and vice versa, unless the context shall otherwise indicate. References to Articles, Sections and other subdivisions of this Agreement are to the Articles, Sections and other subdivisions of this Agreement as originally executed. The headings of this Agreement are for convenience and shall not define or limit the provisions hereof.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of 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. The Issuer is authorized to execute and deliver this Agreement, the Land Use Restriction Agreement and the Indenture, and to carry out its obligations hereunder and thereunder.

(b) The Issuer has issued the Bonds for the purpose of financing a portion of the Project Costs.

(c) To the knowledge of the undersigned representatives of the Issuer, neither the execution and delivery of the Bonds, this Agreement, the Land Use Restriction Agreement or the Indenture, the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms, conditions or provisions of the Bonds, this Agreement, the Land Use Restriction Agreement or the Indenture conflict with or result in a material breach of any of the terms, conditions or provisions of any agreement, instrument, judgment, order, or decree to which the Issuer is now a party or by which it is bound, or constitute a material default under any of the foregoing.

Section 2.2 Representations and Warranties of Borrower. The Borrower represents and warrants that:

(a) The Borrower (i) is a limited partnership duly organized and validly existing under the laws of the State, and is qualified to transact business under the laws of the State, and (ii) 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 this Agreement, the Tax Regulatory Agreement, the Land Use Restriction Agreement, the Continuing Disclosure Agreement and the Mortgage Loan Documents.

(b) The Borrower has been duly authorized to execute and deliver this Agreement, the Land Use Restriction Agreement, the Tax Regulatory Agreement, the Continuing Disclosure Agreement and the Mortgage Loan Documents.

(c) The execution and delivery by the Borrower of this Agreement, the Land Use Restriction Agreement, the Tax Regulatory Agreement, the Continuing Disclosure Agreement and the Mortgage Loan 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 Borrower to perform its obligations under this Financing Agreement.

(d) 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 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, the Land Use Restriction Agreement, the Tax Regulatory Agreement, the Continuing Disclosure Agreement and the Mortgage Loan Documents, or would materially and adversely affect the financial condition of the Borrower.

(e) The operation of the Project in the manner presently contemplated and as described in this Agreement, the Land Use Restriction Agreement, the Tax Regulatory Agreement and the Mortgage Loan Documents will not conflict with any existing zoning, water, air pollution or other existing ordinance, order, law or regulation applicable thereto.

(f) 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.

(g) 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 materially adversely affect the Project or adversely affect the Borrower's ability to perform its obligations under any agreement related to the financing of the Project.

(h) The estimated cost of acquiring, rehabilitating, constructing and equipping the Project, inclusive of financing costs, is in excess of \$ _____.

(i) At least 95% of the net proceeds of the Bonds will be used to finance on-site or off-site Qualified Project Costs which constitute a "qualified residential rental project" within the meaning of the Code and such costs will have been paid with respect to work performed or materials purchased after _____, 200_ (which date is sixty days prior to the adoption of the Ordinance).

(j) The average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the Project determined in accordance with Section 147(b) of the Code.

(k) 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 Mortgage Loan to be funded by the Issuer for the Borrower.

(l) No more than ____% of the net proceeds of the Bonds will be used for the acquisition of the land on which the Project is located.

(m) None of the proceeds of the Bonds will be used to provide any airplane, skybox or other private luxury box, health club facility, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises, and none of the proceeds of the Bonds will be used for the acquisition of land to be used for farming or industrial park purposes.

(n) Until payment in full of all of the Bonds, 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 Project 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 Project, (iii) any lien, including, but without limiting the generality of the foregoing, mechanics' liens, or other liens resulting from a good-faith dispute on the part of the Borrower, which dispute the Borrower

agrees to resolve diligently, or which liens are insured over by a title insurance company reasonably acceptable to FHA, (iv) the Mortgage Loan Documents, the Land Use Restriction Agreement and the other "permitted exceptions" identified in the HUD Regulatory Agreement, (v) other liens or encumbrances contemplated by the approving ordinance adopted by the Issuer in connection with the issuance of the Bonds or otherwise approved by FHA, and (vi) such other pledges as may be approved in writing by the Trustee.

(o) The Indenture has been submitted to the Borrower for its examination, and the Borrower acknowledges, by execution of this Agreement, that it has reviewed and approved the Indenture.

(p) 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.

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.

ARTICLE III BOND PROCEEDS

Section 3.1 Application of Bond Proceeds. In order to enable the Issuer to provide funds to finance the Mortgage Loan made to finance the Project, the Issuer has issued and delivered the Bonds to the purchasers thereof, and has caused to be deposited the net proceeds thereof with the Trustee for application in accordance with the provisions of the Indenture and this Agreement.

Section 3.2 The GNMA Security; Disbursements From the Project Fund.

(a) Initial CLC. The obligation of the Trustee to acquire the Initial CLC on behalf of the Issuer is subject to Section 4.03(b) of the Indenture and receipt on or before the date of acquisition of such Initial CLC by the Trustee of the following documents:

(i) written evidence from the GNMA Issuer that the Initial CLC has been issued to the Trustee in a principal amount not to exceed amounts available in the Project Fund as of the date of delivery of the CLC, bearing interest at the Pass-Through Rate, maturing on the CLC Maturity Date, and will be delivered to the Trustee within 30 days of its dated date (which shall be the first day of a month);

(ii) a certificate in the form attached hereto as *Exhibit A* executed by an Authorized Borrower Representative certifying, among other things, that 95% of the amount of the CLC represents Qualified Project Costs, that purchase of the CLC is a proper charge against the Project Fund, that the costs incurred by the Borrower are presently due and have not been previously paid or requisitioned;

(iii) a copy of the Application for Insurance of Advances of Mortgage Proceeds pertaining to the Initial Advance, executed by the GNMA Issuer and approved by FHA;

(iv) a GNMA prospectus relating to the GNMA Security;

(v) a copy of the executed Mortgage certified by the title company;

(vi) a copy of the executed Mortgage Note initially endorsed by FHA evidencing the Mortgage Loan;

(vii) a copy of an ALTA Lender's Policy of title insurance issued with respect to the Project showing the Land Use Restriction Agreement to have a priority immediately subordinate to the Mortgage, the HUD Regulatory Agreement and any related UCC Financing Statements and assignment of rents and leases to the GNMA Issuer;

(viii) the [Schedule of Subscribers and] GNMA Guaranty Agreement;
and

(ix) the original or certified copy of the executed and recorded Land Use Restriction Agreement.

(b) Subsequent CLCs. After acquisition of the Initial CLC and except for the disbursement relating to the Final Advance, the Trustee shall make periodic advances of moneys available in the Project Fund and Bond Fund, as applicable, to the GNMA Issuer, on behalf of the Borrower, to acquire subsequent CLCs, but only in accordance with the conditions of Section 4.03(b)(iii) of the Indenture and the terms and provisions of the Purchase and Sale Agreement and this Agreement.

The obligation of the Trustee to make interim advances to acquire subsequent CLCs is further subject to the timely receipt by the Trustee of all payments due on previously delivered CLCs, and is also subject to the receipt of the following documents, on or before the date of any purchase of such CLCs by the Trustee:

(i) a certificate in the form attached hereto as *Exhibit A* executed by an Authorized Borrower Representative certifying, among other things, that 95% of the amount of the CLC to be acquired represents Qualified Project Costs, that purchase of such CLC is a proper charge against the Project Fund, that the costs incurred by the Borrower are presently due and payable and have not been previously paid or requisitioned; and

(ii) the relevant CLC (which shall be delivered simultaneously with such interim advance).

The Trustee shall review each CLC delivered to it in connection with the initial advance and each interim advance to ensure that (i) the amount of such CLC, when added to all previous CLCs issued to the Trustee, does not exceed \$_____,000, (ii) such CLC bears interest at the Pass-Through Rate, (iii) such CLC matures on _____, 200_ and (iv) such CLC is delivered to the Trustee by the last day of the month in which it was issued. [With respect to the final CLC to be delivered to the Trustee, the Trustee shall also receive (i) a copy of the executed and approved Application for Insurance of Advances of Mortgage Proceeds pertaining to such Final Advance, (ii) a Schedule of Subscribers and GNMA Guaranty Agreement and (iii) written assurance from the GNMA Issuer that it will proceed to submit to GNMA the finally endorsed Mortgage Note.]

(c) Delivery of PLC. The Trustee shall deliver as requested by the GNMA Issuer its authorization to cancel all CLCs held by it upon issuance by the GNMA Issuer and delivery of the PLC on the PLC Delivery Date and upon receipt by the Trustee of a Schedule of Subscribers and GNMA Guaranty Agreement and written assurance from the GNMA Issuer that it will proceed to submit to GNMA the finally endorsed Mortgage Note; provided, however, that the CLCs shall not be so cancelled if the principal balance of the Mortgage Note as of the PLC Delivery Date is less than the aggregate principal amount of such CLCs unless the GNMA Issuer has paid to the Trustee, as a partial prepayment of such CLCs, an amount equal to the difference between the then current outstanding principal balance of the Mortgage Note as of the PLC Delivery Date and the aggregate principal amount of the CLCs.

The obligation of the Trustee to acquire the PLC is subject to Section 4.03(b)(iv) of the Indenture and receipt of the following documents:

(i) written evidence from the GNMA Issuer that the PLC will be issued to the Trustee in the principal amount equal to the unamortized portion of the Mortgage Loan with a final maturity date no later than ___ months from the Commencement of Amortization and in no event later than _____, 20__, will be dated no later than the first day of the month in which the CLCs mature and will be delivered no later than the last day of the month in which it is issued and will bear interest at the Pass-Through Rate;

(ii) the final certificate in the form attached hereto as *Exhibit A* executed by an Authorized Borrower Representative certifying, among other things, that at least 95% of the amount of the PLC represents Qualified Project Costs, the principal amount of the PLC in excess of the aggregate principal amount of the CLCs is a proper charge against the Project Fund and that the principal amount of the PLC in excess of the aggregate principal amount of the CLCs represents the payment of an obligation incurred by the Borrower presently due and payable and not previously paid or requisitioned;

(iii) [a Schedule of Subscribers and GNMA Guaranty Agreement and a certificate of the GNMA Issuer to the effect that (A) such Schedule of Subscribers and GNMA Guaranty Agreement has been duly authorized, executed and delivered by the GNMA Issuer, and constitutes a valid and binding obligation of the GNMA Issuer and GNMA and (B) the PLC upon its issuance will constitute a valid and binding obligation of GNMA, enforceable in accordance with its terms;]

(iv) a copy of the executed and approved Application for Insurance of Advances of Mortgage Proceeds pertaining to such final advance; and

(v) [a GNMA prospectus relating to the GNMA Security].

Section 3.3 Payments by Borrower. In addition to all payments required to be made with respect to the Mortgage Note, the Borrower agrees to make the following additional payments, to the extent not paid pursuant to the Mortgage Note:

(a) [To the Trustee on the date of issuance of the Bonds from other amounts received from the Underwriter in connection with the sale of the Bonds, in immediately payable federal funds: \$_____ for deposit in the Reserve Fund.]

(b) All taxes and assessments of any type or character charged to the Issuer or to the Trustee affecting the amount available to the Issuer or the Trustee to pay the principal of or interest on the Bonds or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental issuer of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Trustee and taxes based upon or measured by the net income of the Trustee; provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Issuer or the Trustee, at the Borrower's expense, to protest and contest any such taxes or assessments assessed or levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer or the Trustee or the respective liens of the Indenture or the Mortgage.

(c) To the extent the amounts on deposit in the Bond Fund (and available to pay the Trustee in accordance with Section 4.04 of the Indenture) are insufficient to pay the fees of the Trustee, the dissemination agent under the Continuing Disclosure Agreement or the rebate analyst, the Borrower shall, not later than five days after notification from the Trustee of such

deficiency, pay such amount to the Trustee, the dissemination agent or the rebate analyst, as appropriate.

(d) All fees, expenses and responsibilities of the Borrower to the GNMA Issuer or to FHA or GNMA in connection with the Mortgage Loan, which obligations shall be the obligations of the Borrower and shall not be the obligations of the Issuer.

(e) All fees and expenses required to obtain an extension of the CLC Delivery Date or PLC Delivery Date under Section 4.03(d) of the Indenture, and Borrower agrees to deposit with the Trustee for deposit in the Bond Fund such required amounts at the time of the request for the extension.

(f) In the event the Borrower is in default under any provision of this Agreement, the Mortgage Loan Documents (subject to the nonrecourse, notice and cure provisions thereof) or the Land Use Restriction Agreement, to the Issuer, the Trustee and the GNMA Issuer all reasonable fees and disbursements by such persons and their agents (including attorneys' fees and expenses) which are reasonably connected therewith or incidental thereto, except to the extent such fees and disbursements are paid from moneys available therefor under the Indenture.

(g) Upon the written demand of the Trustee, to the Trustee, on behalf of the Issuer, any amount required to be rebated to the United States of America pursuant to Sections 4.07 and 5.06 of the Indenture, to the extent that funds are not available therefor under the Indenture; provided, however, that such obligation shall be payable from "Surplus Cash" (as defined in the HUD Regulatory Agreement) and from no other source. If "Surplus Cash" is not available for such purpose, the [] of the Borrower (the "Responsible Party") shall pay such amounts. The obligation of the Responsible Party to make such payments shall be a personal obligation of the Responsible Party, and no lien or claim shall be made by such Responsible Party against the revenues and assets of the Project except from "Surplus Cash" to the extent available. The Responsible Party's obligation to make such payments in its personal capacity shall be evidenced by the Responsible Party's execution and acceptance of this Agreement.

(h) Any amounts required to be paid in connection with the redemption of Bonds pursuant to Section 3.01 of the Indenture.

Section 3.4 Sufficiency of the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys deposited under the Indenture and available for the purposes therein specified will be sufficient to pay all of the cost thereof. The Borrower agrees that if after disbursement of all the moneys in the Project Fund, the Borrower should pay any cost relating to the Project, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Trustee, or the holders of the Bonds, except to the extent the Issuer has agreed in writing.

Section 3.5 Investment of Moneys. Any moneys held as part of the Project Fund, the Bond Fund, the Reserve Fund or the Costs of Issuance Fund under the Indenture shall initially be invested and reinvested by the Trustee in Qualified Investments, as provided in

Section 4.09 of the Indenture. The Borrower has reviewed those provisions of the Indenture relating to investment of funds held under the Indenture and the use of such investment earnings, and has reviewed the Trustee's proposed initial investment of funds deposited to the Project Fund, the Bond Fund, the Reserve Fund or the Costs of Issuance Fund, and hereby approves of the same. The Issuer, the Trustee and the Borrower jointly and severally covenant (to the extent of their control over such matters) that the use of the proceeds of the Bonds, including any moneys held as part of any fund under the Indenture and any other amounts received by the Issuer in respect to property directly or indirectly financed with the proceeds of the Bonds, and proceeds from interest earned on the investment and reinvestment of such fund and proceeds, shall be invested or otherwise used and shall be restricted in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time of issuance of the Bonds, so that the Bonds will not constitute "arbitrage bonds" within the meaning of Section 148 of the Code.

ARTICLE IV ADDITIONAL COVENANTS AND AGREEMENTS

Section 4.1 FHA Regulations Control. In the event of any conflict between the provisions of this Agreement and the applicable rules and regulations of FHA in effect on the date of the initial endorsement of the Mortgage Loan by HUD, such rules and regulations of FHA shall control. In the event that the consent of FHA is required by such rules and regulations in order for the Issuer or the Trustee to exercise any remedy hereunder, such consent shall be obtained prior to the exercise of such remedy.

Section 4.2 Inspections. All equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents, and other papers relating to the Project shall at all times be maintained in reasonable condition for proper audit, and shall, upon at least 48 hours prior written notice and during regular business hours, be subject to examination and inspection at any reasonable time by the Issuer, the Trustee or their authorized agents.

Section 4.3 Reports and Information. At the request of the Issuer or the Trustee, their agents, employees or attorneys, the Borrower shall furnish to the Issuer and the Trustee, concurrently with delivery to FHA or HUD, copies of any reports and information furnished to FHA or HUD pursuant to the Mortgage Loan Documents. Additionally, the Borrower shall furnish to the Issuer and the Trustee, if so requested, such information as may be reasonably requested in writing from time to time relative to compliance by the Borrower with the provisions of this Agreement and the Land Use Restriction Agreement.

Section 4.4 Assignment. No transfer of title to the Project shall be made unless (1) FHA consents to such transfer, as long as the Mortgage Loan is insured or held by FHA, (2) the GNMA Issuer consents to such transfer, as long as the GNMA Security is outstanding, and (3) the transferee assumes all of the duties of the Borrower under this Agreement, the Continuing Disclosure Agreement, the Land Use Restriction Agreement and the Mortgage Loan Documents, provided that such assumption may contain an exculpation of the assignee from personal liability with respect to any obligation hereunder except for the Responsible Party's obligations under Section 3.3(g) hereunder. Upon the assumption of the

duties of the Borrower, the Borrower shall be released from all executory obligations so assumed.

Section 4.5 Use of Proceeds. The Borrower shall not take any action or omit to take any action within its control, which action or omission would in any way cause the Trustee to apply the proceeds from the sale of the Bonds in a manner contrary to that provided for in the Indenture or the Mortgage Loan Documents.

Section 4.6 Indemnification.

(a) The Borrower hereby assumes liability for and at its expense agrees to indemnify, protect, have and keep harmless, the Issuer, [the GNMA Issuer] and the Trustee, their respective successors, assigns, agents and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which arise out of or are based upon the alleged inaccuracy of information furnished to the Issuer or the Trustee by the Borrower for inclusion in the Official Statement relating to the Bonds.

(b) The Borrower will pay, and will protect, indemnify and save the Issuer harmless from and against, any and all liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees and expenses of the Issuer), causes of action, suits, claims, demands and judgments of whatsoever kind and nature (including those arising or resulting from any injury to or death of any person or damage to property) arising out of the following, to the extent permitted by law:

- (i) the design, construction and installation of the Project;
- (ii) the use of the Project by the Borrower;
- (iii) violation by the Borrower of any agreement, warranty, covenant or condition of this Agreement, the Tax Regulatory Agreement, the Land Use Restriction Agreement or the Mortgage Loan Documents;
- (iv) violation by the Borrower of any other contract, agreement or restriction relating to the Project; and
- (v) violation by the Borrower of any law, ordinance, regulation or court order affecting the Project or the ownership, occupancy or use thereof.

(c) The Borrower will pay, and will protect, indemnify and save the Trustee harmless from and against, any and all liabilities, losses, damages, costs, and expenses (including reasonable attorneys' fees and expenses of the Trustee), causes of action, suits, claims, demands and judgments of whatsoever kind and nature arising out of the violation by the Borrower of any agreement, warranty, covenant or condition of the Land Use Restriction Agreement, except when caused by the Trustee's own negligence or willful misconduct or by the joint negligence or willful misconduct of the Trustee and any other person (other than the Borrower and related entities).

(d) The Issuer, [the GNMA Issuer] or the Trustee, as the case may be, shall notify the Borrower in writing of any claim or action brought against the Issuer, [the GNMA Issuer] or the Trustee, as the case may be, in respect of which indemnity may be sought against the Borrower, setting forth the particulars of such claim or action, and the Borrower will assume the defense thereof, including the employment of counsel, and the payment of all reasonable expenses. The Issuer, [the GNMA Issuer] or the Trustee, as the case may be, may employ separate counsel in any such action and participate in the defense thereof. The fees and expenses of such separate counsel so incurred shall be at the expense of the Borrower without regard to any authorization of such employment by the Borrower.

Section 4.7 Fees. Reference is hereby made to Section 7.07 of the Indenture which sets forth the compensation and reimbursement to which the Trustee is entitled for ordinary fees and expenses. The Borrower agrees to pay, whether out of the proceeds of the Mortgage Loan or other funds, the fees and reasonable expenses of the Trustee (to the extent not paid in accordance with Section 7.07 of the Indenture), the rebate analyst and the dissemination agent (including the reasonable fees and expenses of their counsel) in connection with the issuance of the Bonds and the performance of their duties in connection with the transactions contemplated hereby, including, without limitation, all costs of recording and filing, to the extent such fees and expenses are not otherwise paid from the Costs of Issuance Fund in accordance with Section 4.06 of the Indenture. All such amounts shall be paid directly to the parties entitled thereto for their own account as and when such amounts become due and payable. The Borrower will also pay any reasonable expenses in connection with any redemption of the Bonds. Specifically, and without limiting the foregoing, the Borrower agrees to pay to the Issuer or to any payee designated by the Issuer, within 30 days after receipt of request for payment thereof, all expenses of the Issuer related to the Project and the financing thereof which are not paid from the funds held under the Indenture, including, without limitation, legal fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of any documents relating to the Project or the Bonds or in connection with questions or other matters arising under such documents.

The obligations of the Borrower under this Section shall survive the termination of this Agreement and the payment and performance of all of the other obligations of the Borrower hereunder and under the Mortgage Loan Documents, the Tax Regulatory Agreement and the Land Use Restriction Agreement.

Section 4.8 Establishment of Completion Date. Within 60 days of the Completion Date, the Borrower shall furnish to the Issuer and the Trustee a certificate stating that the Project has been completed.

Section 4.9 Continuing Disclosure. The Borrower hereby covenants and agrees to enter into and comply with the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Agreement, failure of the Borrower to comply with the Continuing Disclosure Agreement shall not be considered an event of default under this Agreement; however, the Trustee, at the written request of the holders of at least 25% aggregate principal amount of Outstanding Bonds, shall (only to the extent the Trustee has been provided indemnity satisfactory to it from any costs, liabilities or expenses, including reasonable fees and expenses of its attorneys), or any Bondholders may, take such actions as may be necessary and

appropriate, including seeking mandamus or specific performance by court order, to cause the Borrower to comply with its obligations pursuant to this Section 4.9.

Section 4.10 Recordation and Filing. The Borrower shall cause financing statements with respect to the Trust Estate described in the Indenture to be at all times filed in such manner and in such places if required by law in order to fully preserve and protect the rights of the Issuer and the Trustee hereunder and to perfect the security interest created by the Indenture in the Trust Estate described herein. To the extent possible under applicable law, as in the effect in the jurisdiction(s) in which the Trust Estate is located, the Borrower will maintain the priority of the security interest herein created in the Trust Estate as a first lien thereon, and warrant, protect, preserve and defend its interest in the Trust Estate and the security interest of the Trustee herein and all rights of the Trustee under the Indenture against all actions proceedings, claims and demands of all Persons, all paid for by the Borrower.

Section 4.11 [Borrower Required to Pay Costs in the Event Project Fund Insufficient. In the event the money in the Project Fund available for payment of the costs of the Project shall not be sufficient to make such payment in full, the Borrower agrees to pay directly, or to deposit moneys in the Project Fund for the payment of, such costs of completing the Project as may be in excess of the moneys available therefore in the Project Fund.]

Section 4.12 Purchase of Issuer's Bonds. The Borrower agrees that neither it, 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 Mortgage Loan to be funded by the Issuer for the Borrower.

ARTICLE V EVENTS OF DEFAULT; REMEDIES

Section 5.1 Events of Default; Remedies. Upon violation of any of the provisions of this Agreement by the Borrower, the Issuer or the Trustee shall give written notice thereof to the Borrower by messenger, overnight courier or registered or certified mail, postage prepaid, return-receipt requested. If such violation is not corrected or action commenced and diligently pursued to effect such correction to the reasonable satisfaction of the Issuer and the Trustee within 30 days after the date such notice is received by Borrower, or within such further time as the Issuer or the Trustee permits, which permission shall not be unreasonably withheld, without further notice the Issuer or the Trustee may declare a default under this Agreement effective on the date of such declaration of default, and upon such default the Issuer or the Trustee may apply to any state or federal court having jurisdiction for specific performance of this Agreement, for an injunction against any violation of this Agreement, for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Agreement, or for such other relief in law or equity as may be appropriate, since the injury to the Issuer and the Trustee arising from a default under any of the terms of this Agreement would be irreparable, and the amount of damage would be difficult to ascertain; provided, however, that nothing herein

is intended to affect or extend any period of time established by the Mortgage or to impose any personal liability upon the Borrower or any of the partners of the Borrower or to constitute a default under the Mortgage Loan Documents, except as provided therein. [Notwithstanding the occurrence of any event of default under this Agreement or under the other documents relating to the issuance of the Bonds and the exercise of any available rights or remedies thereunder, the Trustee shall continue to purchase the GNMA Securities from the GNMA Issuer and to make disbursements pursuant to Section ___ or Section ___ and the Purchase and Sale Agreement, and the funds on deposit in the Project Fund and the Bond Fund shall remain available for such purpose.]

The prevailing party in any suit, in law or equity, against the Borrower with respect to any breach of this Agreement shall be entitled to reimbursement from the other party to such suit for all attorneys' fees and disbursements of the prevailing party reasonably connected therewith or incidental thereto except, in the case of fees and disbursements due the Issuer or the Trustee, to the extent such attorneys' fees are paid from moneys available therefor under the Indenture.

ARTICLE VI MISCELLANEOUS

Section 6.1 Notice. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given and received: (i) three days after deposit in the United States mail and sent by first class mail, postage prepaid, or (ii) when delivered, in each case, to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

If to the Issuer: City of Chicago
Department of Housing
33 North LaSalle Street
Suite 1100
Chicago, Illinois 60602
Attention: Commissioner, Department of Housing
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

with copies to:

City of Chicago
Office of the Corporation Counsel
City Hall - Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

and to:

City of Chicago
Department of Finance - Financial Policy
33 North LaSalle Street, 6th Floor
Chicago, Illinois 60602
Attention: _____
Phone:
Fax:

If to the Borrower:

Phone:
Fax:

with copies to:

Phone:

If to the Trustee:

Copies of each notice, certificate of other communication given hereunder by any party hereto shall be given to all parties hereto.

Section 6.2 Successors and Assigns. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, premises and agreements which are contained in this Agreement shall bind the successors and assigns of the party so covenanting, promising or agreeing, and shall inure to the benefit of the successors and assigns of the other parties hereto.

Section 6.3 Governing Law. This Agreement is to be construed in accordance with and governed by the laws of the State (other than the choice of law rules of the State) and, where applicable, the laws of the United States of America.

Section 6.4 Captions. The section headings contained herein are for reference purposes only, and shall not in any way affect the meaning or interpretation of this Agreement.

Section 6.5 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 6.6 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 6.7 Limited Liability of Borrower. The obligations of the Borrower contained in this Agreement shall be limited obligations payable solely from "Surplus Cash" (as defined in the HUD Regulatory Agreement) or as otherwise permitted by FHA and except as expressly provided in Section 3.3(g) hereof solely with respect to the Responsible Party, no member of the Borrower shall have personal liability for the satisfaction of any obligation of the Borrower or claim arising out of this Agreement against the Borrower; provided that nothing herein is intended to affect the Borrower's liability under the Mortgage Loan Documents.

Section 6.8 No Liability of Issuer. The Bonds are issued pursuant to Article VII, Section 6 of the 1970 Constitution of the State and pursuant to the Ordinance and shall be limited obligations of the Issuer payable solely as provided in the Indenture. No owner of any Bond has the right to compel any exercise of the taxing power of the Issuer to pay the principal of, interest on, or premium, if any, on, the Bonds and the Bonds shall not constitute an indebtedness of the Issuer or a loan of credit thereof within the meaning of any constitutional or statutory provisions. No covenant or agreement contained in the Indenture, the Bonds or this Agreement shall be deemed to be a covenant or agreement of any official or of any officer or employee of the Issuer in his or her individual capacity, and neither the members of the governing body of the Issuer nor any officer of the Issuer signing the Indenture, the Bonds, the Tax Regulatory Agreement, the Land Use Restriction Agreement, the HUD Regulatory Agreement or this Agreement shall be liable personally or be subject to any personal liability or accountability by reason of the execution thereof.

Section 6.9 Enforcement Not to Affect Mortgage Loan or GNMA Security. Notwithstanding any provision in this Agreement to the contrary, enforcement of this Agreement will not result in any claim under the Mortgage Loan or the GNMA Security, or claim against the Project, the Mortgage Loan proceeds, any reserve or deposit made with the GNMA Issuer or another Person required by HUD in connection with the Mortgage Loan or the GNMA Security, or against the rents or other income from the Project (other than available "Surplus Cash," as defined in the HUD Regulatory Agreement) for payment hereunder.

Section 6.10 [Third-Party Beneficiary. To the extent that the Indenture or this Agreement confers upon or gives or grants to the GNMA Issuer any right, remedy or claim under or by reason of the Indenture or this Agreement, the GNMA Issuer is hereby explicitly recognized as being a third-party beneficiary under this Agreement and may enforce any such right or remedy or claim conferred, given or granted under this Agreement as if it were a party to this Agreement.]

Section 6.11 [Consent of GNMA Issuer. Notwithstanding the foregoing, no amendments may be enacted under this Agreement Section which will effect the rights of the GNMA Issuer hereunder, under the Purchase and Sale Agreement or the Indenture without the prior written consent of the GNMA Issuer.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and caused their corporate seals to be affixed hereto and to be attested, all as of the day and year first written above.

CITY OF CHICAGO

[SEAL]

Attest:

By: _____
Chief Financial OfficerBy: _____
City Clerk_____
an Illinois limited partnership

Attest:

By: _____
Its: _____By: _____
Its: __________
as Trustee

Attest:

By: _____
Its: _____By: _____
Its: _____

(Sub)Exhibit "A" referred to in this Financing Agreement reads as follows:

(Sub)Exhibit "A".
(To Financing Agreement)

Borrower's Certificate To G.N.M.A. Issuer And Trustee.

Reference is made to that certain Financing Agreement dated as of _____, 200__ (the "Financing Agreement"), by and among the City of Chicago (the "Issuer"), _____ an Illinois limited partnership (the "Borrower") and _____ (the "Trustee"). Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Financing Agreement.

To induce the GNMA Issuer to consent to the disbursement under the Mortgage Loan as shown on Schedule 1 attached hereto, and to induce the Trustee to purchase a CLC or the PLC, as applicable, the undersigned represents, warrants and certifies to the GNMA Issuer and the Trustee:

(a) the costs set forth in Schedule 1 hereto are presently due and payable, have been properly incurred by the Borrower in connection with the Project being financed with the proceeds of the Mortgage Loan, are reimbursable Project Costs properly chargeable against the Mortgage Loan and have not been the basis of any previous disbursement;

(b) the costs specified in Schedule 1 hereto, when added to all previous disbursements under the Mortgage Loan, will result in at least 95% of the aggregate amount of all disbursements having been used to pay or reimburse the Borrower for amounts which are Qualified Project Costs;

(c) none of the costs set forth in Schedule 1 hereto are Costs of Issuance; and

(d) FOR A CLC, INSERT: at least 95% of the amount of the CLC being purchased by the Trustee in reliance of this Borrower's Certificate represents Qualified Project Costs and the purchase of such CLC is a proper charge against the Project Fund; and

(e) the Borrower is not in default under the Financing Agreement or the Mortgage Loan.

Dated: _____, 20__

an Illinois limited partnership

By: _____

Its: _____

[Schedule 1 referred to in this Borrower's Certificate
to G.N.M.A. Issuer and Trustee unavailable
at time of printing.]

*Exhibit "D-2".
(To Ordinance)*

City Of Chicago

And

Loan Agreement

Dated As Of _____ 1, 2006

*Relating To City Of Chicago Variable Rate Demand Multi-Family
Housing Revenue Bonds (_____ Project), Series 2006B.*

THIS LOAN AGREEMENT dated as of _____ 1, 2006 (the "*Agreement*"), is by and between the CITY OF CHICAGO, a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State (the "*City*"), and _____, an Illinois limited partnership (the "*Borrower*").

RECITALS:

WHEREAS, the City plans to undertake the financing of a portion of the costs of the acquisition, construction and equipping of a low-income multi-family housing project to be located at _____, Chicago, Illinois (the "*Project*"), by issuing its \$_____ Variable Rate Demand Multi Family Housing Revenue Bonds (_____ Project) Series 2006B (the "*Bonds*"); and

WHEREAS, the City intends to loan the proceeds of sale of the Bonds to the Borrower to acquire, construct and equip the Project; and

WHEREAS, the Bonds will be issued under the terms of a Trust Indenture (the "*Indenture*") of even date herewith from the City to _____, Chicago, Illinois, as trustee (the "*Trustee*"); and

WHEREAS, the Borrower's obligations to repay the loan are evidenced by this Agreement and the Borrower's execution and delivery to the Trustee of its promissory note (the "*Note*") concurrent herewith; and

WHEREAS, the Bonds are secured by (i) an assignment and pledge by the City to the Trustee of this Agreement, and (ii) an irrevocable, transferable letter of credit issued by _____, Chicago, Illinois (the "*Bank*"), in favor of the Trustee for the benefit of the owners from time to time of the Bonds, and any other letter of credit issued in substitution therefor in accordance with the terms hereof and thereof (the "*Letter of Credit*"); and

WHEREAS, upon the issuance of the Bonds, the City also will issue its \$ _____ aggregate principal amount of Multi-Family Housing Revenue Bonds (_____ Project) Series 2006A (FHA Insured/GNMA) to finance a portion of the cost of the Project (the "Series A Bonds").

NOW, THEREFORE, in consideration of the respective representations and agreements herein contained, the parties hereto agree as follows (provided that in the performance of the agreements of the City herein contained, any obligation it may thereby incur shall not constitute a debt of the City, or a charge against its general credit, but shall be payable solely out of the revenues and receipts derived from this Agreement, the Note, the sale of the Bonds, the income from the temporary investment thereof and moneys derived from drawings under the Letter of Credit, all as herein provided):

ARTICLE I.

DEFINITION OF TERMS

All words and phrases defined in Article I of the Indenture shall have the same meanings in this Agreement. Certain terms used in this Agreement are hereinafter defined in this Article I. When used herein, such terms shall have the meanings given them by the language employed in this Article I defining such terms unless the context clearly indicates otherwise:

"Acquisition and Construction Period" means the period between the beginning of the acquisition, construction and equipping of the Project or the date on which the Bonds are first delivered to the purchasers thereof, whichever is earlier, and the Completion Date.

"Affordable Housing Loan" has the meaning set forth in the Bond Ordinance.

"Agreement" means this Loan Agreement, as from time to time supplemented and amended.

"Alternate Credit Facility" means a surety bond, an insurance policy or any other credit facility not constituting an irrevocable, direct-pay letter of credit delivered to the Trustee pursuant to Section 5.7(d) hereof.

"Authorized Borrower Representative" means such person at the time and from time to time designated to act on behalf of the Borrower by written certificate furnished to the City, the Trustee and the Bank, containing the specimen signature of such person. Such certificate may designate an alternate or alternates.

"Bank" means _____, Chicago, Illinois, in its capacity as the issuer of the initial Letter of Credit pursuant to Section 5.7(a) hereof, its successors in such capacity and their assigns, and the issuer of any substitute Letter of Credit pursuant to Section 5.7(c) hereof, its successors in such capacity and their assigns.

"Bonds" means the Variable Rate Demand Multi-Family Housing Revenue Bonds (_____ Project) Series 2006B of the City, in the original aggregate principal amount of \$_____ issued pursuant to the Indenture.

"Borrower" means _____, an Illinois limited partnership, and its successors and assigns.

"City" means the City of Chicago, and its lawful successors and any assigns.

"Completion Date" means the earlier of (i) _____ or (ii) the date of completion of the Project, as that date shall be certified as provided in Section 3.4 hereof.

"Cost of the Project" means the sum of the items authorized to be paid from the Acquisition and Construction Fund pursuant to the provisions of (a) through (i) of Section 3.3 hereof.

"Event of Default" means any occurrence or event specified as such and defined as such by Section 6.1 hereof.

"Indenture" means the Trust Indenture dated as of _____ 1, 2006, by and from the City to the Trustee, as from time to time supplemented and amended.

"Investment Obligations" shall mean, to the extent lawful for the investment of moneys to be made therein, any of the following obligations or securities on which the Borrower is not the obligor:

(a) Governmental Obligations;

(b) interest-bearing deposit accounts (which may be represented by certificates of deposit including Eurodollar certificates of deposit) in national or state banks (which may include the Trustee, the Paying Agent, any co paying agent, the Bond Registrar, the Tender Agent, the Remarketing Agent and the Bank) having a combined capital and surplus of not less than \$100,000,000 and an unsecured deposit rating in one of the three highest rating categories from a nationally recognized rating agency;

(c) bankers' acceptances drawn on and accepted by commercial banks (which may include the Trustee, the Paying Agent, any co paying agent, the Bond Registrar, the Tender Agent, the Remarketing Agent and the Bank) having a combined capital and surplus of not less than \$100,000,000 and an unsecured deposit rating in one of the three highest rating categories from a nationally recognized rating agency;

(d) obligations of, or guaranteed by, any agency or instrumentality of the United States of America;

(e) commercial or finance company paper which is rated in the highest rating category by a nationally recognized rating agency;

(f) repurchase agreements with banking or financial institutions (which may include the Trustee, the Paying Agent, any co paying agent, the Bond Registrar, the Tender Agent, the Remarketing Agent and the Bank) having a combined capital and surplus of not less than \$100,000,000 and an unsecured deposit rating in one of the three highest rating categories from a nationally recognized rating agency, provided that (i) that such repurchase agreements shall be secured as to principal (but only to the extent not insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or a similar corporation chartered by the United States of America) by Governmental Obligations, the fair market value of which is equal to 100 percent of such principal, (ii) the Trustee or a third party acting solely as agent for the Trustee has possession of the underlying securities, (iii) the Trustee or agent has a perfected first security lien in such collateral, and (iv) such collateral is free and clear of third party liens;

(g) obligations of any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, the interest on which, in the opinion of Bond Counsel, is not includable in the gross income of the owners thereof for federal income tax purposes; and

(h) any other obligations agreed upon in writing by the Bank and the Borrower.

"Land Use Restriction Agreement" means the Land Use Restriction Agreement dated as of the date hereof, among the City, the Borrower and the Trustee.

"Letter of Credit" means the initial irrevocable, transferable Letter of Credit delivered to the Trustee pursuant to Section 5.7(a) hereof, and, unless the context or use indicates another or different meaning or intent, any substitute Letter of Credit delivered to the Trustee pursuant to Section 5.7(c) hereof, and any extensions or amendments thereof.

"Note" means the promissory note of the Borrower made payable to the Trustee, delivered by the Borrower pursuant to Section 4.2(a) hereof, in order to evidence the obligation of the Borrower to repay the loan made hereunder.

"State" means the State of Illinois.

"Trustee" means the Trustee at that time serving as such under the Indenture.

The words *"hereof," "herein," "hereunder"* and other words of similar import refer to this Agreement as a whole.

Unless otherwise specified, references to Articles, Sections and other subdivisions of this Agreement are to the designated Articles, Sections and other subdivisions of this Agreement as originally executed.

The headings of this Agreement are for convenience only, and shall not define or limit the provisions hereof.

ARTICLE II.

REPRESENTATIONS

Section 2.1 Representations of the City. The City makes the following representations as the basis for the undertakings on its part herein contained:

(a) The City is a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State. The City is authorized to execute and deliver this Agreement and the Indenture, and to carry out its obligations hereunder and thereunder.

(b) The City has issued the Bonds for the purpose of financing a portion of the costs of the Project.

(c) To the knowledge of the undersigned representatives of the City, neither the execution and delivery of the Bonds, this Agreement, the Indenture or the Land Use Restriction Agreement, the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms, conditions or provisions on the Bonds, this Agreement, the Indenture or the Land Use Restriction Agreement materially conflict with or result in a material breach of any of the terms, conditions or provisions of any agreement, instrument, judgment, order, or decree to which the City is now a party or by which it is bound, or constitute a default under any of the foregoing.

Section 2.2 Representations of the Borrower. The Borrower makes the following representations as the basis for the undertakings on its part herein contained:

(a) The Borrower is a limited partnership duly organized and validly existing under the laws of the State, is authorized to conduct business and is in good standing in the State, is not in violation of any provision of its agreement or certificate of limited partnership, has the power to execute and deliver this Agreement, the Note and the Land Use Restriction Agreement, to enter into the transactions contemplated hereby and thereby and to perform its obligations hereunder and thereunder, and by proper action has duly authorized the execution and delivery of the Note, this Agreement and the Land Use Restriction Agreement and the performance of its obligations hereunder and thereunder.

(b) No litigation at law or in equity or proceeding before any governmental agency involving the Borrower is pending or, to the knowledge of the Borrower, threatened, in which any liability of the Borrower is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of the Borrower or which would affect its existence or authority to do business, the completion of the Project, the validity of any document to which it is a party or the performance of its obligations thereunder.

(c) The Borrower is not in default under or in violation of, and the execution, delivery and compliance by the Borrower with the terms and conditions of this Agreement, the Note or the Land Use Restriction Agreement, do not and will not conflict with or constitute or result in a default under or violation of: (i) the Borrower's agreement or certificate of limited partnership, (ii) any material agreement or other instrument to which the Borrower is a party or by which it is bound, or (iii) any constitutional or statutory provisions or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Borrower or its property, and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(d) The Borrower has obtained or will obtain at the proper times all consents, approvals, authorizations and orders, of any governmental or regulatory authority that are required to be obtained by the Borrower as a condition precedent to the issuance of the Bonds, the execution and delivery of this Agreement, the Note and the Land Use Restriction Agreement and the performance by the Borrower of its obligations hereunder and thereunder, and that are required for the operation of the Project Facilities.

(e) The Borrower has taken all necessary action required to make this Agreement, the Note and the Land Use Restriction Agreement the valid obligations of the Borrower which they purport to be; when executed and delivered by the parties thereto, this Agreement, the Note and the Land Use Restriction Agreement will constitute valid and binding agreements of the Borrower and will be enforceable against the Borrower in accordance with their respective terms subject to the provisions of bankruptcy and similar laws and to equitable principles.

(f) The operation of the Project Facilities in the manner presently contemplated and as described in this Agreement and the Land Use Restriction Agreement will not, to the knowledge of Borrower, conflict with any existing zoning, water, air pollution or other existing ordinance, order, law or regulation applicable thereto.

(g) 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.

(h) The estimated cost of acquiring, constructing and equipping the Project, inclusive of financing costs, exceeds \$ _____.

(i) At least 95 percent of the Bond proceeds will be used to finance on site or off site costs of the Project and such costs will have been incurred with respect to work performed or materials purchased after _____, 2006.

(j) At least 95 percent of the moneys set aside in the Acquisition and Construction Fund for the Project under the Indenture, constituting a portion of the proceeds from the sale of the Bonds, will be used to provide amounts paid or incurred on or after _____, 2006 chargeable to the Project's capital account, either with a proper election by the Borrower (for example, under Section 266 of the Code), or but for a proper election by the Borrower to deduct such amounts.

(k) At least 95 percent of the Project financed or reimbursed with the proceeds of the Bonds (determined separately on the basis of cost and square footage) constitutes "residential rental property" within the meaning of the Code.

(l) The average maturity of the Bonds does not exceed 120 percent of the average reasonably expected economic life of the Project Facilities determined in accordance with Section 147(b) of the Code.

(m) 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 loans to be funded by the City for the Borrower.

(n) Until payment in full of all of the Bonds and the Series A Bonds, unless the City shall otherwise consent in writing, it will not incur, create, assume or suffer to exist any mortgage, pledge, security interest, lien, charge or other encumbrance of any nature on the Project Facilities or the Trust Estate (as defined in the Indenture) other than (i) any liens, taxes or other governmental charge which are not yet due and payable, (ii) any pledge relating to syndication of the Project or any grants or loans provided through Chicago's Affordable Housing Program, (iii) any lien, including, 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 acceptable to the Trustee, (iv) any lien or obligations relating to the Letter of Credit or any Alternate Credit Facility, (v) any mortgage, lien or other encumbrance granted on or prior to the date of issuance of the Bonds to the City, the Illinois Housing Development Authority and/or the Federal Home Loan Bank or as security for loans or grants provided by any such entity to finance a portion of the Costs of the Project and (vi) such other pledges as may be approved in writing by the City.

(o) The Indenture has been submitted to the Borrower for its examination, and the Borrower acknowledges, by execution of this Agreement, that it has approved the Indenture.

(p) 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.

(q) If the Borrower becomes aware of any situation, event or condition which it believes would result in the interest of the Bonds becoming includible in gross income for federal income tax purposes, the Borrower shall promptly give written notice thereof to the City and the Trustee.

ARTICLE III.

ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT FACILITIES; ISSUANCE OF THE BONDS

Section 3.1 Acquisition, Construction and Equipping of the Project Facilities; Title. The Borrower agrees that it will acquire, construct and equip or complete the acquisition and equipping of, the Project Facilities; any plans and specifications for any construction, including any and all supplements, amendments and additions (or deletions) thereto (or therefrom), shall be made available to the City, the Trustee on written request.

Except as otherwise disclosed to the Trustee, the Borrower represents and warrants that it has, or simultaneously with the delivery of the Bonds will have, acquired good and marketable interests to the Project Facilities to enable the Borrower to acquire, construct, equip and use the Project Facilities as contemplated by this Agreement.

Section 3.2 Agreement to Issue Bonds; Application of Bond Proceeds. In order to provide funds to finance a portion of the Cost of the Project, as provided in Section 4.1 hereof, the City agrees that it will simultaneously with the execution and delivery hereof issue, sell and cause to be delivered to the purchasers thereof, the Bonds in the aggregate principal amount of \$_____ bearing interest, maturing, subject to prior redemption and subject to transfer, as set forth in the Indenture.

Section 3.3 Disbursements from the Acquisition and Construction Fund. The City authorizes and directs the Trustee, upon compliance with the Indenture, to disburse the moneys in the Acquisition and Construction Fund to or on behalf of the Borrower for the following purposes and, subject to the provisions of Section 3.4 hereof, for no other purposes:

(a) Payment to the Borrower of such amounts, if any, as shall be necessary to reimburse the Borrower in full for all advances and payments made by it at any time after _____, 2006, for expenditures in connection with the preparation of plans and specifications for the Project (including any preliminary study or planning of the Project or any aspect thereof) and the acquisition, construction and equipping of the Project.

(b) Payment or reimbursement of any legal, financial and accounting fees and expenses, the established administrative fees and expenses of the City, costs of the execution and filing of any instruments and the preparation of all other documents in connection therewith, and payment or reimbursement of all fees, costs and expenses for the preparation of this Agreement, the Note, the Reimbursement Agreement, the Letter of Credit, the Indenture, the Remarketing Agreement and the Bonds.

(c) Payment or reimbursement for labor, services, materials and supplies used or furnished in the acquisition, construction and equipping of the Project, all as provided in the plans, specifications and work orders therefor, payment or reimbursement for the cost of the acquisition, construction and equipping of utility services or other facilities and the acquisition and installation of all real and personal property deemed necessary in connection with the Project and payment or reimbursement for the miscellaneous capitalized expenditures incidental to any of the foregoing items.

(d) Payment or reimbursement of the fees, if any, for architectural, engineering, legal, investment banking and supervisory services with respect to the Project.

(e) To the extent not paid by a contractor for construction or installation with respect to any part of the Project, payment or reimbursement of the premiums on all insurance required to be taken out and maintained during the Acquisition and Construction Period, if any.

(f) Payment of the taxes, assessments, interest on the Bonds and other charges, if any, that may become payable during the Acquisition and Construction Period with respect to the Project, or reimbursement thereof if paid by the Borrower.

(g) Payment or reimbursement of expenses incurred in seeking to enforce any remedy against any supplier, conveyor, grantor, contractor or subcontractor in respect of any default under a contract relating to the Project.

(b) Payment of interest on the Bonds during the construction period of the Project (and thereafter with the approving opinion of Bond Counsel) or fees for credit enhancement arrangements applicable to the Bonds to the extent such fees constitute a reasonable charge for the transfer of credit risk.

(i) Payment of any other costs permitted by the Constitution and laws of the State.

All moneys remaining in the Acquisition and Construction Fund after the Completion Date and after payment or provision for payment of all other items provided for in the preceding subsections (a) to (i), inclusive, of this Section 3.3, shall at the direction of the Borrower be used in accordance with Section 3.4 hereof.

Each of the payments referred to in this Section 3.3 shall be made upon receipt by the Trustee of a written requisition (substantially in the form set forth in *Exhibit A* to the Indenture) signed by the Authorized Borrower Representative and approved in writing by the Bank.

Section 3.4 Establishment of Completion Date; Obligation of Borrower to Complete. The Completion Date shall be evidenced to the Trustee and the Bank by a certificate signed by the Authorized Borrower Representative, stating the Cost of the Project and stating that (a) the Project 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 Project 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 Acquisition and Construction Fund complied with all representations and covenants of the Borrower pertaining thereto contained in the Project Certificate delivered by the Borrower upon the initial issuance of the Bonds. If the Borrower withholds the payment of any such cost or expense of the Project, 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 City and the Trustee promptly after the Project shall have been completed.

Within 10 days after the delivery by the Authorized Borrower Representative of the certificate evidencing the Completion Date, the Trustee shall retain in the Acquisition and Construction 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 Acquisition and Construction 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, (c) subject to written consent of the Bank, to repay the City for costs of the Project paid with the proceeds of the Affordable Housing Loan, or (d) subject to the written consent of the Bank, to pay any additional Costs of the Project not provided for by the retention described in the first sentence of this paragraph, provided, in the case of clauses (c) and (d), that the Trustee is furnished with an opinion of Bond Counsel to the effect that such use is lawful under the Constitution and laws of the State and will not adversely affect the exclusion from gross income of interest on any of the Bonds for purposes of federal income taxation. Until used for one or more of the foregoing purposes, such segregated amount may be invested as permitted by Section 3.5 hereof, but may not be invested, without an opinion of Bond Counsel 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 City 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 3.4.

If the moneys in the Acquisition and Construction Fund available for payment of the Cost of the Project are not sufficient to pay the costs thereof in full, the Borrower agrees to pay directly the costs of completing the Project as may be in excess of the moneys available therefor in the Acquisition and Construction Fund. The City does not make any warranty, either express or implied, that the moneys which will be paid into the Acquisition and Construction 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 Acquisition and Construction Fund the Borrower should pay any portion of the Cost of the Project pursuant to the provisions of this Section 3.4, it shall not be entitled to any reimbursement therefor from the City or from the Trustee, nor shall it be entitled to any diminution of the amounts payable under Section 4.2 hereof or under the Note.

Section 3.5 Investment of Moneys. Any moneys held as part of the Acquisition and Construction Fund shall be invested or reinvested by the Trustee, at the oral (promptly confirmed in writing) or written direction of the Authorized Borrower Representative, as provided in Article VII of the Indenture, in Investment Obligations specified by the Authorized Borrower Representative. Any moneys held as a part of the Bond Fund (including any moneys held for the payment of a particular Bond) shall be invested or reinvested by the Trustee at the written direction of the Authorized Borrower Representative as provided in Article VII of the Indenture, to the extent permitted by law, in Investment Obligations, except to the extent Article VII of the Indenture requires that said moneys be invested or reinvested solely in Governmental Obligations. Any such securities may be purchased at the offering or market price thereof at the time of such purchase. The Trustee may make any and all such investments through its own bond department.

The investments so purchased shall be held by the Trustee and shall be deemed at all times a part of the Acquisition and Construction Fund or the Bond Fund, as the case may be, and the interest accruing thereon and any profit realized therefrom shall be credited to such fund and any net losses resulting from such investment shall be charged to such fund and paid by the Borrower.

Any moneys held as part of the Bond Purchase Fund shall not be invested.

ARTICLE IV.

REPAYMENT PROVISIONS

Section 4.1 Bond Proceeds. The City covenants and agrees, upon the terms and conditions of this Agreement, to lend the proceeds received from the sale of the Bonds to the Borrower in order to finance the Cost of the Project. Pursuant to said covenant and agreement, the City will issue the Bonds upon the terms and conditions contained in the Indenture and this Agreement, and will lend the proceeds of the Bonds to the Borrower by causing the Bond proceeds to be applied as provided in Article III hereof. Such proceeds shall be disbursed by the Trustee to or on behalf of the Borrower as provided in Section 3.3 hereof.

Section 4.2 Repayment of the Loan and Payment of Other Amounts Payable. (a) As evidence of obligation to repay the Loan made hereunder by the City, the Borrower will issue its Note to the Trustee in the principal amount of \$ _____. The Note shall be dated the date of issuance and delivery of the Bonds, shall mature on _____, except as the provisions hereinafter set forth with respect to prepayment may become applicable thereto. The Note shall bear interest on the unpaid principal amount thereof from the date of the Note at such rates equal to the interest rates from time to time borne by the Bonds, calculated on the same basis and to be paid at the same times as interest on the Bonds is calculated and paid from time to time. The Note shall be subject to prepayment as herein provided. Payments of the principal of and premium, if any, and interest on the Note shall be made in lawful money of the United States of America in federal or other immediately available funds. The Note shall be in substantially the same form as Exhibit A attached hereto and made a part hereof. The City and the Borrower agree that the Note shall be payable to the Trustee. The Borrower covenants and agrees that the payments of principal of, premium, if any, and interest on the Note shall at all times be sufficient to enable the Trustee to pay when due the principal of, premium, if any, and interest on the Bonds; provided that the Excess Amount (as hereinafter defined) held by the Trustee in the Bond Fund on a payment date shall be credited against the payment due on such date; and provided further, that, subject to the provisions of the immediately following sentence, if at any time the amount held by the Trustee in the Bond Fund should be sufficient (and remain sufficient) to pay on the dates required the principal of, premium, if any, and interest on the Bonds then remaining unpaid, the Borrower shall not be obligated to make any further payments under the provisions of this Section 4.2(a) or on the Note. Notwithstanding the provisions of the preceding sentence, if on any date the Excess Amount held by the Trustee in the Bond Fund is insufficient to make the then required payments of principal (whether at maturity or upon redemption prior to

maturity or acceleration), premium, if any, and interest on the Bonds on such date, the Borrower shall forthwith pay such deficiency. The term "*Excess Amount*" as of any interest payment date shall mean the amount in the Bond Fund on such date in excess of the amount required for the payment of the principal of the Bonds which theretofore has matured at maturity or on a date fixed for redemption and premium, if any, on such Bonds in all cases where Bonds have not been presented for payment and paid, or for the payment of interest which has theretofore come due in all cases where interest checks have not been presented for payment and paid.

If the Borrower shall fail to pay any installment of principal of, premium, if any, or interest on the Note or under this Section 4.2(a), the installment so in default shall continue as an obligation of the Borrower until the amount so in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon until paid (to the extent legally enforceable) at a rate equal to the rate borne by the Bonds from time to time from the due date thereof until paid.

(b) The Borrower also agrees to pay to the City, its costs, fees and expenses related to this Agreement, the Indenture, the Bonds and the Project at any time while this Agreement is in effect, including the fees and expenses of its counsel.

(c) The Borrower also agrees to pay to the Bond Registrar, the Tender Agent and the Trustee (i) the initial acceptance fee of the Trustee and the costs and expenses, including reasonable attorneys' fees, incurred by the Trustee in entering into and executing the Indenture, and (ii) during the term of this Agreement (A) an amount equal to the annual fee of the Trustee for the ordinary services of the Trustee, as trustee, rendered and ordinary expenses incurred under this Agreement, the Note and the Indenture, including reasonable attorneys' fees, as and when the same become due, (B) the fees, charges and expenses of the Placement Agent, the Bond Registrar and the Tender Agent, as and when the same become due, and (C) the fees, charges and expenses of the Trustee for the necessary extraordinary services rendered by it and extraordinary expenses incurred by it under this Agreement, Note and the Indenture, including reasonable attorneys' fees, as and when the same become due.

(d) The Borrower also agrees to pay all fees, charges and expenses of the Remarketing Agent, as set forth in the Remarketing Agreement, in carrying out duties and obligations and performing services under and pursuant to the Indenture and the Remarketing Agreement.

(e) In addition to the payments required to be made by the Borrower pursuant to the foregoing subsections of this Section 4.2 and the Note, the Borrower agrees to pay to the Tender Agent amounts sufficient to pay the purchase price of any Bonds to be purchased pursuant to Section 4.1 or Section 4.2 of the Indenture, on the purchase date of such Bonds as set forth in said Section 4.1 or said Section 4.2, as the case may be. All such payments shall be made to the Tender Agent in lawful money of the United States of America in federal or other immediately available funds at the principal corporate trust office of the Tender Agent.

(f) If the Borrower is in default under any provision of this Agreement or the Land Use Restriction Agreement, after giving effect to applicable notice and cure provisions the Borrower also agrees to pay to the City and the Trustee all fees and disbursements by such persons and their agents (including attorneys' fees and expenses) which are connected therewith or incidental thereto, except to the extent such fees and disbursements are paid from moneys available therefor under the Indenture.

(g) Upon the written demand of the Trustee, the Borrower also agrees to pay to the Trustee, on behalf of the City, any amount required to be rebated to the United States of America pursuant to the Tax Agreement, to the extent that funds are not available therefor under the Indenture. If the Borrower does not have funds available for such purpose, the general partner of the Borrower shall pay such amounts. The obligation of the general partner to make such payments shall be a personal obligation of the general partner, and no lien or claim shall be made by such general partner against the revenues and assets of the Project Facilities. The general partner's obligation to make such payments in its personal capacity shall be evidenced by the general partner's execution and acceptance of this Agreement.

(h) If the Trustee is authorized and directed to draw moneys under the Letter of Credit in accordance with the provisions of the Indenture to the extent necessary to pay the principal of, premium, if any, and interest on the Bonds if and when due, any moneys derived from a drawing under the Letter of Credit shall constitute a credit against the obligation of the Borrower to make corresponding payments on the Note and under subsections (a) of this Section 4.2. Drawings under the Letter of Credit to pay the purchase price of Bonds when due and remarketing proceeds available for such purpose shall constitute a credit against the obligation of the Borrower to make corresponding payments under subsection (e) of this Section 4.2.

(i) If the date when any of the payments required to be made by this Section 4.2 is not a Business Day, then such payments may be made on the next Business Day with the same force and effect as if made on the nominal due date, and no interest shall accrue for the period after such date.

(j) The Borrower shall have, and is hereby granted, the option to elect to convert the interest rate borne by the Bonds to the Fixed Rate pursuant to the provisions of Section 2.2 of the Indenture, subject to the terms and conditions set forth therein.

Section 4.3 No Defense or Set-off; Unconditional Obligation. The obligations of the Borrower to make the payments required in Section 4.2 hereof and pursuant to the Note and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, irrespective of any defense or any rights of set-off, recoupment or counterclaim the Borrower might otherwise have against the City, the Trustee, the Tender Agent, the Paying Agent, the Bond Registrar, the Remarketing Agent or the Bank. The Borrower shall pay during the term of this Agreement the payments to be made on account of the Loan as prescribed in Section 4.2 hereof and all other payments required hereunder free of any deductions and without abatement, diminution or set-off other than those herein expressly provided. Until such time as the principal of, premium, if any, and interest on the Note and the Bonds shall have been fully

paid, or provision for the payment thereof shall have been made in accordance with the Indenture, the Borrower: (i) will not suspend or discontinue any payments provided for in Section 4.2 hereof or the Note; (ii) will perform and observe all of its agreements contained in this Agreement; and (iii) will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, its failure to complete the Project, the occurrence of any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax laws of the United States of America or the State or any political subdivision thereof, or any failure of the City, the Trustee or the Bank to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement, except to the extent permitted by this Agreement.

Section 4.4 Assignment and Pledge of Issuer's Rights. As security for the payment of the Bonds, the City will assign and pledge to the Trustee all right, title and interest of the City in and to this Agreement and the Note, including the right to receive payments hereunder and thereunder (except for certain rights reserved under the Indenture), and hereby directs the Borrower to make said payments directly to the Trustee. The Borrower herewith assents to such assignment and pledge and will make payments directly to the Trustee without defense or set-off by reason of any dispute between the Borrower and the City or the Trustee.

ARTICLE V.

SPECIAL COVENANTS AND AGREEMENTS

Section 5.1 Issuer's and Trustee's Right of Access to the Project. The Borrower agrees that during the term of this Agreement the City and the Trustee and their duly authorized agents shall have the right during regular business hours, with reasonable notice, to enter upon the Project Facilities and examine and inspect the Project Facilities.

Section 5.2 Release and Indemnification Covenants. (a) The Borrower shall indemnify and hold the City (including any official, agent, officer, director or employee thereof and counsel to the City) harmless against any and all claims asserted by or on behalf of any person, firm, corporation, private or municipal, or other entity arising or resulting from, or in any way connected with (i) the financing, design, construction, installation, operation, use or maintenance of the Project Facilities, (ii) the violation by the Borrower of any agreement, warranty, covenant or condition of this Agreement, the Land Use Restriction Agreement, any other contract, agreement or restriction relating to the Project, or any law, ordinance, regulation or court order affecting the Project or the ownership, occupancy or use thereof, (iii) any act, including negligent acts, failure to act or misrepresentation by any person, firm, corporation, governmental authority or other entity, including the City, in connection with the issuance, sale or delivery of the Bonds, (iv) any act, failure to act or unintentional misrepresentation by the City in connection with, or in the performance of any obligation related to the issuance, sale and delivery of the Bonds or under this Agreement or the Indenture, or any other agreement executed by or on behalf of the City, including all liabilities, costs and expenses, including attorneys' fees, incurred in any action or proceeding brought by reason of any such claim. If any action or proceeding is brought against the City by reason of any such claim, such action or proceeding shall be defended against by counsel as the City shall determine, and the Borrower shall

indemnify the City for costs of such counsel. The Borrower upon notice from the City shall defend such an action or proceeding on behalf of the City. The Borrower shall also indemnify the City from and against all costs and expenses, including attorneys' fees, lawfully incurred in enforcing any obligation of the Borrower under this Agreement. Notwithstanding the foregoing, nothing contained in this subsection shall be construed to indemnify or release the City from any liability which it would otherwise have had arising from the gross negligence, intentional misrepresentation or willful misconduct on the part of the City, or any official, officers, employees, agents or representatives of the City acting in their capacities other than as contemplated by this Agreement.

(b) The Borrower shall indemnify and hold the Trustee, the Bond Registrar, any person who "controls" the Bond Registrar or the Trustee within the meaning of Section 15 of the Securities Act of 1933, as amended, and any member, officer, director, official and employee of the Placement Agent, the Remarketing Agent, the Bond Registrar or the Trustee (collectively called the "*Indemnified Parties*") harmless from and against, any and all claims, damages, demands, expenses, liabilities and losses of every kind, character and nature asserted by or on behalf of any person arising out of, resulting from, or in any way connected with, the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation, renovation or sale of the Project Facilities or any part thereof. The Borrower also covenants and agrees, at its expense, to pay, and to indemnify and hold the Indemnified Parties harmless of, from and against, all costs, reasonable attorneys' fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. In the event that any action or proceeding is brought against the Indemnified Parties by reason of any such claim or demand, the Indemnified Parties shall immediately notify the Borrower, which shall defend any action or proceeding on behalf of the Indemnified Parties, including the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Parties unless the employment of such counsel has been specifically authorized by the Borrower. If such separate counsel is employed, the Borrower may join in any such suit for the protection of its own interests. The Borrower shall not be liable for any settlement of any such action effected without consent, but if settled with the consent of the Borrower or if there be a final judgment for the plaintiff in any such action, the Borrower agrees to indemnify and hold harmless the Indemnified Parties.

(c) The Borrower shall indemnify and hold each of the Trustee, Bond Registrar, Paying Agent and Tender Agent harmless from and against, any and all claims, damages, demands, expenses, liabilities and losses of every kind, character and nature asserted by or on behalf of any person arising out of, resulting from, or in any way connected with its acceptance or exercise of the powers and duties of such office under the Indenture and, in the case of the Trustee, as the assignee, transferee and pledgee of all right, title and interest of the City in and to this Agreement and sums payable hereunder, which are not due to negligence or willful misconduct of the party seeking indemnification, as well as the reasonable costs and expenses of defending against any claim of liability.

Section 5.3 Records of Borrower. The City and the Trustee shall be permitted, after reasonable notice during regular business hours during the term of this Agreement, to examine the books and records of the Borrower with respect to the Project.

Section 5.4 Tax-Exempt Status. (a) Neither the City nor the Borrower shall cause any proceeds of the Bonds to be expended except pursuant to the Indenture. The Borrower shall not (1) requisition or otherwise allow any payment out of proceeds of the Bonds (i) if such payment is to be used for the acquisition of any property (or an interest therein) unless the first use of such property is pursuant to such acquisition, provided that this clause (i) shall not apply to any building (and the equipment purchased as a part thereof, if any) if the "rehabilitation expenditures", as defined in Section 147(d) of the Code, with respect to the building equal or exceed 15 percent of the portion of the cost of acquiring the building (including such equipment) financed with the proceeds of the Bonds, (ii) if as a result of such payment, 25 percent or more of the proceeds of the Bonds would be considered as having been used directly or indirectly for the acquisition of land (or an interest therein), (iii) if, as a result of such payment, less than 95 percent of the net proceeds of the Bonds expended at the time of such requisition would be considered as having been used for costs of the acquisition, construction, reconstruction or improvement of residential rental property within the meaning of the Code, or (iv) if such payment is used to pay issuance costs (including attorneys' fees and placement fees) in excess of an amount equal to two percent of the principal amount of the Bonds; (2) take or omit, or permit to be taken or omitted, any other action with respect to the use of such proceeds the taking or omission of which would result in the loss of exclusion of interest on the Bonds from gross income for purposes of federal income taxation; or (3) take or omit, or permit to be taken or omitted, any other action the taking or omission of which would cause the loss of such exclusion. Without limiting the generality of the foregoing, the Borrower shall not permit (i) the proceeds of the Bonds to be used directly for the acquisition of land (or an interest therein) or so that any of such proceeds is used for the acquisition of land (or an interest therein) to be used for farming purposes or (ii) any of the proceeds of the Bonds to be used to provide any airplane, skybox or other private luxury box, any 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.

Section 5.5 Taxes and Governmental Charges. The Borrower hereby covenants and agrees that it will promptly pay, as the same become due, all lawful taxes, assessments, utility charges and other governmental charges of any kind whatsoever levied or assessed by federal, state or any municipal government upon or with respect to the Project Facilities or any part thereof or any payments under this Agreement and the Note. The Borrower may, at its expense and in its own name and behalf, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, provided that during such period enforcement of any such contested item shall be effectively stayed.

Section 5.6 Maintenance and Repair; Insurance. The Borrower hereby covenants and agrees that it will maintain the Project Facilities in a safe and sound operating condition, making from time to time all needed material repairs thereto, and shall maintain amounts of insurance coverage with respect to the Project Facilities as may be required by the City and/or the Bank, and shall pay all costs of such maintenance, repair and insurance.

Section 5.7 Letter of Credit. (a) On or prior to the issuance, sale and delivery of the Bonds to the purchaser or purchasers thereof pursuant to Section 2.6 of the Indenture, the Borrower hereby covenants and agrees to obtain and deliver to the Trustee the initial, irrevocable, transferable Letter of Credit to be issued by the Bank in favor of the Trustee for the benefit of the owners from time to time of the Bonds in the form of Appendix B to the initial Reimbursement Agreement. The initial Letter of Credit shall be dated the date of issuance and delivery of the Bonds; shall expire on _____ unless otherwise extended in accordance with the terms and provisions of subsection (b) below and the Reimbursement Agreement; shall be in the amount of (i) the aggregate principal amount of the Bonds (A) to enable the Trustee to pay the principal of the Bonds at maturity, upon call for redemption prior to maturity or acceleration, and (B) to enable the Trustee to pay the portion of purchase price of Bonds tendered or deemed to be tendered to the Trustee for purchase, equal to the aggregate principal amount of such Bonds, plus (ii) an amount equal to the interest to accrue on the Bonds for 35 days at the Cap Rate, (A) to enable the Trustee to pay interest accrued on the Bonds on the dates and in the manner set forth in the Indenture, and (B) to enable the Trustee to pay the portion of the purchase price of Bonds tendered or deemed to be tendered to the Trustee for purchase, equal to the accrued interest on such Bonds.

(b) During the Variable Rate Period, except as hereinafter provided, at any time prior to the 35th day prior to the interest payment date on the Bonds immediately preceding the Stated Expiration Date of the Letter of Credit, the Borrower may, at its option, provide for the extension of the term of the Letter of Credit. Any such extension shall be to the 15th day of any calendar month at least one year after the Stated Expiration Date of the existing Letter of Credit. In connection therewith the Borrower shall furnish proof of such extension, in the form of an amendment to the Letter of Credit evidencing such extension, to the Trustee no later than the 35th day prior to the interest payment date on the Bonds immediately preceding the Stated Expiration Date of the Letter of Credit.

(c) Subject to the provisions of Section 2.09 of the initial Reimbursement Agreement and any similar provision of any subsequent Reimbursement Agreement, while a Letter of Credit is in effect, the Borrower may, at its option, deliver to the Trustee a substitute Letter of Credit in substitution for the existing Letter of Credit at any time prior to the 35th day prior to the interest payment date on the Bonds immediately preceding the Stated Expiration Date of the Letter of Credit. The substitute Letter of Credit shall be an irrevocable, direct-pay, transferable letter of credit of a commercial bank in substantially the same form and tenor as the existing Letter of Credit. The stated amount of the substitute Letter of Credit shall equal the then Outstanding principal amount of the Bonds, plus an amount equal to the interest to accrue on the Bonds then Outstanding for a number of days equal to (i) if the Bonds are then in the Variable Rate Period, 35 days, and if the Bonds are then in the Fixed Rate Period, 185 days, plus (ii) if the interest component of the Letter of Credit does not automatically and immediately reinstate after a drawing to pay interest on the Bonds, the sum of (A) six days, plus (B) the maximum number of calendar days the Bank is allowed pursuant to the provisions of such Letter of Credit to reinstate the Letter of Credit after a drawing thereon for interest on the Bonds, at the Cap Rate (or if the Bonds are then in a Fixed Rate Period, at the Fixed Rate). The substitute Letter of Credit shall contain administrative provisions

reasonably satisfactory to the Trustee and, if in the Fixed Rate Period, shall expire on the same date as the existing Letter of Credit or on the 15th day of a calendar month no sooner than the Stated Expiration Date of the existing Letter of Credit.

Simultaneously with the delivery of any substitute Letter of Credit to the Trustee, the Borrower must also provide the Trustee with written evidence from the Bank which issued the existing Letter of Credit that the Borrower shall have paid all of its obligations under the Reimbursement Agreement to such Bank (other than any obligations with respect to reimbursement for drawings under the Letter of Credit to purchase Bonds tendered or deemed tendered for purchase pursuant to Section 4.1 or Section 4.2 of the Indenture, which obligations are not yet due and owing under the Reimbursement Agreement) and shall have paid all other amounts due and owing under the Reimbursement Agreement pursuant to which the existing Letter of Credit was issued (except as aforesaid). Simultaneously with the delivery of such substitute Letter of Credit to the Trustee, the Borrower shall also provide the Trustee with an opinion of Bond Counsel to the effect that such substitute Letter of Credit is authorized under this Agreement, complies with the terms hereof and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation. If the Borrower shall fail to furnish to the Trustee written evidence of payment to the Bank as aforesaid together with such opinion of Bond Counsel, the Trustee shall not be deemed to have received the substitute Letter of Credit and shall not surrender the existing Letter of Credit. Upon delivery of a substitute Letter of Credit and the foregoing evidence and opinion, the Trustee is authorized to surrender the existing Letter of Credit and to approve the cancellation of the existing Letter of Credit.

(d) On or after the Conversion Date, the Borrower may, at its option, provide for the delivery to the Trustee of an Alternate Credit Facility to either supplement a Letter of Credit, replace a Letter of Credit or provide credit enhancement if no Letter of Credit is then in effect. An Alternate Credit Facility must be sufficient to cover the full amount of principal and interest on the Bonds (covering at least the amount of interest specified in (c) above). Any Alternate Credit Facility shall be payable to the Trustee for the benefit of the owners of the Bonds and shall have administrative provisions reasonably satisfactory to the Trustee. Simultaneously with the delivery of such an Alternate Credit Facility to the Trustee, the Borrower shall provide the Trustee with (i) an opinion of Bond Counsel to the effect that the delivery of such Alternate Credit Facility is authorized under this Agreement, complies with the terms hereof and will not have an adverse effect on the exclusion of the interest on the Bonds from gross income for purposes of federal income taxation and (ii) if the Alternate Credit Facility is replacing an existing Letter of Credit, written evidence of maintenance of ratings and payment of all obligations owing the existing Bank as provided in subsection (c) above. The Borrower hereby covenants and agrees to give the City, the Trustee, the Bank and the Remarketing Agent written notice of intention to deliver any such Alternate Credit Facility at least 15 Business Days prior to the date on which the Borrower expects to deliver such Alternate Credit Facility.

(e) If the Letter of Credit is set to expire and the Borrower does not intend to deliver a substitute Letter of Credit to the Trustee, the Borrower shall, on or before the 35th day prior to the interest payment date immediately preceding the Stated Expiration Date, give written notice to the City, the Trustee, the Remarketing Agent and the Bank

that the Borrower does not intend to deliver such a substitute Letter of Credit to the Trustee prior to the Stated Expiration Date.

Section 5.8 Environmental Laws. The Borrower will comply with the requirements of all federal, state and local environmental and health and safety laws, rules, regulations and orders applicable to or pertaining to the Project Facilities.

Section 5.9 Annual Certificate. The Borrower will furnish to the City and to the Trustee within 120 days after the close of the Borrower's fiscal year, a certificate of the Borrower signed by the Authorized Borrower Representative stating that the Borrower has made a review of its activities during the preceding fiscal year for the purpose of determining whether or not the Borrower has complied with all of the terms, provisions and conditions of this Agreement and the Land Use Restriction Agreement and the Borrower has kept, observed, performed and fulfilled each and every covenant, provision and condition of this Agreement and the Land Use Restriction Agreement on its part to be performed and is not in default in the performance or observance of any of the terms, covenants, provisions or conditions hereof, or if the Borrower shall be in default such certificate shall specify all such defaults and the nature thereof. Additionally, the Borrower shall furnish to the City and the Trustee, if so requested, such information as may be reasonably requested in writing from time to time relative to compliance by the Borrower with the provisions of this Agreement and the Land Use Restriction Agreement.

Section 5.10 Borrower to Maintain Its Partnership Existence; Conditions Under Which Exceptions Permitted. The Borrower agrees that during the term of this Agreement and so long as any Bond is Outstanding, it will maintain its existence as an Illinois limited partnership, will not dissolve or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another entity or permit one or more entities to consolidate with or merge into it.

Section 5.11 Continuing Disclosure Undertaking. If the Bonds become subject to the continuing disclosure requirements of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Borrower shall comply with all applicable requirements of the Rule, including the execution of a continuing disclosure undertaking required by the Rule.

ARTICLE VI.

EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default. The occurrence and continuation of any one of the following shall constitute an Event of Default hereunder:

- (a) failure by the Borrower to pay any amounts required to be paid as principal, premium, if any, or interest under this Agreement or under the Note, including, without limitation, Section 4.2(a) or 4.2(e) hereof, on the dates and in the manner specified therein or herein; or

(b) failure by the Borrower to observe or perform any covenant, condition or agreement on its part to be observed or performed in this Agreement, other than as referred to in subsection (a) above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to the Borrower by the City, the Trustee or the Bank. If a default other than as described in subsection (a) above is not reasonably capable of being cured within 30 days, then the City and the Trustee shall agree in writing to an extension of such time for such period as they determine reasonable prior to expiration provided that the Borrower is diligently pursuing a cure; or

(c) the dissolution or liquidation of the Borrower or the filing by the Borrower of a voluntary petition in bankruptcy, or failure of the Borrower to promptly lift any execution, garnishment or attachment of such consequence as will impair its ability to carry on its obligations hereunder, or an order for relief under Title 11 of the United States Code, as amended from time to time, is entered against the Borrower, or a petition or answer proposing the entry of an order for relief against the Borrower under Title 11 of the United States Code, as amended from time to time, or reorganization, arrangement or debt readjustment under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged within 90 days after the filing thereof, or the Borrower shall fail generally to pay its debts as they become due, or a custodian (including without limitation a receiver, trustee, assignee for the benefit of creditors or liquidator of the Borrower) shall be appointed for or take possession of all or a substantial part of its properties and shall not be discharged within 90 days after such appointment or taking possession, or the Borrower shall consent to or acquiesce in such appointment or taking possession, or assignment by the Borrower for the benefit of its creditors, or the entry by the Borrower into an agreement of composition with its creditors, for its reorganization, arrangement or debt readjustment under any present or future federal bankruptcy act or any similar federal or state laws; or

(d) any warranty, representation or other statement made by or on behalf of the Borrower contained herein, or in any document or certificate furnished by the Borrower in compliance with or in reference hereto, is false or misleading in any material respect; or

(e) an "Event of Default" shall occur and be continuing under the Indenture.

Section 6.2 Remedies on Default. Whenever any Event of Default shall have occurred and be continuing hereunder, the City or the Trustee may take any one or more of the following remedial steps:

(a) The Trustee may exercise any right, power or remedy permitted to it by law as a holder of the Note, and shall have in particular, without limiting the generality of the foregoing, the right to declare the entire principal and all unpaid interest accrued on the Note to the date of such declaration and any premium the Borrower shall have become obligated to pay to be immediately due and payable, if concurrently with or prior to such notice the unpaid principal of and all unpaid accrued interest and premium on the Bonds have been declared to be due and payable under the Indenture, and upon such

declaration the Note and the unpaid accrued interest thereon and such premium shall thereupon become forthwith due and payable in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds under Section 9.2 of the Indenture, without presentment, demand or protest, all of which is hereby expressly waived. The Borrower shall forthwith pay to the Trustee the entire principal of, premium, if any, and interest accrued on the Note.

(b) The City and the Trustee shall waive, rescind and annul such declaration and the consequences thereof, when any declaration of acceleration on the Bonds has been waived, rescinded and annulled pursuant to and in accordance with Section 9.2 of the Indenture.

(c) The City or the Trustee may take whatever action at law or in equity may appear necessary or desirable to collect the payments and other amounts then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement.

In case the City or the Trustee shall have proceeded to enforce its rights under this Agreement or the Note, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the City or the Trustee, as the case may be, then and in every such case the Borrower, the City and the Trustee shall be restored respectively to their several positions and rights hereunder and under the Note, and all rights, remedies and powers of the Borrower, the City and the Trustee shall continue as though no such proceeding had been taken.

In case there shall be pending proceedings for the bankruptcy of the Borrower under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Borrower, or in the case of any other similar judicial proceedings relative to the Borrower, or to the property of the Borrower, the Trustee shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to this Agreement and the Note and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee allowed in such judicial proceedings relative to the Borrower, its creditors or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Trustee, and to pay to the Trustee any amount due it for compensation and expenses, including reasonable attorneys' fees incurred by it up to the date of such distribution.

Section 6.3 Agreement to Pay Attorney's Fees and Expenses. If the City or the Trustee should employ attorneys or incur other expenses for the collection of the payments due under this Agreement or the Note or the enforcement of the performance or observance of any obligation or agreement on the part of the Borrower contained herein, the Borrower agrees that it will on demand therefor pay to the City or the Trustee the fees of such attorneys and such other expenses so incurred by the City or the Trustee.

Section 6.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement and the Indenture now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power and accruing upon any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved to it in this Article VI, it shall not be necessary to give any notice other than such notice as may be herein expressly required. Such rights and remedies as are given the City hereunder shall also extend to the Trustee, and the Trustee and the owners from time to time of the Bonds shall be deemed third party beneficiaries of all covenants and agreements contained herein.

Section 6.5 No Additional Waiver Implied by One Waiver. If any agreement contained in this Agreement should be breached by the Borrower and thereafter waived by the City or the Trustee, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE VII.

PREPAYMENT OF NOTE

Section 7.1 Obligation to Prepay the Note. Upon the occurrence of a Determination of Taxability the Borrower shall have, and hereby accepts, the obligation to prepay the principal of the Note as a whole, and not in part, on any date within 60 days after the occurrence of a Determination of Taxability, for redemption of the Bonds pursuant to Section 3.1(c) of the Indenture. The amount to be prepaid pursuant to this Section 7.1 in such event shall be 100 percent of the then outstanding principal amount of the Bonds (or 103 percent of the then outstanding principal amount of the Bonds during the Fixed Rate Period) plus accrued interest to the date fixed for redemption.

Section 7.2 General Option to Prepay the Note. The Borrower shall have, and is hereby granted, the option to prepay the principal of the Note as a whole, or in part, by paying to the Trustee an amount sufficient to redeem all or a portion of the Bonds then Outstanding, in the manner, at the redemption prices (including premium, if any), from the sources and on the dates specified in Sections 3.1(a) and 3.1(b) of the Indenture.

Section 7.3 Redemption of the Bonds. To perform an obligation imposed upon the Borrower or to exercise an option granted to the Borrower by this Article VII, the Borrower shall give written notice to the City, the Trustee and the Bank which notice shall specify therein the date upon which prepayment of the Note (or a portion thereof) will be made, which date shall be not less than 35 days from the date the notice is mailed, and shall specify that all of the principal amount of the Note or a specified portion thereof is to be so prepaid. On or before the date such notice is given to the Bank, the Borrower shall obtain the consent of the Bank to such redemption required by Section 7.19(c) of the initial Reimbursement Agreement or any similar provision of any subsequent Reimbursement Agreement. The Trustee shall take all steps (other than the payment of the money required to redeem the Bonds) necessary under the applicable provisions

of the Indenture to effect the redemption of the Bonds (or a portion thereof) in amounts equal to the amount of the principal of the Note so prepaid as provided in this Article VII.

ARTICLE VIII.

MISCELLANEOUS

Section 8.1 Notices. All notices, certificates or other communications shall be sufficiently given and shall be deemed given when the same are (a) deposited in the United States mail and sent by first class mail, postage prepaid, or (b) delivered, in each case, to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

If to the City: City of Chicago

Chicago, Illinois _____
Attention: Commissioner, Department of Housing

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

City of Chicago
Office of the Comptroller
33 North LaSalle Street, Suite 600
Chicago, Illinois 60602
Attention: Comptroller

If to the Borrower: _____

Attention: _____

with a copy to:

If to the Trustee:

If to the Bank: _____

If to the Remarketing
Agent:

A duplicate copy of each notice, certificate or other communication given hereunder by either the City or the Borrower to the other shall also be given to the Trustee, the Remarketing Agent and the Bank.

Section 8.2 Assignments. This Agreement may not be assigned by either party without the consent of the other and the Trustee and the Bank, except that the City shall assign and pledge to the Trustee all right, title and interest in and to this Agreement as provided by Section 4.4 hereof. No transfer of title to the Project Facilities shall be made unless the transferee assumes all of the duties of the Borrower under this Agreement and the Land Use Restriction Agreement, provided that such assumption may contain an exculpation of the assignee from personal liability with respect to any obligation hereunder. Upon the assumption of the duties of the Borrower, the Borrower shall be released from all executory obligations so assumed.

Section 8.3 Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 8.4 Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument; provided that for purposes of perfecting a security interest in this Agreement by the Trustee under Article 9 of the Uniform Commercial Code of the State, only the counterpart assigned, pledged and delivered to the Trustee shall be deemed the original.

Section 8.5 Amounts Remaining in Any Fund or With Trustee. It is agreed by the parties hereto that after payment in full of (a) the principal of, premium, if any, and interest on the Bonds, (b) the fees, charges and expenses of the City, the Trustee, the Bond Registrar and the Remarketing Agent in accordance herewith and with the Indenture, the Note and the Remarketing Agreement (the payment of which fees, charges and expenses shall be evidenced by a written certification of the Borrower that it has fully paid all such fees, charges and expenses), (c) all other amounts required to be paid under this Agreement, the Note and the Indenture and

(d) any amounts due to the City pursuant to the Affordable Housing Loan and, thereafter, any other amounts due to the City, including, but not limited to, all taxes, water bills and parking tickets owed to the City, any amounts remaining in any fund or account maintained under this Agreement or the Indenture and not applied to the principal of, premium, if any, and interest on the Bonds shall belong to and be paid to the Borrower by the Trustee; [provided that if the Trustee shall have drawn under the Letter of Credit, the Trustee shall request a written statement from the Bank as to whether or not the Bank has been reimbursed by the Borrower for any and all such drawings under the Reimbursement Agreement] (other than an obligation for a drawing under the Letter of Credit to purchase Bonds tendered or deemed to be tendered for purchase pursuant to Section 4.1 or Section 4.2 of the Indenture, which obligations are not due and owing under the Reimbursement Agreement and except to the extent any other obligations are disputed in good faith), such amounts remaining in the Bond Fund or the Bond Purchase Fund shall, upon written notice from the Bank that the Borrower has not reimbursed the Bank under the Reimbursement Agreement for any such drawing under the Letter of Credit (which notice shall state the unreimbursed amount), shall be deemed to constitute property of and be paid to the Bank by the Trustee to the extent that the Borrower has not so reimbursed the Bank.

Section 8.6 Amendments, Changes and Modifications. Except as otherwise provided in this Agreement or the Indenture, subsequent to the initial issuance of the Bonds and prior to their payment in full, this Agreement may not be effectively amended, changed, modified, altered or terminated except in the manner provided in the Indenture.

Section 8.7 Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the applicable law of the State.

Section 8.8 Authorized Borrower Representative. Whenever under the provisions of this Agreement the approval of the Borrower is required or the Borrower is required to take some action at the request of the City, the Trustee or the Bank, such approval or such request shall be given for the Borrower by the Authorized Borrower Representative, and the City, the Trustee and the Bank shall be authorized to act on any such approval or request and neither party hereto shall have any complaint against the other or against the Trustee or the Bank as a result of any such action taken.

Section 8.9 Terms of This Agreement. This Agreement shall be in full force and effect from the date hereof, and shall continue in effect until the payment in full of all principal of, premium, if any, and interest on the Bonds, or provision for the payment thereof shall have been made pursuant to Article VIII of the Indenture, all fees, charges and expenses of the City, the Trustee, the Bond Registrar, the Placement Agent and the Remarketing Agent have been fully paid or provision made for such payment (the payment of which fees, charges, indemnities and expenses shall be evidenced by a written certification of the Borrower that it has fully paid all such fees, charges, indemnities and expenses) and all other amounts due hereunder and under the Note have been duly paid or provision made for such payment. All representations, certifications

and covenants by the Borrower as to the indemnification of various parties as described in Section 5.2 hereof, the payment of fees and expenses of the City as described in Sections 4.2(b) and 6.3 hereof and all matters affecting the tax-exempt status of the interest on Bonds shall survive the termination of this Agreement.

Section 8.10 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the City, the Borrower and their respective successors and assigns; subject, however, to the limitations contained in Section 4.4 hereof.

Section 8.11 References to Bank and Letter of Credit. At any time while the Letter of Credit is not in effect and all amounts payable under the Reimbursement Agreement have been paid, all references to the Bank and the Letter of Credit shall be ineffective.

Section 8.12 Limited Liability of City. No covenant, agreement or obligation contained in this Agreement shall be deemed to be a covenant, agreement or obligation of any present or future member, official, officer, employee or agent of the City in his individual capacity, and neither the members, officials, officers, employees and agents of the City nor any officer thereof executing this Agreement shall be liable personally hereon or be subject to any personal liability or accountability by reason of the execution and delivery hereof. No member, official, officer, employee or agent of the City shall incur any personal liability with respect to any other action taken by him pursuant to this Agreement or any of the transactions contemplated hereby provided he does not act in bad faith.

Section 8.13 Rights Under the Indenture. With regard to any default concerning which notice is given to the City, the Borrower, the Bank and the Remarketing Agent under the provisions of Section 9.12 of the Indenture, the City hereby grants the Borrower full authority for the account of the City to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the City with full power to do any and all lawful things and acts to the same extent that the City could do and perform any such things and acts and with power of substitution.

Section 8.14 Limited Liability of Borrower. Except as provided in this Section, neither the Borrower nor its partners are personally liable for payments on the Note. The obligations of the Borrower contained in this Agreement and in the Note are limited obligations payable solely from the Borrower's interest in and revenues derived from the Project Facilities and from the payments made by the Bank to the Trustee on behalf of the Borrower under the Letter of Credit. Any judgement rendered against the Borrower for damages at law under this Agreement or the Note shall be limited to the Borrower's interest in and the revenues derived from the Project Facilities, and except as otherwise expressly provided herein, no deficiency or other personal

judgment, or any order or decree of specific performance or other equitable remedies shall be rendered against the Borrower, its assets (other than its interest in and the revenues derived from the Project Facilities), its general or limited partners, their heirs, personal representatives, successors, transferees or assigns, as the case may be, in any action or proceedings arising out of this Agreement or the Note, or any judgment, order or decree rendered pursuant to any such action or proceedings; provided that the limitations of this Section shall not apply to equitable remedies ordered or decreed to enforce the non-monetary covenants and agreements of this Agreement.

IN WITNESS WHEREOF, the City of Chicago and _____ have caused this Agreement to be executed in their names and attested by their duly authorized officers, all as of the day first above written

CITY OF CHICAGO

By _____
City Comptroller

an Illinois limited partnership

By: _____
an Illinois limited liability company
and its sole general partner

By: _____
an Illinois corporation
and its managing member

By _____
Its President

(Sub)Exhibit "A" referred to in this Loan Agreement reads as follows:

(Sub)Exhibit "A".
(To Loan Agreement)

Promissory Note.

FOR VALUE RECEIVED, intending to be legally bound hereby, _____, an Illinois limited partnership (the "*Borrower*"), hereby promises to pay to _____, Chicago, Illinois, or its successors and assigns (the "*Trustee*"), in lawful money of the United States of America in federal or other immediately available funds, the principal amount of \$ _____ due on _____, and to pay interest from the date hereof on the unpaid principal balance hereof at such rates equal to the interest rates from time to time borne by the Bonds (as hereinafter defined), calculated during the Variable Rate Period (as defined in the Indenture hereinafter referred to) on the basis of a calendar year consisting of 365 or 366 days, as the case may be, and calculated on the actual number of days elapsed, and calculated during the Fixed Rate Period (as defined in the Indenture hereinafter referred to) on the basis of a calendar year consisting of 360 days of 12 30-day months, payable in lawful money of the United States of America in federal or other immediately available funds during said Variable Rate Period on _____, on the first Business Day (as defined in the Indenture hereinafter referred to) of each calendar month thereafter and on the date of the commencement of said Fixed Rate Period, until the earlier of the date of the commencement of said Fixed Rate Period or the date on which said principal amount is paid, and during said Fixed Rate Period on the first day of the April or October immediately following the commencement of said Fixed Rate Period and on the first day of each April and October thereafter, until said principal amount is paid.

This Promissory Note shall bear interest on any overdue installment of principal hereof, premium, if any, or interest hereon (to the extent legally enforceable) at a rate equal to the interest rate borne by this Promissory Note, from time to time, from the due date thereof until paid.

This Promissory Note is issued pursuant to the Loan Agreement dated as of _____ 1, 2006, by and between the City of Chicago (the "*City*") and the Borrower (the "*Agreement*"), and is issued in consideration of the loan made thereunder and to evidence the obligations of the Borrower set forth in Section 4.2(a) thereof. The Borrower covenants and agrees that the payments of principal hereof and premium, if any, and interest hereon will be sufficient to enable the Trustee to pay when due the principal of, premium, if any, and interest on the City's Variable Rate Demand Multi-Family Housing Revenue Bonds (_____ Project) Series 2006B in the aggregate principal amount of \$ _____ (the "*Bonds*"), issued pursuant to the Trust Indenture dated as of _____ 1, 2006, from the City to the Trustee.

Each payment of principal of, premium, if any, and interest on this Promissory Note shall at all times be sufficient to pay the total amount of principal of (whether at maturity or upon acceleration or prior redemption), premium, if any, and interest on the Bonds on the same date. The total payments to be made by the Borrower hereunder shall be sufficient to pay when due the principal of (whether at maturity or upon acceleration or prior redemption), premium, if any, and interest on the Bonds; provided that the Excess Amount (as hereinafter defined) held by the Trustee in the Bond Fund (as defined in the Agreement) on a payment date shall be credited against the payment due on such date; and provided further, that, subject to the provisions of the immediately following sentence, if at any time the amount held by the Trustee in said Bond Fund should be sufficient (and remain sufficient) to pay at the times required the principal of, interest and premium, if any, on the Bonds then remaining unpaid, the Borrower shall not be obligated to make any further payments under the provisions of the preceding sentence. If on any day the Excess Amount held by the Trustee in said Bond Fund is insufficient to make the then required payments of principal of (whether at maturity or upon redemption prior to maturity or acceleration), interest and premium, if any, on the Bonds on such date, the Borrower shall forthwith pay such deficiency. The term "*Excess Amount*" as of any interest payment date shall mean the amount in said Bond Fund on such date in excess of the amount required for payment of the principal of the Bonds which theretofore has matured at maturity or on a date fixed for redemption and premium, if any, on such Bonds in all cases where interest checks have not been presented for payment and paid.

This Promissory Note is entitled to the benefit and is subject to the conditions of the Agreement. The obligations of the Borrower to make the payments required hereunder are absolute and unconditional, without any defense or without right of set-off, counterclaim or recoupment by reason of any default by the City under the Agreement or under any other agreement between the Borrower, the City or the Trustee, or out of any indebtedness or liability at any time owing to the Borrower by the City or the Trustee, or for any other reason.

This Promissory Note is subject to mandatory prepayment as a whole, and optional prepayment as a whole or in part, as provided in Article VII of the Agreement.

In certain events, on the conditions, in the manner and with the effect set out in the Agreement, the principal installments of this Promissory Note may be declared due and payable before the stated maturity thereof, together with accrued interest thereon.

Except as provided in this paragraph, neither the Borrower nor its partners are personally liable for payments under this Note. The obligations of the Borrower contained in this Note are limited obligations payable solely from the Borrower's interest in and revenues derived from the Project Facilities (as defined in the Agreement) and from the payments made by the Bank (as defined in the Agreement) to the Trustee on behalf of the Borrower under the Letter of Credit (as defined in the Agreement). Any judgment rendered against the Borrower for damages at law under this Note shall be limited to the Borrower's interest in and the revenues derived from the

Project Facilities, and except as otherwise expressly provided in the Agreement; no deficiency or other personal judgment, or any order or decree of specific performance or other equitable remedies shall be rendered against the Borrower, its assets (other than its interest in and the revenues derived from the Project Facilities), its general or limited partners, their heirs, personal representatives, successors, transferees or assigns, as the case may be, in any action or proceedings arising out of this Note, or any judgment, order or decree rendered pursuant to any such action or proceeding.

Reference is hereby made to the Agreement for a complete statement of the terms and conditions under which the maturity of the principal installments of this Promissory Note may be accelerated.

IN WITNESS WHEREOF, the Borrower has executed and delivered this Promissory Note as of the 1st day of _____, 2006.

an Illinois limited partnership

By: _____
an Illinois limited liability company
and its sole general partner;

By: _____
an Illinois corporation
and its managing member;

By _____
Its President

*Exhibit "E".
(To Ordinance)*

City Of Chicago

And

As Trustee

And

An Illinois Limited Partnership, As Owner

Land-Use Restriction Agreement

Dated As Of _____ 1, 200__.

THIS LAND USE RESTRICTION AGREEMENT (this "Agreement"), entered into as of _____, by and among the CITY OF CHICAGO, a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "Issuer"), _____, a national banking association under the laws of the United States of America, as trustee (the "Trustee") under a Trust Indenture, dated as of _____ 1, 200_ (the "Indenture"), from the Issuer to the Trustee, and _____, an Illinois limited partnership (the "Owner"),

WITNESSETH:

WHEREAS, the Issuer is issuing its _____ (the "Bonds"), for the purpose of providing financing to the Owner pursuant to a Loan Agreement, dated as of _____ 1, 200_ (the "Loan Agreement"), among the Issuer, the Owner and the Trustee, to pay a portion of the costs of financing the acquisition, construction and equipping, on the real property described on Exhibit A attached hereto, of a low and moderate income residential facility located at _____, all within the City of Chicago, Illinois (the "Project");

WHEREAS, in order to assure the Issuer and the owners of the Bonds that interest on the Bonds will be excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and to further the public purposes of the Issuer, certain restrictions on the use and occupancy of the Project under the Code must be established;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Owner, the Issuer and the Trustee agree as follows:

Section 1. Term of Restrictions. (a) Occupancy Restrictions: The term of the Occupancy Restrictions set forth in Section 3 hereof shall commence on the later of the first day on which at least ten percent (10%) of the units in the Project are first occupied or the issue date of the Bonds, and shall end on the latest of (i) the date which is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Project are first occupied; (ii) the first date on which no tax-exempt bond (including any refunding bond) issued with respect to the Project is outstanding; or (iii) the date on which any housing assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates (which period is hereinafter referred to as the "Qualified Project Period").

(b) Rental Restrictions: The Rental Restrictions set forth in Section 4 hereof shall remain in effect during the Qualified Project Period set forth in paragraph (a) of this Section 1.

(c) Involuntary Loss or Substantial Destruction: The Occupancy Restrictions set forth in Section 3 hereof, and the Rental Restrictions set forth in Section 4 hereof, shall cease to apply to the Project in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in federal law or an action of a federal agency after the date of delivery of the Bonds, which prevents the Issuer and the Trustee from enforcing the Occupancy Restrictions and the Rental Restrictions, or condemnation or similar event, but only if, within a reasonable time period, (i) all of the Bonds are promptly retired, or amounts received as a consequence of such event are used to provide a new project which meets all of the requirements of this Agreement, which new project is subject to new restrictions substantially equivalent to those contained in this Agreement, and which is substituted in place of the Project by amendment of this Agreement; and (ii) an opinion from nationally recognized bond counsel (acceptable to the Issuer and the Trustee) is received to the effect that noncompliance with the Occupancy Restrictions and the Rental Restrictions as a result of such involuntary loss or substantial destruction resulting from an unforeseen event will not adversely affect the exclusion from the gross income of the owners thereof for purposes of federal income taxation of the interest on the Bonds; provided, however, that the preceding provisions of this paragraph shall cease to apply in the case of such involuntary noncompliance caused by foreclosure, transfer of title by deed in lieu of foreclosure or similar event if at any time during the Qualified Project Period subsequent to such event the Owner or any Related Party (as defined in Section 147(a)(2) of the Code) obtains an ownership interest in the Project for federal income tax purposes.

(d) Termination: This Agreement shall terminate upon the earliest of (i) termination of the Occupancy Restrictions and the Rental Restrictions, as provided in paragraphs (a) and (b) of this Section 1; or (ii) delivery to the Issuer, the Trustee and the Owner of an opinion of nationally recognized bond counsel (acceptable to the Issuer and the Trustee) to the

effect that continued compliance with the Rental Restrictions and Occupancy Restrictions is not required in order for interest on the Bonds to remain excludible from gross income for federal income tax purposes.

(e) Certification: Upon termination of this Agreement, in whole or in part, the Owner and the Issuer shall execute, and the Trustee shall acknowledge, and the parties shall cause to be recorded (at the Owner's expense), in all offices in which this Agreement was recorded, a certificate of termination, specifying which of the restrictions contained herein has terminated, and the portion of the Project to which such termination relates.

Section 2. Project Restrictions. The Owner represents, warrants and covenants that:

(a) The Owner has reviewed the provisions of the Code, the Treasury Regulations thereunder (the "Regulations") and Internal Revenue Service rulings, procedures and pronouncements applicable to this Agreement (including, without limitation, Section 142(d) of the Code, Section 1.103-8(b) of the Regulations and IRS Revenue Procedure 2004-39, 2004-29 IRB 49) with its counsel and understands said provisions.

(b) The Project is being constructed, acquired and equipped for the purpose of providing a "qualified residential rental project" (within the meaning of Section 142(d) of the Code) and will, during the term of the Rental Restrictions and Occupancy Restrictions hereunder, continue to constitute a "qualified residential rental project" under Section 142(d) of the Code and any Regulations heretofore or hereafter promulgated thereunder and applicable thereto.

(c) At least 95% of the Project will consist of a "building or structure" (as defined in Section 1.103-8(b)(8)(iv) of the Regulations), or several proximate buildings or structures of similar construction, each containing one or more similarly constructed residential units (as defined in Section 1.103-8(b)(8)(i) of the Regulations) located on a single tract of land or contiguous tracts of land (as defined in Section 1.103-8(b)(4)(ii)(b) of the Regulations), which will be owned, for federal tax purposes, at all times by the same person, and financed pursuant to a common plan (within the meaning of Section 1.103-8(b)(4)(ii) of the Regulations), together with functionally related and subordinate facilities (within the meaning of Section 1.103-8(b)(4)(iii) of the Regulations). Each such building or structure (or several proximate buildings or structures comprising the Project) shall contain five (5) or more similarly constructed units.

(d) None of the residential units in the Project will at any time be used on a transient basis, nor will the Project itself be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court for use on a transient basis.

(e) In no event will continual or frequent nursing, medical or psychiatric services be made available at the Project, within the meaning of Revenue Ruling 98-47, 1998-2 CB 399, or any successor thereto.

(f) All of the residential units in the Project will be leased, rented, or available for lease or rental on a continuous basis to members of the general public (other than units for a resident manager or maintenance personnel), subject, however, to the requirements of Section 3(a) hereof. Each Qualifying Tenant (as hereinafter defined) occupying a residential unit in the Project shall be required to execute a written Lease Agreement with a stated term of not less than thirty (30) days nor more than one (1) year.

(g) Any functionally related and subordinate facilities (e.g., parking areas, swimming pools, tennis courts, etc.) which are financed by the Bonds and are included as part of the Project will be of a character and size commensurate with the character and size of the Project, and will be made available to all tenants on an equal basis. Fees will only be charged with respect to the use thereof if the charging of fees is customary for the use of such facilities at similar residential rental properties in the surrounding area and then only in amounts commensurate with the fees being charged at similar residential rental properties within such area. In any event, any fees charged will not be discriminatory or exclusionary as to the Qualifying Tenants (as defined in Section 3 hereof). No functionally related and subordinate facilities will be made available to persons other than tenants or their guests.

(h) Each residential unit in the Project will contain separate and complete facilities for living, sleeping, eating, cooking (including a refrigerator, sink, oven and range top) and sanitation for a single person or family.

(i) No portion of the Project will be used to provide any 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, in violation of Section 147(e) of the Code.

Section 3. Occupancy Restrictions. The Owner represents, warrants and covenants that:

(a) Pursuant to the election of the Issuer and the Owner in accordance with the provisions of Section 142(d)(1)(B) of the Code, at all times during the Qualified Project Period at least forty percent (40%) of the Available Units (as defined in Section 3(b)) in the Project shall be continuously occupied (or treated as occupied as provided herein) or held available for occupancy by Qualifying Tenants as herein defined. For purposes of this Agreement, "Qualifying Tenants" means, subject to Section 3(f) hereof, individuals or families whose aggregate adjusted incomes do not exceed sixty percent (60%) of the applicable median gross income (adjusted for family size) for the area in which the Project is located, as such income and area median gross income are determined by the Secretary of the United States Treasury in a manner consistent with determinations of income and area median gross income under Section 8 of the United States Housing Act of 1937, as amended (or, if such program is terminated, under such program as in effect immediately before such termination).

(b) For purposes of this Agreement, "Available Units" means residential units in the Project that are actually occupied and residential units in the Project that are unoccupied

and have been leased at least once after becoming available for occupancy, provided that a residential unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been leased for the first time after the renovations are completed.

(c) Prior to the commencement of occupancy of any unit to be occupied by a Qualifying Tenant, the prospective tenant's eligibility shall be established by execution and delivery by such prospective tenant of an Income Computation and Certification in the form attached hereto as Exhibit B (the "Income Certification") evidencing that the aggregate adjusted income of such prospective tenant does not exceed the applicable income limit. In addition, such prospective tenant shall be required to provide whatever other information, documents or certifications are reasonably deemed necessary by the Owner or the Issuer to substantiate the Income Certification.

(d) Not less frequently than annually, the Owner shall determine whether the current aggregate adjusted income of each tenant occupying any unit being treated by the Owner as occupied by a Qualifying Tenant exceeds the applicable income limit. For such purpose the Owner shall require each such tenant to execute and deliver to the Owner the Income Certification attached hereto as Exhibit B.

(e) Any unit vacated by a Qualifying Tenant shall be treated as continuing to be occupied by such tenant until reoccupied. Upon such unit being reoccupied, the Owner shall have thirty-one (31) days from such date to determine whether such unit is being occupied by a Qualifying Tenant.

(f) If an individual's or family's income exceeds the applicable income limit as of any date of determination, the income of such individual or family shall be treated as continuing not to exceed the applicable limit; provided that the income of such individual or family did not exceed the applicable income limit upon commencement of such tenant's occupancy or as of any prior income determination; and provided, further, that if any individual's or family's income as of the most recent income determination exceeds one hundred and forty percent (140%) of the applicable income limit, such individual or family shall cease to qualify as a Qualifying Tenant if, prior to the next income determination of such individual or family, any unit in the Project of comparable or smaller size to such individual's or family's unit is occupied by any tenant other than a Qualifying Tenant.

(g) For purposes of satisfying the requirement that 40% of the Available Units be occupied by Qualifying Tenants, the following principles shall apply: (i) upon the later of the first day on which at least 10% of all of the residential units in the Project are occupied or the issue date of the Bonds, 40% of the Available Units must be occupied by Qualifying Tenants; and (ii) after 10% of the residential units in the Project are occupied, Qualifying Tenants must occupy Available Units in the Project in the number set forth in Exhibit D hereto, and the Qualifying Tenants' occupancies must predate the non-Qualifying Tenants' occupancies.

(h) The lease agreement to be utilized by the Owner in renting any residential units in the Project to a prospective Qualifying Tenant shall provide for termination of the lease agreement and consent by such person to eviction following thirty (30) days' notice, subject to applicable provisions of Illinois law (including for such purpose all applicable home rule ordinances), for any material misrepresentation made by such person with respect to the Income Certification with the effect that such tenant is not a Qualifying Tenant.

(i) All Income Certifications will be maintained on file at the Project (or at an off-site storage location) so long as any Bonds are outstanding and for five (5) years thereafter with respect to each Qualifying Tenant who occupied a residential unit in the Project during the period the restrictions hereunder are applicable, and the Owner will, promptly upon receipt, file a copy thereof with the Issuer, and, at the written request of the Trustee, the Trustee.

(j) On the first day of the Qualified Project Period, on the fifteenth day of January, April, July and October of each year during the Qualified Project Period, and within thirty (30) days after the final day of each month in which there occurs any change in the occupancy of a residential unit in the Project, the Owner will submit to the Issuer and the Trustee the "Certificate of Continuing Program Compliance," in the form attached hereto as Exhibit C, executed by the Owner.

(k) The Owner shall submit to the Secretary of the United States Treasury (at such time and in such manner as the Secretary shall prescribe) an annual certification as to whether the Project continues to meet the requirements of Section 142(d) of the Code. Failure to comply with such requirement may subject the Owner to the penalty provided in Section 6652(j) of the Code. The Owner shall submit a copy of each such annual certification to the Issuer and the Trustee.

Section 4. Rental Restrictions. The Owner represents, warrants and covenants that once available for occupancy, each residential unit in the Project will be rented or available for rental on a continuous basis to members of the general public (other than (a) units for a resident manager or maintenance personnel and (b) units for Qualifying Tenants as provided for in Section 3 hereof).

Section 5. Transfer Restrictions. The Owner covenants and agrees that no conveyance, transfer, assignment or any other disposition of title to the Project (a "Transfer"), shall be made prior to the termination of the Rental Restrictions and Occupancy Restrictions hereunder, unless the transferee pursuant to the Transfer assumes in writing, in a form reasonably acceptable to the Issuer and the Trustee, all of the executory duties and obligations hereunder of the Owner, including this Section 5, and agrees to cause any subsequent transferee to assume such duties and obligations in the event of a subsequent Transfer by the transferee prior to the termination of the Rental Restrictions and Occupancy Restrictions hereunder (the "Assumption Agreement"). The Owner shall deliver the Assumption Agreement to the Issuer and the Trustee at least thirty (30) days prior to a proposed Transfer.

Section 6. Enforcement. (a) The Owner shall, upon at least 48 hours prior written notice and during regular business hours, permit all duly authorized representatives of the Issuer and the Trustee to inspect any books and records of the Owner regarding the Project and the incomes of Qualifying Tenants which pertain to compliance with the provisions of this Agreement and Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

(b) In addition to the information provided for in Section 3(j) hereof, the Owner shall submit any other information, documents or certifications reasonably requested by the Issuer or the Trustee which the Issuer or the Trustee deems reasonably necessary to substantiate continuing compliance with the provisions of this Agreement and Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

(c) The Issuer, the Trustee and the Owner each covenants that it will not take or permit to be taken any action within its control that it knows would adversely affect the exclusion of interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation pursuant to Section 103 of the Code. Moreover, the Issuer and the Owner covenant to take any lawful action within their control and the Trustee each covenant to take any lawful action it is directed to take by the Owner, the Issuer or nationally recognized bond counsel (including amendment of this Agreement as may be necessary, in the opinion of nationally recognized bond counsel acceptable to the Issuer and the Trustee) to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service from time to time pertaining to obligations issued under Section 142(d) of the Code and affecting the Project.

(d) The Owner covenants and agrees to inform the Issuer and the Trustee by written notice of any violation of its obligations hereunder within five (5) days of first discovering any such violation. If any such violation is not corrected to the satisfaction of the Issuer and the Trustee within the period of time specified by either the Issuer or the Trustee, which shall be (A) the lesser of (i) forty-five (45) days after the effective date of any notice to or from the Owner, or (ii) sixty (60) days from the date such violation would have been discovered by the Owner by the exercise of reasonable diligence, or (B) such longer period as is specified in an opinion of nationally recognized bond counsel (acceptable to the Issuer and the Trustee) as will not result in the loss of such exclusion of interest on the Bonds, without further notice, the Issuer or the Trustee shall declare a default under this Agreement effective on the date of such declaration of default, and the Issuer or the Trustee shall apply to any court, state or federal, for specific performance of this Agreement or an injunction against any violation of this Agreement, or any other remedies at law or in equity or any such other actions as shall be necessary or desirable so as to correct noncompliance with this Agreement.

(e) The Owner, the Issuer and the Trustee each acknowledges that the primary purpose for requiring compliance with the restrictions provided in this Agreement is to preserve the exclusion of interest on the Bonds from gross income for purposes of federal income

taxation, and that the Issuer or the Trustee, on behalf of the owners of the Bonds, who are declared to be third-party beneficiaries of this Agreement, shall be entitled for any breach of the provisions hereof, to all remedies both at law and in equity in the event of any default hereunder, which in the opinion of the Issuer and nationally recognized bond counsel could adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

(f) In the enforcement of this Agreement, the Issuer and the Trustee may rely on any certificate delivered by or on behalf of the Owner or any tenant with respect to the Project.

(g) Nothing in this Section shall preclude the Issuer or the Trustee from exercising any remedies they might otherwise have, by contract, statute or otherwise, upon the occurrence of any violation hereunder, which in the opinion of the Issuer and nationally recognized bond counsel could adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

Section 7. Covenants to Run With the Land. The Owner hereby subjects the Project to the covenants, reservations and restrictions set forth in this Agreement. The Issuer, the Trustee and the Owner hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants, reservations and restrictions running with the land to the extent permitted by law, and shall pass to and be binding upon the Owner's successors in title to the Project throughout the term of this Agreement. Each and every contract, deed, mortgage, lease or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed, mortgage, lease or other instrument.

Section 8. Recording. The Owner shall cause this Agreement and all amendments and supplements hereto to be recorded in the conveyance and real property records of Cook County, Illinois, and in such other places as the Issuer or the Trustee may reasonably request. The Owner shall pay all fees and charges incurred in connection with any such recording.

Section 9. Concerning the Trustee.

(a) The Trustee is executing and delivering this Agreement solely for the purposes of acknowledging the matters set forth herein, and being bound to undertake only those duties and responsibilities specifically set forth with respect to the Trustee. With respect to matters set forth in the remaining Sections of this Agreement, the Trustee has not made any investigation, does not make any representation and does not undertake any duties or responsibilities. No implied duties or responsibilities may be read into this Agreement against the Trustee, and the Trustee shall be entitled to the protections, privileges, exculpation and indemnities contemplated under the Indenture.

(b) In determining whether any default or lack of compliance by the Owner exists under this Agreement, the Trustee shall not be required to conduct any investigation into or review the operations or records of the Owner and, absent actual knowledge of any default or noncompliance, may assume compliance by the Owner with this Agreement unless otherwise specifically notified in writing.

(c) The permissive right of the Trustee to take actions permitted by this Agreement shall not be construed as an obligation or duty to do so.

(d) The Trustee shall not be under any duty to confirm or verify any financial or other statements, reports or certificates furnished pursuant to any provisions hereof, and shall not be under any other duty in respect of same except to retain the same in its files and permit the inspection of same at reasonable times by the Issuer.

(e) The Trustee has the right to appoint agents to carry out any of its duties and obligations hereunder, and shall, upon request, certify in writing to the other parties hereto any such agency appointment.

Section 10. No Conflict With Other Documents. The Owner warrants and covenants that it has not and will not execute any other agreement with provisions inconsistent or in conflict with the provisions hereof (except documents that are subordinate to the provisions hereof), and the Owner agrees that the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth, which supersede any other requirements in conflict herewith.

Section 11. Interpretation. Any terms not defined in this Agreement shall have the same meaning as terms defined in the Indenture, the Loan Agreement or Section 142(d) of the Code and the regulations heretofore or hereafter promulgated thereunder.

Section 12. Amendment. This Agreement may be amended by the parties hereto to, among other things, reflect changes in Section 142(d) of the Code, the regulations hereafter promulgated thereunder and revenue rulings or procedures promulgated thereunder, or in the interpretation thereof, subject to an opinion of nationally recognized bond counsel that such amendment will not adversely affect the exclusion of the interest on the Bonds from the gross income of the owners thereof for purposes of federal income taxation.

Section 13. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 14. Notices. Any notice, demand or other communication required or permitted hereunder shall be in writing and shall be deemed to have been given if and when personally delivered and receipted for, or, if sent by private courier service or sent by overnight mail service, shall be deemed to have been given if and when received (unless the addressee refuses to accept delivery, in which case it shall be deemed to have been given when first

presented to the addressee for acceptance), or on the first day after being sent by telegram, or on the third day after being deposited in United States registered or certified mail, postage prepaid. Any such notice, demand or other communication shall be addressed to a party at its address set forth below or to such other address the party to receive such notice may have designated to all other parties by notice in accordance herewith:

If to the Issuer: City of Chicago
Department of Housing
33 North LaSalle Street
Suite 1100
Attention: Commissioner, Department of Housing

With a copy to:

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

If to the Trustee:

If to the Owner:

With copies to:

Section 15. Conflict with Mortgage and HUD Regulations; Supremacy of Mortgage and HUD.

(a) Notwithstanding anything in this Agreement to the contrary, the provisions of this Agreement are subject and subordinate to the National Housing Act, all applicable HUD insurance (and Section 8, if applicable) regulations and related administrative requirements, and the Mortgage Loan Documents, and all applicable GNMA regulations and related administrative requirements; and in the event of any conflict between the provisions of this Agreement and the provisions of the National Housing Act, any applicable HUD (and Section 8, if applicable) regulations, related HUD administrative requirements and the Mortgage

Loan Documents, and any applicable GNMA regulations and related GNMA requirements, the said National Housing Act, HUD (and Section 8, if applicable) regulations, related administrative requirements and Mortgage Loan Documents, and the said GNMA regulations and related requirements shall be controlling in all respects; provided, however, that the provisions of this Agreement necessary to comply with the Code shall continue to be controlling at all times.

(b) The failure on the part of the Owner to comply with the provisions of this Agreement cannot be and will not be deemed to be the basis for a default under the Mortgage Loan Documents.

(c) Enforcement of the provisions of this Agreement shall not result in any claim against the Project, the proceeds of the Mortgage Loan, any reserve or deposit made with the GNMA Issuer or another Person required by HUD in connection with the Mortgage Loan, or the rents or other income from the Project other than available "Surplus Cash" (as such term is defined in the HUD Regulatory Agreement).

(d) The Owner shall not be deemed to be in violation of this Agreement if it shall take (or refrain from taking) any actions required (or prohibited) by HUD pursuant to the National Housing Act, applicable HUD (and Section 8, if applicable) insurance regulations, related administrative requirements, the Mortgage Loan Documents, applicable GNMA regulations and related GNMA requirements.

(e) This Agreement and the restrictions hereunder are subject and subordinate to the lien and security interest granted by the Mortgage. In the event of foreclosure or transfer of title by deed in lieu of foreclosure, this Agreement and the restrictions hereunder shall automatically and immediately terminate (except to the extent any provisions herein are necessary to comply with the Code) and shall thereafter be of no further force and effect.

(f) Any funds held by the GNMA Issuer for or on behalf of the Owner under the contract of mortgage insurance with FHA shall be maintained separate and apart from the funds established and held by the Trustee for the owners of the Bonds and the various escrows and funds, if any, under the Indenture.

(g) This Agreement may not be amended without the prior written approval of HUD.

(h) The provisions of this Agreement shall inure to the benefit of HUD, its successors and assigns.

(i) In consideration of HUD's agreeing to insure the Mortgage Loan, and in reliance by HUD upon the promises of the Owner, the Trustee and the Issuer to comply with this Agreement, HUD has reserved the right to require the Issuer and the Trustee to remove or void the restrictions found in this Agreement (to the extent and only to the extent that these restrictions exceed those required by the Code) upon a determination by HUD that the

restrictions are threatening the financial viability of the Project (i.e., impairing the Owner's ability to sustain a level of income sufficient to meet all financial obligations of the Project (as defined in this Agreement and the Mortgage Loan Documents)), including the debt service costs, HUD-required escrows and operation expenses with respect to the Project. In the absence of the Issuer's and the Trustee's compliance with HUD's request that it remove or void restrictions, the Issuer and the Trustee expressly recognize the power of HUD to take the appropriate action to unilaterally remove or void these restrictions, and agrees that HUD shall not have to look any further than this Agreement for the power to remove or void said restrictions.

Section 16. 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 Project, Mortgage Loan or Mortgage Loan proceeds, any reserve or deposit required by the GNMA Issuer, HUD or GNMA in connection with the Mortgage Loan, or the rents or other income from the Project (except to the extent of Surplus Cash available for distribution to the Owner). Notwithstanding any other provision of this Agreement, any monetary obligation created under this Agreement shall not be enforceable personally against the Owner or any partner of the Owner, their successors and assigns, or against the assets of the Owner, its successors or assigns.

Section 17. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois, and where applicable, the laws of the United States of America.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and sealed by their respective, duly authorized representatives, as of the day and year first above written.

[SEAL]

Attest:

By: _____
City Clerk

Attest:

By: _____
Its: _____

CITY OF CHICAGO,
as Issuer

By: _____

an Illinois limited partnership

By: _____
an Illinois limited liability company
and its General Partner

By: _____
an Illinois limited liability company
and its Manager

By: _____
Its: Manager

as Trustee

By: _____
Its: _____

STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

BEFORE ME, the undersigned authority, on this day personally appeared _____ and _____, _____ and City Clerk, respectively, of the City of Chicago, a municipality and home rule unit of local government duly organized and validly existing under the Constitution and laws of the State of Illinois (the "Issuer"), known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that each executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of said Issuer.

GIVEN UNDER MY HAND and seal of office, this the ____ day of _____, 200__.

Notary Public in and for the State of Illinois

[SEAL]

My commission expires on:

STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

BEFORE ME, the undersigned authority, on this day personally appeared _____, of _____ (the "Owner"), known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be an authorized representative of said Owner and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of said Owner.

GIVEN UNDER MY HAND and seal of office, this the ____ day of _____, 200__.

Notary Public in and for the State of Illinois

[SEAL]

My commission expires on:

STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

BEFORE ME, the undersigned authority, on this day personally appeared _____, of _____, a national banking association (the "Trustee"), known to me to be the person whose name is subscribed to the foregoing instrument, and known to me to be the _____ of said Trustee and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated, as the act and deed of said Trustee.

GIVEN UNDER MY HAND and seal of office, this the ____ day of _____, 200__.

Notary Public in and for the State of Illinois

[SEAL]

My commission expires on:

[(Sub)Exhibit "A" referred to in this Land-Use Restriction Agreement unavailable at time of printing.]

(Sub)Exhibits "B", "C" and "D" referred to in this Land-Use Restriction Agreement read as follows:

(Sub)Exhibit "B".
(To Land-Use Restriction Agreement)

Income Computation And Certification¹.

NOTE TO APARTMENT OWNER: This form is designed to assist you in computing Annual Income in accordance with the method set forth in the Department of Housing and Urban Development ("HUD") Regulations (24 CFR Part 5). You should make certain that this form is at all times up to date with HUD Regulations. All capitalized terms used herein shall have the meanings set forth in the Land Use Restriction Agreement, dated as of _____, among _____ (the "Owner"), the City of Chicago and _____, as Trustee.

Re: _____
Chicago, Illinois

I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully and truthfully each of the following questions for all persons who are to occupy the unit in the above apartment project for which application is made. Listed below are the names of all persons who intend to reside in the unit:

1.	2.	3.	4.	5.
Name of Members of the Household	Relationship to Head of Household	Age	Social Security Number	Place of Employment
	HEAD			
	SPOUSE			

6. Total Anticipated Income. The total anticipated income, calculated in accordance with this paragraph 6, of all persons listed above for the 12-month period beginning the date that I/we plan to move into a unit (i.e., _____) is \$ _____.

Included in the total anticipated income listed above are:

¹ The form of Income Computation and Certification shall be conformed to any amendments made to 24 CFR Part 5, or any regulatory provisions promulgated in substitution therefor.

(a) the full amount, before payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;

(b) the net income from operation of a business or profession or net income from real or personal property (without deducting expenditures for business expansion or amortization or capital indebtedness); an allowance for depreciation of capital assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; include any withdrawal of cash or assets from the operation of a business or profession, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the above persons;

(c) interest and dividends (see 7(C) below);

(d) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump sum payment for the delayed start of a periodic payment;

(e) payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay;

(f) the amount of any public welfare assistance payment; if the welfare assistance payment includes any amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:

(i) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus

(ii) the maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities (if the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph 6(f)(ii) shall be the amount resulting from one application of the percentage);

(g) periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; and

(b) all regular pay, special pay and allowances of a member of the Armed Forces.

Excluded from such anticipated total income are:

- (a) income from employment of children (including foster children) under the age of 18 years;
- (b) payments received for the care of foster children or foster adults;
- (c) lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- (d) amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (e) income of a live-in aide;
- (f) the full amount of student financial assistance paid directly to the student or to the educational institution;
- (g) special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (h) amounts received under training programs funded by the Department of Housing and Urban Development ("HUD");
- (i) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- (j) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- (k) a resident service stipend in a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the Owner, on a part-time basis, that enhances the quality of life in the Project, including, but not limited to, fire patrol, hall monitoring, lawn maintenance and resident initiatives coordination (no resident may receive more than one stipend during the same period of time);
- (l) compensation from state or local employment training programs and training of a family member as resident management staff, which compensation is received under employment training programs (including training programs not affiliated with a local government) with clearly defined goals and objectives, and which compensation is excluded only for the period during which the family member participates in the employment training program;

(m) reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(n) earnings in excess of \$480 for each full-time student, 18 years or older, but excluding the head of household and spouse;

(o) adoption assistance payments in excess of \$480 per adopted child;

(p) deferred periodic payments of supplemental security income and security benefits that are received in a lump sum payment;

(q) amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;

(r) amounts paid by a state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;

(s) temporary, nonrecurring or sporadic income (including gifts); and

(t) amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply.

7. Assets. (A) Do the persons whose income or contributions are included in Item 6 above:

(i) have savings, stocks, bonds, equity in real property or other forms of capital investment (excluding the values of necessary items of personal property such as furniture and automobiles, equity in HUD homeownership programs, and interests in Indian trust land)? _____ Yes _____ No.

(ii) have they disposed of any assets (other than at a foreclosure or bankruptcy sale) during the last two years at less than fair market value? _____ Yes _____ No.

(B) If the answer to (i) or (ii) above is yes, does the combined total value of all such assets owned or disposed of by all such persons total more than \$5,000? _____ Yes _____ No.

(C) If the answer to (B) above is yes, state:

(i) the total value of all such assets: \$ _____.

(ii) the amount of income expected to be derived from such assets in the 12-month period beginning on the date of initial occupancy of the unit that you propose to rent: \$ _____, and

(iii) the amount of such income, if any, that was included in Item 6 above: \$ _____.

8. Full-Time Students. (a) Are all of the individuals who propose to reside in the unit full-time students? _____ Yes _____ No.

A full-time student is an individual who during each of 5 calendar months during the calendar year in which occupancy of the unit begins is a full-time student at an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance or an individual pursuing a full-time course of institutional on-farm training under the supervision of an accredited agent of such an educational organization or of a state or political subdivision thereof.

(b) If the answer to 8(a) is yes, are at least 2 of the proposed occupants of the unit a husband and wife entitled to file a joint federal income tax return? Yes _____ No _____.

9. Relationship to Project Owner. Neither myself nor any other occupant of the unit I/we propose to rent is the owner of the rental housing project in which the unit is located (hereinafter the "Owner"), has any family relationship to the Owner, or owns directly or indirectly any interest in the Owner. For purposes of this paragraph, indirect ownership by an individual shall mean ownership by a family member; ownership by a corporation, partnership, estate or trust in proportion to the ownership or beneficial interest in such corporation, partnership, estate or trust held by the individual or a family member; and ownership, direct or indirect, by a partner of the individual.

10. Reliance. This certificate is made with the knowledge that it will be relied upon by the Owner to determine maximum income for eligibility to occupy the unit and is relevant to the status under federal income tax law of the interest on bonds issued to provide financing for the apartment development for which application is being made. I/We consent to the disclosure of such information to the issuer of such bonds, the holders of such bonds, any trustee acting on their behalf and any authorized agent of the Treasury Department or the Internal Revenue Service. I/We declare that all information set forth herein is true, correct and complete and based upon information I/we deem reliable, and that the statement of total anticipated income contained in paragraph 6 is reasonable and based upon such investigation as the undersigned deemed necessary.

11. Further Assistance. I/We will assist the Owner in obtaining any information or documents required to verify the statements made herein, including, but not

limited to, either an income verification from my/our present employer(s) or copies of federal tax returns for the immediately preceding two calendar years.

12. Misrepresentation. I/We acknowledge that I/we have been advised that the making of any misrepresentation or misstatement in this declaration will constitute a material breach of my/our agreement with the Owner to lease the unit, and may entitle the Owner to prevent or terminate my/our occupancy of the unit by institution of an action for ejection or other appropriate proceedings.

I/We declare under penalty of perjury that the foregoing is true and correct.

Executed this ____ day of _____ in _____, Illinois.

Applicant

Applicant

Applicant

Applicant

[Signature of all persons over the age of 17 years listed in number 2 above required.]

SUBSCRIBED AND SWORN to before
me this ____ day of _____,

(NOTARY SEAL)

Notary Public in and for the State of _____

My Commission Expires: _____

FOR COMPLETION BY APARTMENT OWNER ONLY:

1. Calculation of eligible income:

- a. Enter amount entered for entire household
in 6 above:

\$ _____

- b. (1) if the amount entered in 7(C)(i) above is greater
than \$5,000, enter the total amount entered in
7(C)(ii), subtract from that figure the amount
entered in 7(C)(iii) and enter the remaining balance
(\$ _____);

- (2) multiply the amount entered in 7(C)(i) times the current passbook savings rate as determined by HUD to determine what the total annual earnings on the amount in 7(C)(i) would be if invested in passbook savings (\$ _____), subtract from that figure the amount entered in 7(C)(iii) and enter the remaining balance (\$ _____); and

- (3) enter at right the greater of the amount calculated under (1) or (2) above:

\$ _____

c. TOTAL ELIGIBLE INCOME (Line 1.a plus line 1.b(3)):

2. The amount entered in 1.c is:

_____ Less than 50% of Median Gross Income for Area.²

_____ More than 50% of Median Gross Income for the Area.³

3. Number of apartment unit assigned: _____

Bedroom Size: _____ Rent: \$ _____

4. The last tenants of this apartment unit for a period of at least 30 consecutive days [had/did not have] aggregate anticipated annual income, as certified in the above manner upon their initial occupancy of the apartment unit, of less than 50% of Median Gross Income for the Area.

5. Method used to verify applicant(s) income:

_____ Employer income verification.

_____ Copies of tax returns.

_____ Other (_____)

Owner or Manager

² "Median Gross Income for the Area" means the median income for the area where the Project is located as determined by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, or if programs under Section 8 are terminated, median income determined under the method used by the Secretary prior to the termination. "Median Gross Income for the Area" shall be adjusted for family size.

³ See footnote 2.

INCOME VERIFICATION
(for employed persons)

The undersigned employee has applied for a rental unit located in a project financed by the City of Chicago. Every income statement of a prospective tenant must be stringently verified. Please indicate below the employee's current annual income from wages, overtime, bonuses, commissions or any other form of compensation received on a regular basis.

Annual wages	_____
Overtime	_____
Bonuses	_____
Commissions	_____
Total current income	_____

I hereby certify that the statements above are true and complete to the best of my knowledge.

_____ Signature	_____ Date	_____ Title

I hereby grant you permission to disclose my income to _____, an Illinois limited partnership, in order that it may determine my income eligibility for rental of an apartment located in its project which has been financed by the City of Chicago.

_____ Signature	_____ Date

Please send to:

INCOME VERIFICATION
(for self-employed persons)

I hereby attach copies of my individual federal and state income tax returns for the immediately preceding two calendar years and certify that the information shown in such income tax returns is true and complete to the best of my knowledge.

_____ Signature	_____ Date

(Sub)Exhibit "C".
(To Land-Use Restriction Agreement)

Certificate Of Continuing Program Compliance.

The undersigned, a _____ of _____, an Illinois limited partnership (the "Owner"), hereby certifies as follows:

1. The undersigned has read and is thoroughly familiar with the provisions of the Land-Use Restriction Agreement, dated as of _____ 1, 200__, among the Owner, the City of Chicago, and _____, as Trustee (the "Land-Use Restriction Agreement").

2. Based on Income Computations and Certifications on file with the Owner, as of the date of this certificate the following number of Available Units (as defined in Section 3(b) of the Land-Use Restriction Agreement) in the Project (i) are occupied by Qualifying Tenants (as defined in Section 3(a) of the Land-Use Restriction Agreement), or (ii) were previously occupied by Qualifying Tenants and have been vacant and not reoccupied except for a temporary period of no more than thirty-one (31) days:

Occupied by Qualifying Tenants¹: _____ Number of Units

Previously occupied by Qualifying Tenants
(vacant and not reoccupied except for a
temporary period of no more than
thirty-one (31) days) _____ Number of Units

3. The total number of Available Units in the Project is _____.

(1) A unit all of the occupants of which are full-time students does not qualify as a unit occupied by Qualifying Tenants, unless one or more of the occupants was entitled to file a joint tax return.

4. No default has occurred and is subsisting under the Land-Use Restriction Agreement.

_____,
an Illinois limited partnership

By: _____,
an Illinois limited liability company
and its General Partner

By: _____,
an Illinois limited liability company
and its Manager

By: _____

(Sub)Exhibit "D".
(To Land-Use Restriction Agreement)

Ratable Rent-Up Schedule.

Total Available Units	Units Occupied By Qualifying Tenants
1 -- 5	2
6 -- 10	4
11 -- 15	6
16 -- 20	8
21 -- 25	10

Total Available Units	Units Occupied By Qualifying Tenants
26 -- 30	12
31 -- 35	14
36 -- 40	16
41 -- 45	18
46 -- 50	20
51 -- 55	22
56 -- 60	24
61 -- 65	26
66 -- 70	28
71 -- 75	30
76 -- 80	32
81 -- 85	34
86 -- 90	36
91 -- 95	38
96 -- 100	40
101 -- 105	42
106 -- 110	44
111 -- 115	46
116 -- 120	48
121 -- 125	50
126 -- 130	52

Total Available Units	Units Occupied By Qualifying Tenants
131 -- 135	54
136 -- 140	56
141 -- 145	58
146 -- 150	60
151 -- 155	62
156 -- 160	64
161 -- 165	66
166 -- 170	68
171 -- 175	70
176 -- 180	72
181 -- 185	74
186 -- 190	76
191 -- 195	78
196 -- 200	80
201 -- 205	82
206 -- 210	84
211 -- 215	86
216 -- 220	88
221 -- 225	90
226 -- 230	92
231 -- 235	94

Total Available Units	Units Occupied By Qualifying Tenants
236 -- 240	96
241 -- 245	98
246 -- 250	100
251 -- 255	102
256 -- 260	104

AUTHORIZATION FOR CORPORATION COUNSEL TO ENTER INTO AND
EXECUTE SETTLEMENT AGREEMENT REGARDING CASE OF
*MARCELIA BRADFORD V. PATRICK O'BRIEN, SUSAN L.
SUSSMAN, THE OFFICE OF THE COOK COUNTY
STATE'S ATTORNEY, COOK COUNTY, THOMAS
LAHM, JOHN MC HUGH, JAMES MERCUIO,
DAVID NOWAK, JAMES MAURER, HARRY
DROCHNER, AND CITY OF CHICAGO.*

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

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: *Marcelia Bradford v. Patrick O'Brien, Susan L. Sussman, The Office of the Cook County State's Attorney, Cook County, Thomas Lahm, John McHugh, James Mercuio, David Nowak, James Maurer, Harry Drochner, and the City of Chicago*, 03 C 7175, in the amount of \$900,000, 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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schuler, Moore, Stone -- 40.

Nays -- None.

Alderman E. Smith 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: *Marcelia Bradford v. Patrick O'Brien, Susan L. Sussman, The Office of the Cook County State's Attorney, Cook County, Thomas Lahm, John McHugh, James Mercuio, David Nowak, James Maurer, Harry Drochner, and the City of Chicago*, cited as 03 C 7175, in the amount of \$900,000.

AUTHORIZATION FOR CORPORATION COUNSEL TO ENTER INTO AND EXECUTE SETTLEMENT AGREEMENT REGARDING CASE OF CORETHIAN DION BELL V. CHICAGO POLICE DETECTIVE M. CUMMINGS (STAR NUMBER 21101); CHICAGO POLICE DETECTIVE PATRICK DURKIN (STAR NUMBER 21099); CHICAGO POLICE DETECTIVE T. DOWNES (STAR NUMBER 20639); CHICAGO POLICE OFFICER R. LOMBARD (STAR NUMBER 60032); AND THE CITY OF CHICAGO.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

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: *Corethian Dion Bell v. Chicago Police Detective M. Cummings (Star Number 21101); Chicago Police Detective Patrick Durkin (Star Number 21099); Chicago Police Detective T. Downes (Star Number 20639); Chicago Police Officer R. Lombard (Star Number 60032); and the City of Chicago, 02 L 8857*, in the amount of \$1,000,000, 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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schuler, Moore, Stone -- 40.

Nays -- None.

Alderman E. Smith 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: *Corethian Dion Bell v. Chicago Police Detective M. Cummings (Star Number 21101); Chicago Police*

Detective Patrick Durkin (Star Number 21099); Chicago Police Detective T. Downes (Star Number 20639); Chicago Police Officer R. Lombard (Star Number 60032); and the City of Chicago, cited as 02 L 8857, in the amount of \$1,000,000.

DESIGNATION OF HOME DEPOT, U.S.A., INC. AS PROJECT
DEVELOPER, AUTHORIZATION FOR EXECUTION OF
REDEVELOPMENT AGREEMENT AND ISSUANCE OF
CITY NOTE FOR CONSTRUCTION OF RETAIL
FACILITY IN BLOCK BOUNDED BY WEST
ROOSEVELT ROAD, SOUTH CLINTON
STREET, WEST MAXWELL STREET
AND SOUTH JEFFERSON STREET.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

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 Home Depot U.S.A., Inc., amount of note not to exceed \$5,400,000, 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.

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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, Moore, Stone -- 40.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, Under an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on August 30, 2000 and published at pages 39298 through 39385 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 "Redevelopment Plan") for the Jefferson/Roosevelt T.I.F. Redevelopment Project Area (the "Redevelopment Area") was approved under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq. (2000 State Bar Edition), as amended (the "Act"); and

WHEREAS, Under an ordinance adopted by the City Council on August 30, 2000 and published at pages 39385 through 39395 of the *Journal* of such date, the Redevelopment Area was designated as a redevelopment project area under the Act; and

WHEREAS, Under an ordinance (the "T.I.F. Ordinance") adopted by the City Council on August 30, 2000 and published at pages 39395 through 39405 of the *Journal* of such date, tax increment allocation financing was adopted under the Act as a means of financing certain Redevelopment Area redevelopment project costs (as defined in the Act) incurred under the Redevelopment Plan; and

WHEREAS, Home Depot, U.S.A., Inc., a Delaware corporation ("Developer"), presently owns certain property located in the City block bounded by Roosevelt Road on the north, Clinton Street on the east, Maxwell Street on the south and Jefferson Street on the west (the "Property"), and plans to redevelop the Property by constructing an approximately one hundred seven thousand one hundred twenty-two (107,122) square foot building for home-improvement retail use, an adjacent, approximately twenty-five thousand five hundred thirty-one (25,531) square foot outdoor garden center, and a rooftop parking deck for approximately four hundred twelve (412) cars, with such redevelopment work being collectively defined as the "Project"; and

WHEREAS, Developer has proposed to undertake the Project in accordance with the Redevelopment Plan and under the terms and conditions of a proposed redevelopment agreement to be executed by Developer and the City, to be financed in part by the issuance of a Note (as defined below); and

WHEREAS, Under Resolution 04-CDC-22 adopted by the Community Development Commission of the City of Chicago (the "Commission") on March 9, 2004, the Commission recommended that Developer be designated as the developer for the Project and authorized the City's Department of Planning and Development ("D.P.D.") to negotiate, execute and deliver a redevelopment agreement with Developer for the Project; and

WHEREAS, In consideration of redevelopment project costs for the Project incurred or to be incurred by or on behalf of Developer, the City agrees to issue, and Developer agrees to acquire, according to certain terms and conditions, the Note (as defined below) as a tax increment revenue obligation; and

WHEREAS, The City will receive no cash proceeds in exchange for the Note (as defined below) to be issued under this ordinance; now, therefore,

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

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. Developer is hereby designated as the developer for the Project under 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 Developer and the City in substantially the form attached hereto as Exhibit A and made a part hereof (the "Home Depot South Loop Redevelopment Agreement"), and such other supporting documents as may be necessary or appropriate to carry out and comply with the provisions of the Home Depot South Loop Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Home Depot South Loop Redevelopment Agreement and supporting documents.

SECTION 4. The City Council hereby finds that the City is authorized to issue its tax increment allocation revenue obligation in an aggregate amount not to exceed Five Million Four Hundred Thousand Dollars (\$5,400,000) for the purpose of paying a portion of the eligible costs included within the Project.

SECTION 5. There shall be borrowed for and on behalf of the City an aggregate amount not to exceed Five Million Four Hundred Thousand Dollars (\$5,400,000) for the payment of a portion of the eligible costs included within the Project and the

note of the City shall be issued up to said amount and shall be designated: "Tax Increment Allocation Revenue Note (Home Depot, U.S.A., Inc. South Loop Redevelopment Project), Taxable Series A". Registered Note Number R-1 ("Note") shall be for a principal amount not to exceed Five Million Four Hundred Thousand Dollars (\$5,400,000). The Note shall be dated the date of delivery thereof, and shall also bear the date of authentication, shall be in fully registered form, shall be in the denomination of the outstanding principal amount thereof and shall become due and payable as provided therein.

The Note shall bear interest at the rate not to exceed seven percent (7.0%) per annum computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

The principal of and interest on the Note shall be paid by check or draft of the Comptroller of the City, as registrar and paying agent (the "Registrar"), payable in lawful money of the United States of America to the person in whose name the 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 the 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 Note, and the 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 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 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 Note, and showing the date of authentication. The 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 Note shall be conclusive evidence that the Note has been authenticated and delivered under this ordinance.

SECTION 6. The City shall cause books (the "Register") for the registration of the Note as provided in this Ordinance to be kept at the principal office of the Registrar, which is hereby constituted and appointed and the registrar of the City for the Note. The Registrar shall maintain a list of the names and addresses of the registered owner of the 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 Note.

Upon surrender for transfer of the Note 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; and (iii) the written consent of the City evidenced by the signature of the Commissioner (or his or her designee) on the instrument of transfer, the City shall execute and the Registrar shall authenticate, date and deliver in the name of the transferee or transferees, a new fully registered Note of the same maturity, or authorized denomination, for a like aggregate principal amount. The execution by the City of the fully registered Note shall constitute full and due authorization of the Note and the Registrar shall thereby be authorized to authenticate, date and deliver the Note; provided, however, that the principal amount of the 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 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 the Note nor to transfer or exchange the Note after notice calling the Note for redemption has been made, nor during a period of five (5) days next preceding mailing of a notice for redemption of principal of the Note. No beneficial interests in the Note shall be assigned, except in accordance with the procedures for transferring the Note described above.

The person or entity in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of the Note shall be made only to 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 Note to the extent of the sum or sums so paid.

No service charge shall be made for any transfer of the 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 Note.

SECTION 7. The Note shall be prepared in substantially the form attached hereto as Exhibit B.

SECTION 8. Under the Home Depot South Loop Redevelopment Agreement, Developer has agreed to perform construction and redevelopment work on the Property necessary for the Project. The eligible costs of such construction and redevelopment up to the amount not to exceed Five Million Four Hundred Thousand Dollars (\$5,400,000) shall be deemed to be a disbursement of the proceeds of the Note, and the outstanding principal amount of the Note shall be increased by the amount of such advance. The principal amount outstanding of the Note shall be the amount of principal indicated in such Note on its date of issuance, or the sum of advances made under a form of certificate of expenditure (the "Certificate of Expenditure") executed by the Commissioner (or his or her designee) and

authenticated by the Registrar, in accordance with the Home Depot South Loop Redevelopment Agreement, minus any principal amount paid on such Note and other reductions in principal as provided in the Home Depot South Loop Redevelopment Agreement. A Certificate of Expenditure shall not be valid or obligatory under this ordinance unless or until authenticated by the Registrar by manual signature. The City shall not execute Certificates of Expenditure that total in excess of Five Million Four Hundred Thousand Dollars (\$5,400,000). Upon execution of a Certificate of Expenditure, the Registrar shall promptly send the Certificate of Expenditure to the Registered Owner and retain a copy with the Register. The Certificate of Expenditure for the Note shall be in substantially the form attached hereto as Exhibit C.

SECTION 9. The principal of the Note shall be subject to prepayment and redemption at any time, without penalty, as provided in the form of Note attached herein. As directed by the Commissioner, the Registrar shall proceed with redemption without further notice or direction from the City.

SECTION 10. The Registrar shall note on the payment schedule attached to the Note the amount of any payment of principal or interest on the Note, including the amount of any redemption, and the amount of any reduction in principal under the Home Depot South Loop Redevelopment Agreement.

SECTION 11. The Note hereby authorized shall be executed and delivered to the Developer as provided in the Home Depot South Loop Redevelopment Agreement.

SECTION 12. (a) Special Tax Allocation Fund. Under the T.I.F. Ordinance, the City has created a special fund, designated as the Jefferson/Roosevelt Redevelopment Project Area Special Tax Allocation Fund (the "Jefferson/Roosevelt T.I.F. Fund").

The Treasurer of the City is hereby directed to maintain the Jefferson/Roosevelt T.I.F. 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. Under the T.I.F. Ordinance, all incremental ad valorem taxes received by the City for the Redevelopment Area are to be deposited into the Jefferson/Roosevelt T.I.F. Fund.

(b) Home Depot South Loop Developer Account. There is hereby created within the Jefferson/Roosevelt T.I.F. Fund a special account to be known as the "Home Depot South Loop Developer Account". The City shall promptly designate and deposit into the Home Depot South Loop Developer Account the incremental taxes defined as the "Available Incremental Taxes" in the Home Depot South Loop Redevelopment Agreement which have been deposited into the Jefferson/Roosevelt T.I.F. Fund after the execution and delivery of the Home Depot South Loop Redevelopment Agreement.

(c) Pledge Of Home Depot South Loop Developer Account. The City hereby assigns, pledges and dedicates the Home Depot South Loop Developer Account, together with all amounts on deposit in the Home Depot South Loop Developer Account: (i) to the payment of the Note, subject to the provisions and limitations of the Home Depot South Loop Redevelopment Agreement. Any monies on deposit in the Home Depot South Developer Account that are forfeited under the terms of the Home Depot South Loop Redevelopment Agreement shall be transferred and deposited in the Jefferson/Roosevelt T.I.F. Fund. Upon deposit, the monies on deposit in the Home Depot South Loop Developer Account may be invested as hereinafter provided. Interest and income on any such investment shall be deposited in the Jefferson/Roosevelt T.I.F. Fund. All monies on deposit in the Home Depot South Loop Developer Account shall be used to pay the principal of and interest on the Note, at maturity or upon payment or redemption prior to maturity, each in accordance with its terms, which payments from the Home Depot South Loop Developer Account are hereby authorized and appropriated by the City. Upon payment of all amounts due under the Note in accordance with its respective terms, the amounts on deposit in the Home Depot South Loop Developer Account shall be deposited in the Jefferson/Roosevelt T.I.F. Fund of the City and the Home Depot South Loop Developer Account shall be closed.

SECTION 13. The Note is a special limited obligation of the City, and is payable solely from amounts on deposit in the Home Depot South Loop Developer Account (or such other funds in the Jefferson/Roosevelt T.I.F. Fund as the City, in its sole discretion may determine) and shall be a valid claim of the registered owners thereof only against said sources. The 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 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 Note.

SECTION 14. Monies on deposit in the Home Depot South Loop Developer Account may be invested as allowed under Section 2-32-520 of the Municipal Code of the City of Chicago. 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 Note.

SECTION 15. The provisions of this ordinance shall constitute a contract between the City and the registered owner(s) of the Note. All covenants relating to the Note are enforceable by the registered owner(s) of the Note.

SECTION 16. 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 17. 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 18. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 19. This ordinance shall be in full force and effect immediately upon its passage.

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

*Exhibit "A".
(To Ordinance)*

*Home Depot South Loop Project
Tax Increment Allocation Redevelopment Act*

*Jefferson/Roosevelt
Redevelopment Project Area*

*Home Depot U.S.A., Inc.
Redevelopment Agreement*

Dated As Of _____, 2006

By And Between

The City of Chicago

And

*Home Depot U.S.A., Inc.,
A Delaware Corporation.*

This Home Depot U.S.A., Inc. redevelopment agreement (the "Agreement") is made as of this _____ day _____, 2006, by and between the City of Chicago, an

Illinois municipal corporation (the "City"), through its Department of Planning and Development ("D.P.D."), and Home Depot U.S.A., Inc., a Delaware corporation ("Developer").

Recitals.

A. Constitutional Authority. As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "State"), the City has the power to regulate for the protection of the public health, safety, morals, and welfare of its inhabitants and, pursuant thereto, has the power to encourage private development in order to enhance the local tax base and 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. (2004 State Bar Edition), as amended from time-to-time (the "Act"), to finance projects that eradicate blighted conditions through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority. To induce redevelopment under the provisions of the Act, the City Council of the City (the "City Council") adopted the following ordinances on August 30, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Jefferson/Roosevelt Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Jefferson/Roosevelt Redevelopment Project Area as a Redevelopment Project Area Pursuant to Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Jefferson/Roosevelt Redevelopment Project Area" (the "T.I.F. Adoption Ordinance"). Collectively the three (3) ordinances are defined as the T.I.F. Ordinances". The redevelopment project area (the "Redevelopment Area") is legally described in (Sub)Exhibit A.

D. The Project. Developer presently owns certain property located in the City block bounded by Roosevelt Road on the north, Clinton Street on the east, Maxwell Street on the south, and Jefferson Street on the west. A legal description of the property is Stated in (Sub)Exhibit B-1 (the "Property"). The Property is an approximately four and seven hundred fifteen thousandths (4.715) acre/two hundred five thousand three hundred ninety-five (205,395) square foot site and contains a vacant strip shopping center building and related site improvements (the "Shopping Center"). Developer plans to demolish the Shopping Center and construct an approximately one hundred seven thousand one hundred twenty-two (107,122) square foot building for home-improvement retail use (the "Building"). The Building will have a rooftop parking deck for approximately four hundred twelve (412) vehicles, and will also have foliage and landscaping features which will enhance the appearance of the Building. Additionally, Developer plans to construct

an approximately twenty-five thousand five hundred thirty-one (25,531) square foot outdoor garden center immediately adjacent to the Building (the "Garden Center"). Developer plans to operate the Building and the Garden Center seven (7) days a week. Demolition of the Shopping Center and construction of the Building and Garden Center are collectively defined as the "Project". A site plan for the Project is (Sub)Exhibit B-2. The Project is subject to Planned Development Number 923, as amended ("P.D. 923") which is (Sub)Exhibit B-3. 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 Jefferson/Roosevelt Redevelopment Project Area Tax Increment Finance Program Redevelopment Plan and Project dated June 12, 2000 (the "Redevelopment Plan") attached as (Sub)Exhibit C, as amended from time-to-time.

F. City Financing And Assistance. Subject to Developer fulfilling its obligations under this Agreement required to obligate the City to do so, the City will issue to Developer the Note (as defined below), in the amount stated in Section 4.03, and make payments of principal and interest on the Note to reimburse Developer out of Available Incremental Taxes (as defined below) as provided in this Agreement for the costs of the T.I.F.-Funded Improvements (as defined below) under the terms and conditions of this Agreement. In addition, the City may, in its discretion, issue tax increment allocation bonds ("T.I.F. Bonds") secured by Incremental Taxes (as defined below) as provided in a T.I.F. bond ordinance (the "T.I.F. Bond Ordinance"), at a later date as described and conditioned in Section 4.06. The proceeds of the T.I.F. Bonds (the "T.I.F. Bond Proceeds") may be used to pay for the costs of the T.I.F.-Funded Improvements not previously paid for from Available Incremental Taxes, including any such payment made under the Note provided to Developer under this Agreement, or in order to reimburse the City for the costs of T.I.F.-Funded Improvements.

Now, Therefore, In consideration of the premises and of the mutual covenants and agreement contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Agreement.

Article One.

Incorporation Of Recitals.

The recitals stated above are an integral part of this Agreement and are hereby incorporated into this Agreement by reference and made a part of this Agreement.

*Article Two.**Definitions.*

The definitions stated in Schedule A and those definitions stated in the recitals and preamble are hereby incorporated into this Agreement by reference and made a part of this Agreement.

*Article Three.**The Project.***3.01 The Project.**

Developer will: (i) begin redevelopment construction no later than December 31, 2006 and (ii) complete redevelopment construction no later than December 31, 2007, subject to the provisions of Section 18.17 (Force Majeure), and the receipt of all applicable permits and Project approvals.

3.02 Scope Drawings And Plans And Specifications.

Developer has delivered the Scope Drawings and Plans and Specifications to D.P.D. and D.P.D. has approved them or D.P.D. has agreed to approve them as a post-closing item. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications within the scope of Section 3.04 will be submitted to D.P.D. as a Change Order under Section 3.04. The Scope Drawings and Plans and Specifications will at all times conform to the Redevelopment Plan as in effect on the date of this Agreement, to P.D. 923, and to all applicable Federal, State and local laws, ordinances and regulations. Developer will submit all necessary documents to the City's Department of Buildings, Department of Transportation, and to such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget.

Developer has furnished to D.P.D., and D.P.D. has approved, a Project Budget which is (Sub)Exhibit D-1, showing total costs for the Project in an amount not less than Thirty-one Million Nine Hundred Ninety-five Thousand Dollars (\$31,995,000).

Developer hereby certifies to the City that: (a) it has Lender Financing and/or Equity in an aggregate amount sufficient to pay for all Project costs; and (b) the Project Budget is true, correct and complete in all material respects. Developer will promptly deliver to D.P.D. copies of any Change Orders with respect to the Project Budget as provided in Section 3.04.

3.04 Change Orders.

(a) Except as provided in subparagraph (b) 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 Developer to D.P.D. concurrently with the progress reports described in Section 3.07; provided, however, that any Change Orders relating to any of the following must be submitted by Developer to D.P.D. for D.P.D.'s prior written approval: (i) a reduction by more than five percent (5%) in the square footage of the Project, or (ii) a change in the basic use of the Building, or (iii) a delay in the Project completion date. Developer will not authorize or permit the performance of any work relating to any Change Order requiring D.P.D.'s prior written approval or the furnishing of materials in connection therewith prior to the receipt by Developer of D.P.D.'s written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, will contain a provision to this effect. An approved Change Order will not be deemed to imply any obligation on the part of the City to increase the amount of City Funds or to provide any other additional assistance to Developer.

(b) Notwithstanding anything to the contrary in this Section 3.04, Change Orders costing less than Two Hundred Fifty Thousand Dollars (\$250,000) each, to an aggregate amount of Two Million Dollars (\$2,000,000), do not require D.P.D.'s prior written approval as stated in this Section 3.04, but, D.P.D. must be notified in writing of all such Change Orders and Developer, in connection with such notice, must identify to D.P.D. the source of funding therefor in the progress reports described in Section 3.07.

3.05 D.P.D. Approval.

Any approval granted by D.P.D. under this Agreement of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only. Any such approval does not affect or constitute any approval required by any other City department or under any City ordinance, code, regulation, or any other governmental approval. Any such approval by D.P.D. under this Agreement does not constitute approval of the utility, quality, structural soundness, safety, habitability or investment quality of the Project. Developer will not make any verbal or written representations to anyone to the contrary.

3.06 Other Approvals.

Any D.P.D. approval under this Agreement will have no effect upon, nor will it operate as a waiver of, Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals).

3.07 Progress Reports And Survey Updates.

After the Closing Date, on or before the fifteenth (15th) day of each reporting month, Developer will provide D.P.D. with written quarterly construction progress reports detailing the status of the Project, including a revised completion date, if necessary (with any delay in completion date being considered a Change Order, requiring D.P.D.'s written approval under Section 3.04). Developer must also deliver to the City written quarterly progress reports detailing compliance with the requirements of Section 8.08 (Prevailing Wage), Section 10.02 (City Resident Construction Worker Employment Requirement) and Section 10.03 (Developer's M.B.E./W.B.E. Commitment) (collectively, the "City Requirements"). If the reports reflect a shortfall in compliance with the requirements of Sections 8.08, 10.02 and 10.03, then there must also be included a written plan from Developer acceptable to D.P.D. to address and cure such shortfall. At Project completion, upon the request of D.P.D. Developer will provide three (3) copies of an updated Survey to D.P.D. reflecting improvements made to the Property.

3.08 [Reserved]

3.09 Barricades.

Prior to commencing any construction requiring barricades, Developer will 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, rules and regulations. D.P.D. retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades (other than the name and logo of the Building or Project).

3.10 Signs And Public Relations.

Developer will erect in a conspicuous location on the Property during the Project a sign of size and style approved by the City, 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 any other pertinent information regarding Developer, the Building and the Project in the City's promotional literature and communications.

3.11 Utility Connections.

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

3.12 Permit Fees.

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

3.13 Accessibility For Disabled Persons.

Developer acknowledges that it is in the public interest to design, construct and maintain the Project in a manner which promotes, enables and maximizes universal access throughout the Building and the Garden Center. Plans for all buildings on the Property and improvements on the Building will be reviewed and approved by the Mayor's Office for People with Disabilities ("M.O.P.D.") to ensure compliance with all applicable laws and regulations related to access for persons with disabilities and to promote the highest standard of accessibility.

3.14 Additional Project Features.

(a) Landscaping. Developer will construct the Project in a manner which will retain approximately twenty-five (25) fully grown trees that presently surround the Property. Also, Developer will use: (i) ivy in planters along the front of the Building; (ii) reasonable amounts of foliage and landscaping on the rooftop parking deck in stand-alone planters; and (iii) planter boxes along the cornices of the Building, all to enhance the appearance of the Building. Also, cisterns will be included in the design of the Building to collect rain-water for use in irrigating the foliage. Developer agrees to perform all landscaping work consistent with the landscaping requirements stated in P.D. 923 and in the City of Chicago Open Space Impact Fee Ordinance, *Journal of the Proceedings of the City Council of the City of Chicago* dated April 1, 1998, at pages 65269 -- 65275 (the "Landscape Ordinance").

(b) L.E.E.D. Certification. The Building will be designed and constructed such that the Building will receive a standard Leadership in Energy and Environmental Design ("L.E.E.D.") certification from the United States Green Building Council.

(c) Roosevelt T.M.A. Developer will participate in the Roosevelt Road Traffic Management Association (the "Roosevelt T.M.A.") or similar entity to be formed. Developer will contribute funds to the Roosevelt T.M.A. in a manner appropriate to the Project's traffic impact on Roosevelt Road. Developer will cooperate with other Roosevelt T.M.A. members or consultants to the Roosevelt T.M.A. to create a formula to calculate traffic impact based upon one or more of the following criteria: trip generation, peak hour volumes, store square footage, number of parking spaces, or other quantifiable criteria. A financial contribution will be assessed to all Roosevelt T.M.A. using the traffic impact formula.

(d) Job-Training Program. Developer will develop a job readiness/job training program to assist City residents in acquiring employment at the Building and Garden Center, in cooperation with the Mayor's Office of Workforce Development ("M.O.W.D.").

(e) Infrastructure Improvements. On the Closing Date, Developer will make a one time monetary contribution in the amount of Eighty Thousand Dollars (\$80,000) to the Chicago Department of Transportation (C.D.O.T.) in payment for Developer's pro-rata share of infrastructure improvements that will be necessary, in part, because of the traffic impact of the Project.

Article Four.

Financing.

4.01 Total Project Cost And Sources Of Funds.

The cost of the Project is estimated to be Thirty-one Million Nine Hundred Ninety-five Thousand Dollars (\$31,995,000) to be applied in the manner stated in the Project Budget. Such costs will be funded from the following sources:

Equity (subject to Section 4.05)	\$31,995,000
Lender Financing	0
ESTIMATED TOTAL:	\$31,995,000

4.02 Developer Funds.

Equity and Lender Financing, if any, will be used to pay all Project costs, including but not limited to costs of T.I.F.-Funded Improvements.

4.03 City Funds.

(a) Uses Of City Funds.

(i) Any principal or interest paid under the Note, and any other funds expended by the City under this Agreement or otherwise related to the Project or to the T.I.F.-Funded Improvements are defined as "City Funds".

(ii) City Funds may be used to reimburse Developer only for costs of T.I.F.-Funded Improvements that constitute Redevelopment Project Costs. (Sub)Exhibit E states, by line item, the T.I.F.-Funded Improvements for the Project contingent upon receipt by the City of documentation satisfactory in form and substance to D.P.D. evidencing such costs and their respective eligibility as a Redevelopment Project Cost. Reimbursement of costs through City Funds will be in the form of payment of principal and interest under the Note. The City may redeem all or any portion of the Note without premium or penalty at any time.

(iii) Developer acknowledges and agrees that no payments of principal or interest on the Note will be made by the City until:

- (A) the City has issued a Certificate of Occupancy for the Building and, if required, for the operation of the Garden Center; and
- (B) the City has issued its Certificate under Section 7.01; and
- (C) the Project has been partially or fully reassessed by the Cook County Assessor's Office such that Available Incremental Taxes have been generated.

(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 Article Five, when the City issues the Certificate for the Project, the City will also issue the taxable Note in the face amount of up to a maximum of Five Million Four Hundred Thousand Dollars (\$5,400,000). The principal amount at date of issue of the Note will be the lesser of Five Million Four Hundred Thousand Dollars (\$5,400,000) or sixteen and eighty-seven hundredths percent (16.87%) of the total Project cost. Developer acknowledges that once the Project is complete, all final Project costs are known and verified by the City, and the City verifies that the Project is ready to receive the Certificate, that the principal amount of the Note could be reduced (perhaps substantially) if Project

costs are less than the Thirty-one Million Nine Hundred Ninety-five Thousand Dollars (\$31,995,000) Project Budget stated in (Sub)Exhibit D-1.

(ii) The terms of the Note will be as follows:

- (A) Establishing Principal. The principal amount of the Note will be established after the Closing Date as determined by the Certificate(s) of Expenditure issued by the City in the form of (Sub)Exhibit M, upon Developer providing satisfactory evidence of expenditures for T.I.F.-Funded Improvements and compliance with the applicable requirements and terms and conditions of this Agreement. As stated in Section 4.03(b)(i), the principal amount at date of issue of the Note will be adjusted to be the lesser of Five Million Four Hundred Thousand Dollars (\$5,400,000) or sixteen and eighty-seven hundredths percent (16.87%) of total Project costs.
- (B) Interest. The interest rate for the Note will be seven percent (7.0%) per annum. Interest on the outstanding principal amount will begin to accrue on the date of issuance of the Note (as to the outstanding principal amount of the Note as of its issuance date). Unpaid interest will also bear interest at the seven percent (7.0%) per annum rate.
- (C) Payment Of Principal And Interest.
 - (i) Except as may be otherwise provided in this Agreement, Available Incremental Taxes only will be used to pay the principal of and interest on the Note and on unpaid interest, if any. In the ordinance authorizing the issuance of the Note, the City will establish an account denominated the: "Home Depot Developer Account" within the Jefferson/Roosevelt Redevelopment Project Area Special Tax Allocation Fund. All Available Incremental Taxes will be deposited into the Home Depot Developer Account.
 - (ii) After the principal and interest on the Note has been paid in full and the Note cancelled according to its terms, the Home Depot Developer Account will be closed and all subsequent Available Incremental Taxes will be deposited by the City in the Jefferson/Roosevelt Redevelopment Project Area Special Tax Allocation Fund.
 - (iii) The maturity date of the Note will be December 31, 2024. The first payment on the Note will be due in February of each year following the date of the Certificate issued under Section 7.01. Developer must submit a requisition form in the form of (Sub)Exhibit N (the "Requisition Form") to D.P.D. not later than October 31 preceding any subsequent February payment date. The City in its sole discretion may make payments on the Note at any time after the issuance of the Certificate.

- (D) Insufficient Available Incremental Taxes. If the amount of Available Incremental Taxes pledged under this Agreement is insufficient to make any scheduled payment on the Note, then: (1) the City will not be in default under this Agreement or the Note and (2) due but unpaid scheduled payments (or portions thereof) on Note will be paid as provided in this Section 4.03 as promptly as funds become available for their payment. Interest at seven and zero percent (7.0%) per annum will accrue on any principal or interest payments which are unpaid because of insufficient Available Incremental Taxes.
- (E) Additional Terms. The City may cancel the Note if: (1) there is a casualty event to the Building such that Developer cannot conduct its business operation, and no Certificate for a rebuilt Building is issued by the City within three (3) years of the date of such casualty event, or (2) Developer ceases home-improvement retail operations at the Building and the City in good faith believes that Developer will not resume business operations on the Property, or (3) Developer breaches its covenant stated in Section 8.19 (Job Creation; Job Maintenance) and thereafter fails to cure such breach as provided in this Agreement, or (4) Developer breaches its covenant stated in Section 8.20 (Occupancy, Operations and Land-Use Covenants). Upon cancellation of the Note under this subsection, the City will have no obligation to pay any accrued but unpaid interest on the Note.

4.04 Treatment Of Prior Expenditures.

Only those expenditures made by Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to D.P.D. and approved as by D.P.D. as satisfying costs covered in the Project Budget, will be considered previously contributed Equity or Lender Financing, if any, hereunder (the "Prior Expenditure(s)"). D.P.D. has the right, in its sole discretion, to disallow any such expenditure (not listed on (Sub)Exhibit G) as a Prior Expenditure as of the date of this Agreement. (Sub)Exhibit G identifies the prior expenditures approved by D.P.D. as Prior Expenditure. Prior Expenditures made for items other than T.I.F.-Funded Improvements will not be reimbursed to Developer, but will reduce the amount of Equity and/or Lender Financing, if any, required to be contributed by Developer under Section 4.01.

4.05 Cost Overruns.

If the aggregate cost of the T.I.F.-Funded Improvements exceeds City Funds available under Section 4.03, Developer will be solely responsible for such excess costs, and will hold the City harmless from any and all costs and expenses of completing the T.I.F.-Funded Improvements in excess of City Funds and from any and all costs and expenses of completing the Project in excess of the Project Budget.

4.06 T.I.F. Bonds.

The Commissioner of D.P.D. may, in his or her sole discretion, recommend that the City Council approve an ordinance or ordinances authorizing the issuance of T.I.F. Bonds in an amount which, in the opinion of the City Comptroller, is marketable under the then current market conditions. The proceeds of T.I.F. Bonds may be used to pay the outstanding principal and accrued interest (through the date of prepayment) under the Note and for other purposes as the City may determine. The costs of issuance of the T.I.F. Bonds would be borne by the City. Developer will cooperate with the City in the issuance of the T.I.F. Bonds, as provided in Section 8.05.

Article Five.

Conditions Precedent To Closing.

The following conditions precedent to closing must be complied with the City's satisfaction within the time periods set forth below or, if no time period is specified, prior to the Closing Date:

5.02 Scope Drawing And Plans And Specifications.

Developer will have submitted to D.P.D., and D.P.D. will have approved, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 3.02 or D.P.D. has agreed to approve them as a post-closing item.

5.03 Other Governmental Approvals.

Not less than five (5) Business Days prior to the Closing Date, Developer will have secured or applied for or provided D.P.D. with an application time schedule for all other necessary approvals and permits required by any Federal, State, or local statute, ordinance, rule or regulation to begin or continue construction of the Project, and will submit evidence thereof to D.P.D.

5.04 Financing.

(a) Developer will have furnished evidence acceptable to the City that Developer has Equity and Lender Financing, if any, at least in the amounts stated in Section 4.01 to complete the Project and satisfy its obligations under this

Agreement. If a portion of such financing consists of Lender Financing, Developer will have furnished evidence as of the Closing Date that the proceeds thereof are available to be drawn upon by Developer as needed and are sufficient (along with the Equity and other financing sources, if any, stated in Section 4.01) to complete the Project.

(b) Prior to the Closing Date, Developer will deliver to D.P.D. a copy of the construction escrow agreement entered into by Developer regarding Developer regarding Develop's lender Financing, if any. The construction escrow agreement must provide that City will receive copies of all construction draw request materials submitted by Developer after the date of this Agreement.

(c) My financing liens against the Building or the Property or the Project in existence at the Closing Date will be subordinated to certain encumbrances of the City stated in this Agreement under a subordination agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of Developer, in the Office of the Recorder of Deeds of Cook County.

(d) The City agrees that the Note may be assigned on a collateral basis to any lender or lenders providing Lender Financing, if any.

5.05 Acquisition And Title.

On the Closing Date, Developer will furnish the City with a copy of the Title Policy for the Property, showing Developer as the named insured. The Title Policy will be dated as of the Closing Date and will contain only those title exception listed as Permitted Liens on (Sub)Exhibit H and will evidence the recording of this Agreement under the provisions of Section 8.17. The Title Policy will also contain the following endorsements as required by Corporation Counsel: an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, locations, access and survey.

5.06 Evidence Of Clear Title.

Not less than five (5) Business Days prior to the Closing Date, Developer, at its own expense, will have provided the City with current searches under Developer's name as follows:

Secretary of State (IL)	UCC search
Secretary of State (IL)	Federal tax lien search
Cook County Recorder	UCC search

Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax lien search
Cook County Recorder	State tax lien search
Cook County Recorder	Memoranda of judgments search
United States District Court (N.D. IL)	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgments

Showing no material liens against Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.07 Surveys.

Not less than five (5) Business Days prior to the Closing Date, Developer will have furnished the City with three (3) copies of the Survey.

5.08 Insurance.

Developer, at its own expense, will have insured the Site as required under Article Twelve. At least five (5) Business Days prior to the Closing Date, Certificates required under Article Twelve evidencing the required coverages will have been delivered to D.P.D.

5.09 Opinion Of Developer's Counsel.

On the Closing Date, Developer will furnish the City with an opinion of counsel, substantially in the form of (Sub)Exhibit I, with such changes as may be required by or acceptable to Corporation Counsel. If Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions stated in (Sub)Exhibit I, such opinion shall be obtained by Developer from its general corporate counsel.

5.10 Evidence Of Prior Expenditures.

Not less than twenty (20) Business Days prior to the Closing Date, Developer will have provided evidence satisfactory to D.P.D. of the Prior Expenditures as

provided in Section 4.04. Such evidence of Prior Expenditures may be updated to the Closing Date by Developer.

5.11 Financial Statements.

Not less than thirty (30) days prior to the Closing Date, Developer will have provided Financial Statements to D.P.D. for its 2004 and 2005 fiscal years, if available, and its most recently available unaudited interim Financial Statements.

5.12 Additional Documentation.

Developer will have provided documentation to D.P.D. satisfactory in form and substance to D.P.D. with respect to current employment matters and copies of any ground leases or operating leases and other tenant leases executed by Developer for leaseholds in the Building, if any.

5.13 Environmental Audits.

Developer will have provided D.P.D. copies of all Phase I and Phase II environmental reports completed for Developer with respect to the Property, if any, and a letter from the environmental engineer(s) who completed such report(s), authorizing the City to rely on such reports.

5.14 Entity Documents.

Developer will provide a copy of its current Certificate of Incorporation, with all amendments, 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 from the State; a secretary's certificate in such form and substance as the Corporation Counsel may require; and such other organizational documentation as the City may request.

5.15 Litigation.

Developer will provide to Corporation Counsel and D.P.D., at least ten (10) Business Days prior to the Closing Date, a description of all pending or threatened litigation or administrative proceedings: (i) involving the Developer and which has been included in Home Depot's Annual Report on Form 10-K filed with the Securities Exchange Commission for Home Depot's most recent fiscal year or in any Form 8-K since the end of Home Depot's most recent fiscal year; (2) involving the Developer and the City of Chicago; or (3) involving the Property or the

Project 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 Preconditions Of Accepting Certificates Of Expenditure.

Prior to the acceptance by D.P.D. of any Certificate of Expenditure under the Note, Developer must submit to D.P.D. documentation of such expenditures (in the form of waivers of lien, canceled checks, closing statements, or such other documentation as D.P.D. may reasonably require), which will be satisfactory to D.P.D.. Delivery by Developer to D.P.D. of any Certificate of Expenditure hereunder will, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

(a) the total amount of the disbursement request represents the actual amount payable to (or paid to) the General Contractor and/or subcontractors for work performed on the Project, and/or their payees;

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

(c) Developer has approved all work and materials for the current certificate and, to the reasonable belief of Developer, such work and materials conform to the Plans and Specifications;

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

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

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

The City will not execute any Certificate of Expenditure for the Note unless Developer has satisfied the City that Developer has complied, or is implementing a plan to comply, with the requirements of Sections 8.08, 10.02 and 10.03. The City will have the right, in its reasonable discretion, to require Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any acceptance of a Certificate of Expenditure by the City will be subject to the City's review and approval of such

documentation and its satisfaction that such certifications are true and correct. In addition, Developer will have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements not inconsistent with this Agreement and stated in the T.I.F. Bond Ordinance, if any, the Bonds, if any, the T.I.F. Bonds, if any, the T.I.F. Ordinances, the Note, and this Agreement.

Article Six.

Agreements With Contractors.

6.01 Bid Requirement For General Contractor And Subcontractors.

(a) Prior to entering into an agreement with a General Contractor or any subcontractor for construction of the T.I.F.-Funded Improvements (or any phase thereof) the Developer must solicit, or must cause the General Contractor to solicit, bids from qualified contractors eligible to do business with the City of Chicago. For the T.I.F.-Funded Improvements, the Developer must select the General Contractor (or must cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project (or phase thereof) in a timely and good and workmanlike manner. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the T.I.F.-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds.

(b) The Developer must submit copies of the Construction Contract to D.P.D. as required under Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the T.I.F.-Funded Improvements must be provided to D.P.D. within five (5) business days of the execution thereof. The Developer must ensure that the General Contractor will not (and must cause the General Contractor to ensure that the subcontractors will not) begin work on the Project (or any phase thereof) until the applicable Plans and Specifications for that phase have been approved by D.P.D. and all requisite permits have been obtained.

6.02 Construction Contract.

Prior to the execution thereof, the Developer must deliver to D.P.D. a copy of the proposed Construction Contract with the General Contractor selected to work on the T.I.F.-Funded Improvements under Section 6.01 above, for D.P.D.'s prior written approval. Within ten (10) Business Days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the Developer must deliver to D.P.D. and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 Performance And Payment Bonds.

Prior to commencement of construction of any work in the public way, Developer will require that the General Contractor and any applicable subcontractor(s) be bonded (as to such work in the public way) for their respective payment and performance by sureties having an AA rating or better using the payment and performance bond form attached (Sub)Exhibit K. The City will be named as obligee or co-obligee on such bond.

6.04 Employment Opportunity.

Developer will contractually obligate and cause the General Contractor to agree and contractually obligate each subcontractor to agree to the provisions of Article Ten.

6.05 Other Provisions.

In addition to the requirements of this Article Six, the Construction Contract and each contract with any subcontractor must contain provisions required under Section 3.04 (Change Orders), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Construction Worker Employment Requirement), Section 10.03 (Developer's M.B.E./W.B.E. Commitment), Article Twelve (Insurance) and Section 14.01 (Books and Records).

Article Seven.

Completion Of Construction.

7.01 Certificate Of Completion Of Construction.

Upon completion of the construction (or reconstruction under Section 4.03(b)(ii)(E)) of the Project in compliance with the terms and conditions of this Agreement, and upon Developer's written request, D.P.D. will issue to Developer a certificate of completion of construction in recordable form (the "Certificate") certifying that Developer has fulfilled its obligation to complete the Project in compliance with the terms and conditions of this Agreement. D.P.D. will respond to Developer's written request for a Certificate within thirty (30) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed and the measures which must be taken by Developer in order to obtain the Certificate. Developer may resubmit a written request for a Certificate upon completion of such measures, and the City will respond within thirty (30) days in the same way as the

procedure for the initial request. Such process may repeat until the City issues a Certificate.

7.02 Effect Of Issuance Of Certificate; Continuing Obligations.

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

(b) Those covenants specifically described at Section 8.02 (Covenant to Redevelop), Section 8.18 (Real Estate Provisions), Section 8.19 (Job Creation; Job Maintenance Covenants) and Section 8.20 (Occupancy, Operations and Land-Use Covenants) 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 (except with respect to Section 8.02). The other executory terms of this Agreement that remain after the issuance of a Certificate will be binding only upon Developer or a permitted assignee of Developer who, as provided in Section 18.15 (Assignment) of this Agreement, has contracted to take an assignment of Developer's rights under this Agreement and assume Developer's liabilities hereunder.

7.03 Failure To Complete.

If Developer fails to timely complete the Project in compliance with the terms of this Agreement, then the City will have, but will not be limited to, any of the following rights and remedies:

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

(b) the right (but not the obligation) to complete those T.I.F.-Funded Improvements that are public improvements and to pay for the costs of such T.I.F.-Funded Improvements (including interest costs) out of City Funds or other City monies. If the aggregate cost of completing the T.I.F.-Funded Improvements exceeds the amount of City Funds available under Section 4.03, Developer will reimburse the City for all reasonable costs and expenses incurred by the City in completing such T.I.F.-Funded Improvements in excess of the available City Funds; and

(c) the right to seek reimbursement of the City Funds from Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status, if any, of any T.I.F. Bonds.

7.04 Notice Of Expiration Of Term Of Agreement.

Upon the expiration of the Term of the Agreement, D.P.D. will provide Developer, at Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

Article Eight.

Representations, Warranties And Covenants Of Developer.

8.01 General.

Developer represents, warrants, and covenants, as of the date of this Agreement and as of the date of issuance of the Note, that:

(a) Developer is a Delaware corporation, duly organized, validly existing, qualified to do business in Illinois; and Developer is a wholly-owned subsidiary of Home Depot International, Inc. a Delaware corporation ("H.D.I.I."); and H.D.I.I. is a wholly-owned subsidiary of The Home Depot, Inc., a Delaware corporation ("Home Depot"), the ultimate parent entity.

(b) Developer has the right, power and authority to enter into, execute, deliver and perform this Agreement or has otherwise applied for permits and approvals required to complete the Project;

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

(d) Developer has acquired and will maintain good, indefeasible and merchantable fee simple title to the Property (and improvements) free and clear

of all liens except for the Permitted Liens or Lender Financing, if any, as disclosed in the Project Budget;

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

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

(g) Developer has and will maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project;

(h) Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which Developer is a party or by which Developer or any of its assets is bound which would materially adversely effect its ability to comply with its obligations under this Agreement;

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

(j) prior to the issuance of a Certificate, if it would materially adversely affect Developer's ability to perform its obligations under this Agreement, Developer will not do any of the following without the prior written consent of D.P.D.: (1) be a party to any merger, liquidation or consolidation; (2) sell, transfer, convey, lease or otherwise dispose (directly or indirectly) of all or substantially all of its assets or any portion of the Property, the Building or the Project (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business; (3) change its ultimate parent entity; (4) enter into any transaction outside the ordinary course of Developer's business; (5) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (6) enter into any transaction that would cause a material and detrimental change to Developer's financial condition or its ability to continue operations at the Building or the Property;

(k) Developer has not incurred and, prior to the issuance of a Certificate, will not, without the prior written consent of the Commissioner of D.P.D., allow the existence of any liens against the Building and Project other than the Permitted Liens; or incur any indebtedness secured or to be secured by the Building and

Project or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

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

(m) neither the Developer nor any Affiliate thereof is listed on any of the following lists maintained by the Office of Foreign Assets Control of the United States Department of the Treasury, the Bureau of Industry and Security of the United States Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons Lists, the Unverified List, the Entity List and the Debarred List.

8.02 Covenant To Redevelop.

Upon D.P.D.'s approval of the Scope Drawings and Plans and Specifications, and the Project Budget as provided in Sections 3.02 and 3.03, and Developer's receipt of all required building permits and governmental approvals, Developer will redevelop the Property in compliance with this Agreement, the T.I.F. Ordinances, P.D. 923, the Scope Drawings, 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 Property, the Building, the Project and/or Developer. The covenants set forth in this Section 8.02 will run with the land and will be binding upon any transferee, until fulfilled as evidenced by the issuance of a Certificate.

8.03 Redevelopment Plan.

Developer represents that the Project is and will be in compliance with all applicable terms of the Redevelopment Plan, as in effect on the date of this Agreement.

8.04 Use Of City Funds.

City Funds disbursed to Developer will be used by Developer solely to reimburse Developer for its payment for the T.I.F.-Funded improvements as provided in this Agreement.

8.05 Other Bonds.

At the request of the City, Developer will agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole and absolute discretion T.I.F. Bonds or other bonds ("Bonds") in connection with the Project or the Redevelopment Area, the proceeds of which are to be used to reimburse the City for expenditures made in connection with the T.I.F.-Funded Improvements; provided, however, that any such amendments will not have a material adverse effect on Developer or the Project. Developer will, at Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition, and assisting the City in its preparation of an offering statement with respect thereto. Developer will 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 Developer that is determined to be false and misleading.

8.06 Employment Opportunity.

(a) Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and, as applicable, to cause the General Contractor to contractually obligate each subcontractor to abide by the terms set forth in Section 8.08 and Article Ten. Developer will submit to D.P.D. a plan describing its compliance program prior to the Closing Date.

(b) Developer will deliver to the City written quarterly progress reports detailing compliance with the requirements of Sections 8.08, 10.02 and 10.03 of this Agreement. If any such reports indicate a shortfall in compliance, Developer will also deliver a plan to D.P.D. which will outline, to D.P.D.'s satisfaction, the manner in which Developer will correct any shortfall.

8.07 Employment Profile.

Developer will submit, and contractually obligate and cause the General Contractor to submit and contractually obligate any subcontractor to submit, to D.P.D., from time to time, statements of its employment profile upon D.P.D.'s request.

8.08 Prevailing Wage.

Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor to pay and to contractually cause each subcontractor to pay,

the prevailing wage rate as ascertained by the State Department of Labor (the "Labor Department"), to all of their respective employees working on constructing the Project or otherwise completing the T.I.F.-Funded Improvements. All such contracts will list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed under such contract. If the Labor Department revises such prevailing wage rates, the revised rates will apply to all such contracts. Upon the City's request, Developer will provide the City with copies of all such contracts entered into by Developer or the General Contractor to evidence compliance with this Section 8.08.

8.09 Arms-Length Transactions.

Unless D.P.D. has have given its prior written consent with respect thereto, no Affiliate of Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any T.I.F.-Funded Improvement. Developer will provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to an Affiliate by Developer and reimbursement to Developer for such costs using City Funds, or otherwise), upon D.P.D.'s request, prior to any such disbursement.

8.10 Financial Statements.

Developer will obtain and provide to D.P.D. Financial Statements for Developer's fiscal year ended 2004 or 2005, as applicable, and each year thereafter for the Term of the Agreement. In addition, Developer will submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as D.P.D. may request.

8.11 Insurance.

Solely at its own expense, Developer will comply with all provisions of Article Twelve hereof.

8.12 Non-Governmental Charges.

(a) Payment Of Non-Governmental Charges. Except for the Permitted Liens, and subject to subsection (b) below, Developer agrees to pay or cause to be paid when due any Non-Governmental Charges assessed or imposed upon the Property, the Building or any fixtures that are or may become attached thereto and which are owned by Developer, which creates, may create, or appears to create a lien upon all or any portion of the Property or the Building; provided however, that if such Non-Governmental Charges may be paid in installments, Developer may pay the

same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. Developer will furnish to D.P.D., within thirty (30) days of D.P.D.'s request, official receipts from the appropriate entity, or other evidence satisfactory to D.P.D., evidencing payment of the Non-Governmental Charges in question.

(b) Right To Contest. Developer will have the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charges by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charges, prevent the imposition of a lien or remove such lien, or prevent the transfer or forfeiture of the Property or the Building (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend Developer's covenants to pay any such Non-Governmental Charges at the time and in the manner provided in this Section 8.12); or

(ii) at D.P.D.'s sole option, to furnish a good and sufficient bond or other security satisfactory to D.P.D. in such form and amounts as D.P.D. will require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such transfer or forfeiture of the Property or the Building 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 Charges and all interest and penalties upon the adverse determination of such contest.

8.13 Developer's Liabilities.

Developer will not enter into any transaction that would materially and adversely affect its ability to perform its obligations under this Agreement. Developer will immediately notify D.P.D. of any and all events or actions which may materially affect Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements related to this Agreement or the Project.

8.14 Compliance With Laws.

(a) Representation. To the best of Developer's knowledge, after diligent inquiry, the Building and the Project are in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property, the Building and the Project. Upon the City's request, Developer will provide evidence satisfactory to the City of such current compliance.

(b) Covenant. Developer covenants that the Property and the Project will be operated and managed in compliance with all applicable Federal, State and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Property, the Building or the Project, including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560, whether or not in performance of this Agreement. Upon the City's request, Developer will provide evidence to the City of its compliance with this covenant.

8.15 Recording And Filing.

Developer will cause this Agreement, certain exhibits (as specified by Corporation Counsel) and all amendments and supplements hereto to be recorded and filed on the date hereof in the conveyance and real property records of Cook County, Illinois against the Property. Developer will pay all fees and charges incurred in connection with any such recording. Upon recording, Developer will immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

8.16 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment Of Governmental Charges. Subject to subsection (ii) below, Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon Developer, the Property, the Building or the Project, or become due and payable, and which create, may create, or appear to create a lien upon Developer or all or any portion of the Property, the Building or the Project. "Governmental Charge" means all Federal, State, County, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances relating to Developer, the Property, the Building or the Project, including but not limited to real estate taxes.

(ii) Right To Contest. Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or transfer or forfeiture of the Property. Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.16(c) below; provided, that such real estate taxes must be paid in full when due. No such contest or objection will be deemed or construed in any way as relieving, modifying or extending Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless

Developer has given prior written notice to D.P.D.'s of Developer's intent to contest or object to a Governmental Charge and, unless, at D.P.D.'s sole option:

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

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

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

(c) **Real Estate Taxes.**

(i) **Acknowledgment Of Real Estate Taxes.** Developer agrees that for the purposes of this Agreement, the total projected minimum assessed value of the Property (and related improvements) ("Minimum Assessed Value") is shown on (Sub)Exhibit J for the years noted on (Sub)Exhibit J.

(ii) **Real Estate Tax Exemption.** With respect to the Property (and related improvements) or the Project, neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer will, during the Term of this Agreement, seek or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect.

(iii) No Reduction In Real Estate Taxes. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer will, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value as shown in (Sub)Exhibit J for the applicable year.

(iv) No Objections. Neither Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to Developer, will object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Under Assessment Complaint (as defined below) or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Under Assessment Complaint" as used in this Agreement means any complaint seeking to increase the assessed value of the Property (and related improvements) or the Project up to (but not above) the Minimum Assessed Value as shown in (Sub)Exhibit J.

(v) Covenants Running With The Land. The parties agree that the restrictions contained in this Section 8.16(c) are covenants running with the land. This Agreement will be recorded by Developer as a memorandum thereof, at Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions will be binding upon Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided, however, that the covenants will be released when the Redevelopment Area is no longer in effect, or upon termination of this Agreement or upon expiration of the term of the Note. Developer agrees that any sale, transfer, lease, conveyance, or transfer of title to all or any portion of the Property or the Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.16(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of Developer, its successors or assigns, may waive and terminate Developer's covenants and agreements set forth in this Section 8.16(c).

8.17 Job Creation; Job Maintenance Covenants.

(a) Job Creation and Maintenance.

(i) Initial Job Creation. Developer covenants that it will create not less than eighty (80) full-time and forty (40) Full Time Equivalent jobs at the Building and Garden Center within twelve (12) months from the date of the Certificate issued by the City for the Project under Section 7.01.

(ii) Maintenance Of Jobs. Once the one hundred twenty (120) job count and job-types required by sub-paragraph (i) above have been attained, Developer

covenants to maintain such job count and job-types for ten (10) years thereafter, subject to the terms of sub-paragraph (b) below.

(b) Default On Job Maintenance Covenant; Cure Provision; Consequences.

(i) If in any year within the ten (10) year period set by the jobs maintenance covenant in sub-paragraph (a)(ii) above, Developer fails to comply with the covenant, then such event is defined as a "Jobs Maintenance Covenant Default".

(ii) Developer is entitled to incur Jobs Maintenance Covenant Default for a period of up to two (2) years, which years may be consecutive or nonconsecutive, and is also entitled to a period of up to two (2) cure years in which to cure such default, with such cure years being consecutive or nonconsecutive.

(iii) During any years when Developer is in a Jobs Maintenance Covenant Default, Developer will not be entitled to any payments of principal or interest on the Note, and interest will not accrue on the Note.

(iv) If there is a third (3rd) year in which Developer is in a Jobs Maintenance Covenant Default, then the City may at its option take one or more of the following actions: (A) declare an Event of Default under the provisions of Section 15.01; (B) terminate this Agreement; (C) cancel the Note and also cancel any rights Developer may then have to due but unpaid principal and interest, and (D) otherwise exercise any of its remedies under Section 15.02.

(v) The City may in its discretion modify, extend or amend the terms and conditions of this section or the City may require strict adherence to the terms and conditions of this section.

(vi) The covenants stated in this Section 8.17 run with the land and are intended to be binding on any transferee of the Property, the Building or the Project.

8.18 Occupancy, Operations And Land-Use Covenants.

(a) Occupancy Covenant. Developer covenants that it will maintain its operations within the City of Chicago on the Property for not less than five (5) years from the date of the Certificate issued by the City for the Project under Section 7.01.

(b) Operations Covenant. Developer covenants to use the Property and the Building solely as a full service, home improvement retail facility for not less than five (5) years from the date of the Certificate issued by the City for the Project under Section 7.01. For purposes of this covenant, failure to maintain the Property and the Building as a full service, home improvement retail facility includes any alternative use (other than food concession licensees or other concessionaires, licensees or vendors typically allowed to sell or display goods, services or

merchandise in a typical Home Depot home improvement retail facility). For example, this covenant is breached if Developer uses the Property and the Building as a warehouse, a distribution center or for a use which is no longer open to the general public.

(c) Occupancy After Five Years. After the fifth (5th) anniversary of the date of the Certificate issued by the City for the Project under Section 7.01, and if the Note is outstanding, then, if Developer closes its operations and vacates the Property and the Building, the City's sole remedy shall be the right to terminate this Agreement and cancel the Note.

(d) Land-Use Compliance. Developer covenants that its use of the Property, the Building and the Project will be in compliance with the Redevelopment Plan, P.D. 923, and applicable zoning laws.

(e) Run With The Land. The covenants stated in this Section 8.18 run with the land and are intended to be binding on any transferee of the Property, the Building or the Project.

8.19 Job Readiness Program.

If requested by the City, Developer will participate in job readiness programs established by the City to help prepare individuals to work for businesses located within the Redevelopment Area.

8.20 Public Benefits Program.

On or after the Closing Date, Developer will undertake a public benefits program ("Public Benefits Program") described in more detail in (Sub)Exhibit L. If the Public Benefit Program is on-going, then Developer will provide the City with a status report on an annual basis describing in sufficient detail Developer's compliance with the Public Benefits Program.

8.21 Broker's Fees.

Developer has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to any of the transactions contemplated by this Agreement for which the City could become liable or obligated.

8.22 No Conflict Of Interest.

Under Section 5/11-74.4-4(n) of the Act, Developer represents, warrants and covenants that to the best of its knowledge, no member, official, or employee of the

City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City, (a "City Group Member") owns or controls, has owned or controlled or will own or control any interest, and no such City Group Member will represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in Developer, the Property, the Building, the Project, or to the Developer's actual knowledge, any other property in the Redevelopment Area. Ownership of publicly-traded securities in Home Depot is not within the scope of this Section 8.22.

8.23 Disclosure Of Interest.

Developer's counsel has no direct or indirect financial ownership interest in Developer, the Property, the Building or any other feature of the Project. Ownership of publicly-traded securities in Home Depot is not within the scope of this Section 8.23.

8.24 No Business Relationship With City Elected Officials.

Developer acknowledges receipt of a copy of Section 2-156-030(b) of the Municipal Code and that Developer has read and understands such provision. Under 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(b)(2) of the Municipal Code), or to participate in any discussion of 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 this Agreement, or in connection with the transactions contemplated thereby, will be grounds for termination of this Agreement and the transactions contemplated thereby. 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 thereby.

8.25 Prohibition On Certain Contributions -- Mayoral Executive Order Number 05-1.

Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than seven and five-tenths percent (7.5%) ("Owners"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest

in any Contractor of more than seven and five-tenths percent (7.5%) ("Subowners") and spouses and domestic partners of such Subowners (Developer and all the other preceding classes of persons and entities are together, the "Identified Parties"), will not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fund-raising committee: (i) after execution of this Agreement by Developer, (ii) while this Agreement or any Other Contract is executory, (iii) during the term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

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

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

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order Number 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order Number 05-1.

Developer agrees that a violation of, noncompliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order Number 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted, unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order Number 05-1 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

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

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

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

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

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

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

8.26 Survival Of Covenants.

All warranties, representations, covenants and agreements of Developer contained in this Article Eight and elsewhere in this Agreement are true, accurate and complete at the time of Developer's execution of this Agreement, and will survive the execution, delivery and acceptance by the parties and (except as provided in Article Seven upon the issuance of a Certificate) will be in effect throughout the Term of the Agreement.

Article Nine.

Representations, Warranties And Covenants 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 Article Nine 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.

Article Ten.

Developer's Employment Obligations.

10.01 Employment Opportunity.

Developer, on behalf of itself and its successors and assigns, hereby agrees, and will contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer on the Project (collectively, with Developer, such parties are defined herein as the "Employers", and individually defined herein as 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 nondiscriminatory 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 will comply with all applicable 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 State Human Rights Act, 775 ILCS 5/1-101, et seq. (2002 State Bar Edition), as amended, and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this section, will 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 will include the foregoing provisions of subparagraphs (a) through (d) in every construction contract entered into in connection with the Project, and will require inclusion of these provisions in every subcontract entered into by any subcontractors and every agreement with any Affiliate operating on the Project, so that each such provision will 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 will be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof, subject to the cure rights under Section 15.03.

10.02 City Resident Construction Worker Employment Requirement.

(a) Developer agrees for itself and its successors and assigns, and will contractually obligate its General Contractor and will cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree, that during the construction of the Project they will 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 fifty percent (50%) of the total worker hours worked by persons on the site of the Project will be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, Developer, its General Contractor and each subcontractor will be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions. Developer, the General Contractor and each subcontractor will use their respective best efforts to exceed the minimum percentage of hours stated above, and to employ neighborhood residents in connection with the Project.

(b) 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.

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

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

(e) Weekly certified payroll reports (United States Department of Labor Form WH-347 or equivalent) will be submitted to the Commissioner of D.P.D. in triplicate,

which will 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.

(f) Upon two (2) Business Days prior written notice, Developer, the General Contractor and each subcontractor will provide full access to their employment records related to the construction of the Project to the Chief Procurement Officer, the Commissioner of D.P.D., the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. Developer, the General Contractor and each subcontractor will maintain all relevant personnel data and records related to the construction of the Project for a period of at least three (3) years after final acceptance of the work constituting the Project.

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

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

(i) When work at the Project is completed, in the event that the City has determined that Developer has failed to ensure the fulfillment of the requirement of this Article concerning the worker hours performed by actual residents of the City 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 Article. Therefore, in such a case of noncompliance, it is agreed that one-twentieth of one 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 will be evidenced by approved contract value for the actual contracts) will be surrendered by Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly will result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether Developer must surrender damages as provided in this paragraph.

(j) Nothing herein provided will 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.

(k) Developer will 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 Developer's M.B.E./W.B.E. Commitment.

Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements stated in this section, will contractually obligate the General Contractor to agree that during the Project:

(a) Consistent with the findings which support, as applicable: (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420, et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650, et seq., Municipal Code of Chicago (the "Construction Program", and collectively with the Procurement Program, the "M.B.E./W.B.E. Program"), and in reliance upon the provisions of the M.B.E./W.B.E. 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 M.B.E./W.B.E. Budget (as stated in (Sub)Exhibit D-2) must be expended for contract participation by Minority-Owned Businesses ("M.B.E.s") and by Women-Owned Businesses ("W.B.E.s"):

- (1) At least twenty-four percent (24%) by M.B.E.s.
- (2) At least four percent (4%) by W.B.E.s.

(b) For purposes of this Section 10.03 only:

(i) Developer (and any party to whom a contract is let by Developer in connection with the Project) is deemed a "contractor" and this Agreement (and any contract let by Developer in connection with the Project) is deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

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

(iii) The term "women-owned business" or "W.B.E." shall mean a business identified in the *Directory of Certified Women Business Enterprises*, published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, Developer's M.B.E./W.B.E. commitment may be achieved in part by Developer's status as an M.B.E. or W.B.E. (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more M.B.E.s or W.B.E.s (but only to the extent of the lesser of: (i) the M.B.E. or W.B.E. participation in such joint venture or (ii) the amount of any actual work performed on the Project by the M.B.E. or W.B.E.), by Developer utilizing a M.B.E. or a W.B.E. 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 M.B.E.s or W.B.E.s, or by the purchase of materials or services used in the Project from one or more M.B.E.s or W.B.E.s, or by any combination of the foregoing. Those entities which constitute both a M.B.E. and a W.B.E. shall not be credited more than once with regard to the Developer's M.B.E./W.B.E. commitment as described in this Section 10.03. In compliance with Section 2-92-730, Municipal Code of Chicago, Developer will not substitute any M.B.E. or W.B.E. General Contractor or subcontractor without the prior written approval of D.P.D.

(d) Developer must deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this M.B.E./W.B.E. commitment. Such reports will include, inter alia: the name and business address of each M.B.E. and W.B.E. solicited by Developer or the General Contractor to work on the Project, and the responses received from such solicitation; the name and business address of each M.B.E. or W.B.E. actually involved in the Project; a description of the work performed or products or services supplied; the date and amount of such work, product or service; and such other information as may assist the City's monitoring staff in determining the Developer's compliance with this M.B.E./W.B.E. commitment. Developer will maintain records of all relevant data with respect to the utilization of M.B.E.s and W.B.E.s in connection with the Project for at least five (5) years after completion of the Project, and the City's monitoring staff will have access to all such records maintained by Developer, on five (5) business days notice, to allow the City to review Developer's compliance with its commitment to M.B.E./W.B.E. participation and the status of any M.B.E. or W.B.E. performing any portion of the Project.

(e) Upon the disqualification of any M.B.E. or W.B.E. General Contractor or subcontractor, if such status was misrepresented by the disqualified party,

Developer is obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if possible, identify and engage a qualified M.B.E. or W.B.E. as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

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

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

Article Eleven.

Environmental Matters.

11.01 Environmental Matters.

Developer hereby represents and warrants to the City that Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws.

Without limiting any other provisions hereof, Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of Developer: (i) the presence of any Hazardous Materials on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Materials from: (A) all or any portion of the Property, or (B) any other real property in which Developer, or any person directly or indirectly controlling, controlled by or under common control with Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or Developer or any of its Affiliates under any Environmental Laws relating to the Property.

Article Twelve.

Insurance.

12.01 Insurance Requirements.

Developer's insurance requirements are stated in Schedule B which is hereby incorporated into this Agreement by reference and made a part of this Agreement.

Article Thirteen.

Indemnification.

13.01 General Indemnity.

Developer agrees to indemnify, pay and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee", and collectively the "Indemnities") harmless from and against, any and all liabilities, obligations, losses, damages (arising out of a third party action against the City), penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever, (and including, without limitation, the reasonable

fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees by a third party in any manner relating to or arising out of:

- (i) any cost overruns as described in Section 4.05; or
- (ii) Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or
- (iii) Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the T.I.F.-Funded Improvements or any other Project improvement; or
- (iv) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by Developer or its agents, employees, contractors or persons acting under the control or at the request of Developer; or
- (v) Developer's failure to cure any misrepresentation in this Agreement or any other document or agreement relating hereto; or
- (vi) any act or omission by Developer or any Affiliate of Developer, provided, however, that Developer shall have no obligation to an Indemnatee arising from the wanton or willful misconduct of that Indemnatee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer will contribute the maximum portion that it is permitted to pay and satisfy under 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 will survive the termination of this Agreement.

Article Fourteen.

Maintaining Records/Right To Inspect.

14.01 Books And Records.

Developer will keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual costs of the

Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, will be available at Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at Developer's expense. Developer will not pay for salaries or fringe benefits of auditors or examiners. Developer must incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by Developer with respect to the Project.

14.02 Inspection Rights.

Upon three (3) Business Days notice, any authorized representative of the City will have access to all portions of the Project and the Building during normal business hours for the Term of the Agreement.

Article Fifteen.

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, will constitute an "Event of Default" by Developer hereunder:

- (a) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under this Agreement or any related agreement;
- (b) the failure of Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of Developer under any other agreement with any person or entity if such failure may have a material adverse effect on Developer's business, property (including the Property or the Building), assets (including the Property or the Building), operations or condition, financial or otherwise;
- (c) the making or furnishing by Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in

connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

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

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

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

(g) the entry of any judgment or order against Developer for an amount in excess of One Million Dollars (\$1,000,000) which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of Developer or Developer's ultimate parent entity or the death of any natural person who owns a material interest in Developer or Developer's ultimate parent entity; or

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against Developer or any natural person who owns a material interest in Developer, which is not dismissed within thirty (30) days, or the indictment of Developer or any natural person who owns a material interest in Developer, for any crime (other than a misdemeanor).

For purposes of Sections 15.01(i) and 15.01(j) hereof, a natural person with a material interest in Developer is one owning in excess of thirty-three percent (33%) of Developer's or Developer's ultimate parent entity issued and outstanding ownership shares or interests.

15.02 Remedies.

Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may suspend 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.

15.03 Curative Period.

(a) In the event Developer fails to perform a monetary covenant which Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default will not be deemed to have occurred unless Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary covenant.

(b) In the event Developer fails to perform a non-monetary covenant which Developer is required to perform under this Agreement, an Event of Default will not be deemed to have occurred unless Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, Developer will 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.

*Article Sixteen.**Mortgaging Of The Project.*

16.01 Mortgaging Of The Project.

Any and all mortgages or deeds of trust in place as of the date hereof with respect to the Property or Project or any portion thereof are listed on (Sub)Exhibit H hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing, if any) and are referred to herein as the "Existing Mortgages". Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Property or Project or any portion thereof without obtaining the prior written consent of the City is referred to herein as a "New Mortgage". Any mortgage or deed of trust that Developer may hereafter elect to execute and record or execute and permit to be recorded against the Property or Project or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage". It is hereby agreed by and between the City and Developer as follows:

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

(b) If any mortgagee or any other party shall succeed to Developer's interest in the Property or any portion thereof by the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of Developer's interest hereunder in accordance with Section 18.15 hereof, then the City hereby agrees to attorn to and recognize such party as the successor in interest to Developer for all purposes under this Agreement so long as such party accepts all of the executory obligations and liabilities of "Developer" hereunder. Notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of Developer's interest under this Agreement, such party will have no liability under this Agreement for any Event of Default of Developer which occurred prior to the time such party succeeded to the interest of Developer under this Agreement, in which case Developer will be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of Developer's interest hereunder, such party will be entitled to no

rights and benefits under this Agreement, and such party will be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to Developer of a Certificate under Article Seven hereof, no New Mortgage will be executed with respect to the Property or the Project or any portion thereof without the prior written consent of the Commissioner of D.P.D.. A feature of such consent will be that any New Mortgage will subordinate its mortgage lien to the covenants in favor of the City that run with the land. After the issuance of a Certificate, consent of the Commissioner of D.P.D. is not required for any such New Mortgage.

Article Seventeen.

Notices.

17.01 Notices.

All notices and any other communications under this Agreement will: (A) be in writing; (B) be sent by: (i) telecopier/fax machine, (ii) delivered by hand, (iii) delivered by an overnight courier service which maintains records confirming the receipt of documents by the receiving party, or (iv) registered or certified United States Mail, return receipt requested; (C) be given at the following respective addresses:

If To The City:

City of Chicago
Department of Planning and
Development
Attention: Commissioner
121 North LaSalle Street, Room 1000
Chicago, Illinois 60602
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

with copies to:

City of Chicago
Corporation Counsel
Attention: Finance and Economic
Development Division
121 North LaSalle Street, Room 600
Chicago, Illinois 60602
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

If To Developer:

Home Depot U.S.A., Inc.
2455 Paces Ferry Road NW
Building C, 20th Floor
Atlanta, Georgia 30339
Attention: Vice President -- Real Estate
Law Group
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

with copies to:

Home Depot U.S.A., Inc.
1400 West Dundee Road
Arlington Heights, Illinois 60004
Attention: Brett Soloway
Director -- Legal
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

and

Seyfarth Shaw L.L.P.
131 South Dearborn Street
Suite 2400
Chicago, Illinois 60603
Attention: Gregg M. Dorman, Esq.
Phone: (Omitted for printing purposes)
Fax: (Omitted for printing purposes)

or at such other address or telecopier/fax or telephone number or to the attention of such other person as the party to whom such information pertains may hereafter specify for the purpose in a notice to the other specifically captioned "Notice of Change of Address" and, (D) be effective or deemed delivered or furnished: (i) if given by telecopier/fax, when such communication is confirmed to have been transmitted to the appropriate telecopier/fax number specified in this section, and confirmation is deposited into the United States Mail, postage prepaid to the recipient's address shown herein; (ii) if given by hand delivery or overnight courier service, when left at the address of the addressee, properly addressed as provided above.

17.02 Developer Requests For City Or D.P.D. Approval.

Any request under this Agreement for City or D.P.D. approval submitted by Developer will comply with the following requirements:

- (a) be in writing and otherwise comply with the requirements of Section 17.01 (Notices);
- (b) expressly state the particular document and section thereof relied on by Developer to request City or D.P.D. approval;
- (c) if applicable, note in bold type that failure to respond to Developer's request for approval by a certain date will result in the requested approval being deemed to have been given by the City or D.P.D.;
- (d) if applicable, state the outside date for the City's or D.P.D.'s response; and
- (e) be supplemented by a delivery receipt or time/date stamped notice or other documentary evidence showing the date of delivery of Developer's request.

Article Eighteen.

Additional Provisions.

18.01 Amendments.

This Agreement and the schedules and exhibits attached hereto may not be modified or amended except by an agreement in writing signed by the parties; provided, however, that the City in its sole discretion, may amend, modify or supplement the Redevelopment Plan, which is (Sub)Exhibit C hereto. For purposes of this Agreement, Developer is only obligated to comply with the Redevelopment Plan as in effect on the date of this Agreement. 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 Complete Agreement, Construction, Modification.

This Agreement, including any exhibits and the other agreements, documents and instruments referred to herein or contemplated hereby, constitutes the entire agreement between the parties with respect to the subject matter hereof and

supersedes all previous negotiations, commitments and writings with respect to such subject matter. This Agreement and the schedules and exhibits attached hereto may not be contradicted by evidence of prior, contemporaneous, or subsequent verbal agreements of the parties. There are no unwritten verbal agreements between the parties.

18.03 Limitation Of Liability.

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

18.04 Further Assurances.

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 and to accomplish the transactions contemplated in this Agreement.

18.05 Waivers.

No party hereto will be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by such party. No delay or omission on the part of a party in exercising any right will 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 will 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, will constitute a waiver of any of 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 must not be construed as a waiver of any other remedies of such party unless specifically so provided herein.

18.07 Parties In Interest/No Third Party Beneficiaries.

The terms and provisions of this Agreement are binding upon and inure to the benefit of, and are enforceable by, the respective successors and permitted assigns

of the parties hereto. This Agreement will 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. Nothing contained in this Agreement, nor any act of the City or the Developer, will be deemed or construed by any of the parties hereto or by third persons, to create any relationship of third party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City or Developer.

18.08 Titles And Headings.

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

18.09 Counterparts.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, must be construed together and will constitute one and the same instrument.

18.10 Counterpart Facsimile Execution.

For purposes of executing this Agreement, a document signed and transmitted by facsimile machine will be treated as an original document. The signature of any party thereon will be considered as an original signature, and the document transmitted will be considered to have the same binding legal effect as an original signature on an original document. At the request of either party, any facsimile document will be re-executed by other parties in original form. No party hereto may raise the use of a facsimile machine as a defense to the enforcement of this Agreement or any amendment executed in compliance with this section. This section does not supersede the requirements of Article Seventeen: Notices.

18.11 Severability.

If any provision of this Agreement, or the application thereof, to any person, place or circumstance, is held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places and circumstances will remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining

terms will provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth herein. In such event, the parties will negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the parties' intent in entering into this Agreement.

18.12 Conflict.

In the event of a conflict between any provisions of this Agreement and the provisions of the T.I.F. Ordinances in effect as of the date of this Agreement, such ordinance(s) will prevail and control.

18.13 Governing Law.

This Agreement is governed by and construed in accordance with the internal laws of the State, without regard to its conflicts of law principles.

18.14 Form Of Documents.

All documents required by this Agreement to be submitted, delivered or furnished to the City will be in form and content satisfactory to the City.

18.15 Assignment.

Prior to the issuance by the City to Developer of a Certificate, Developer may not sell, assign or otherwise transfer its interest in this Agreement or the Note in whole or in part without the written consent of the City; provided, however, that Developer may assign, on a collateral basis, the right to receive City Funds under the Note to a lender providing Lender Financing, if any, which has been identified to the City as of the Closing Date. Any successor in interest to Developer under this Agreement will certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Section 8.16 (Real Estate Provisions) and Section 8.26 (Survival of Covenants) hereof, for the Term of the Agreement. Developer hereby consents to the City's transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect.

This Agreement is binding upon Developer, the City and their respective successors and permitted assigns (as provided herein) and will inure to the benefit of Developer, the City and their respective successors and permitted assigns (as provided herein).

18.17 Force Majeure.

Neither the City nor Developer nor any successor in interest to either of them will 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, war, acts of terrorism, strike, shortage of material, interruption of electric power or blackout, disruption of or inability to obtain fuel supplies, 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, except to the extent that the non-performing party is at fault in failing to prevent or causing such default or delay and provided that such default or delay cannot reasonably be circumvented by the non-performing party through the use of alternate sources, work around plans or other means. The individual or entity relying on this section with respect to any such delay will, 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 And Schedules.

All of the exhibits and schedules to this Agreement are incorporated herein by reference. Any exhibits and schedules to this Agreement will be construed to be an integral part of this Agreement to the same extent as if the same has been set forth verbatim herein.

18.19 Business Economic Support Act.

Under the Business Economic Support Act (30 ILCS 760/1, et seq. (2004 State Bar Edition), as amended), if Developer is required to provide notice under the W.A.R.N. Act, Developer will, in addition to the notice required under the W.A.R.N. Act, provide at the same time a copy of the W.A.R.N. Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and Minority Leader of the Senate of State, and the Mayor of each municipality where Developer has locations in the State. Failure by Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

18.20 Approval.

Wherever this Agreement provides for the approval or consent of the City, D.P.D. or the Commissioner, or any matter is to be to the City's, D.P.D.'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, D.P.D. 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 D.P.D. in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.21 Construction Of Words.

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

18.22 Date Of Performance.

If any date for performance under this Agreement falls on a Saturday, Sunday or other day which is a holiday under Federal law or under State Law, the date for such performance will be the next succeeding Business Day.

18.23 Survival Of Agreements.

Except as otherwise contemplated by this Agreement, all covenants and agreements of the parties contained in this Agreement will survive the Closing Date.

18.24 Equitable Relief.

In addition to any other available remedy provided for hereunder, at law or in equity, to the extent that a party fails to comply with the terms of this Agreement, any of the other parties hereto shall be entitled to injunctive relief with respect thereto, without the necessity of posting a bond or other security, the damages for such breach hereby being acknowledged as unascertainable.

18.25 Venue And Consent To Jurisdiction.

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

18.26 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 attorneys' fees, incurred in connection with the enforcement of the provisions of this Agreement but only if the City is determined to be the prevailing party in an action for enforcement. This includes, subject to any limits under applicable law, reasonable attorneys' fees and legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

18.27 Time Of The Essence.

Developer acknowledges and agrees that time is of the essence in the performance and observation by Developer of all of the terms, conditions, obligations, covenants and agreements contained in this Agreement applicable to Developer.

In Witness Whereof, The parties hereto have caused this Redevelopment Agreement to be signed on or as of the day and year first above written.

Home, Depot U.S.A., Inc., a Delaware
corporation

By: _____

Printed
Name: _____

Title: _____

City of Chicago

By: _____

Commissioner,
Department of Planning and
Development

Given under my hand and official seal this _____ day of _____, 2006.

Notary Public

My commission expires: _____.

[(Sub)Exhibits "B-3", "C", "J" and "K" referred to in this
Redevelopment Agreement with Home Depot, U.S.A.,
Inc. unavailable at time of printing.]

[(Sub)Exhibits "B-2" referred to in this Redevelopment
Agreement with Home Depot, U.S.A., Inc.
printed on page 94700 of this *Journal*.]

[(Sub)Exhibit "F" not referenced to in this Redevelopment
Agreement with Home Depot, U.S.A., Inc.]

[(Sub)Exhibit "M" referred to in this Redevelopment Agreement with Home
Depot, U.S.A., Inc. constitutes Exhibits "B" and "C" to ordinance and
printed on pages 94701 through 94706 of this *Journal*.]

Schedules "A" and "B" and (Sub)Exhibits "A", "B-1", "D-1", "D-2", "E", "G", "H", "I",
"L" and "N" referred to in this Redevelopment Agreement with Home Depot, U.S.A.,
Inc. read as follows:

Schedule A.
(To Redevelopment Agreement With
Home Depot, U.S.A., Inc.)

Definitions.

For purposes of this Agreement the following terms shall have the meanings stated
forth below:

"Act" has the meaning defined in Recital B.

"Actual Residents of the City" has the meaning defined for such phrase in Section 10.02(c).

"Affiliate" when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any person or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise.

"Agreement" has the meaning defined in the Agreement preamble.

"Available Incremental Taxes" means an amount equal to eighty percent (80%) of the Incremental Taxes (as defined below) deposited after the Closing Date in the Jefferson/Roosevelt Redevelopment Project Area Special Tax Allocation Fund (as defined below) attributable to the taxes levied on the Property, using the year 1999 as a base year for equalized assessed valuation.

"Bonds" has the meaning defined in Section 8.05.

"Bundle" has the meaning defined in Section 8.25.

"Building" has the meaning defined in Recital D.

"Business Day" means any day other than Saturday, Sunday or a legal holiday in the State.

"C.D.O.T." has the meaning defined in Section 3.14(e).

"Certificate" means the Certificate of Completion of Construction described in Section 7.01.

"Certificate of Expenditure(s)" means the certificates, in the form of (Sub)Exhibit M hereto, issued by the City to increase respectively the principal amount of the Note.

"Change Order" means any amendment or modification to the Scope Drawings, the Plans and Specifications, or the Project Budget (all as defined below) within the scope of Section 3.04.

"City" has the meaning defined in the Agreement preamble.

"City Contract" has the meaning defined in Section 8.01(1).

"City Council" means the City Council of the City of Chicago as defined in Recital C.

"City Funds" means the funds described in Section 4.03(a).

"City Group Member" has the meaning defined in Section 8.10.

"City Requirements" has the meaning defined in Section 3.07.

"Closing Date" means the date of execution and delivery of this Agreement by all parties thereto.

"Construction Contract" means that certain contract substantially in the form of (Sub)Exhibit F to be entered into between the Developer and the General Contractor (as defined below) providing for construction of, among other things, the T.I.F. Funded Improvements. The parties to this Agreement may agree that the Construction Contract may be provided after Closing.

"Construction Program" has the meaning defined in Section 10.03(a).

"Contractor" has the meaning defined in Section 8.25.

"Corporation Counsel" means the City's Office of Corporation Counsel.

"Developer" has the meaning defined in the Agreement preamble.

"Domestic Partners" has the meaning defined in Section 8.25.

"D.P.D." has the meaning defined in the Agreement preamble.

"Employer(s)" has the meaning defined in Section 10.01.

"Environmental Laws" means any and all Federal, State or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802, et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902, et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401, et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251, et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601, et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136, et seq.); (ix) the Illinois Environmental

Protection Act (415 ILCS 5/1, et seq.); and (x) the Municipal Code of Chicago (as defined below), and including the following Municipal Code Sections: 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550 or 11-4-1560.

"Equity" means funds of Developer (other than funds derived from Lender Financing (as defined below)) irrevocably available for the Project, in the amount stated in Section 4.01 hereof, which amount may be increased under Section 4.05 (Cost Overruns).

"Event of Default" has the meaning defined in Section 15.01.

"Existing Mortgages" has the meaning defined in Section 16.01.

"Financial Statements" means the financial statements regularly prepared by Developer, and including, but not limited to, a balance sheet, income statement and cash-flow statement, in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods, and which are delivered to the lender(s) providing Lender Financing pursuant to Developer's loan agreement(s), if any.

"Full-Time Equivalents" or "F.T.E." means the total hours worked by all employees of Developer or any Affiliate of Developer, as evidenced by payroll records, actually working on the Property in a given calendar year divided by one thousand nine hundred twenty (1,920) hours.

"Garden Center" has the meaning defined in Recital D.

"General Contractor" means the general contractor(s) hired by Developer under Section 6.01.

"Governmental Charge" has the meaning defined in Section 8.18(a)(i).

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

"H.D.I.I." has the meaning defined in Section 8.01(a).

"Home Depot" has the meaning defined in Section 8.01(a).

"Human Rights Ordinance" has the meaning defined in Section 10.01(a).

"Incremental Taxes" means such ad valorem taxes which, pursuant to the T.I.F. 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 for deposit by the Treasurer into a special tax allocation fund established to pay Redevelopment Project Costs (as defined below) and obligations incurred in the payment thereof, such fund for the purposes of this Agreement being the Jefferson Roosevelt Redevelopment Project Area Special Tax Allocation Fund.

"Indemnitee" and "Indemnites" have the respective meanings defined in Section 13.01.

"Jefferson/Roosevelt Redevelopment Project Area Special Tax Allocation Fund" means the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes (as defined above) will be deposited.

"Jobs Maintenance Covenant Default" has the meaning defined in Section 8.19.

"Labor Department" has the meaning defined in Section 8.08.

"Landscape Ordinance" has the meaning defined in Section 3.14(a).

"L.E.E.D." has the meaning defined in Section 3.14(b).

"Lender Financing" means funds borrowed by Developer from lenders and available to pay for costs of the Project, in the amount stated in Section 4.01, if any.

"Mayor" has the meaning defined in Section 8.25.

"M.B.E.(s)" has the meaning defined in Section 10.03(b).

"M.O.W.D." has the meaning defined in Section 3.14(d).

"M.B.E./W.B.E. Program" has the meaning defined in Section 10.03(a).

"Minimum Assessed Value" has the meaning defined in Section 8.16(c)(i).

"Minority-Owned Business" has the meaning defined in Section 10.03(b).

"Municipal Code" means the Municipal Code of the City of Chicago as presently in effect and as hereafter amended from time to time.

"New Mortgage" has the meaning defined in Section 16.01.

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

"Note" means the taxable City of Chicago Tax Increment Allocation Revenue Note R-1 (Home Depot U.S.A., Inc. South Loop Redevelopment Project), Taxable Series A to be in the form attached as (Sub)Exhibit M in the maximum principal amount of up to Five Million Four Hundred Thousand Dollars (\$5,400,000) to be issued by the City to Developer when the City issues the Certificate for the Project. The Note will bear interest at an annual rate of seven and zero-tenths percent (7.0%), and will provide for accrued, but unpaid interest to bear interest at the same annual rate as of each January 1. The payment of the amounts due under Note will be secured only by the Available Incremental Taxes, and the Note will have a term ending on December 31, 2024.

"Other Contract" has the meaning defined in Section 8.25.

"Owners" has the meaning defined in Section 8.25.

"P.D. 923" has the meaning defined in Recital D.

"Permitted Liens" means those liens and encumbrances against the Building and/or the Project stated in (Sub)Exhibit H.

"Permitted Mortgage" has the meaning defined in Section 16.01.

"Plans and Specifications" means final construction documents containing a site plan and working drawings and specifications for the Project.

"Political fund-raising committee" has the meaning defined in Section 8.25.

"Prior Expenditure(s)" has the meaning defined in Section 4.04.

"Procurement Program" has the meaning defined in Section 10.03(a).

"Project" has the meaning defined in Recital D.

"Project Budget" means the budget stated in (Sub)Exhibit D-1, showing the total cost of the Project by line item, as furnished by Developer to D.P.D. in accordance with Section 3.03.

"Property" has the meaning defined in Recital D.

"Public Benefits Program" has the meaning defined in Section 8.20.

"Redevelopment Area" means the redevelopment project area as legally described in (Sub)Exhibit A.

"Redevelopment Plan" has the meaning defined in Recital E.

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

"Requisition Form" has the meaning defined in Section 4.03(b)(ii)(C)(iii).

"Roosevelt T.M.A." has the meaning defined in Section 3.14(c).

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

"Shopping Center" has the meaning defined in Recital D.

"State" means the State of Illinois as defined in Recital A.

"Subowners" has the meaning defined in Section 8.25.

"Survey" means an urban plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within forty-five (45) days prior to the Closing Date, reasonably acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State, 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 any updates thereof to reflect improvements to the Property as required by the City or the lender(s) providing Lender Financing, if any).

"Term of the Agreement" means the period of time commencing on the Closing Date and ending on December 31, 2024, being the end date for tax collections applicable to the twenty-third (23rd) year from the date of the Roosevelt/Jefferson T.I.F., Ordinances.

"T.I.F. Adoption Ordinance" has the meaning stated in Recital C.

"T.I.F. Bonds" has the meaning defined for such term in Recital F.

"T.I.F. Bond Ordinance" has the meaning stated in Recital F.

"T.I.F. Bond Proceeds" has the meaning stated in Recital F.

"T.I.F. Ordinances" has the meaning stated in Recital C.

"T.I.F. Funded Improvements" means those improvements of the Project which: (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement, and (iv) are stated in (Sub)Exhibit E.

"Title Company" means First American Title Insurance Company.

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

"Under Assessment Complaint" has the meaning set forth in Section 8.18(c)(iv).

"W.A.R.N. Act" means the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et. seq.).

"W.B.E.(s)" has the meaning defined in Section 10.03(b).

"Women-Owned Business" has the meaning defined in Section 10.03(b).

[(Sub)Exhibits "A", "D-1", "E", "H" and "M" referred to in this Schedule A
-- Definitions constitute (Sub)Exhibits "A", "D-1", "E", "H" and "M"
respectively, to the Redevelopment Agreement
with Home Depot, U.S.A., Inc.]

[(Sub)Exhibit "F" referred to in this Schedule A --
Definitions unavailable at time of printing].

Schedule B.
(To Redevelopment Agreement With
Home Depot, U.S.A., Inc.)

Article Twelve.

Insurance Requirements.

12.01 Insurance.

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

(a) Prior To Execution And Delivery Of This Agreement:

(i) Workers' Compensation And Employer's Liability Insurance.

Workers' Compensation and Employer's Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employer's Liability coverage with limits of not less than One Hundred Thousand Dollars (\$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 One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: all premises and operations, products/completed operations, independent contractors, separation of insureds, defense, and contractual liability (with no coverage limitation endorsement, except by the terms of the policy). The City is to be named as an additional insured on a primary, noncontributory basis for any liability arising directly or indirectly from the work.

(b) Construction.

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

(i) Workers' Compensation And Employer's Liability Insurance.

Workers' Compensation and Employer's Liability Insurance, as prescribed by applicable law covering all employees who are to provide a service under this Agreement and Employer's Liability coverage with limits of not less than Five Hundred Thousand Dollars (\$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 Two Million Dollars (\$2,000,000) per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: all premises and operations, products/completed

operations (for a minimum of two (2) years following Project completion), explosion, collapse, underground, independent contractors, separation of insureds, defense and contractual liability (with no limitation endorsement). The City is to be named as an additional insured on a primary, noncontributory 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, Developer must cause each contractor to provide Automobile Liability Insurance with limits of not less than Two Million Dollars (\$2,000,000) per occurrence for bodily injury and property damage. The City is to be named as an additional insured on a primary, noncontributory basis.

(iv) Railroad Protective Liability Insurance.

When any work is to be done adjacent to or on railroad or rail transit property or within fifty (50) feet of railroad or rail transit property, contractor must 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 must have limits of not less than Two Million Dollars (\$2,000,000) per occurrence and Six Million Dollars (\$6,000,000) in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk Builders Risk Insurance.

When the contractor undertakes any construction, including improvements, betterments, and/or repairs, Developer must cause each contractor to provide, or cause to be provided All Risk Blanket Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the Project. Coverages shall include but are not limited to the following: collapse, boiler and machinery if applicable, flood including surface water backup. The City will 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,

Developer must cause such parties to maintain Professional Liability Insurance covering acts, errors, or omissions which shall be maintained with limits of not less than One Million Dollars (\$1,000,000). Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work performed in connection with this 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 by Developer's architects, contractors, subcontractors, project managers and other parties constructing the Project, Developer will cause such parties to maintain Valuable Papers Insurance which must be maintained in an amount to insure against any loss whatsoever, and which must have limits sufficient to pay for the re-creations and reconstruction of such records, unless comparable insurance and coverages are included under such parties property insurance policies.

(viii) Contractor's Pollution Liability.

When any environmental remediation work is performed which may cause a pollution exposure, Developer will cause the party performing such work to maintain contractor's Pollution Liability insurance with limits of not less than One Million Dollars (\$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 is to be named as an additional insured on a primary, noncontributory basis.

(c) Other Insurance Required -- Reserved:

- (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 Building. The City is to be named as an additional insured.
- (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 Building site. Coverage extensions shall include business interruption/loss of rents, flood and boiler and machinery, if applicable. The City is to be named as an additional insured.

(d) Other Requirements:

- (i) Developer will furnish the City of Chicago, Department of Planning and Development, City Hall, Room 1000, 121 North LaSalle Street, Chicago, Illinois 60602, original Certificates of Insurance 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. Developer will submit evidence of insurance on the City Insurance Certificate Form or commercial equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer must not be deemed to be a waiver by the City. Nonconforming insurance will not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to terminate this Agreement until proper evidence of insurance is provided.
- (ii) The insurance will provide for sixty (60) days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.
- (iii) Any and all deductibles or self-insured retentions on referenced insurance coverages are borne by Developer.
- (iv) Developer agrees that insurers must waive rights of subrogation against the City, its employees, elected officials, agents, or representatives.
- (v) Developer expressly understands and agrees that any coverages and limits furnished by Developer will in no way limit Developer's liabilities and responsibilities specified within the Agreement documents or by law.
- (vi) Developer expressly understands and agrees that Developer's insurance is primary and any insurance or self-insurance programs maintained by the City will not contribute with insurance provided by Developer under the Agreement.

- (vii) The required insurance will 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.
- (viii) Developer will require its general contractor and all subcontractors to provide the insurance required herein or Developer may provide the coverages for the contractor or subcontractors. All contractors and subcontractors will be subject to the same requirements of Developer unless otherwise specified herein.
- (ix) If Developer, contractor or subcontractor desires additional coverages, Developer, contractor and each subcontractor will be responsible for the acquisition and cost of such additional protection.
- (x) The City Risk Management Department maintains the right to modify, delete, alter or change these requirements, so long as such action does not, without Developer's written consent, increase such requirements.

(Sub)Exhibit "A".
(To Redevelopment Agreement With
Home Depot, U.S.A., Inc.)

Jefferson/Roosevelt Redevelopment Project Area.

Legal Description.

A tract of land in the south half of Section 16 and the north half of Section 21 all in Township 39 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

beginning at the point of intersection of the south line of West Harrison Street with the east line of South Clinton Street; thence south along said east line of South Clinton Street to the north line of Lot 14 in the subdivision of Blocks 14, 15, 16, 28, 33, 34, 35, 38, 39, 40, 54, 57, 58, 59, 62, 63 and 64 in School Section Addition to Chicago in Section 16, Township 39 North, Range 14 East of the Third Principal Meridian, said north line of Lot 14 being also the south line of vacated West Arthington Street; thence east along said south line of vacated West Arthington Street and along the easterly extension thereof to the east line of South Canal Street; thence south along said east line of South Canal Street to the north line of West Taylor Street; thence east along said north line

of West Taylor Street to the southeast corner of the parcel of land bearing Permanent Index Number 17-16-321-003; thence north along the east line of said parcel of land bearing Permanent Index Number 17-16-321-003 and along said east line extended north to the centerline of West Polk Street; thence east along said centerline of West Polk Street to the point of intersection of said centerline of West Polk Street with the southerly extension of a line 20 feet east of and parallel with the east line of Lot 16 in the Railroad Companies Resubdivision, said point of intersection being also the southeast corner of the parcel of land bearing Permanent Index Number 17-16-400-006; thence north along said southerly extension of a line 20 feet east of and parallel with the east line of Lot 16 in the Railroad Companies Resubdivision to the north line of West Polk Street; thence east along said north line of West Polk Street to the west dock line of the south branch of the Chicago River; thence south along said west dock line of the south branch of the Chicago River to the south line of West Roosevelt Road; thence west along said south line of West Roosevelt Road to the west line of South Stewart Avenue; thence south along said west line of South Stewart Avenue to the south line of vacated 13th Street, said south line of vacated 13th Street being also the north line of Evans' and Brainard's Resubdivision of Block 7 in Brainard and Evans' Addition to Chicago, a subdivision of Blocks 57 and 58 of Original Canal Trustees' Subdivision in the west half of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian; thence west along said south line of vacated 13th Street to the east line of South Canal Street; thence north along said east line of South Canal Street and along the northerly extension thereof to the north line of the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, said north line being also the original centerline of West Roosevelt Road; thence west along said north line of the northwest quarter of Section 21 to the northerly extension of the east line of Lot 1 in Block 3 in Brainard and Evans' Addition to Chicago, a subdivision of Blocks 57 and 58 of Original Canal Trustees' Subdivision in the west half of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, said east line of Lot 1 being also the west line of South Clinton Street; thence south along said west line of South Clinton Street to the centerline of West Maxwell Street; thence east along said centerline of West Maxwell Street to the original centerline of South Clinton Street, said original centerline of South Clinton Street being a line 25 feet west of and parallel with the west line of Block 2 in the Central Terminal Railway Company's Subdivision in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian; thence south along said original centerline of South Clinton Street to the centerline of West 14th Place; thence west along said centerline of West 14th Place to the northerly extension of the east line of Lot 3 in John Nutt's Subdivision of Lots 4, 5 and 6 in Block 52 of the Canal Trustees' New Subdivision of blocks in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, except Blocks 57 and 58; thence south along said northerly extension and the east line of Lot 3 in John Nutt's Subdivision and along the southerly extension of said east line of Lot 3 to the south line of the vacated 10 foot alley south of

and adjoining the south line of said Lot 3 and Lots 4 through 8, inclusive in said John Nutt's Subdivision, said south line of the vacated 10 foot alley being also a north line of the Central Terminal Railway Company's Subdivision in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian; thence west along said north line of the Central Terminal Railway Company's Subdivision in the northwest quarter of Section 21 to the southerly extension of the west line of Lot 8 in said John Nutt's Subdivision, said southerly extension being also a west line of aforesaid Central Terminal Railway Company's Subdivision; thence south along said west line of Central Terminal Railway Company's Subdivision to the north line of West 15th Street; thence west along said north line of West 15th Street and along the westerly extension thereof to the west line of South Jefferson Street; thence south along said west line of South Jefferson Street to the south line of the north 23 feet of that part of vacated West 15th Street lying south of and adjoining the south line of Lot 8 in W. S. Southworth's Subdivision of Lot 1 in Block 53 of Canal Trustees' New Subdivision of blocks in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, except Blocks 57 and 58; thence west along the south line of the north 23 feet of vacated West 15th Street to the southerly extension of the east line of the west 21.15 feet of Lot 7 in the Assessor's Division of Lot 6 of Block 53 of the Canal Trustees' New Subdivision of blocks in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, except Blocks 57 and 58; thence north along said southerly extension and the east line of the west 21.15 feet of Lot 7 in the Assessor's Division of Lot 6 of Block 53 of the Canal Trustees' New Subdivision and along the east line of the west 21.15 feet of Lot 2 in said Assessor's Division to the south line of West 14th Place; thence north along a straight line, crossing West 14th Place, to the southwest corner of Lot 12 in O. J. Rose's Subdivision of Lots 8 and 9 of Block 56 in Canal Trustees' New Subdivision of blocks in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, except Blocks 57 and 58; thence north along the west line of said Lot 12 and along the northerly extension thereof and along the west line of Lot 13 in said O. J. Rose's Subdivision to the south line of West Barber Street; thence north along a straight line, crossing West Barber Street, to the southeast corner of the west 72.55 feet of original Lot 6 in Block 56 in Canal Trustees' New Subdivision of blocks in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, except Blocks 57 and 58; thence north along the east line of the west 72.55 feet of original Lot 6 in Block 56 in Canal Trustees' New Subdivision of blocks in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, except Blocks 57 and 58 and along the northerly extension thereof to the centerline of West 14th Street; thence east along said centerline of West 14th Street to the southerly extension of the west line of Lot 4 in the Assessor's Division of the east half of Lot 9 in Block 63 of Canal Trustees' New Subdivision of blocks in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, except Blocks 57 and 58; thence north along said southerly extension and the

west line of Lot 4 in the Assessor's Division of the east half of Lot 9 in Block 63 of Canal Trustees' New Subdivision and along the northerly extension thereof to the centerline of the vacated alley lying north of and adjoining said Lot 4; thence east along said centerline of the vacated alley lying north of and adjoining Lot 4 in the Assessor's Division of the east half of Lot 9 in Block 63 of Canal Trustees' New Subdivision to the southerly extension of the west line of Lot 10 in John Nutt's Subdivision of Lots 10, 11 and 12 in Block 63 of Canal Trustees' New Subdivision of blocks in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, except Blocks 57 and 58; thence north along said southerly extension and the west line of Lot 10 in John Nutt's Subdivision of Lots 10, 11 and 12 in Block 63 of Canal Trustees' New Subdivision to the northwest corner of said Lot 10; thence north along a straight line, crossing Liberty Street, to the southwest corner of Lot 7 in G. R. Clarke's Subdivision of Lot 5 of Block 63 of Canal Trustees' New Subdivision; thence north along the west line of said Lot 7 and along the west line of Lot 2 in said G. R. Clarke's Subdivision to the south line of West Maxwell Street; thence north along a straight line, crossing West Maxwell Street, to the southwest corner of Lot 22 in Rose's Subdivision of Lots 5 to 10 in Block 66 of Canal Trustees' New Subdivision of blocks in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, except Blocks 57 and 58; thence north along the west line of said Lot 22 and along the northerly extension thereof and along the west line of Lot 25 in said Rose's Subdivision to the south line of West 13th Street; thence north along a straight line, crossing West 13th Street to the southwest corner of Lot 40 in said Rose's Subdivision; thence north along the west line of said Lot 40 in Rose's Subdivision and along the northerly extension thereof and along the west line of Lot 43 in said Rose's Subdivision to the south line of West O'Brien Street; thence north along a straight line, crossing West O'Brien Street, to the southeast corner of the west 51 feet of Lot 10 in Block 67 of Canal Trustees' New Subdivision of blocks in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, except Blocks 57 and 58; thence north along the east line of said west 51 feet of Lot 10 in Block 67 of Canal Trustees' New Subdivision and along the northerly extension thereof to the north line of West 12th Place; thence west along said north line of West 12th Place to the west line of Lot 5 in Block 67 of Canal Trustees' New Subdivision of blocks in the northwest quarter of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, except Blocks 57 and 58; thence north along said west line of Lot 5 in Block 67 of Canal Trustees' New Subdivision and along the northerly extension thereof to the north line of West Roosevelt Road; thence east along said north line of West Roosevelt Road to the west line of South Desplaines Street; thence north along said west line of South Desplaines Street to the north line of West DeKoven Street; thence west along said north line of West DeKoven Street to the east line of the west 10.8 feet of Lot 10 in Block 14 in the subdivision of Blocks 14, 15, 16, 28, 33, 34, 35, 38, 39, 40, 54, 57, 58, 59, 62, 63 and 64 in the School Section Addition in Section 16, Township 39 North, Range 14 East of the Third Principal Meridian; thence north along said east line of the west 10.8 feet of Lot 10 in

Block 14 in the subdivision of Blocks 14, 15, 16, 28, 33, 34, 35, 38, 39, 40, 54, 57, 58, 59, 62, 63 and 64 in the School Section Addition and along the northerly extension thereof to the south line of Lot 7 in said Block 14 in the subdivision of Blocks 14, 15, 16, 28, 33, 34, 35, 38, 39, 40, 54, 57, 58, 59, 62, 63 and 64 in the School Section Addition, said south line of Lot 7 being also the north line of the alley north of West DeKoven Street; thence west along said north line of the alley north of West DeKoven Street to the west line of said Lot 7 in Block 14 in the subdivision of Blocks 14, 15, 16, 28, 33, 34, 35, 38, 39, 40, 54, 57, 58, 59, 62, 63 and 64 in the School Section Addition; thence north along said west line of Lot 7 in Block 14 and along the northerly extension thereof to the north line of West Taylor Street; thence west along said north line of West Taylor Street to the west line of Lot 22 in Block 15 in the subdivision of Blocks 14, 15, 16, 28, 33, 34, 35, 38, 39, 40, 54, 57, 58, 59, 62, 63 and 64 in the School Section Addition; thence north along said west line of Lot 22 in Block 15 and along the northerly extension thereof and along the west line of Lot 11 in said Block 15 to the south line of vacated West Arthington Street; thence north along a straight line, crossing vacated West Arthington Street, to the southwest corner of Lot 6 in said Block 15 in the subdivision of Blocks 14, 15, 16, 28, 33, 34, 35, 38, 39, 40, 54, 57, 58, 59, 62, 63 and 64 in the School Section Addition; thence north along the west line of said Lot 6 and along the west line of Lot 22 in Block 16 in the subdivision of Blocks 14, 15, 16, 28, 33, 34, 35, 38, 39, 40, 54, 57, 58, 59, 62, 63 and 64 in the School Section Addition to the south line of West Cabrini Street; thence north along a straight line, crossing West Cabrini Street, to the southwest corner of Lot 11 in said Block 16 in the subdivision of Blocks 14, 15, 16, 28, 33, 34, 35, 38, 39, 40, 54, 57, 58, 59, 62, 63 and 64 in the School Section Addition; thence north along the west line of said Lot 11 in Block 16 and along the west line of Lot 6 in said Block 16 and along the northerly extension thereof to the north line of West Polk Street; thence east along said north line of West Polk Street to the west line of Lot 36 in S. W. Rawson's Subdivision of Block 17 in the School Section Addition in Section 16, Township 39 North, Range 14 East of the Third Principal Meridian; thence north along said west line of Lot 36 in S. W. Rawson's Subdivision and along the northerly extension thereof to a point on the south line of Lot 27A in said S. W. Rawson's Subdivision, said point being 3.74 feet west of the southeast corner of said Lot 27A; thence continuing north along the west line of the east 3.74 feet of Lot 27A in said S. W. Rawson's Subdivision and along the northerly extension thereof and along the east line of the west 6.62 feet of Lot 5A in said S. W. Rawson's Subdivision and along the northerly extension thereof and along the west line of Lot 46 in J. W. Hedenberg's Subdivision of Block 18 of the School Section Addition in Section 16, Township 39 North, Range 14 East of the Third Principal Meridian and along the northerly extension of said west line of Lot 46 to the centerline of West Vernon Place; thence east along said centerline of West Vernon Place to the southerly extension of the east line of the west 11 feet of Lot 23 in said J. W. Hedenberg's Subdivision of Block 18 of the School Section Addition; thence north along said southerly extension and the east line of the west 11 feet of Lot 23 in said J. W. Hedenberg's Subdivision of Block 18 of the

School Section Addition and along the northerly extension thereof to the centerline of the alley lying north of and adjoining said Lot 23; thence west along said centerline of the alley lying north of and adjoining Lot 23 in J. W. Hedenberg's Subdivision to the southerly extension of the west line of the east 5.00 feet of Lot 11 in said J. W. Hedenberg's Subdivision; thence north along said southerly extension and the west line of the east 5.00 feet of Lot 11 in said J. W. Hedenberg's Subdivision and along the northerly extension thereof to the north line of West Harrison Street; thence east along said north line of West Harrison Street to the northerly extension of the east line of Lot 1 in Alvah S. Green's Subdivision of Block 42 in the School Section Addition in Section 16, Township 39 North, Range 14 East of the Third Principal Meridian, said east line of Lot 1 being also the west line of South Clinton Street; thence south along said northerly extension to the south line of West Harrison Street; thence east along said south line of West Harrison Street to the point of beginning, all in the City of Chicago, Cook County, Illinois.

(Sub)Exhibit "B-1".

(To Redevelopment Agreement With
Home Depot, U.S.A., Inc.)

Legal Description Of Home Depot Property.

A tract of land in the northwest quarter of Section 21, Township 39 North, Range 14, East of the Third Principal Meridian, including within its boundaries, a part of Lot 3, all of Lot 4 and a part of Lot 5 in the resubdivision of Lots 9, 10 and 11 in Block 3 of Brainard and Evans' Addition to Chicago, together with a part of Lots 12 through 16, inclusive, in Block 3 of Brainard and Evans' Addition to Chicago, together with vacated 12th Place lying south of said Block 3, together with John Evans' Subdivision of Block 4 of Brainard and Evans' Addition to Chicago, together with the vacated alley lying within said Block 4, together with vacated 13th Street lying south of said Block 4, together with the resubdivision of Block 9 in Brainard and Evans' Addition to Chicago, together with the vacated alley lying within said Block 9, all taken as one tract and more particularly described as follows:

beginning at the southwest corner of said Block 9; thence north 00 degrees, 00 minutes, 00 seconds west along the east line of Jefferson Street, a distance of 613.90 feet; thence south 89 degrees, 53 minutes, 40 seconds east, 334.04 feet to the west line of Clinton Street; thence south 00 degrees, 00 minutes, 16 seconds west along said west line, 615.95 feet to the southeast corner of the

resubdivision of Block 9 in Brainard and Evans' Addition to Chicago; thence north 89 degrees, 32 minutes, 31 seconds west along the south line of said resubdivision of Block 9, a distance of 334.00 feet to the point of beginning, in Cook County, Illinois.

Permanent Index Numbers:

17-21-102-020-0000 (part of)

17-21-102-021-0000 (part of)

17-21-107-026-0000; and

17-21-110-018-0000.

(Sub)Exhibit "D-1".
(To Redevelopment Agreement With
Home Depot, U.S.A., Inc.)

Project Budget.

Land Acquisition	\$16,670,000
Construction	7,447,600
Site Preparation, Demolition and Remediation	5,275,000
Fixtures, Fittings and Equipment	1,425,000
Architectural and Engineering	567,400
Additional Equipment	350,000
Legal Costs	260,000
TOTAL PROJECT COSTS:	\$31,995,000

(Sub)Exhibit "D-2".
(To Redevelopment Agreement With
Home Depot, U.S.A., Inc.)

Construction (M.B.E./W.B.E.) Budget.

Construction	\$ 7,447,600
Site Preparation, Demolition and Remediation	5,275,000
Architectural and Engineering	567,400
Legal Costs	260,000
TOTALS COSTS:	\$13,550,000

Initial Project M.B.E. Dollar Value	M.B.E. Total:	$\$13,550,000 \times 24\% = \$3,252,000$
Initial Project W.B.E. Dollar Value	W.B.E. Total:	$\$13,550,000 \times 4\% = \$ 542,000$

(Sub)Exhibit "E".
(To Redevelopment Agreement With
Home Depot, U.S.A., Inc.)

T.I.F.-Funded Improvements.

Line Item	Cost
Land Acquisition	\$16,670,000
Site Preparation, Demolition and Remediation	5,275,000
TOTAL:	\$21,945,000

(Sub)Exhibit "G".
(To Redevelopment Agreement With
Home Depot, U.S.A., Inc.)

Approved Prior Expenditure.

Line Item	Name Of Firm	Contract Price	Previously Paid	Amount Of This Payment	Balance To Become Due
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
Total:		\$ _____	\$ _____	\$ _____	\$ _____

(Sub)Exhibit "H".
(To Redevelopment Agreement With
Home Depot, U.S.A., Inc.)

Permitted Liens.

1. Liens or encumbrances against the Property (and related improvements):

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 full force and effect.

2. Liens or encumbrances against Developer or the Project, other than liens against the Property (and related improvements), if any:

None.

(Sub)Exhibit "I".
(To Redevelopment Agreement With
Home Depot, U.S.A., Inc.)

Form Of Opinion Of Developer's Counsel.

[To Be Retyped On Developer's Counsel's Letterhead]

_____, 2006.

City of Chicago
City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602

Attention: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to Home Depot, U.S.A., Inc., a Delaware corporation (the "Developer"), in connection with the construction of certain improvements on _____ located in the Jefferson/Roosevelt 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) Home Depot, U.S.A., Inc. Redevelopment Agreement (the "Agreement") of even date herewith, executed by Developer and the City of Chicago (the "City"); and
- (b) 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 Developer's (i) _____ Certification of Incorporation, as amended to date, (ii) Bylaws, (iii)

qualifications to do business and certificates of good standing in all states in which Developer is qualified to do business, 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 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. Developer is a corporation duly organized, validly existing and in good standing under the laws of its state of organization, has full power and authority to own and lease its properties and to carry on its own business as presently conducted, and is in good standing and duly qualified to do business as a foreign organization 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. Developer 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, Developer's Certificate 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 Developer is a party or by which Developer 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 Developer 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 in favor of any lender providing lender financing.

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 Developer.

4. Each of the Documents to which Developer is a party has been duly executed and delivered by a duly authorized officer of Developer, and each such Document constitutes the legal, valid and binding obligation of Developer, 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. (Sub)Exhibit A attached hereto (a) identifies the shareholders of Developer and the number of shares held each shareholder. 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 equity of Developer. Each outstanding share of Developer is duly authorized, validly issued, fully paid and non-assessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against Developer or affecting Developer or its property, or seeking to restrain or enjoin the performance by 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, 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 Developer or its business.

7. To the best of our knowledge after diligent inquiry, there is no default by Developer or any other party under any material contract, lease, agreement, instrument or commitment to which Developer is a party or by which the company or its properties is bound.

8. To the best of our knowledge after diligent inquiry, all of the assets of Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

9. The execution, delivery and performance of the Documents by Developer 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, Developer 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 or the laws of the State of Illinois or laws of the State of Delaware relating to corporations.

This opinion is issued at 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 "L".
(To Redevelopment Agreement With
Home Depot, U.S.A., Inc.)

Public Benefits Program.

Notwithstanding anything to the contrary set forth in Section 8.20 of this

\$

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

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

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

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

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

Home Depot, U.S.A., Inc.,
a Delaware corporation

By: _____

Name: _____

Title: _____

Subscribed and sworn before me this
_____ day of _____, _____.

My commission expires: _____.

(Sub)Exhibit "B-2".
(To Redevelopment Agreement With
Home Depot, U.S.A., Inc.)

Site Plan For The Project.

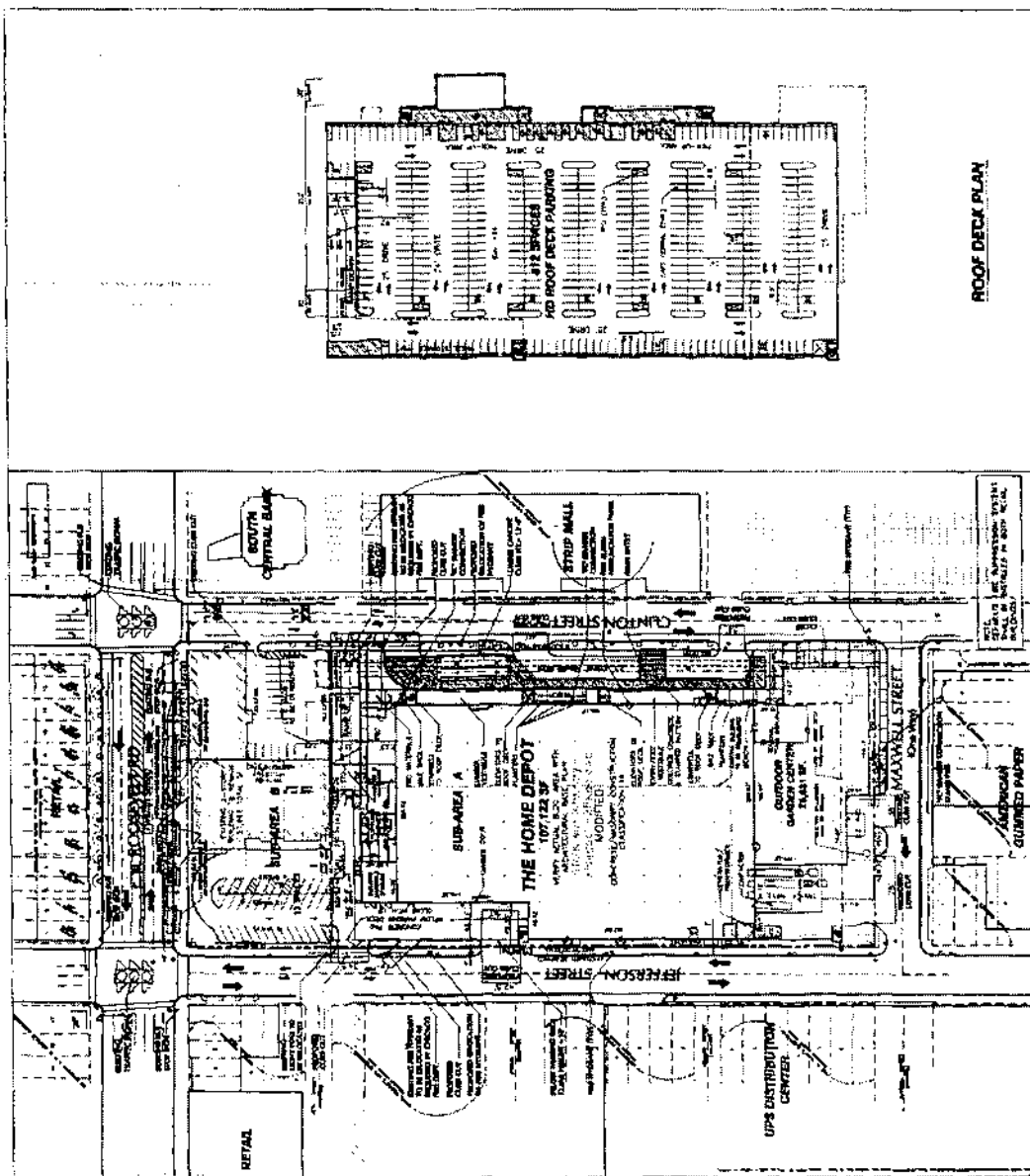


Exhibit "B".
(To Ordinance)

Registered
Number R-1

Maximum Amount
Not To Exceed
\$5,400,000

United States Of America

State Of Illinois

County Of Cook

City Of Chicago

Tax Increment Allocation Revenue Note (Home Depot
U.S.A., Inc. South Loop Redevelopment
Project), Taxable Series A.

Registered Owner: Home Depot U.S.A., Inc.
Interest Rate: Seven and zero-tenths percent (7.0%) per annum
Maturity Date: December 31, 2024

Know All Persons By These Presents, That the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with the Ordinance hereinafter referred to up to the principal amount of Five Million Four Hundred Thousand Dollars (\$5,400,000) and to pay the Registered Owner or registered assigns interest on that amount at the interest Rate per year specified above from the date of the advance. Interest shall be computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months. Interest on accrued but unpaid interest on this Note shall accrue at the Interest Rate per year specified above beginning in January of each year until paid. Principal of and interest on this Note are payable in February of each year from the percentage of Available Incremental Taxes as provided in the Redevelopment Agreement (hereinafter defined), to be applied first to accrued and unpaid interest and the balance to principal.

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 fifteen (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.

This Note is issued by the City in fully registered form in the aggregate principal amount of advances made from time to time by Home Depot U.S.A., Inc. a Delaware corporation, (the "Developer"), of up to Five Million Four Hundred Thousand Dollars (\$5,400,000) for the purpose of paying the costs of certain eligible redevelopment project costs incurred by Developer in connection with the redevelopment of property in the Jefferson/Roosevelt Redevelopment Project Area (the "Project Area") in the City, with such redevelopment work and related construction being defined as the "Project", all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, et seq.) as amended (the "T.I.F. Act"), the Local Government Debt Reform Act (30 ILCS 350/1, et seq.) as amended and an ordinance adopted by the City Council of the City on _____, 2006 (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 of and interest of the Note. The revenues so pledged are described in the Redevelopment Agreement (hereinafter defined) as "Available Incremental Taxes". Reference is hereby made to the aforesaid Ordinance for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to the Note and the terms and conditions under which the Note is issued and secured. This Note Is A Special Limited Obligation Of The City, And Is Payable Solely From The Available 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 Of Or Interest On This Note.

The principal of this Note is subject to prepayment and redemption at any time without premium or penalty.

This Note is transferable with the consent of the City 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 (15th) day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for prepayment or redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of prepayment or redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide. Pursuant to the Redevelopment Agreement dated as of _____, 2006 (the "Redevelopment Agreement") between the City and Developer, Developer has agreed to construct the Project and to advance funds for the incursion under the T.I.F. Act of certain eligible redevelopment project costs related to the Project. Such costs up to the amount of Five Million Four Hundred Thousand Dollars (\$5,400,000) shall be deemed to be a disbursement of the proceeds of this Note and the outstanding principal amount of this Note shall be increased by the amount of each such advance from time to time. The principal amount outstanding of this Note shall be the sum of advances made pursuant to certificates of expenditure ("Certificates of Expenditure") executed by the City in accordance with the Redevelopment Agreement, minus any principal amount paid on this Note. The City shall not execute Certificates of Expenditure with respect to this Note that total in excess of Five Million Four Hundred Thousand Dollars (\$5,400,000). The principal amount of this Note may be reduced as provided in the Redevelopment Agreement.

Pursuant to Sections 4.03 and 15.02 of the Redevelopment Agreement, the City has reserved the right to terminate and suspend payments of principal of and interest on this Note upon the occurrence and continuance of certain events, as described in the Redevelopment Agreement. Such right shall survive any transfer of this Note by the Registered Owner.

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 _____, 20__.

Mayor

[Seal]

Attest:

City Clerk

Registrar and Paying Agent:

Certificate
Of
Authentication

Comptroller of the
City of Chicago,
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is the Five Million Four Hundred Thousand Dollar (\$5,400,000) Tax Increment Allocation Revenue Note (Home Depot U.S.A., Inc. Redevelopment Project), Taxable Series A, of the City of Chicago, Cook County, Illinois.

Comptroller

Date: _____

(Assignment)

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

Dated: _____
Registered Owner

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

Signature Guaranteed: _____

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

Consented to as of: _____

City of Chicago, Illinois

By: _____

Title: _____, Department of
Planning and Development

Exhibit C.
(To Ordinance)

Certificate Of Expenditure.

_____,
To: Registered Owner

Re: City of Chicago, Cook County, Illinois (the "City")
\$5,400,000 Tax Increment Allocation Revenue Note
(Home Depot U.S.A., Inc. South Loop Redevelopment Project),
Taxable Series A (the "Redevelopment Note")

This Certificate is submitted to you, as 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 _____, 2006 (the "Ordinance"). All terms used herein shall have the same meanings as when used in the Ordinance.

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

In Witness Whereof, The City has caused this Certificate to be signed on its behalf as of _____, _____.

City of Chicago

By: _____, Commissioner,
Department of Planning
and Development

Authenticated By:

Registrar

DESIGNATION OF JFA REAL ESTATE, L.L.C. AND JAYS FOODS, INC.
AS PROJECT DEVELOPER AND AUTHORIZATION FOR EXECUTION
OF REDEVELOPMENT AGREEMENT FOR REHABILITATION
OF MANUFACTURING AND WAREHOUSING FACILITIES
AT 825 AND 1001 EAST 99TH STREET.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

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 Jays Foods Incorporated, 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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schuler, Moore, Stone -- 40.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on June 10, 1998 and published at pages 70210 through 70340 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 Stony Island Commercial/Burnside Industrial Corridors Redevelopment Project Area (the "Area") was approved pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq.) (the "Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on June 10, 1998 and published at pages 704341 through 70353 of the *Journal* of such date, the Area was designated as a redevelopment project area pursuant to the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on June 10, 1998 and published at pages 70354 through 70366 of the *Journal* of such date, tax increment allocation financing was adopted pursuant to the Act as a means of financing certain redevelopment project costs (as defined in the Act) incurred in the Area pursuant to the Plan; and

WHEREAS, JFA Real Estate, L.L.C., an Illinois limited liability company (the "Owner"), owns, in fee simple, certain real property commonly referred to as "825 East 99th Street" and "1001 East 99th Street" that both are located within the Area (collectively, the "Property"), and proposes to commence and complete rehabilitation of approximately two hundred thirty thousand (230,000) square feet of manufacturing and warehousing facilities thereon (the "Project"), and to lease the Property and the Project to Jays Foods, Inc., a Delaware corporation (the "Tenant") for its use in food and snack manufacturing, warehousing and distribution (Owner and Tenant, collectively, the "Company"); and

WHEREAS, The Company proposes to undertake the Project 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 completion of the Project; and

WHEREAS, Pursuant to Resolution 06-CDC-08, adopted by the Community Development Commission of the City of Chicago (the "Commission") on January 10, 2006, the Commission recommended that the Tenant be designated as the developer for the Project and that the City's Department of Planning and Development ("D.P.D.") be authorized to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Tenant for the Project; and

WHEREAS, Since no other responsive proposals were received by D.P.D. for the redevelopment of the Property or a portion thereof within fourteen (14) days after such publication, pursuant to Resolution 06-CDC-08, the Commission has recommended that the Tenant 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 Tenant 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 the form attached hereto as Exhibit A and made a part hereof (the "Redevelopment Agreement"), and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

SECTION 4. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 5. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 6. This ordinance shall be in full force and effect immediately upon its passage.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".
(To Ordinance)

Jays/JFA Redevelopment Agreement

By And Between

The City Of Chicago

And

Jays Foods, Inc. And JFA Real Estate, L.L.C.

This Jays/JFA Redevelopment Agreement (this "Agreement") is made as of this _____ day of _____, 2006 by and among the City of

Chicago, an Illinois municipal corporation (the "City"), through its Department of Planning and Development ("D.P.D."), Jays Foods, Inc., a Delaware corporation (the "Developer") and JFA Real Estate, L.L.C., an Illinois limited liability company ("Owner").

Recitals.

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

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

C. City Council Authority. To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on June 10, 1998: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Stony Island Commercial/Burnside Industrial Corridors Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Stony Island Commercial/Burnside Industrial Corridors 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 Stony Island Commercial Burnside Industrial Corridors Redevelopment Project Area" (the "T.I.F. Adoption Ordinance") (items (1) -- (3) collectively referred to herein as the "T.I.F. Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in (Sub)Exhibit A hereto.

D. The Project. The Owner has purchased certain property located within the Redevelopment Area at 825 East 99th Street and at 1001 East 99th Street, Chicago, Illinois 606__ and legally described on (Sub) Exhibit B hereto (the "Property"), and, within the time frames set forth in Section 3.01 hereof, shall commence and complete rehabilitation of approximately two hundred thirty thousand (230,000) square feet of manufacturing and warehouse facilities (the "Facility") thereon. Owner leased the Property and the Facility to the Developer in that certain Industrial Lease Agreement ("Lease Agreement") effective as of April 1, 2005 by and between the Owner and Developer.

The purposes of the rehabilitation are to modernize the existing food and snack manufacturing plant and to convert an existing warehouse for food product distribution and warehousing use. This work will include mechanical, architectural and electrical upgrades (including an Energy Star-rated roofing treatment), production flow improvement equipment, truck and other vehicle access improvements, a new truck dock, a conveyor system and tunnel between the two (2) buildings, and related matters. The Facility and related improvements (including but not limited to those T.I.F.-Eligible Improvements as defined below and set forth on (Sub)Exhibit C) are collectively referred to herein as the "Project". The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan. The Project will be carried out in accordance with this Agreement and the City of Chicago Stony Island Commercial/Burnside Industrial Corridors Redevelopment Project Area Tax Increment Financing Program Redevelopment Plan and Project (the "Redevelopment Plan") attached hereto as (Sub)Exhibit D.

F. City Financing. The City agrees to use, in the amounts set forth in Section 4.03 hereof, Available Incremental Taxes (as defined below) to pay for or reimburse the Owner, who shall deliver the funds to the Developer, for the costs of T.I.F.-Eligible 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:

"Act" shall have the meaning set forth in the recitals hereof.

"Actual residents of the City" shall have the meaning set forth in Section 10.02 hereof.

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

"Available Incremental Taxes" shall mean an amount equal to the Incremental Taxes deposited in the Stony Island Commercial/Burnside Industrial Corridors Redevelopment Project Area T.I.F. Fund as of June 30 in the calendar year during which a Requisition Form is received by the City, less the sum of the Stony Island Commercial/Burnside Industrial Corridors Administration Fee arising during the same calendar year and the amount of Annual Incremental Taxes that are necessary to pay principal of and interest on the S.B.I.F. Note Obligations and the Greenwood Note Obligations, and to pay the tax increment obligations of the W.V.O.N. Obligations arising during the same calendar year, if any.

"Certificate" shall mean the certificate of completion of rehabilitation described in Section 7.01 hereof.

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

"City Council" shall have the meaning set forth in the recitals hereof.

"City 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.

"Commissioner" shall mean the Commissioner of the City's Department of Planning and Development.

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as (Sub)Exhibit E, that has been entered into between the Owner and the General Contractor providing for construction of 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, including but not limited to the Municipal Code of Chicago, Section 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

"Equity" shall mean funds of the Developer and/or Owner, as applicable (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns).

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow for the Project.

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

"Facility" shall have the meaning set forth in the recitals hereof.

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

"General Contractor" shall mean DSI Group, Inc., the general contractor hired by the Owner pursuant to Section 6.01.

"Greenwood Note Obligations" shall mean those repayment terms and conditions placed on the City Note referenced in that Redevelopment Agreement entered into on July 11, 2002 by and among the City, Greenwood Associates Limited Partnership, and First Bank and Trust Company of Illinois (formerly known as First Bank and Trust Co., Palatine, Illinois) as Trustee Under Trust Agreement dated August 15, 1995 and known as Trust Number 10-1959.

"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 T.I.F. 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 Stony Island Commercial/Burnside Industrial Corridors Redevelopment Project Area T.I.F. Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Later Period" shall have the meaning set forth in Section 8.06 hereof.

"Lender Financing" shall mean funds borrowed by the Developer and/or Owner, as applicable, from lenders and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.

"Letter of Credit" shall mean an irrevocable standby Letter of Credit in favor of the City in the initial amount of One Million Dollars (\$1,000,000), from a financial institution acceptable to the City, stating that the City may draw upon it, in its sole discretion, any time after the Closing Date and before that date that is ten (10) years after the date of issuance of the Certificate, as and to the extent necessary to remedy any Event of Default under this Agreement or to reimburse the City for any costs or losses it incurs in connection with any Event of Default under this Agreement. Notwithstanding anything to the contrary herein, after the fifth (5th) anniversary date of the issuance of the Certificate, the Letter of Credit shall decline by Two Hundred Thousand and no/100 Dollars (\$200,000.00) per annum, and shall no longer be required after it reaches a balance of Zero and no/100 Dollars (\$0.00).

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

"M.B.E./W.B.E. Budget" shall mean the budget attached hereto as (Sub)Exhibit H-2, as described in Section 10.03.

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

"New Mortgage" shall have the meaning set forth in Section 16 hereof.

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

"Occupancy Period" shall mean the period of time commencing on the date of issuance of the Certificate and continuing for ten (10) years thereafter.

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

"Permitted Mortgage" shall have the meaning set forth in Section 16 hereof.

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

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

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

"Project Budget" shall mean the budget attached hereto as (Sub)Exhibit H-1, showing the total cost of the Project by line item, furnished by the Developer and Owner to D.P.D., in accordance with Section 3.03 hereof.

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

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

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

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

"Requisition Form" shall mean the document, in the form attached hereto as (Sub)Exhibit L, to be delivered by the Developer to D.P.D. pursuant to Section 4.04 of this Agreement.

"S.B.I.F. Note Obligations" shall mean those repayment terms and conditions stated in that Tax Increment Allocation Revenue Note (Stony Island Commercial and Burnside Industrial Corridors Redevelopment Project) Taxable Series 2001 made by the City to Advance Bank on January 9, 2001, and the City ordinance referenced therein.

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

"Stony Island Commercial/Burnside Industrial Corridors Administration Fee" shall mean five percent (5%) of the Incremental Taxes.

"Stony Island Commercial/Burnside Industrial Corridors Redevelopment Project Area T.I.F. 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.

"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 forty-five (45) days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on December 31, 2018.

"T.I.F. Adoption Ordinance" shall have the meaning set forth in the recitals hereof.

"T.I.F.-Eligible 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 (Sub)Exhibit C lists the T.I.F.-Eligible Improvements for the Project.

"T.I.F. Ordinances" shall have the meaning set forth in the recitals hereof.

"Title Company" shall mean _____.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Owner as the insured, noting the recording of this Agreement as an encumbrance against the Property, 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.

"W.A.R.N. Act" shall mean the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101, et seq.).

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

"W.V.O.N. Obligations" shall mean those City Funds payment terms set forth in that W.V.O.N. Redevelopment Agreement entered into on July 17, 2006 by and between the City and Midway Broadcasting Corporation.

Section 3.

The Project.

3.01 The Project.

The Developer and Owner have commenced construction of the Project and intend to complete construction and have Developer conduct business operations therein no later than December 31, 2006, subject to the provisions of Section 18.17 of this Agreement. The Project shall be carried out substantially in accordance with the Plans and Specifications for the Project.

3.02 Scope Drawings And Plans And Specifications.

The Developer and Owner have delivered the Scope Drawings and Plans and Specifications to D.P.D. and D.P.D. has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to D.P.D. as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer and Owner shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget.

The Developer and Owner have furnished to D.P.D. and D.P.D. has approved, a Project Budget showing total costs for the Project in an amount not less than Twenty-three Million Seven Hundred Ninety-three Thousand Four Hundred Ten Dollars (\$23,793,410). The Developer and Owner hereby certify to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs, and (b) the Project Budget is true, correct and complete in all material respects. The Developer and/or Owner shall promptly deliver to D.P.D. certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders.

Except as provided below, 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 and/or Owner to D.P.D. concurrently with the progress reports described in Section 3.07 hereof; provided, that any Change Order (or combination of Change Orders) relating to any of the following must be submitted by the Developer or Owner to D.P.D. for D.P.D.'s prior written approval: (a) a cumulative reduction of five percent (5%) or more in the gross or net square footage of the Facility; (b) a cumulative increase of five percent (5%) or more in the Project Budget; (c) a change in the use of the Property to a use other than food and snacks manufacturing, warehousing and distribution, and administrative offices for same; or (d) a delay in the completion of the Project by more than six months past December 31, 2006. The Developer and Owner 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 of D.P.D.'s written approval (to the extent required in this section).

3.05 D.P.D. Approval.

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

3.06 Other Approvals.

Any D.P.D. approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's or Owner's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. Neither the Developer nor Owner shall not commence construction of the Project until the party has obtained all necessary permits and approvals (including but not limited to D.P.D.'s approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.07 Progress Reports And Survey Updates.

The Developer and/or Owner shall provide D.P.D. with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring D.P.D.'s written approval pursuant to Section 3.04). The written quarterly

progress reports shall include duplicates of applicable support documentation verifying the disbursement and receipt of overall Project funds (i.e. invoices, canceled checks, partial and final waivers-of-lien, et cetera). Developer and/or Owner shall also provide monthly reports to D.P.D. on M.B.E./W.B.E. utilization, prevailing wage and City residency based on expenditures to-date, which report shall include, if applicable, a plan by the Owner and Developer to address any shortfalls. The City retains the right to review construction-related draw requests which must be accompanied by, among other things, invoices, canceled checks, lien waivers owner's sworn statement, general contractor's sworn statement and M.B.E./W.B.E. subcontractor contract amounts and certification letters as a prerequisite to disbursement. The Developer shall provide three (3) copies of an updated Survey to D.P.D. upon the request of D.P.D. 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 D.P.D. 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 D.P.D., prior to requests for disbursement for costs related to the Project.

3.09 Barricades.

Prior to commencing any construction requiring barricades, the Owner shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. D.P.D. 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 Owner and 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 and Owner first comply 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 Owner and 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 ("Total Project Cost") is estimated to be not less than Twenty-three Million Seven Hundred Ninety-three Thousand Four Hundred Ten Dollars (\$23,793,410) to be applied in the manner set forth in the Project Budget. Such Total Project Cost shall be funded from the following sources only:

Equity and/or Lender Financing (subject to Section 4.05(a))	\$23,793,410
Estimated Total Projections Costs:	\$23,793,410

4.02 Developer/Owner 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 reimburse the Owner (which Owner will promptly transfer to Developer upon receipt, as set forth in Section 4.04 herein) and Developer for costs of T.I.F.-Eligible Improvements that constitute Redevelopment Project Costs (Sub)Exhibit C sets forth, by line item, the T.I.F.-Eligible Improvements for the Project, and the maximum amount of costs that may be reimbursed from City Funds for each line item therein (subject to

Section 4.03(b)), contingent upon receipt by the City of documentation satisfactory in form and substance to D.P.D. evidencing such cost and its eligibility as a Redevelopment Project Cost. Except for the Initial City Funds Payment, City Funds shall not be paid to the Owner for benefit of the Developer hereunder prior to the issuance of a Certificate.

(b) Sources and Amount 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 maximum amount described directly below (the "City Funds") to pay for or reimburse the Owner (for the benefit of Developer) or Developer for the costs of the T.I.F.-Eligible Improvements:

Source Of City Funds	Maximum Amount
Available Incremental Taxes	the lesser of:
	(i) Four Million Five Hundred Thousand Dollars (\$4,500,000),
	(ii) eighteen and nine-tenths percent (18.9%) of the Total Project Costs, or
	(iii) one hundred percent (100%) of the costs of the T.I.F.-Eligible Improvements;

provided, however, that the amount of City Funds available from time to time to pay costs related to T.I.F.-Eligible Improvements is contingent upon the sufficiency at that time of Available Incremental Taxes in the Stony Island Commercial/Burnside Industrial Corridors Redevelopment Project Area T.I.F. Fund.

(c) Unavailability Of City Funds. The City is not obligated to pay the Owner (for the benefit of the Developer) or Developer in any year in which there are no City Funds. If, at the end of the Term of the Agreement, any outstanding obligation of City Funds exists (the "Outstanding Amount"), the Outstanding Amount shall be forgiven in full by the Owner and Developer, and the City shall have no obligation to pay the Outstanding Amount after the end of the Term of the Agreement.

4.04 Payment Of City Funds; Requisition Form.

(a) Initial City Funds Payment. Within thirty (30) days after the Closing Date of this Agreement, the City shall pay Owner for the benefit of Developer an amount of City Funds not to exceed One Million Dollars (\$1,000,000), provided that:

(i) T.I.F.-Eligible Expenditures incurred by Owner and/or Developer prior to the Closing Date equal or exceed One Million Dollars (\$1,000,000) and that Owner and/or Developer has provided D.P.D. with a Requisition Form on the Closing Date in the form set forth in (Sub)Exhibit L hereto documenting same, along with the other documentation described therein, and

(ii) the Developer has provided the City with the Letter of Credit.

(b) Additional City Funds Payments. After the issuance of the Certificate and thereafter throughout the earlier of (i) the Term of the Agreement or (ii) the date that the City Funds obligation has been paid in full under this Agreement, the City shall pay Owner, for the benefit of Developer, an amount of City Funds once annually on or about the next February 1 to occur following the City's receipt, not later than October 1 of the prior year, of a properly completed Requisition Form along with the documentation described therein.

The amount of City Funds paid on each such occasion shall not exceed the amount set forth on the respective Requisition Form, and is further limited to a maximum amount which shall be the lesser of:

(i) Three Million Five Hundred Thousand Dollars (\$3,500,000) divided by the number of collection years remaining prior to the expiration of the Redevelopment Project Area, when measured at the time of issuance of the Certificate;

(ii) fourteen and seven-tenths percent (14.7%) of total actual Project costs less the actual closing payment made by the City, divided by the number of collection years remaining prior to the expiration of the Redevelopment Project Area, when measured at the time of issuance of the Certificate; or

(iii) actual certified T.I.F.-eligible expenses incurred in connection with the Project less the actual closing payment made by the City, divided by the number of collection years remaining prior to the expiration of the Redevelopment Project Area, when measured at the time of issuance of the Certificate.

Each Requisition Form shall contain as part thereof certifications as to continuing operations and compliance generally with this Agreement. At the request of D.P.D., the Developer shall meet with D.P.D. to discuss any Requisition Form(s) delivered to D.P.D.. Notwithstanding anything herein to the contrary, the Owner and the Developer may submit a properly completed Requisition Form at Closing for payment of City Funds on or about the next February 1 to occur.

(c) Owner To Receive City Funds For Developer. By execution of this Agreement, Owner, on behalf of itself and its successors and assigns, hereby

disclaims, waives and releases any right, title or interest in the City Funds and any right to ever retain any payment of City Funds made to it for the benefit of the Developer. The parties acknowledge and agree that the City Funds will be initially paid to Owner because it is Owner that is incurring T.I.F.-Funded Costs that are reimbursable under the Act, but that Owner, as a material inducement to Developer's execution of the lease for the Project and this Agreement, hereby covenants to transfer the City Funds to Developer promptly upon receipt of such City Funds, and further covenants not to offset or withhold any of said City Funds against any obligation Developer then may have or owe to Owner, whether arising under the lease for the Project or otherwise.

4.05 Treatment Of Prior Expenditures And Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by the Owner or Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to D.P.D. and approved by D.P.D. as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). D.P.D. shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. (Sub)Exhibit I hereto sets forth the prior expenditures approved by D.P.D. as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than T.I.F.-Eligible Improvements shall not be reimbursed to the Owner for benefit of the Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Owner and Developer pursuant to Section 4.01 hereof.

(b) Allocation Among Line Items. Disbursements for expenditures related to T.I.F.-Eligible 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.

4.06 Cost Overruns.

If the aggregate cost of the T.I.F.-Eligible Improvements exceeds City Funds available pursuant to Section 4.03 hereof, or if the cost of completing the Project exceeds the Project Budget, the Owner and Developer shall be solely responsible for such exceeds cost, and shall hold the City harmless from any and all costs and expenses of completing the T.I.F.-Eligible Improvements in excess of City Funds and of completing the Project.

4.07 Conditional Grant.

The City Funds being provided hereunder are being granted on a conditional basis, subject to the Owner's and the Developer's compliance with the provisions of this Agreement.

4.08 Costs Of Issuance.

The Developer shall be responsible for paying all costs relating to the recordation of this Agreement, the issuance of the Letter of Credit, and for the opinion described in Section 5.09 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 Owner and Developer have submitted to D.P.D., and D.P.D. has approved, a Project Budget in accordance with the provisions of Section 3.03 hereof.

5.02 Scope Drawing And Plans And Specifications.

The Owner and Developer have submitted to D.P.D. and D.P.D. has approved, the Scope Drawings and Plans and Specifications in accordance with the provisions of Section 3.02 hereof.

5.03 Other Governmental Approvals.

The Owner and Developer have secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to D.P.D.

5.04 Financing.

The Owner and Developer have furnished proof reasonably acceptable to the City that there are Equity and Lender Financing in the amounts set forth in

Section 4.01 hereof to complete the Project and satisfy the obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Owner and/or Developer, as applicable, has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon as needed and are sufficient (along with the Equity set forth in Section 4.01) to complete the Project. The Owner and/or Developer, as applicable, has delivered to D.P.D. a copy of the construction escrow agreement, if any, 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 Owner has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Owner as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on (Sub)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 Owner has provided to D.P.D., 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 D.P.D.'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 each of the Owner's and Developer's names (and the following trade names of the Developer: Jay's Potato Chips) 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
United State District Court	Pending suits and judgments
Clerk of Circuit Court, Cook County	Pending suits and judgment

showing no liens against the Owner, the Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.07 Surveys.

The Owner has furnished the City with three (3) copies of the Survey.

5.08 Insurance.

The Owner and the Developer, as applicable, 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 D.P.D.

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 (Sub)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 (Sub)Exhibit J hereto, such opinions were obtained by the Developer from its general corporate counsel.

5.10 Evidence Of Prior Expenditures.

The Owner and Developer have provided evidence satisfactory to D.P.D. in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

5.11 Financial Statements.

The Developer has provided Financial Statements to D.P.D. for its most recent fiscal year and the two (2) prior fiscal years thereto and audited or unaudited interim financial statements for the current fiscal year.

5.12 Documentation.

The Owner and Developer shall have provided evidence satisfactory to D.P.D., in its sole discretion, with respect to their ability to satisfy M.B.E./W.B.E. and City resident employment standards. Such documentation shall include, without limitation, an M.B.E./W.B.E. utilization plan, including Schedules C and D and evidence of the General Contractor's having met with, and having provided bid documents to, applicable M.B.E./W.B.E. contractors and subcontractors.

5.13 Environmental.

The Owner has provided D.P.D. 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 Owner 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.

Each of the Owner and the Developer has provided a copy of its Articles or Certificate of Incorporation containing the original certification of the Secretary of State of its state of incorporation; Articles of Organization; certificates of good standing from the Secretary of State of its state of incorporation and all other states in which the entity is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws of the corporation; operating agreement; and such other corporate and limited liability company documentation as the City has requested. The Owner and the Developer have provided to the City Economic Disclosure Statements, in the City's then current form, dated or recertified as of the Closing Date.

5.15 Litigation.

The Developer has provided to Corporation Counsel and D.P.D., 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.

5.16 Leases.

The Owner has provided D.P.D. a copy of any leases (executed or proposed) for the Facility.

Section 6.

Agreements With Contractors.

6.01 Bid Requirement For General Contractor And Subcontractors.

The Owner has entered into an agreement with DSI Group, Inc. as its General Contractor for construction of the Project. The Owner hereby covenants that it 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 D.P.D. for its inspection and written approval. (i) For the T.I.F.-Eligible Improvements, the Owner shall cause the General Contractor to select the subcontractors submitting the lowest responsible bids that can complete the Project in a timely manner. If the General Contractor selects any subcontractor submitting other than the lowest responsible bid for the T.I.F.-Eligible Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the T.I.F.-Eligible Improvements, if the General Contractor selects any subcontractor that has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. The Owner shall submit copies of the Construction Contract to D.P.D. in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the T.I.F.-Eligible Improvements shall be provided to D.P.D. within five (5) business days of the execution thereof. The Owner shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by D.P.D. and all requisite permits have been obtained.

6.02 Construction Contract.

The Owner has delivered to D.P.D. a copy of the Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, and D.P.D. has approved same.

6.03 Performance And Payment Bonds.

Prior to the commencement of any portion of the Project which includes work on the public way, the Owner 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 (Sub)Exhibit P hereto. The City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity.

The Owner 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 (M.B.E./W.B.E. 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 T.I.F.-Eligible Improvements shall be provided to D.P.D. within five (5) business days of the execution thereof.

Section 7.

Completion Of Construction Or Rehabilitation.

7.01 Certificate Of Completion Of Construction.

Upon proof provided to D.P.D.'s satisfaction of:

- (i) completion of the construction of the Project in accordance with the terms of this Agreement;
- (ii) certificate of occupancy for the Facility;
- (iii) the establishment of operations by Developer in the Facility in accordance with the terms of this Agreement;

(iv) Developer and Owner having met or exceeded the M.B.E., W.B.E., prevailing wage and City residency requirements of this Agreement;

(v) the actual Total Project Costs of the Project;

(vi) the actual total T.I.F.-Eligible Improvements expenditures incurred by Owner and/or Developer;

(vii) cancelled checks and lien waivers for all amounts referenced in subsections (v) and (vi) above; and

(viii) upon the Owner's or Developer's written request,

then D.P.D. shall issue to the Owner and Developer a Certificate in recordable form certifying that the Owner and Developer have fulfilled their obligations to complete the Project in accordance with the terms of this Agreement. D.P.D. shall respond to the 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 Owner or Developer in order to obtain the Certificate. The Owner or Developer may resubmit a written request for a Certificate upon completion of such measures.

7.02 Effect Of Issuance Of Certificate; Continuing Obligations; Subordination Of Leasehold Interest.

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 Owner's and the Developer's obligation to complete such activities have been satisfied. Except as provided herein, 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 Section 8.02 (Project completion) and Section 8.19(c) (property taxes) as covenants that run with the land (the "City Encumbrances") 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.

Owner and Developer agree that, notwithstanding anything in the Lease Agreement to the contrary, the City Encumbrances shall, upon the recording of this Agreement, be superior to Developer's rights under the leasehold estate created by the Lease Agreement, regardless whether the Lease Agreement was entered into and record notice thereof recorded prior to the recording of this Agreement. Further, Developer and Owner hereby subordinate the Lease Agreement and Developer hereby subordinates its leasehold estate under the Lease Agreement to the City Encumbrances. However, nothing in this Agreement 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 Developer's rights as tenant under the Lease Agreement, or (b) a City right to terminate the Lease Agreement or to otherwise disturb Developer's right of possession as tenant under the Lease Agreement.

7.03 Failure To Complete.

If the Owner and Developer fail to complete the Project by the date set forth for completion in Section 3.01 hereof (e.g., December 31, 2007) or any date beyond this in the sole discretion of the Commissioner of D.P.D. 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 T.I.F.-Eligible Improvements that are public improvements and to pay for the costs of T.I.F.-Eligible Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the T.I.F.-Eligible 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 T.I.F.-Eligible Improvements in excess of the available City Funds; and

- (c) the right to seek reimbursement of the City Funds from the Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of the Bonds.

7.04 Notice Of Expiration Of Terms Of Agreement.

Upon the expiration of the Term of the Agreement, D.P.D. shall provide the Owner and the Developer, at either party'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 Owner and/or Developer, as applicable, represents, warrants and covenants for itself only, and not with respect to the other party, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, that:

(a) Jays Foods, Inc. is a Delaware corporation and JFA Real Estate, L.L.C. is an Illinois limited liability company, both of which are duly organized, validly existing, qualified to do business in its state of incorporation and in Illinois, and licensed to do business in any other state; where, due to the nature of its activities or properties, such qualification or license is required;

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

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

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the Owner 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 Owner or Developer is contesting in good faith pursuant to Section 8.15 hereof);

(e) the Owner and Developer is each 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

Owner or Developer which would impair its respective ability to perform under this Agreement;

(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 Owner or Developer which would impair its respective 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) 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, neither the Owner nor the Developer shall not do any of the following without the prior written consent of D.P.D.: (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 party'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 party's financial condition;

(k) neither the Owner nor the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of D.P.D., allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget; and

(l) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement

or any City Contract with the Developer in violation of Chapter 2-156-120 of the Municipal Code of the City; and

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

8.02 Covenant To Redevelop.

Upon D.P.D.'s approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Owner's and Developer's receipt of all required building permits and governmental approvals, the Owner and Developer shall redevelop the Property in accordance with this Agreement and all exhibits attached hereto, the T.I.F. Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Owner or Developer. The covenants set forth in this section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

8.03 Redevelopment Plan.

The Owner and Developer represent 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 Owner (for the benefit of the Developer) or Developer shall be used by the Owner or Developer solely to reimburse the Owner (for the benefit of the Developer) or Developer for its payment for the T.I.F.-Eligible

Improvements as provided in this Agreement. Owner covenants not to offset or withhold any of said City Funds against any obligation Developer then may have or owe to Owner, whether arising under the lease or otherwise.

8.05 Other Bonds.

The Owner and 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 T.I.F.-Eligible Improvements ("Other Bonds"); provided, however, that any such amendments shall not have a material adverse effect on the Owner, the Developer or the Project. The Developer shall, at no expense to the Developer, 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.

8.06 Covenants To Operate The Facility, Create And Retain Jobs, And Remain In The City.

(a) From the first (1st) day of its occupancy of the Facility, and continuing until the tenth (10th) anniversary of the issuance of the Certificate, the Developer hereby covenants and agrees to continuously occupy and operate one hundred percent (100%) of the Facility as an integral part of its primary food and snack manufacturing, warehousing and distribution business. Each January during this period, the Developer shall provide D.P.D. an affidavit certifying to its continuing observance of the above covenant. (The affidavit may be combined with the public benefits compliance report required at Section 8.20 hereof.)

(b) Developer hereby covenants to use good faith and commercially reasonable efforts to employ not fewer than four hundred ten (410) full-time equivalent (two thousand (2,000) hours per year) permanent jobs that are primarily located at the Facility, within one (1) year from the date of Developer's receipt of the Certificate until the tenth (10th) anniversary of such issuance. Notwithstanding anything to the contrary herein, Developer's failure under this subsection shall not be an Event of Default.

(c) Developer hereby covenants to continuously employ not fewer than three hundred fifty (350) full-time equivalent (two thousand (2,000) hours per year), permanent jobs that are primarily located at the Facility, from the date of issuance of the Certificate until the tenth (10th) anniversary of the issuance of the Certificate;

provided however, that the City grants Developer two (2) (and not more) twelve (12) month non-overlapping periods for which the Developer need employ not fewer than two hundred fifty (250) full-time equivalent, permanent jobs that are primarily located at the Facility. Developer agrees that any default under this subsection 8.06(c) gives the City the immediate right to draw upon the full value of the Letter of Credit, if any, in place as reimbursement of its initial payment of City Funds, in addition to any other remedies available to it under this Agreement.

(d) From the date of Developer's receipt of the Certificate until the tenth (10th) anniversary of such issuance, at the conclusion of each quarter the Developer will promptly provide City with its most recent quarterly statement demonstrating the average number of the full-time equivalent, permanent jobs that are primarily located at the Facility during that time.

(e) The Developer hereby covenants and agrees to maintain its operations within the City of Chicago at the Facility until the tenth (10th) anniversary of the issuance of the Certificate.

8.07 Employment Opportunity; Progress Reports.

The Owner covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Owner and Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City monthly until the Project is fully completed. If any such reports indicate a shortfall in compliance, the Owner and Developer shall also deliver a plan to D.P.D. which shall outline, to D.P.D.'s satisfaction, the manner in which the Owner and Developer shall correct any shortfall.

8.08 Employment Profile.

The Owner shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to D.P.D., from time to time, statements of its employment profile upon D.P.D.'s request.

8.09 Prevailing Wage.

The Owner covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed

pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Owner shall provide the City with copies of all such contracts entered into by the Owner or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions.

Unless D.P.D. has given its prior written consent with respect thereto, no Affiliate of the Owner or 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 T.I.F-Eligible Improvement. The Owner and Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Owner or Developer and reimbursement to the Owner or Developer for such costs using City Funds, or otherwise), upon, D.P.D.'s request, prior to any such disbursement.

8.11 Conflict Of Interest.

Pursuant to Section 5/11-74.4-4(n) of the Act, each of the Owner and 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 Owner or Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Owner's or 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 shall obtain and provide to D.P.D. Financial Statements for the Developer's fiscal year ended 2005 and each fiscal year thereafter 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 during the Term and for such other periods as D.P.D. may request.

8.14 Insurance.

The Owner and Developer, as applicable, at their own expense, shall comply with all provisions of Section 12 hereof.

8.15 Non-Governmental Charges.

(a) Payment Of Non-Governmental Charges. Except for the Permitted Liens, the Owner and the Developer agree to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Owner or 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 Owner or Developer shall furnish to D.P.D., within thirty (30) days of D.P.D.'s request, official receipts from the appropriate entity, or other proof satisfactory to D.P.D, evidencing payment of the Non-Governmental Charge in question.

(b) Right To Contest. The Owner and the Developer 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 Owner's or 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 D.P.D.'s sole option, to furnish a good and sufficient bond or other security satisfactory to D.P.D. in such form and amounts as D.P.D. 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 D.P.D. 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 each of the Owner's and 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 Owner and/or 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 or, if one or more such mortgages exist, then the Subordination Agreement set forth in (Sub)Exhibit O hereto shall be executed and recorded. The Developer shall pay all fees and charges incurred in connection with any such recordings. Upon making the recordings, the Developer shall immediately transmit to the City executed originals of this Agreement and the Subordination Agreement showing the dates and recording numbers of record.

8.19 Real Estate Provisions.

(a) Governmental Charges.

(i) Payment Of Governmental Charges. The Owner and Developer agree to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Owner, 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 Owner, 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 Owner, the Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right To Contest. The Owner and the Developer 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 Owner's and 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 Owner's or Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Owner or Developer has given prior written notice to D.P.D. of the Owner's or Developer's intent to contest or object to a Governmental Charge and, unless, at D.P.D.'s sole option,

(i) the Owner Or Developer shall demonstrate to D.P.D.'s satisfaction that legal proceedings instituted by the Owner or 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 Owner or Developer shall furnish a good and sufficient bond or other security satisfactory to D.P.D. in such form and amounts as D.P.D. 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) Owner's Or Developer's Failure To Pay Or Discharge Lien. If the Owner or Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Owner or Developer shall advise D.P.D. thereof in writing, at which time D.P.D. may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Owner or Developer under this Agreement, in D.P.D.'s sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which D.P.D. deems advisable. All sums so paid by D.P.D., if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to D.P.D. by the Owner or 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 Owner or

Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Owner or Developer to submit to the City audited Financial Statements at the Owner's or Developer's own expense.

(c) Real Estate Taxes.

(i) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Owner nor the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Owner or Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect.

(ii) Covenant Running With The Land. The parties agree that the restrictions contained in this Section 8.19(c) are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Owner, the Developer and their agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Owner and the Developer agree that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Owner or Developer, its successors or assigns, may waive and terminate the Owner's and Developer's covenants and agreements set forth in this Section 8.19(c).

8.20 Public Benefits Program.

The Developer shall undertake the public benefits program as described on (Sub) Exhibit N. Each January during the Term, the Developer shall provide D.P.D. a status report describing in detail the Developer's compliance with the public benefits program. (The report may be combined with the annual operations affidavit required at Section 8.06 hereof.)

8.21 Survival Of Covenants.

All warranties, representations, covenants and agreements of the Owner and the Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Owner's and 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 Owner and the Developer, each 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 Owner and the Developer operating on the Property (collectively, with the Owner and Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Owner and 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.

Each of the Owner and 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 292-330 of the Municipal Code of Chicago (at least fifty percent (50%) 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 Owner, 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 Owner or 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 Owner, 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 (United States Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of D.P.D. 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 Owner, the Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of D.P.D., the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. The Owner, 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 D.P.D., affidavits and other supporting documentation will be required of the Owner, 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 Owner, 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 Owner or 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 noncompliance, it is agreed that one-twentieth of one percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 multiplied by 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 wilful 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 Owner and 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 M.B.E./W.B.E. Commitment.

Each of the Owner and the Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree that during the Project:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420, et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650, et seq., Municipal Code of Chicago (the "Construction Program", and collectively with the Procurement Program, the "M.B.E./W.B.E. Program"), and in reliance upon the provisions of the M.B.E./W.B.E. 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 M.B.E./W.B.E. (as set forth in (Sub)Exhibit H-2 hereto) shall be expended for contract participation by M.B.E.s and by W.B.E.s:

(1) At least twenty-four percent (24%) by M.B.E.s.

(2) At least four percent (4%) by W.B.E.s.

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

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Owner's and the Developer's M.B.E./W.B.E. commitment may be achieved in part by the Owner's or the Developer's status as an M.B.E. or W.B.E. (but only to the extent of any actual work performed on the Project by the Owner or Developer) or by a joint venture with one or more M.B.E.s or W.B.E.s (but only to the extent of the lesser of (i) the M.B.E. or W.B.E. participation in such joint venture or (ii) the amount of any actual work performed on the Project by the M.B.E. or W.B.E.), by the Owner or Developer utilizing an M.B.E. or a W.B.E. 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 M.B.E.s or W.B.E.s, or by the purchase of materials or services used in the Project from one or more M.B.E.s or W.B.E.s; or by any combination of the foregoing. Those entities which constitute both an M.B.E. and a W.B.E. shall not be credited more than once with regard to the Owner's and the Developer's M.B.E./W.B.E. commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago,

the Owner and the Developer shall not substitute any M.B.E. or W.B.E. General Contractor or subcontractor without the prior written approval of D.P.D.

(d) The Owner and the Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this M.B.E./W.B.E. commitment. Such reports shall include, inter alia, the name and business address of each M.B.E. and W.B.E. solicited by the Owner or 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 M.B.E. or W.B.E. actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining the Owner's and the Developer's compliance with this M.B.E./W.B.E. commitment. The Owner and the Developer shall maintain records of all relevant data with respect to the utilization of M.B.E.s and W.B.E.s in connection with the Project for at least five (5) years after completion of the Project and the City's monitoring staff shall have access to all such records maintained by the Owner and the Developer, on five (5) Business Days notice, to allow the City to review the Owner's and the Developer's compliance with its commitment to M.B.E. or W.B.E. participation and the status of any M.B.E. or W.B.E. performing any portion of the Project.

(e) Upon the disqualification of any M.B.E. or W.B.E. General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the Owner and 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 M.B.E. or W.B.E. as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

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

(g) Prior to the commencement of the Project, the Owner and the Developer shall be required to meet with the City's monitoring staff with regard to the Owner's and the Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Owner and the Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, the Owner or the Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization

for payroll agent; (vi) certified payroll; (vii) evidence that M.B.E./W.B.E. contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Owner or the Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to the Owner or the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Owner and the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Owner, the Developer or the General Contractor, or (3) seek any other remedies against the Owner and/or the Developer available at law or in equity.

Section 11.

Environmental Matters.

The Owner and the Developer hereby represent and warrant to the City that the Owner or the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto and the Redevelopment Plan.

Without limiting any other provisions hereof, the Owner and 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 Owner or 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 Owner or Developer, or any person directly or indirectly controlling, controlled by or under common control with the Owner or 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 Owner or 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 Owner or the Developer or any of their Affiliates under any Environmental Laws relating to the Property.

*Section 12.**Insurance.*

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

A. Prior To Execution And Delivery Of This Agreement.

1) Workers' Compensation And Employer's Liability.

Workers' Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employer's Liability coverage with limits of not less than One Hundred Thousand Dollars (\$100,000) each accident, illness or disease.

2) Commercial General Liability (Primary And Umbrella).

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

3) All Risk Property.

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

B. Construction.

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

1) Workers' Compensation And Employer's Liability.

Workers' Compensation Insurance, as described by applicable law covering all employees who are to provide work under this Agreement and Employer's Liability coverage with limits of not less than Five Hundred Thousand Dollars (\$500,000) each accident, illness or disease.

2) Commercial General Liability (Primary And Umbrella).

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

3) Automobile Liability (Primary And Umbrella).

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Automobile Liability Insurance with limits of not less than Two Million Dollars (\$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, noncontributory basis.

4) Railroad Protective Liability.

When any work is to be done adjacent to or on railroad or transit property, Developer must provide or cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than Two Million Dollars (\$2,000,000) per occurrence and Six Million Dollars (\$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.

5) All Risk/Builders Risk.

When Developer undertakes any construction, including improvements, betterments, and/or repairs, the Developer must provide or cause to be

provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

6) Professional Liability.

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

7) Valuable Papers.

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

8) Contractors Pollution Liability.

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

C. Post Construction.

All Risk Property Insurance at replacement value of the property to protect against

loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

Other Requirements.

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

The insurance must provide for sixty (60) days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self-insured retentions on referenced insurance coverages must be borne by Owner, Developer and Contractors.

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

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

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

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

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

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

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

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

Section 13.

Indemnification.

Developer and Owner, jointly and severally, agree to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "Indemnitee", and collectively the "Indemnites") 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 Indemnites 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 Indemnites in any manner relating or arising out of:

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

(ii) the Developer's, Owner's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the T.I.F.-Eligible 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, the Owner or any Affiliate of Developer or any agents, employees, contractors or persons acting under the control or at the request of the Developer, the Owner or any Affiliate of Developer; or

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

provided, however, that neither Developer nor Owner shall have any 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 or Owner 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 and Owner hereunder:

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

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

(c) the making or furnishing by the Developer or Owner 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 Owner or for the liquidation or reorganization of the Developer or Owner, or alleging that either of the Developer or Owner is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Developer's or Owner'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 or Owner; 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 or Owner, for any substantial part of the Developer's or Owner'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 or Owner; 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 or Owner which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

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

(i) the dissolution of Developer or Owner;

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer or Owner or any natural person who owns a material interest in the Developer or Owner, which is not dismissed within thirty (30) days, or the indictment of the Developer or Owner or any natural person who owns a material interest in the Developer or Owner, for any crime (other than a misdemeanor). For purposes of Sections 15.01(i) and 15.01(j) hereof, a person with a material interest in the Developer or Owner shall be one owning in excess of ten percent (10%) of the Developer's or Owner's issued and outstanding shares of stock and/or membership interests; or

(k) prior to the issuance of the Certificate, the sale or transfer of a majority of the ownership interests of the Developer or Owner without the prior written consent of the City.

15.02 Remedies.

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 and, under certain circumstances set forth in this Agreement, the City may draw on the Letter of Credit. 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, the repayment of City Funds, or the specific performance of the agreements contained herein.

15.03 Curative Period.

In the event the Developer or Owner shall fail to perform a monetary covenant which the Developer or Owner 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 or Owner 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 or Owner shall fail to perform a non-monetary covenant which the Developer or Owner 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 or Owner 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 or Owner 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 requirements of Section 8.06 hereof other than as stated in that section.

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 (Sub)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 Owner 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 Owner 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 Owner as follows:

- (a) In the event that a mortgagee or any other party shall succeed to the Owner's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure

or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Owner'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 Owner 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 Owner's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Owner'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 Owner for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Owner" 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 Owner's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Owner which accrued prior to the time such party succeeded to the interest of the Owner under this Agreement, in which case the Owner shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Owner'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 Owner and 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 D.P.D.

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, Illinois 60602
Attention: Commissioner

with copies to:

City of Chicago
Department of Law
Finance and Economic Development
Division
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

If To The Developer:

Jays Foods, Inc.,
In care of Ubiquity Brands
10 South Wacker Drive, Suite 3450
Chicago, Illinois 60606
Attention: Al Eisley

If To The Owner:

JFA Real Estate, L.L.C.,
In care of Structured Development
656 West Randolph Street, Suite 400W
Chicago, Illinois 60661
Attention: Dan Lukas/J. Michael Drew

with copies to:

Acosta, Kruse & Zemenides, L.L.C.
6336 North Cicero Avenue, Suite 202
Chicago, Illinois 60646
Attention: Erika L. Kruse

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 (Sub)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 Owner or 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 Owner or Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by the Owner or 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 Owner 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 Owner 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 Owner 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 Owner 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, the Owner 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 Headlines.

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 T.I.F. 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, D.P.D. or the Commissioner, or any matter is to be to the City's, D.P.D.'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, D.P.D. 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 D.P.D. in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.15 Assignment.

Neither the Owner nor the Developer may sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the prior written consent of the City. Any successor in interest to the Owner or Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.19 (Real Estate Provisions) and 8.24 (Survival of Covenants) hereof, for the Term of the Agreement. The Owner and the Developer consent to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect.

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

None of the City, the Owner, or the Developer 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 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 W.A.R.N. Act, the Developer shall, in addition to the notice required under the W.A.R.N. Act, provide at the same time a copy of the W.A.R.N. 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 the 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.

Each of the Owner and the Developer acknowledges (A) receipt of a copy of Section 2-156-030(b) of the Municipal Code of Chicago, (B) that each 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. Each of the Owner and 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.

Jays Foods, Inc., a Delaware corporation

By: _____

Its: _____

JFA Real Estate, L.L.C., an Illinois
limited liability company

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 Jays Foods, Inc., a Delaware corporation (the "Developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the [Board of Directors] of the Developer, 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

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 JFA Real Estate, L.L.C., an Illinois limited liability company (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 [Manager(s)/Member(s)] 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

My commission expires: _____.

[Seal]

State of Illinois)
)SS.
County of Cook)

I, _____, a notary public in and for the said County, in the State aforesaid, do hereby certify that _____, personally known to me to be the _____ Commissioner of the Department of Planning and Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the City, as his/her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

Given under my hand and official seal this _____th day of _____, _____.

Notary Public

My commission expires: _____.

[Seal]

[(Sub)Exhibits "D", "E", "I" and "P" referred to in this Redevelopment Agreement with JFA Real Estate, L.L.C. and Jays Foods, Inc. unavailable at time of printing.]

[(Sub)Exhibits "F", "K" and "M" not referenced in this Redevelopment Agreement with JFA Real Estate, L.L.C. and Jays Foods, Inc.]

(Sub)Exhibits "A", "B", "C", "G", "H-1", "H-2", "J", "L", "N" and "O" referred to in this Redevelopment Agreement with JFA Real Estate, L.L.C. and Jays Foods, Inc. reads as follows:

(Sub)Exhibit "A".

(To Redevelopment Agreement With JFA Real Estate, L.L.C. And Jays Foods, Inc.)

Legal Description Of The Area.

Beginning at the point of intersection of the south line of East 95th Street and the east line of South Woodlawn Avenue; thence south along said east line of South Woodlawn Avenue to the easterly extension of the south line of the alley south of East 95th Street; thence west along said easterly extension and the south line of the alley south of East 95th Street to the east line of the alley west of South Dobson Street; thence south along said east line of the alley west of South Dobson Street to the north line of East 97th Street; thence east along said north line of East 97th Street to the centerline of South Woodlawn Avenue; thence south along said centerline of South Woodlawn Avenue to the south line of East 97th Street; thence west along said south line of East 97th Street to the east line of South University Avenue; thence south along said east line of South University Avenue to the south line of East 98th Street; thence west along said south line of East 98th Street to the west line of South Greenwood Avenue; thence north along said west line of South Greenwood Avenue to the south line of East 97th Street; thence west along said south line of East 97th Street to the southeasterly line of South Ingleside Avenue; thence southwest along said southeasterly line of South Ingleside Avenue being the northwesterly line of Lots 1, 2, 3 and 36 in Block 9 in Cottage Grove Heights to the east line of South Ingleside Avenue being the west line of Lots 4 through 16, inclusive, in said Block 9 in Cottage Grove Heights; thence west along a straight line to the northeast corner of Lot 20 in Block 6 in Cottage Grove Heights, being a subdivision in the north half of Sections 10 and 11, Township 37 North, Range 14 East of the Third Principal Meridian; thence southwest along the northwest line of said Lot 20, being also the southeast line of the alley north of East 98th Street and along said southeast alley line and the south line of said alley to the east line of South Maryland Avenue, being also the west line of Lots 1 through 9, inclusive, in Block 5 in Cottage Grove Heights aforesaid; thence south along said east line to the southwest corner of Lot 7 in Block 5 in Cottage Grove Heights aforesaid; thence south along said east line to the southwest corner of Lot 7 in Block 5 in Cottage Grove Heights aforesaid; thence west along a straight line crossing South Maryland Avenue aforesaid, to the southeast corner of Lot 14 in Block 1 in Cottage Grove Heights, said southeast corner being on the west line of South Maryland Avenue aforesaid; thence west along the south line of said Lot 14 in Block 1 in Cottage Grove Heights to the east line of the north/south alley lying east of South Cottage Grove Avenue, said east line being also the west line of Lots 12 through 20, inclusive, in Block 1 in Cottage Grove Heights aforesaid; thence south along said east alley line to the north line of East 98th Street, being also the south line of Lot 12 in Block 1 aforesaid; thence

south along a straight line crossing East 98th Street to the northwest corner of Lot 21 in Block 2 in Cottage Grove Heights, being a subdivision in the north half of Sections 10 and 11, Township 37 North, Range 14 East of the Third Principal Meridian, said northwest corner being on the south line of East 98th Street aforesaid; thence west along said south line of East 98th Street to the west line of Lot 22 in Block 2 in Cottage Grove Heights, being also the east line of the alley east of South Cottage Grove Avenue; thence south along said east line of the alley east of South Cottage Grove Avenue to the north line of East 98th Place; thence south along a straight line to the northwest corner of Lot 26 in Block 3 in Cottage Grove Heights; thence south along the west line of said Lot 26, being also the east line of the alley east of South Cottage Grove Avenue and along said east alley line to the north line of East 99th Street; thence east along said north line of East 99th Street to the west line of the Rock Island Railroad right-of-way; thence southwest along said west line of the Rock Island Railroad right-of-way to the north line of the right-of-way for the Bishop Ford Expressway; thence west along said north line of the Bishop Ford Expressway to the west line of South Cottage Grove Avenue; thence northeast along said west line of South Cottage Grove Avenue to the north line of East 95th Street; thence continuing north along the east line of the Illinois Central Railroad right-of-way to the north line of East 93rd Street; thence east along said north line of East 93rd Street to the northerly projection of the west line of Staunton O. Flanders' Subdivision in the southwest quarter of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian; thence south along said northerly projection and the west line of Staunton O. Flanders' Subdivision in the southwest quarter of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian to the south line of Lots 8, 9 and 10 in Staunton O. Flanders' Subdivision in the southwest quarter of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian; thence east along said south line of Lots 8, 9 and 10 in Staunton O. Flanders' Subdivision to the west line of Lot 17 in said Staunton O. Flanders' Subdivision; thence south along said west line of Lot 17 in Staunton O. Flanders' Subdivision and the southward extension thereof to the centerline of East 93rd Place; thence east along said centerline of East 93rd Place to the west line of South Greenwood Avenue; thence south along said west line of South Greenwood Avenue to the line 595 feet north of and parallel with the south line of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian; thence east along said line 595 feet north of and parallel with the south line of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian to the west line of South Woodlawn Avenue; thence north along said west line of South Woodlawn Avenue to the north line of East 94th Street; thence east along said north line of East 94th Street to the east line of South Kimbark Avenue; thence south along said east line of South Kimbark Avenue to the south line of Lot 24 in Stewart's Subdivision of that part of the east half of the southwest quarter and the west half of the southeast quarter of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian, lying north of the south 595 feet thereof and west of the west line of the New York Central & St. Louis Railroad Company's right-of-way; thence east along said south line of Lot 24 in Stewart's Subdivision and along the

south line of Lots 25, 26 and 27 in said subdivision to the westerly line of South Kenwood Avenue; thence northwesterly along said westerly line of South Kenwood Avenue to the south line of East 93rd Street; thence west along said south line of East 93rd Street to the west line of South Kimbark Avenue; thence north along said west line of South Kimbark Avenue to the south line of East 92nd Street; thence west along said south line of East 92nd Street to the west line of South Avalon Avenue; thence north along said west line of South Avalon Avenue to the south line of East 91st Street; thence west along said south line of East 91st Street to the west line of South Woodlawn Avenue; thence north along said west line of South Woodlawn Avenue to the south line of East 89th Street; thence west along said south line of East 89th Street to the east line of South Greenwood Avenue; thence south along said east line of South Greenwood Avenue to the south line of East 90th Street; thence west along said south line of East 90th Street to the easterly line of South Drexel Avenue; thence southwesterly and south along said easterly line and the east line of South Drexel Avenue to the south line of East 91st Street; thence west along said south line of East 91st Street to the centerline of the Illinois Central Railroad right-of-way; thence southwesterly along said centerline of the Illinois Central Railroad right-of-way to the centerline of East 95th Street; thence west along said centerline of East 95th Street to the westerly line of the Illinois Central Railroad right-of-way; thence northeasterly along said westerly line of the Illinois Central Railroad right-of-way to the southerly line of the Chicago Rock Island & Pacific Railroad -- South Chicago Branch right-of-way; thence northwesterly along said southerly line of the Chicago, Rock Island & Pacific Railroad -- South Chicago Branch right-of-way to the east line of South Cottage Grove Avenue; thence north along said east line of South Cottage Grove Avenue to the southwest corner of Lot 18 in Block 10 of Burnside, a subdivision in the west half of the southwest quarter of Section 2, Township 37 North, Range 14, East of the Third Principal Meridian; thence northeast along the southeast line of said Lot 18, and the southeast line of Lots 19, 20 and 21, to the east line of said Lot 21, being also the west line of South Dauphin Avenue; thence north along said west line of South Dauphin Avenue to the south line of East 93rd Street; thence west along said south line of East 93rd Street to the southerly extension of the east line of Lot 17 in Block 10 in Dauphin Park, a subdivision of that part of the north three quarters of the north half of Section 2, Township 37 North, Range 14, East of the Third Principal Meridian west of the Illinois Central Railroad right-of-way, said southerly extension of the east line of Lot 17 being also the southerly extension of the west line of South Dauphin Avenue; thence north along said southerly extension and the west line of South Dauphin Avenue to the south line of West 92nd Street; thence west along said south line of East 92nd Street to the southerly extension of the westerly line of South Dauphin Avenue, being also the southerly extension of the east line of Lots 1 through 12, inclusive, in Block 9 in Dauphin Park, being a subdivision of that part of the north three-quarters of the north half of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian west of the Illinois Central Railroad right-of-way; thence northeasterly along said southerly extension and the westerly line of South Dauphin Avenue to the westerly extension of the south line of Lot 6 in the

subdivision of Outlot 1 in Dauphin Park; thence east along said westerly extension and the south line of Lot 6 in the subdivision of Outlot 1 in Dauphin Park to the westerly line of the Illinois Central Railroad right-of-way; thence northeasterly along said westerly line of the Illinois Central Railroad right-of-way to a line perpendicular to the east line of South Dauphin Avenue, which passes through a point on the east line of said South Dauphin Avenue, 268.91 feet south of the south line of East 89th Street (as measured along said east line of South Dauphin Avenue;)thence northwesterly along said perpendicular line and the northwesterly extension thereof to the westerly line of South Dauphin Avenue; thence northeasterly along said westerly line of South Dauphin Avenue to the north line of East 87th Street; thence east along said north line of East 87th Street to the westerly line of the Illinois Central Railroad right-of-way; thence northeasterly along said westerly line of the Illinois Central Railroad right-of-way to the centerline of vacated East 85th Place; thence west along said centerline of vacated East 85th Place to the northerly extension of the east line of the vacated 16 foot alley east of and adjoining the east line of Lot 1 in Woodrich Brothers' Subdivision of part of the east half of the northeast quarter of the southwest quarter of the southwest quarter of Section 35, Township 38 North, Range 14 East of the Third Principal Meridian; thence southwesterly along said northerly extension and the east line of the vacated 16 foot alley and along the southerly extension thereof to the north line of Lots 8 through 14, inclusive, in Woodrich Brothers' Subdivision, being also the south line of the alley north of East 86th Street; thence west along said south line of the alley north of East 86th Street and the westerly extension thereof to the west line of South Ingleside Avenue; thence north along said west line of South Ingleside Avenue to the north line of East 85th Street; thence east along said north line of East 85th Street to a line 16 feet east of and parallel with the easterly line of Lot 22 in Frank Jamison's Subdivision in the southwest quarter of Section 35, Township 38 North, Range 14 East of the Third Principal Meridian, said line being also the east line of the alley east of South Ingleside Avenue and the westerly line of the Illinois Central Railroad right-of-way; thence northeasterly along said westerly line of the Illinois Central Railroad right-of-way to the south line of East 83rd Street; thence east along said south line of East 83rd Street to the east line of the New York, Chicago & St. Louis Railroad right-of-way; thence south along said east line of the New York, Chicago & St. Louis Railroad right-of-way to the southwesterly line of Lots 111 through 118, inclusive, in J. E. Merrion's Marynook Addition, a resubdivision of part of the west half of the southeast quarter and part of the east half of the southwest quarter of Section 35, Township 38 North, Range 14 East of the Third Principal Meridian; thence southeasterly along said southwesterly line of Lots 111 through 118, inclusive, in J. E. Merrion's Marynook Addition to the south line of Lots 119 through 122, inclusive, in said J. E. Merrion's Marynook Addition; thence east along said south line of Lots 119 through 122, inclusive, in J. E. Merrion's Marynook Addition and the easterly extension thereof to the east line of South Avalon Avenue; thence south along said east line of South Avalon Avenue to the south line of East 87th Street; thence west along said south line of East 87th Street to the east line of the New York, Chicago & St. Louis Railroad right-of-way, being also the east line of the

Stony Island Railroad Yard; thence southeast along said east line of the New York, Chicago & St. Louis Railroad right-of-way to the north line of East 91st Street; thence east along said north line of East 91st Street to the northerly extension of the west line of Lot 6 in Block 4 in Calumet and Chicago Canal and Dock Company's Subdivision of that part of the southeast quarter of Section 2, Township 37 North, Range 14 East of the Third Principal Meridian lying east and north of the railroad, said west line of Lot 6 being also the east line of Outlot A in Calumet and Chicago Canal and Dock Company's Subdivision; thence southerly along said northerly extension and the west line of Lot 6 in Block 4 in Calumet and Chicago Canal and Dock Company's Subdivision and along the east line of said Outlot A and along the east line of Outlots B and C in said Calumet and Chicago Canal Dock Company's Subdivision to the north line of East 94th Street; thence east along said north line of East 94th Street to the west line of South Stony Island Avenue; thence north along said west line of South Stony Island Avenue to the north line of Lot 25 in Block 8 in said Calumet and Chicago Canal and Dock Company's Subdivision, being also the south line of the alley north of East 94th Street; thence west along said south line of the alley north of East 94th Street to the southerly extension of the east line of Lots 36 through 48, inclusive, in Block 8 in Calumet and Chicago Canal and Dock Company's Subdivision, being also the west line of the alley west of South Stony Island Avenue; thence north along said west line of the alley west of South Stony Island Avenue to the south line of Lot 6 in said Block 8 in Calumet and Chicago Canal and Dock Company's Subdivision, being also the north line of the alley south of East 93rd Street; thence west along said north line of the alley south of East 93rd Street to the west line of said Lot 6 in said Block 8 in Calumet and Chicago Canal and Dock Company's Subdivision; thence north along said west line of Lot 6 in Block 8 in Calumet and Chicago Canal and Dock Company's Subdivision and the northerly extension thereof and the west line of Lot 24 in Block 7 in said Calumet and Chicago Canal and Dock Company's Subdivision and the northerly extension thereof to the southeasterly line of Lot 30 in said Block 7 in Calumet and Chicago Canal and Dock Company's Subdivision; thence northeasterly along said southeasterly line of Lot 30 to the east line of said Lot 30, being also the west line of the alley west of South Stony Island Avenue; thence north along said west line of the alley west of South Stony Island Avenue to north line of East 91st Street; thence east along said north line of East 91st Street to the west line of South Stony Island Avenue; thence north along said west line of South Stony Island Avenue to the south line of East 90th Street; thence west along said south line of East 90th Street to the east line of Lot 42 in Block 1 in Calumet Gateway, being a resubdivision of part of Calumet and Chicago Canal and Dock Company's Subdivision, said east line of Lot 42 being also the west line of the alley west of South Stony Island Avenue; thence north along said west line of the alley west of South Stony Island Avenue to the westerly extension of the south line of Lot 18 in Block 5 in First Addition to Calumet Gateway, being a resubdivision of part of Calumet and Chicago Canal and Dock Company's Subdivision; thence east along said westerly extension and the south line of Lot 18 in Block 5 in First Addition to Calumet Gateway to the west line of South Stony Island Avenue; thence north along said west line of South

Stony Island Avenue to the south line of north 5 feet of Lot 7 in Block 6 in First Addition to Calumet Gateway; thence west along said south line of the north 5 feet of Lot 7 in Block 6 in First Addition to Calumet Gateway to the west line of said north 5 feet of Lot 7, being also the east line of the alley west of South Stony Island Avenue; thence north along said east line of the alley west of South Stony Island Avenue to the easterly extension of the north line of Lot 38 in said Block 6 in First Addition to Calumet Gateway, said north line of Lot 38 being also the south line of the alley south of East 87th Street; thence west along said south line of the alley south of East 87th Street to the west line of South Blackstone Avenue; thence north along said west line of South Blackstone Avenue to the north line of East 87th Street; thence east along said north line of East 87th Street to the west line of South Blackstone Avenue; thence north along said west line of South Blackstone Avenue to the westerly extension of the south line of Lots 26 through 38, inclusive, in Block 1 in Cepek's Subdivision, in the east half of the southeast quarter of Section 35, Township 38 North, Range 14 East of the Third Principal Meridian; thence east along said westerly extension and the south line of Lots 26 through 38, inclusive, in Block 1 in Cepek's Subdivision said south line being also the north line of the alley north of East 87th Street, to the west line of Lot 5 in said Block 1 in Cepek's Subdivision, said west line of Lot 5, being also the east line of the alley west of South Stony Island Avenue; thence south along said east line of the alley west of South Stony Island Avenue to the north line of East 87th Street; thence east along said north line of East 87th Street to the west line of South Stony Island Avenue; thence north along said west line of South Stony Island Avenue to the south line of East 86th Street; thence west along said south line of East 86th Street to the southerly extension of the east line of Lot 11 in Block 3 in Cepek's Subdivision, said east line of Lot 11 being also the west line of the alley west of South Stony Island Avenue; thence north along said west line of the alley west of South Stony Island Avenue to the north line of East 84th Place; thence east along said north line of East 84th Place to the west line of South Stony Island Avenue; thence north along said west line of South Stony Island Avenue to the south line of East 84th Street; thence west along said south line of East 84th Street to the southerly extension of the east line of Lot 11 in Block 4 in the Stony Island Boulevard Addition, being a subdivision of the north half of the north half of the east half of the southeast quarter of Section 35, Township 38 North, Range 14 East of the Third Principal Meridian, said east line of Lot 11 being also the west line of the alley west of South Stony Island Avenue; thence north along said west line of the alley west of South Stony Island Avenue to the north line of East 80th Street; thence east along said north line of East 80th Street to the northeasterly line of South Anthony Avenue; thence southeast along said northeasterly line of South Anthony Avenue to the northeasterly extension of the northwesterly line of Lot 58 in Block 1 in Stony Island Park, a subdivision of that part of the northwest quarter of Section 36, Township 38 North, Range 14 East of the Third Principal Meridian; thence southwest along said northeasterly extension and the northwesterly line of Lot 58 in Block 1 in Stony Island Park to the west line of said Lot 58, said west line of Lot 58 being also the east line of the alley east of South Stony Island Avenue; thence south along said east line of the alley east of South

Stony Island Avenue to the south line of East 84th Place; thence west along said south line of East 84th Place to the east line of South Stony Island Avenue; thence south along said east line of South Stony Island Avenue to the north line of East 85th Street; thence east along said north line of East 85th Street to the northerly extension of the west line of Lot 15, said west line of Lot 15 being also the east line of the alley east of South Stony Island Avenue; thence south along said east line of the alley east of South Stony Island Avenue to the south line of Lots 1 through 15, inclusive, in Block 3 in Archibald's Stony Island Manor, a subdivision of the south half of the southwest quarter of the southwest quarter of Section 36, Township 38 North, Range 14 East of the Third Principal Meridian, said south line of Lots 1 through 15, inclusive, in Block 3 in Archibald's Stony Island Manor, being also the north line of the alley north of East 87th Street; thence east along said north line of the alley north of East 87th Street to the east line of South Cregier Avenue; thence south along said east line of South Cregier Avenue to the south line of Lot 30 in Block 2 in the subdivision of Blocks 13 and 14 in "Constance", being a subdivision in the east half of the southwest quarter of Section 36, Township 38 North, Range 14 East of the Third Principal Meridian, said south line of Lot 30 being also the north line of the alley north of East 87th Street; thence east along said north line of the alley north of East 87th Street to the east line of South Constance Avenue; thence south along said east line of South Constance Avenue to the south line of Lot 29 in Block 15 in the subdivision of Blocks 12 and 15 in "Constance", being a subdivision in the east half of the southwest quarter of Section 36; thence east along said south line of Lot 29 and along the south line of Lot 20 in said Block 15 in the subdivision of Block 12 and 15 in "Constance", being a subdivision in the east half of the southwest quarter of Section 36, to the west line of South Bennett Avenue; thence north along said west line of South Bennett Avenue to the westerly extension of the south line of Lot 27 in Pernod's Resubdivision, of Block 16 in Kyle's Subdivision of Blocks 11 and 16 in "Constance", being a subdivision in the east half of the southwest quarter of Section 36, said south line of Lot 27 in Pernod's Resubdivision being also the north line of the alley north of East 87th Street; thence east along said north line of the alley north of East 87th Street to the east line of South Euclid Avenue; thence south along said east line of South Euclid Avenue to the south line of Lot 29 in George and Wanner's Resubdivision of Blocks 10 and 17 in "Constance", being a subdivision in the east half of the southwest quarter of Section 36; thence east along said south line of Lot 29 in George and Wanner's Resubdivision to the east line of said Lot 29, being also the west line of the alley east of South Euclid Avenue; thence north along said west line of the alley east of South Euclid Avenue to the westerly extension of the south line of Lot 18 in said George and Wanner's Resubdivision; thence east along said westerly extension and the south line of Lot 18 in said George and Wanner's Resubdivision to the east line of South Jeffery Avenue; thence south along said east line of South Jeffery Avenue to the south line of the north 9 feet of Lot 19 in Moore's Subdivision of the southwest quarter of the southwest quarter of the southeast quarter of Section 36, Township 38 North, Range 14 East of the Third Principal Meridian; thence east along said south line of the north 9 feet of Lot 19 in Moore's

Subdivision to the west line of Lot 30 in said Moore's Subdivision; thence south along said west line of Lot 30 in Moore's Subdivision to the south line of the north 17 feet of said Lot 30; thence east along said south line of the north 17 feet of said Lot 30 in Moore's Subdivision to the west line of South Chappel Avenue; thence north along said west line of South Chappel Avenue to the north line of East 85th Street; thence east along said north line of East 85th Street to the northeast line of South Anthony Avenue; thence southeast along said northeast line of South Anthony Avenue to the south line of East 87th Street; thence west along said south line of East 87th Street to the east line of South Clyde Avenue; thence south along said east line of South Clyde Avenue to the south line of East 89th Street; thence west along said south line of East 89th Street to the west line of South Jeffery Avenue; thence north along said west line of South Jeffery Avenue to the north line of Lot 40 in Block 2 in W.G. Wright's First Addition to Jackson Park, being a subdivision of Lots 1, 2, 3, 4 and 8 in the Commissioner's partition of the east half of the east half of the northwest quarter of Section ____, Township 37 North, Range 14, East of the Third Principal Meridian, said north line of Lot 40 being also the south line of the alley south of East 87th Street; thence west along said south line of the alley south of East 87th Street to the west line of Lot 25 in Morningside Lane, a resubdivision of Lot 2 (except the west 248.52 feet thereof) in the partition by owners in the west half of the northwest quarter of Section 1, Township 37 North, Range 14 East of the Third Principal Meridian; thence south along said west line of Lot 25 in Morningside Lane and the southerly extension thereof to the north line of Lot 1 in Block 4 in Fred E. Downey's Subdivision in the west half of the northwest quarter of Section 1, Township 37 North, Range 14 East of the Third Principal Meridian; thence west along said north line of Lot 1 in Block 4 in Fred E. Downey's Subdivision to the west line of said Lot 1, being also the east line of the alley east of South Stony Island Avenue; thence south along said east line of the alley east of South Stony Island Avenue to the north line of East 91st Place; thence east along said north line of East 91st Place to the northerly extension of the line 165 feet east of and parallel with the east line of South Stony Island Avenue; thence south along said northerly extension and the line 165 feet east of and parallel with the east line of South Stony Island Avenue to the north line of East 92nd Street; thence east along said north line of East 92nd Street to the northerly extension of the line 200 feet east of and parallel with the east line of South Stony Island Avenue; thence south along said northerly extension and the line 200 feet east of and parallel with the east line of South Stony Island Avenue and the southerly extension thereof to the south line of East 92nd Place; thence west along said south line of East 92nd Place to the west line of Lot 17 in Gideon E. Clark's Subdivision of Block 4 in Stony Island Heights, said west line of Lot 4 being also the east line of the alley east of South Stony Island Avenue, said east alley line being a line 141 feet east of and parallel with the east line of South Stony Island Avenue; thence south along said line 141 feet east of and parallel with the east line of South Stony Island Avenue to the line 947.5 feet north of and parallel with the north line of East 95th Street; thence east along said line 947.5 feet north of and parallel with the north line of East 95th Street to the line 433.75 feet east of and parallel with the east line of South Stony Island Avenue;

thence south along said line 433.75 feet east of and parallel with the east line of South Stony Island Avenue to the north line of the Chicago & Western Indiana Railroad right-of-way; thence west along said north line of the Chicago & Western Indiana Railroad right-of-way to the east line of South Stony Island Avenue; thence south along said east line of South Stony Island Avenue to the south line of the Chicago Rock Island & Pacific Railroad; thence west along said south line of the Chicago Rock Island & Pacific Railroad to the westerly line of the New York, Chicago & St. Louis Railroad right-of-way; thence southeast along said westerly line of the New York, Chicago & St. Louis Railroad right-of-way to the south line of East 95th Street; thence west along said south line of East 95th Street to the point of beginning.

(Sub)Exhibit "B".

(To Redevelopment Agreement With JFA Real Estate, L.L.C. And Jays Foods, Inc.)

Legal Descriptions.

825 East 99th Street Parcel.

Parcel 1:

A parcel of land in parts of the southeast quarter of Section 10 and the southwest quarter of Section 11, all in Township 37 North, Range 14, East of the Third Principal Meridian, described as follows:

beginning at the point of intersection of the easterly line of South Cottage Grove Avenue (80 feet wide) with a line drawn 60 feet south of and parallel with the north line of the southeast quarter of Section 10, Township 37 North, Range 14, East of the Third Principal Meridian; running thence east along said parallel line and a line drawn parallel with the north line of the southwest quarter of Section 11, Township 37 North, Range 14 East of the Third Principal Meridian, a distance of 800 feet; thence south along a line drawn perpendicular to said parallel line a distance of 290 feet; thence west along a line drawn parallel with said north line of the southwest quarter of Section 11 and the southeast quarter of Section 10, a distance of 855.76 feet to the intersection with the easterly line of South Cottage Grove Avenue; thence northeasterly along the easterly line of South Cottage Grove Avenue, a distance of 295.32 feet to the place of beginning, all in Cook County, Illinois.

Parcel 2:

Easement for the benefit of Parcel 1 as created by deed from Chicago Rock Island and Pacific Railroad Company, a corporation of Delaware, to Andrew J. Suski, dated April 27, 1954 and recorded May 24, 1954, as Document 15914334 for ingress and egress over and across a strip of land 50 feet in width lying immediately north of and adjoining Parcel 1 aforesaid and lying between the east and westerly lines extended of said Parcel 1, all in Cook County, Illinois.

Parcel 3:

The north 324.83 feet of the west 180.00 feet of that part of the south half of Section 11, Township 37 North, Range 14, East of the Third Principal Meridian, lying east of a line drawing perpendicularly to the north line of said south half through a point which is 800.00 feet east of the easterly line of South Cottage Grove Avenue (80.00 feet wide) as measured along a line 60.00 feet south and parallel with the north line of the southeast quarter of Section 10 and along a line 60.00 feet south and parallel with the north line of the south half of Section 11, all in the township and range aforesaid, in Cook County, Illinois.

1001 East 99th Street Parcel.

Parcel 1:

The north 324.83 feet of the east 402.30 feet of the west 1,808.88 feet (excepting the east 45 feet of the south 70 feet of the north 324.83 feet of the east 402.30 feet thereof) of the north half of the southwest quarter of Section 11, Township 37 North, Range 14 East of Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

The south 314.83 feet of the north 324.83 feet of the west 560.00 feet of that part of the south half of Section 11, Township 37 North, Range 14 East of the Third Principal Meridian lying east of a line drawn perpendicularly to the north line of said south half through a point which is 980.00 feet east of the easterly line of South Cottage Grove Avenue (80.00 feet wide) as measured along a line 60.00 feet south of and parallel with the north line of the southeast quarter of Section 10 and along a line 60.00 feet south of and parallel with the north line of the south half of Section 11, all in the township and range aforesaid, in Cook County, Illinois.

Parcel 3:

The north 10.00 feet of the west 560.00 feet of that part of the south half of Section 11, Township 37 North, Range 14 East of the Third Principal Meridian lying east of a line drawn perpendicular to the north line of said south half through a point which is 980.00 feet east of the easterly line of South Cottage Grove Avenue (80.00 feet wide) as measured along a line 60.00 feet south of and parallel with the north line of the southeast quarter of Section 10 and along a line 60.00 feet south of and parallel with the north line of the south half of Section 11, all in the township and range aforesaid, in Cook County, Illinois.

(Sub)Exhibit "C".

(To Redevelopment Agreement With JFA Real Estate, L.L.C. And Jays Foods, Inc.)

T.I.F.-Eligible Improvements.

Land:

Acquisition -- 1001 East 99 th site only	\$1,825,000

Hard Costs:

Plant Upgrades (security, lighting, access)	\$ 412,500
Demolition/Site work	511,900
Warehouse building rehabilitation	2,938,085

Soft Costs:

Environmental	\$ 10,610
A & E	<u>310,000</u>
TOTAL:	<u>\$6,008,095</u>

Actual amounts expended may be moved among line items.

Notwithstanding the total of T.I.F.-Eligible Improvements shown here, the assistance to be provided by the City is limited to the maximum amount of City Funds calculated pursuant to Section 4.03 herein.

(Sub)Exhibit "G".

(To Redevelopment Agreement With JFA Real Estate, L.L.C. And Jays Foods, Inc.)

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 Redevelopment Agreement With JFA Real Estate, L.L.C. And Jays Foods, Inc.)

Project Budget.

Land:

Acquisition -- 825 East 99 th	\$ 1,550,000
Acquisition -- 1001 East 99 th	1,825,000
Acquisition closing costs (both)	138,278

Equipment:

Plant equipment	\$12,285,100
Construction of connector	750,000

Hard Costs:

Resurface/upgrade parking/staging lots	\$ 250,000
Plant upgrades (security, lighting, access)	412,500
Demolition/site work	511,900
Parking/common hard costs	333,517
Landscaping	74,299
Warehouse building rehabilitation	2,938,085

Soft Costs:

Environmental	\$ 10,610
Appraisal/survey	12,776
A & E	310,000
Development fee	366,000
Leasing commission	200,000
Third party consultants	250,000
Permits/utility fees/taxes/insurance/surety	203,936
Legal/accounting/escrow/inspecting architect	99,500
Contingency (soft costs)	12,369
Bank fees/costs	73,500
Financing costs	<u>1,186,040</u>
TOTAL:	<u>\$23,793,410</u>

(Sub)Exhibit "H-2".
(To Redevelopment Agreement With JFA Real
Estate, L.L.C. And Jays Foods, Inc.)

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

Resurface/upgrade parking/staging lots	\$ 250,000
Demolition/site work	511,900
Parking/common hard costs	333,517
Landscaping	74,299
Warehouse building rehabilitation	2,938,085
Environmental	10,610
A & E	<u>310,000</u>
TOTAL:	<u>\$4,428,411</u>
Twenty-four percent (24%) M.B.E. participation	\$1,062,818
Four percent (4%) W.B.E. participation	\$ 177,136

* If Owner/Developer obtains M.B.E./W.B.E. participation in any hard or soft costs, regardless of whether a line item for such costs is shown above, Owner/Developer shall receive M.B.E./W.B.E. credit for such participation against its obligations in this exhibit.

(Sub)Exhibit "J".
(To Redevelopment Agreement With JFA Real
Estate, L.L.C. And Jays Foods, Inc.)

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 _____, an [Illinois]
_____ (the "Developer"), in connection with the purchase of
certain land and the construction of certain facilities thereon located in the
_____ 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");

[(b) the Escrow Agreement of even date herewith executed by the Developer and
the City;]

(c) [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]; and

(d) 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 [revise if the Developer is not a corporation]; 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 Developer is a corporation duly organized, validly existing and in good standing under the laws of its state of [incorporation] [organization], 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] [entity] 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 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 [Articles of Incorporation or Bylaws] [describe any formation documents if the Developer is not a corporation] 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 is a party or by which the Developer 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 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).

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.

4. Each of the Documents to which the Developer is a party has been duly executed and delivered by a duly authorized officer of the Developer, and each such Document constitutes the legal, valid and binding obligation of the Developer, 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. (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, 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.

7. 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.

8. 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.

9. The execution, delivery and performance of the Documents by the Developer 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 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 States of Delaware and 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 "L".
(To Redevelopment Agreement With JFA Real
Estate, L.L.C. And Jays Foods, Inc.)

Requisition Form.

State of Illinois)
)SS.
County of Cook)

The affiants, Jays Foods, Inc. and JFA Real Estate, L.L.C. (jointly and severally,

the "Developer"}, hereby certifies that with respect to that certain Jays/JFA Redevelopment Agreement between the Developer and the City of Chicago dated _____, ____ (the "Agreement"):

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

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

\$_____

C. The Developer requests reimbursement for the following cost of T.I.F.-Eligible Improvements:

\$_____

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

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

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

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

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

Jays Foods, Inc.,
a Delaware corporation

By: _____

Its: _____

12/13/2006

REPORTS OF COMMITTEES

94787

JFA Real Estate, L.L.C., an Illinois
limited liability company

By: _____

Its: _____

Subscribed and sworn before me this

_____ day of _____, _____.

My commission expires: _____.

Agreed and Accepted:

Name

Title: _____

City of Chicago
Department of Planning and Development

(Sub)Exhibit "N".
(To Redevelopment Agreement With JFA Real
Estate, L.L.C. And Jays Foods, Inc.)

Public Benefits Program.

For the Term of this Agreement, the Developer and Owner shall continue to permit the Cottage Grove Victory Garden group [insert correct legal name, if any] to use that portion of the Property it occupies as of the Closing Date as a community flower and vegetable garden.

(Sub)Exhibit "O".
(To Redevelopment Agreement With JFA Real
Estate, L.L.C. And Jays Foods, Inc.)

Form Of Subordination Agreement.

This subordination agreement ("Agreement") is made and entered into as of the ____ day of _____, ____ between the City of Chicago by and through its Department of Planning and Development (the "City"), [Name Lender], a [national banking association] (the "Lender").

Witnesseth.

Whereas, [Describe Project]; and

Whereas, [Describe Financing and Security Documents];

Whereas, The Developer desires 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");

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 8.19 of the Redevelopment Agreement (the "City Encumbrances");

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 their respective liens under the Loan Documents to the City Encumbrances;

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:

Attention: _____

with a copy to:

Attention: _____

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 (1) instrument.

In Witness Whereof, This Subordination Agreement has been signed as of the date first written above.

[Lender], [a national banking association]

By: _____

Its: _____

City of Chicago

By: _____

Its: _____ Commissioner,
Department of Planning
and Development

Acknowledged and agreed to this _____ day of _____, _____

[Developer], a _____

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.

CHICAGO, December 13, 2006.

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 Michigan Boulevard Building, 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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, Moore, Stone -- 39.

Nays -- None.

Alderman E. Smith 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, Michigan 30 L.L.C., an Illinois limited liability company (the "Owner"), is the owner of the historic building known as the Michigan Boulevard Building located at 30 North Michigan Avenue in Chicago, Illinois, as more precisely described in Exhibit 1 attached hereto and hereby made a part hereof (the land and improvements thereon being herein referred to as the "Project Real Estate"); and

WHEREAS, The Michigan Boulevard Building is located within the Historic Michigan Boulevard Chicago Landmark District, designated by the City Council of the City (the "City Council") on February 27, 2002, pursuant to the criteria established in Section 2-120-580 of the Municipal Code of Chicago, and is considered a contributing building to that district; such designation meets the definition of a "contributing" building within a landmark district pursuant to Section 1 of the Classification Ordinance; and

WHEREAS, The Owner proposes to repair the exterior masonry and renovate the existing commercial and office space at the Michigan Boulevard Building (the "Project"), thereby preserving the historic building, increasing commercial 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, Pursuant to the Classification Ordinance, the Class L classification is available to real estate which is to be used for commercial or industrial purposes and which (1) is a Landmark (as defined in Section 1 of the Classification Ordinance); and (2) has undergone Substantial Rehabilitation (as defined in Section 1 of the Classification Ordinance), which constitutes an investment by the owner of at least fifty percent (50%) of the building's full market value as determined by the Assessor in the assessment year prior to the commencement of the Substantial

Rehabilitation; and the Class L incentive shall apply to the building only, except that if the entire building has been vacant and unused for at least twenty-four (24) continuous months prior to the filing of the eligibility application with the Assessor, the land upon which the building is situated shall be eligible for the incentive; and

WHEREAS, Section 2 of the Classification Ordinance requires that, in connection with the filing of a 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 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, which 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 October 5, 2006, the Landmarks Commission issued a written recommendation of the Project to the City Council, finding that the Michigan Boulevard Building is a contributing building to the historic character of the Historic Michigan Boulevard District and recommending that 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 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, 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.

SECTION 7. 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 8. This ordinance shall be effective from and after its passage and approval.

Exhibits 1 and 2 referred to in this ordinance read as follows:

Exhibit 1.
(To Ordinance)

Legal Description.

Lots 1 to 6, inclusive, in Laflin Subdivision of Lots 1 and 2 in Block 15 in Fort

Dearborn Addition to Chicago; also, the south 5 feet of original Lot 2 in Block 15 in Fort Dearborn Addition, being the north 5 feet of a parcel of land 10 feet in said width shown and marked private alley on plats of original Lots 1 and 2 of said Block 15 made by Matthews Laflin and recorded June 29, 1853 in Book 49 of maps, page 75 in Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Address Commonly Known As:

30 North Michigan Avenue.

Permanent Index Number:

17-10-312-006-0000.

Exhibit 2.
(To Ordinance)

City Of Chicago
Commission On Chicago Landmarks

October 5, 2006

Recommendation To The City Council That
A Class L Real Estate Tax Reduction
Be Approved For The Michigan Boulevard Building
30 North Michigan Avenue
Historic Michigan Boulevard District.

To the Mayor and Members of the City Council of the City of Chicago:

Whereas, The Commission on Chicago Landmark (the "Commission") has reviewed an application for the proposed rehabilitation of the Michigan Boulevard Building, an office building proposed for renovation, located at 30 North Michigan (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, The Building is within the Historic Michigan Boulevard District, which was designated as a Chicago Landmark District by the City of Chicago (the "City Council") on February 27, 2002; now, therefore,

The Commission on Chicago Landmarks hereby:

1. incorporates the above recitals; and
2. 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 Secretary of the Interior's Standards for the Rehabilitation of Historic Buildings; and
3. finds, that the Project meets the eligibility criteria for the Class L incentive specified in the County Ordinance; and
4. finds that 30 North Michigan Avenue is a contributing building to the historic character of the Historic Michigan Boulevard District; and
5. recommends that the Project be approved for the Class L incentive.

The above recommendation was passed unanimously (9 -- 0).

(Signed) _____ David Moscna
Chairman

Dated: October 5, 2006.

(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)

Michigan 30, L.L.C. Project Budget.

	Class L Eligible	Not Eligible	Total Budget
Masonry repair	\$4,906,000.00	\$0.00	\$4,906,000.00
Signage removal	100,000.00	0.00	100,000.00
Facade cleaning	100,000.00	0.00	100,000.00
Roofing	385,000.00	0.00	385,000.00
Mechanical/ H.V.A.C.	750,000.00	0.00	750,000.00
Elevators	425,000.00	0.00	425,000.00
Storefronts and exterior lighting	<u>400,000.00</u>	<u>0.00</u>	<u>400,000.00</u>
TOTAL:	\$7,066,000.00	\$0.00	\$7,066,000.00

(Sub)Exhibit "B".
(To Commission On Chicago Landmarks
Recommendation)

Scope Of The Work.

General. All work affecting the significant historical and architectural features 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 7, 1992.
- 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. To include:

Exterior.

- Work shall include masonry repair and tuck-pointing of the upper floors, including rebuilding parapet walls and penthouses.
- Clean east and north elevations, including courtyard walls along Washington.
- Remove existing rooftop sign armature on Michigan Avenue.
- Install architectural facade lighting.
- An energy star-rated roof will be installed.
- Three (3) new storefront windows to replace the non-historic existing windows at the west end of the north elevation and on Holden Court.

Interior.

- Work shall include new H.V.A.C. units and renovation of passenger elevator cab interiors and freight elevator controls.

Work shall occur in accordance with permit drawings for the Project, to be reviewed and approved by the staff of the Commission on Chicago Landmarks.

AUTHORIZATION FOR CLASS L TAX INCENTIVE DESIGNATION
FOR OVERTON HYGIENIC BUILDING AT 3617 -- 3625
SOUTH STATE STREET.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

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 Overton Hygienic Building, 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 Haithcock, Preckwinkle, Hairston, Lyle, Beale, Pope, Balcer, Cárdenas, Olivo, T. Thomas, Coleman, L. Thomas, Rugai, Troutman, Muñoz, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyas, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Shiller, Schulter, Moore, Stone -- 39.

Nays -- None.

Alderman E. Smith 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, The Overton L.L.C., an Illinois limited liability company (the "Owner"), is the owner of the historic building known as the Overton Hygienic Building (the "Overton") located at 3617 -- 3625 South State Street in Chicago, Illinois, as more precisely described in Exhibit 1 attached hereto and hereby made a part hereof (the land and improvements thereon being herein referred to as the "Project Real Estate"); and

WHEREAS, The Overton is located within the Black Metropolis-Bronzeville Chicago Landmark District, designated by the City Council of the City (the "City Council") on September 9, 1998, pursuant to the criteria established in Section 2-120-580 of the Municipal Code of Chicago, and is considered a contributing building to that district; such designation meets the definition of a "contributing" building within a landmark district pursuant to Section 1 of the Classification Ordinance; and

WHEREAS, The Owner proposes to repair the exterior and rehabilitate the interior of the Overton for ground-floor commercial tenant spaces and office space on the upper three (3) floors (the "Project"), 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 a 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 October 5, 2006, the Landmarks Commission issued a written recommendation of the Project to the City Council, finding that the Overton is a contributing building to the historic character of the Black Metropolis-Bronzeville District and recommending that 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 Overton shall have been vacant and unused for at least twenty-four (24) continuous months prior to the filing of the Class L eligibility application with the Assessor, making both the building and the land upon which the building is situated eligible for the Class L incentive; 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 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.

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.

SECTION 7. 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 8. This ordinance shall be effective from and after its passage and approval.

Exhibits 1 and 2 referred to in this ordinance read as follows:

Exhibit 1.
(To Ordinance)

Legal Description:

Lots 47, 48, 49, 50 and 51 (except the west 34.00 feet of each of said lots taken for widening of State Street) in Block "A" in Freeman's Addition to Chicago, being a subdivision of 10 acres, lying next south of and adjoining north 20 acres of the west half of the southwest quarter of Section 34, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Address Commonly Known As:

3617 -- 3625 South State Street.

Permanent Index Number:

17-34-303-006.

Exhibit 2.
(To Ordinance)

City Of Chicago
Commission On Chicago Landmarks

October 5, 2006

Recommendation To The City Council That
A Class L Real Estate Tax Reduction
Be Approved For The Overton Hygienic Building
3617 -- 3625 South State Street
Black Metropolis -- Bronzeville Landmark District.

To the Mayor and Members of the City Council of the City of Chicago:

Whereas, The Commission on Chicago Landmark (the "Commission") has reviewed an application for the proposed rehabilitation of the Overton Hygienic

Building, a vacant building proposed for reuse with commercial on the first (1st) floor and office use on the upper floors, located at 3617 South State Street (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, The Building is within the Black Metropolis-Bronzeville District, which was designated as a Chicago Landmark District by the City of Chicago (the "City Council") on September 9, 1998; now, therefore,

The Commission On Chicago Landmarks Hereby:

1. incorporates the above recitals; and
2. 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 Secretary of the Interior's Standards for the Rehabilitation of Historic Buildings; and
3. finds, that the Project meets the eligibility criteria for the Class L incentive specified in the County Ordinance; and
4. finds that 3617 -- 3625 South State Street is a contributing building to the historic character of the Black Metropolis -- Bronzeville Landmark District; and
5. recommends that the Project be approved for the Class L incentive.

The above recommendation was passed unanimously (8 -- 0).

(Signed) _____ David Mosena
Chairman

Dated: October 5, 2006

(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)

Overton, L.L.C. Project Budget.

	Class L Eligible	Non-Eligible	Total Project Costs
Hard Costs:			
Demolition	\$ 55,000.00	\$ 34,300.00	\$ 89,300.00
Site Construction	19,024.00	0.00	19,024.00
Masonry	448,378.00	25,000.00	473,378.00
Carpentry	89,700.00	106,520.00	196,220.00
Plumbing	223,000.00	17,610.00	240,610.00
Metals	300,965.00	0.00	300,965.00
Doors and Windows	165,248.00	54,300.00	219,548.00
Security/ Telecommunications	18,000.00	24,030.00	42,030.00
Roofing/ Waterproofing	74,000.00	0.00	74,000.00
Conveying Systems	72,300.00	0.00	72,300.00
H.V.A.C.	157,000.00	201,000.00	358,000.00
Electrical	171,930.00	325,000.00	496,930.00
General	<u>34,000.00</u>	<u>807,233.00</u>	<u>841,233.00</u>
	\$1,828,545.00	\$1,594,993.00	\$3,423,538.00

	Class L Eligible	Non-Eligible	Total Project Costs
Soft Costs:			
General Conditions	\$ 0.00	\$ 197,825.00	\$ 197,825.00
Insurance	0.00	54,547.00	54,547.00
Construction Fee	0.00	166,096.00	166,096.00
Contingency	0.00	343,865.00	343,865.00
Architectural/ Engineering	0.00	260,000.00	260,000.00
Financing/ Misc. Fees	<u>0.00</u>	<u>2,658,107.00</u>	<u>2,658,107.00</u>
	\$ 0.00	\$3,680,440.00	\$3,680,440.00
TOTAL:	\$1,828,545.00	\$5,275,433.00	\$7,103,978.00

(Sub)Exhibit "B".
(To Commission On Chicago Landmarks
Recommendation)

Scope Of The Work.

General. All work affecting the significant historical and architectural features 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 7, 1992.

- 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. To include:

Exterior.

- Work shall include masonry repair and tuckpointing of the upper floors.
- Install new storefronts and repair upper-floor windows as necessary.
- An energy-star-rated roof will be installed.

Interior.

- Work shall include new mechanical, electrical, fire protection and plumbing systems.
- One (1) new elevator and mechanical penthouse will be constructed.

Permit drawings for the Project which include this required scope of work have been reviewed and approved by the staff of the Commission on Chicago Landmarks on August 23, 2006.

AUTHORIZATION FOR ISSUANCE OF FREE PERMITS
FOR CERTAIN CHARITABLE, EDUCATIONAL
AND RELIGIOUS INSTITUTIONS.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Finance, to which had been referred November 15, 2006, sundry proposed ordinances transmitted therewith to authorize the issuance of free permits 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 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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

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):

*DePaul University/MJH Education
Assistance Illinois IV L.L.C.*

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 the Department of Water Management are hereby authorized and directed to issue all necessary permits, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to DePaul University/MJH Education Assistance Illinois IV L.L.C. for the property located at 1237 West Fullerton Avenue.

Said building(s) shall be used for educational 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. This ordinance shall take effect and be in force from and after its passage and publication.

Gift From God Ministry.

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 Water Management, the Director of Zoning, the Director of Revenue and the Commissioner of the Department of Construction and Permits are hereby directed to waive all necessary permits, all on-site water/sewer inspection fees, all water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Gift From God Ministry, 1818 West 74th Street, for the construction of 1818 West 74th Street for purpose of renovation of the church building.

Said building shall be used exclusive 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.

EXEMPTION OF THE ART INSTITUTE OF CHICAGO FROM
PAYMENT OF CITY PERMIT, LICENSE AND INSPECTION
FEES FOR PERIOD ENDING DECEMBER 31, 2007.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a proposed ordinance presented by Alderman Matlak (32nd Ward) exempting The Art Institute of Chicago, 950 North North Branch Street, from payment of all city permit, license and inspection fees for the period ending December 31, 2007, 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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

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, and all on-site water/sewer plan review fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to The Art Institute of Chicago, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at 950 North North Branch Street.

Said building(s) and all appurtenances thereto 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 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 Art Institute of Chicago, 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 Art Institute 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 but in no event beyond December 31, 2007.

EXEMPTION OF LOUIS L. VALENTINE BOYS & GIRLS CLUB
FROM PAYMENT OF CITY PERMIT, LICENSE AND
INSPECTION FEES FOR PERIOD ENDING
DECEMBER 31, 2007.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

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 Louis L. Valentine Boys & Girls Club, 3400 South Emerald Avenue, from payment of all city permit, license and inspection fees for the period ending December 31, 2007, 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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

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 Streets and Sanitation, the Executive Director of Construction and Permits, the Commissioner of Transportation, the Director of Revenue, the Commissioner of Water Management and the Commissioner of Fire are hereby directed to issue all necessary permits and licenses, all on-site water/sewer inspection fees, free of charge, notwithstanding other ordinances of the City of Chicago to the contrary, to Louis L. Valentine Boys & Girls Club, 3400 South Emerald Avenue, said

building and all appurtenances thereto shall be used exclusively for not-for-profit and related purposes and shall not be otherwise used with a view profit.

SECTION 2. The Boys & Girls Club, 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 Boys & Girls Club 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, 2007.

EXEMPTION OF THE UNIVERSITY OF CHICAGO FROM PAYMENT
OF CITY PERMIT, LICENSE AND INSPECTION FEES
FOR PERIOD ENDING DECEMBER 31, 2007.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

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 The University of Chicago, various locations, from payment of all city permit, license and inspection fees for the period ending December 31, 2007, 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.

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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

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 Business Affairs and Licensing, 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 The University of Chicago, a not-for-profit Illinois corporation, related to the erection and maintenance of building(s) and fuel storage facilities at said locations listed on Exhibit A attached hereto and made a part hereof.

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 University of Chicago, 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.

SECTION 3. The University 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 January 1, 2007 through December 31, 2007.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".

The University Of Chicago Master Property List.
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Bldg	Name	Address	Status	Region	Property Category	Primary Type
A01	Visual Sciences Center	939 East 57TH Street	Demolished	University	Building	Laboratory
A02	Whitman Laboratory	915 East 57TH Street	Demolished	University	Building	Laboratory
A03	Plemister Hall	5715 Drexel Avenue	Demolished	REC	Building	Residential
A06	Crerar Library	5730 Ellis Avenue	Owned	University	Building	Library
A07	Kersten Physics Teaching Center	5720 Ellis Avenue	Owned	University	Building	Teaching
A08	Hinds Laboratory	5734 Ellis Avenue	Owned	University	Building	Laboratory
A09	5741-43 Drexel	5741-43 Drexel Avenue	Demolished	University	Building	Office
A10	Rubloff I.C.U. Tower	5841 Maryland Avenue	Owned	Hospital	Building	Patient Care
A11	Kovler Laboratories	910 East 58TH Street	Owned	Hospital	Building	Laboratory
A12	Ingleside Hall	956-60 East 58TH Street	Owned	University	Building	Office
A13	Bookstore	970 East 58TH Street	Owned	University	Building	Office
A14	Surgery Brain Research Pavilion	5812 Ellis Avenue	Owned	Shared	Building	Laboratory
A15	Abbott Memorial Hall	947-51 East 58TH Street	Owned	Shared	Building	Laboratory
A16	Peck Pavilion	950 East 59TH Street	Owned	Shared	Building	Laboratory
A17	Wyller Childrens Hospital	950 East 59TH Street	Owned	Hospital	Building	Patient Care
A18	Amour Clinical Research	950 East 59TH Street	Owned	Shared	Building	Laboratory
A19	Franklin McLean Institute	5824 Ellis Avenue	Owned	Shared	Building	Laboratory
A20	Goldblatt Memorial Hospital	5840 Ellis Avenue	Owned	Hospital	Building	Office
A21	Hicks McElwee Hospital	970 East 59TH Street	Owned	Shared	Building	Laboratory
A22	Carlson Animal Research	949 East 59TH Street	Owned	Shared	Building	Laboratory
A23	Billings Hospital	950 East 59TH Street	Owned	Shared	Building	Laboratory
A24	Bob Roberts Memorial Hospital	920 East 59TH Street	Owned	Shared	Building	Laboratory
A25	Gilman Smith Hospital	5835 Drexel Avenue	Owned	Hospital	Building	Office
A26	Goldblatt Pavilion	860 East 59TH Street	Owned	Hospital	Building	Office
A27	Chicago Lying-In Hospital	5841 Maryland Avenue	Owned	Shared	Building	Laboratory
A28	Ronald McDonald House - temporary	5700-02 Drexel Avenue	Owned	Hospital	Building	Residential
A29	5706-08 Drexel	5706-08 Drexel Avenue	Demolished	REC	Building	Residential
A30	5710-12 Drexel	5710-12 Drexel Avenue	Demolished	REC	Building	Residential
A31	5716-18 Drexel	5716-18 Drexel Avenue	Demolished	REC	Building	Residential
A32	5724-26 Drexel	5724-26 Drexel Avenue	Demolished	REC	Building	Residential
A33	5728-30 Drexel	5728-30 Drexel Avenue	Demolished	REC	Building	Residential
A34	5742-48 Drexel	5742-48 Drexel Avenue	Demolished	REC	Building	Residential
A35	5701 Maryland	5701 Maryland Avenue	Demolished	REC	Building	Residential
A36	5737 Maryland	5737 Maryland Avenue	Demolished	REC	Building	Residential
A37	5708-10 Maryland	5708-10 Maryland Avenue	Demolished	REC	Building	Residential
A38	5712 Maryland	5712 Maryland Avenue	Demolished	REC	Building	Residential
A39	5716 Maryland	5716 Maryland Avenue	Demolished	REC	Building	Residential
A40	5720-26 Maryland	5720-26 Maryland Avenue	Demolished	REC	Building	Residential
A41	5734 Maryland	5734 Maryland Avenue	Demolished	REC	Building	Residential
A42	5746 Maryland	5746 Maryland Avenue	Demolished	REC	Building	Residential
A43	5750 Maryland	5750 Maryland Avenue	Demolished	REC	Building	Residential

Exhibit "A".

The University Of Chicago Master Property List.
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A44	816-24 East 58TH Street	5756-58 Maryland Avenue	Demolished	REO	Building	Residential
A45	804-12 East 58TH Street	804-12 East 58TH Street	Demolished	REO	Building	Residential
A46	5737-39 Drexel	5737-39 Drexel Avenue	Demolished	University	Building	Office
A47	5731 Maryland	5731 Maryland Avenue	Demolished	REO	Building	Residential
A49	5729 Maryland	5729 Maryland Avenue	Demolished	Hospital	Building	Residential
A50	MPS Building (CLSC)	920 E 58th Street	Owned	University	Building	Laboratory
A51	5727 Maryland	5727 Maryland Avenue	Demolished	Hospital	Building	Residential
A52	5701 Maryland Garage	5701 Maryland Avenue	Demolished	REO	Garage/Shed	Residential
A53	5710 Drexel Garage	5710 Drexel Avenue	Demolished	REO	Garage/Shed	Residential
A54	5716 Drexel Garage	5716 Drexel Avenue	Demolished	REO	Garage/Shed	Residential
A55	5724 Drexel Garage	5724 Drexel Avenue	Demolished	REO	Garage/Shed	Residential
A56	5707 Maryland	5707 Maryland Avenue	Demolished	Hospital	Building	Residential
A57	5711 S. Maryland	5711 S. Maryland	Demolished	REO	Building	Residential
A58	5715 S. Maryland	5715 S. Maryland	Demolished	REO	Building	Residential
A59	5730 Maryland	5730 Maryland Avenue	Demolished	REO	Building	Residential
A60	5732 Maryland	5732 Maryland Avenue	Demolished	REO	Building	Residential
A61	5733 Maryland	5733 Maryland Avenue	Demolished	Hospital	Building	Residential
A62	Cummings Life Sciences Center (CLSC)	920 East 58TH Street	Owned	University	Building	Laboratory
A63	5705 Maryland	5705 Maryland Avenue	Demolished	REO	Building	Residential
A64	5705 S. Maryland Garage	5705 S. Maryland	Demolished	REO	Garage/Shed	Residential
A65	5717 Maryland	5717 Maryland Avenue	Demolished	REO	Building	Residential
A66	5725 Maryland	5725 Maryland Avenue	Demolished	REO	Building	Residential
A67	5725 S. Maryland Garage	5725 S. Maryland	Demolished	REO	Garage/Shed	Residential
A68	5741 Maryland	5741 Maryland Avenue	Demolished	REO	Building	Residential
A69	5741 S. Maryland Garage	5741 S. Maryland	Demolished	REO	Building	Residential
A70	Parking Structure	5840 S. Maryland Ave	Owned	Hospital	Parking Structure	Parking
A71	Mitchell Hospital	5815 Maryland Avenue	Owned	Hospital	Building	Patient Care
A72	M.R.I. Facility	5841 S. Maryland Ave	Owned	Hospital	Building	Laboratory
A73	Materials Management	5841 Cottage Grove	Owned	Hospital	Parking Structure	Parking
A74	Ronald McDonald House	5732 S. Drexel	Demolished	Hospital	Building	Residential
A75	Duchossis Center for Advanced Medicine	5758 S. Maryland	Owned	Hospital	Building	Patient Care
A76	DCAM Garage	5700 S. Maryland	Owned	Hospital	Parking Structure	Parking
A80	5739 Maryland	5739 Maryland	Demolished	REO	Building	Residential
A82	5709 Maryland	5709 Maryland Avenue	Demolished	Hospital	Building	Residential
A83	5709 Maryland Garage	5709 Maryland Avenue	Demolished	Hospital	Garage/Shed	Residential
A84	American School	850 East 58th Street	Owned	Hospital	Building	Office
A85	American School Parking Lot	58th Street & Maryland Avenue	Demolished	Hospital	Parking Lot	Parking
A86	Center for Integrative Science (CIS)	929 East 57th Street	Construction	University	Building	Laboratory
A87	Comer Children's Hospital	5721 Maryland Avenue	Owned	Hospital	Building	Patient Care
A88	5703 Maryland	5703 Maryland Avenue	Demolished	Hospital	Building	Residential
A89	5721 Maryland	5721 Maryland Avenue	Demolished	Hospital	Building	Residential
A90	Phemister Parking Lot	5715 South Drexel Avenue	Demolished	REO	Inactive	Inactive

Exhibit "A".

The University Of Chicago Master Property List.
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A92	5722 Drexel	5722 Drexel	Demolished	REO	Building	Residential
A93	IRB Chiller Node	5735 S. Drexel Avenue	Construction	University	Building	Other
A94	Pediatric ED	TBD	Construction	Hospital	Building	Patient Care
A95	Surgery Pavilion	TBD	Construction	Hospital	Building	Patient Care
AG	A Grid Grounds	57th-59th Streets, Cottage to Ellis	Owned	University	Grounds	Other
B01	LASR	933 East 56TH Street	Owned	University	Building	Office
B02	High Energy Physics(HEP)	935 East 56TH Street	Owned	University	Building	Office
B03	Accelerator Building (ACC)	5604-20 Ellis Avenue	Owned	University	Building	Laboratory
B04	Astronomy & Astrophysics Center	5640 S. Ellis Avenue	Owned	University	Building	Laboratory
B05	Barnes Laboratory	5630 S. Ingleside Avenue	Demolished	University	Inactive	Inactive
B06	Low Temperature Lab	5641 S. Ingleside Avenue	Owned	University	Building	Office
B07	Research Institutes	5640 S. Ellis Avenue	Owned	University	Building	Laboratory
B08	Bio-Psychology Science Building	940 East 57TH Street	Owned	University	Building	Laboratory
B09	Botany Control Lab	5630 S. Ingleside Avenue	Demolished	University	Building	Laboratory
B10	GreenHouse	5630 S. Ingleside Avenue	Demolished	University	Building	Laboratory
B11	Green House Storage	5630 S. Ingleside Avenue	Demolished	University	Building	Laboratory
B12	Botany GreenHouse Office	5630 S. Ingleside Avenue	Demolished	University	Building	Laboratory
B13	Botany GreenHouse	5630 S. Ingleside Avenue	Demolished	University	Building	Laboratory
B14	5613-21 Drexel	5613-21 Drexel Avenue	Owned	REO	Building	Residential
B15	5617 Drexel Garage	5617 Drexel Avenue	Owned	REO	Garage/Shed	Residential
B16	5619 Drexel Garage	5619 Drexel Avenue	Owned	REO	Garage/Shed	Residential
B17	5623 Drexel	5623 Drexel Avenue	Owned	REO	Building	Residential
B18	5623 S. Drexel Garage	5623 S. Drexel Avenue	Owned	REO	Garage/Shed	Residential
B19	5631 Drexel Garage	5631-1/2 Drexel Avenue	Owned	REO	Garage/Shed	Residential
B20	5643 S. Drexel	5643 S. Drexel	Owned	REO	Garage/Shed	Residential
B21	5645 Drexel	5645 Drexel Avenue	Owned	REO	Building	Residential
B22	5645 S. Drexel Garage	5645 S. Drexel	Owned	REO	Garage/Shed	Residential
B23	5659-61 Drexel	5659-61 Drexel Avenue	Owned	REO	Building	Residential
B24	5642-44 Drexel	5642-44 Drexel Avenue	Owned	REO	Building	Residential
B25	5642 Drexel Garage	5642 Drexel Avenue	Owned	REO	Garage/Shed	Residential
B26	5601-05 Maryland	5601-05 Maryland Avenue	Owned	REO	Building	Residential
B27	5631-33 Maryland	5631-33 Maryland Avenue	Owned	REO	Building	Residential
B28	5645-49 Maryland	5645-49 Maryland Avenue	Owned	REO	Building	Residential
B29	University Service Garage	5601 S. Cottage Grove Ave	Owned	University	Building	Other
B30	5604 Maryland	5604 Maryland Avenue	Owned	REO	Building	Residential
B31	5606 Maryland	5606 Maryland Avenue	Owned	REO	Building	Residential
B32	5608 Maryland	5608 Maryland Avenue	Owned	REO	Building	Residential
B33	5644-46 Maryland	5644-46 Maryland Avenue	Owned	REO	Building	Residential
B34	Stagg Field Building	850 East 56th St	Owned	University	Building	Athletic
B35	5545-55 Ingleside	5545-55 Ingleside Avenue	Demolished	REO	Building	Residential
B36	Donnelley Biological Sciences Learning	924 E. 57th Street	Owned	University	Building	Teaching
B37	Facilities Service Building	5643-49 S. Cottage Grove	Owned	University	Building	Other

Exhibit "A".

The University Of Chicago Master Property List.
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B38	5638 Maryland	5638 Maryland Avenue	Owned	REO	Building	Residential
B39	5638 Maryland Garage	5638 Maryland Avenue	Owned	REO	Garage/Shed	Residential
B40	5631-39 Cottage Grove	5631-39 Cottage Grove	Owned	REO	Building	Residential
B41	5655 Drexel	5655 Drexel Avenue	Owned	REO	Building	Residential
B42	5649 S. Drexel	5649 S. Drexel Avenue	Owned	REO	Building	Residential
B43	5640 Maryland	5640 Maryland Avenue	Owned	REO	Building	Residential
B44	5622 S. Drexel Garage	5622 S. Drexel	Demolished	REO	Garage/Shed	Residential
B45	5640 S. Maryland Garage	5640 S. Maryland	Owned	REO	Garage/Shed	Residential
B46	Stagg Field Parking Lot	5516 S. Ellis Avenue	Owned	University	Parking Lot	Parking
B47	5650 Maryland Parking Lot	5650 S. Maryland Avenue	Owned	REO	Parking Lot	Parking
B48	Stagg Field	821-921 East 55TH Street	Owned	University	Athletic Field	Non-Bldg
B49	BSLC GreenHouse	924 E. 57TH Street	Owned	University	Building	Laboratory
B50	5613 Drexel	5613 Drexel	Owned	REO	Vacant Lot	Non-Bldg
B51	5611-29 Cottage Grove	5611-29 Cottage Grove	Owned	REO	Building	Residential
B52	BSLC Knapp Center	924 E. 57TH Street	Owned	University	Building	Laboratory
B53	5624 Drexel	5624 Drexel	Demolished	REO	Building	Residential
B54	5609 Maryland	5609 Maryland Avenue	Owned	REO	Building	Residential
B55	5605 Drexel	5605 Drexel	Owned	REO	Building	Office
B56	5641 Drexel	5641 Drexel	Owned	REO	Building	Residential
B57	5635 S. Drexel	5635 S. Drexel	Owned	REO	Building	Residential
B58	5639 S. Drexel	5639 S. Drexel	Owned	REO	Building	Residential
B59	5628 Maryland	5628 Maryland	Owned	REO	Building	Residential
B60	5624 Maryland	5624 Maryland	Demolished	REO	Building	Residential
B61	5626 Maryland	5626 Maryland	Owned	REO	Building	Residential
B62	Radiation Waste Storage	5504 S. Ellis Avenue	Demolished	University	Building	Other
B63	Stagg Field Storage	850 East 56TH Street	Owned	University	Garage/Shed	Other
B64	Drexel Parking Lot		Owned	University	Parking Lot	Parking
B65	LASR Parking Lot	933 East 56TH Street	Owned	University	Parking Lot	Parking
B66	5641 Drexel Garage	5641 Drexel	Owned	REO	Garage/Shed	Residential
B67	5626 Maryland Garage	5626 Maryland	Owned	REO	Garage/Shed	Residential
B68	5641 Cottage Grove Parking Lot	5641 Cottage Grove	Owned	REO	Parking Lot	Parking
B69	Rainer Athletic Center	5530 S. Ellis Avenue	Owned	University	Building	Athletic
B70	5611 Drexel	5611 South Drexel Avenue	Owned	REO	Building	Residential
B71	5632-32 1/2 Maryland	5632-32 1/2 Maryland Avenue	Owned	REO	Building	Residential
B72	5611 Drexel Garage	5611 South Drexel Avenue	Owned	REO	Garage/Shed	Residential
B73	5632 Drexel	5632 South Drexel Avenue	Demolished	REO	Vacant Lot	Non-Bldg
B74	5637 Drexel	5637 South Drexel Avenue	Owned	REO	Vacant Lot	Non-Bldg
B75	5645-49 Maryland Parking Lot	5645-49 Maryland Avenue	Owned	REO	Parking Lot	Parking
B76	5648 Drexel	5648 South Drexel Avenue	Owned	REO	Vacant Lot	Non-Bldg
B77	5626 Drexel	5626 S. Drexel Avenue	Demolished	REO	Building	Residential
B78	5623 Maryland	5623 Maryland Avenue	Demolished	REO	Building	Residential
B79	5621 Maryland	5621 Maryland Avenue	Demolished	REO	Building	Residential

Exhibit "A".

The University Of Chicago Master Property List.
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B90	5649 S. Drexel Garage	5649 S. Drexel	Owned	REO	Garage/Shed	Residential
B91	5655 S. Drexel Garage	5655 S. Drexel	Owned	REO	Garage/Shed	Residential
B92	5608 Drexel	5608 S. Drexel	Owned	REO	Vacant Lot	Non-Bldg
B93	5610 Drexel	5610 S. Drexel	Owned	REO	Building	Residential
B94	5612 Drexel	5612 S. Drexel	Owned	REO	Vacant Lot	Non-Bldg
B95	5628 Drexel	5628 S. Drexel	Demolished	REO	Vacant Lot	Non-Bldg
B96	5630 Drexel	5630 S. Drexel	Demolished	REO	Vacant Lot	Non-Bldg
B97	5611 Maryland	5611 S. Maryland	Demolished	REO	Building	Residential
B98	NRB	TBD	Construction	University	Building	Laboratory
B99	832-834 57th Street	832-834 E 57th Street	Owned	REO	Building	Residential
B100	5614-20 Drexel	5614-20 S Drexel	Demolished	REO	Building	Residential
B101	5607-09 Drexel	5607-09 S Drexel	Demolished	REO	Building	Residential
B102	5647 Drexel	5647 S Drexel	Owned	REO	Building	Residential
B103	5653 Drexel	5653 S Drexel	Owned	REO	Building	Residential
B104	5610 Maryland	5610 S Maryland	Demolished	REO	Building	Residential
B105	5618 Maryland	5618 S Maryland	Owned	REO	Building	Residential
B106	5625 Maryland	5625 S Maryland	Demolished	REO	Building	Residential
B107	5627-29 Cottage Grove Parking Lot	5627-29 Cottage Grove	Owned	REO	Parking Lot	Parking
B108	5627 Drexel	5627 S Drexel	Owned	REO	Building	Residential
B109	5629 Drexel	5629 S Drexel	Owned	REO	Building	Residential
B110	5633 Drexel	5633 S Drexel	Owned	REO	Building	Residential
B111	5651 Drexel	5651 S Drexel	Owned	REO	Building	Residential
B112	5639-41 Maryland	5639-41 Maryland	Owned	REO	Building	Residential
BG	B Grid Grounds	55th-57th Streets, Cottage-Ellis	Owned	University	Grounds	Other
C01	Pierce Hall	5514 University Avenue	Owned	RH&C	Building	Residential
C02	Henry Crown Field House	5550 University Avenue	Owned	University	Building	Athletic
C03	Regenstein Library	1100 East 57TH Street	Owned	University	Building	Library
C04	Bartlett Commons	5640 University Avenue	Owned	University	Building	Other
C05	Young Memorial Building	5555 Ellis Avenue	Owned	University	Building	Office
C13	Smart Museum of Art	5550 Greenwood	Owned	University	Building	Office
C14	Cochrane-Woods Art Center	5540 Greenwood Avenue	Owned	University	Building	Office
C15	Court Theatre	5535 Ellis Avenue	Owned	University	Building	Other
C16	North Field	5530 University Avenue	Owned	University	Athletic Field	Non-Bldg
C17	Pierce Parking Lot	5514 University Avenue	Owned	University	Parking Lot	Non-Bldg
C18	Ellis Parking Lot	55TH & Ellis Avenue	Owned	University	Parking Lot	Non-Bldg
C19	Young Parking Lot	5555 Ellis Avenue	Owned	University	Parking Lot	Non-Bldg
C20	Regenstein Parking Lot	1100 East 57TH Street	Owned	University	Parking Lot	Non-Bldg
C31	University Parking Structure	5505 S. Ellis Avenue	Owned	University	Parking Structure	Parking
C32	Max Palevsky Commons A/West	5625 S. Ellis Avenue	Owned	RH&C	Building	Residential
C33	Max Palevsky Commons B/Center	1101 East 56th Street	Owned	RH&C	Building	Residential
C34	Max Palevsky Commons C/East	5630 University Avenue	Owned	RH&C	Building	Residential
CG	C Grid Grounds	55th-57th Streets, Ellis-Woodlawn	Owned	University	Grounds	Other

Exhibit "A".

The University Of Chicago Master Property List.
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D02	Mitchell Tower	1131 East 57TH Street	Owned	University	Building	Other
D03	Reynolds Clubhouse	5706 University Avenue	Owned	University	Building	Other
D04	Hutchinson Hall	1131 East 57TH Street	Owned	University	Building	Other
D05	Zoology	1101 East 57TH Street	Owned	University	Building	Laboratory
D06	Anatomy	1027 East 57TH Street	Owned	University	Building	Office
D07	Hitchcock Hall	1009 East 57TH Street	Owned	RH&C	Building	Residential
D08	Snell Hall	5709 Ellis Avenue	Owned	RH&C	Building	Residential
D09	Searle Chemistry Laboratory	5715-35 Ellis Avenue	Owned	University	Building	Laboratory
D10	Culver Hall	1025 East 57TH Street	Owned	University	Building	Office
D11	Erman Biology Center	1103 East 57TH Street	Owned	University	Building	Laboratory
D12	Mandel Hall	1131 East 57th Street	Owned	University	Building	Other
D13	Math-Stat Building	5727 University Avenue	Owned	University	Building	Office
D14	Center for Gender Studies	5733 University Avenue	Owned	University	Building	Office
D15	Nursery School I	5740 Woodlawn Avenue	Owned	University	Building	Teaching
D16	Eckhart Hall	1118-32 East 58TH Street	Owned	University	Building	Office
D17	Ryerson Laboratory	1100-14 East 58TH Street	Owned	University	Building	Office
D18	Kent Chemical Laboratory	1020-24 East 58TH Street	Owned	University	Building	Teaching
D19	Jones Laboratory	5747 Ellis Avenue	Owned	University	Building	Laboratory
D20	Administration Building	5801 Ellis Avenue	Owned	University	Building	Office
D21	Cobb Lecture Hall	5811-27 Ellis Avenue	Owned	University	Building	Teaching
D22	Bond Chapel	1025 East 58th St	Owned	University	Building	Other
D23	Swift Hall	1025-35 East 58TH Street	Owned	University	Building	Office
D24	Rosenwald Hall	1101-11 East 58TH Street	Owned	University	Building	Office
D25	Walker Museum	1115-25 East 58TH Street	Owned	University	Building	Office
D26	Breasted Hall (OI)	1155 East 58TH Street	Owned	University	Building	Other
D29	Rocketteller Chapel	5850 Woodlawn Ave	Owned	University	Building	Other
D31	Presidents House	5855 University Avenue	Owned	University	Building	Other
D32	Beecher Hall	5848 University Avenue	Owned	University	Building	Office
D33	Green Hall	5848 University Avenue	Owned	University	Building	Office
D34	Kelly Hall	5848 University Avenue	Owned	University	Building	Office
D35	Foster Hall	1130 East 59TH Street	Owned	University	Building	Office
D36	Social Science Research Building	1128 East 59TH Street	Owned	University	Building	Office
D37	Stuart Hall	5835 Greenwood Avenue	Owned	University	Building	Office
D38	Harper Memorial Library	1116 East 59TH Street	Owned	University	Building	Office
D39	Haskell Hall	5836 Greenwood Avenue	Owned	University	Building	Office
D40	Wieboldt Hall	1050 East 59TH Street	Owned	University	Building	Office
D41	Classics Building	1010 East 59TH Street	Owned	University	Building	Office
D42	Goodspeed Hall	1010 East 59TH Street	Owned	University	Building	Office
D43	Gates Hall	5845 Ellis Avenue	Owned	University	Building	Office
D44	Blake Hall	5845 Ellis Avenue	Owned	University	Building	Office
D45	5720 Woodlawn Building	5720 Woodlawn Avenue	Owned	University	Building	Office
D46	Human Development	5730 Woodlawn Avenue	Owned	University	Building	Office

Exhibit "A".

The University Of Chicago Master Property List.
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D47	5736 Woodlawn Building	5736 Woodlawn Avenue	Owned	University	Building	Office
D48	5737 University	5737 University Avenue	Owned	University	Building	Office
D49	Nursery School II	5750 Woodlawn Avenue	Owned	University	Building	Teaching
D50	Presidents Garage	5855 University Avenue	Owned	University	Garage/Shed	Other
D51	5730 Woodlawn Garage	5730 Woodlawn Avenue	Owned	University	Garage/Shed	Other
D52	5736 Woodlawn Garage	5736 Woodlawn Avenue	Owned	University	Garage/Shed	Other
D53	Pick Hall	5828 University Avenue	Owned	University	Building	Office
D54	5710 S. Woodlawn	5710 S. Woodlawn	Owned	University	Building	Other
D55	5710 Woodlawn Garage	5710 Woodlawn	Owned	University	Garage/Shed	Other
D56	Seale Parking Lot	5715-35 Ellis Avenue	Owned	University	Parking Lot	Parking
D57	Woodlawn Parking Lot		Owned	University	Parking Lot	Parking
D58	Lexington Parking Lot	5835 University Avenue	Owned	University	Parking Lot	Parking
D59	D Grid Grounds	57th-59th Streets, Ellis-Woodlawn	Owned	University	Grounds	Other
E01	Robie House	5757 Woodlawn Avenue	Owned	Other	Building	Office
E02	Woodward Court	5824 Woodlawn Avenue	Demolished	RH&C	Building	Residential
E05	Lillie House	5801 Kenwood Avenue	Owned	University	Building	Office
E06	Sunny Gymnasium	5823 Kenwood Avenue	Owned	University	Building	Athletic
E07	Belfield Hall	5815-23 Kimbark Avenue	Owned	University	Building	Teaching
E08	Woodward Commons	5825 Woodlawn Avenue	Demolished	RH&C	Building	Residential
E09	Ida Noyes Hall	1212 East 59TH Street	Owned	University	Building	Other
E10	Judd Hall	5835 Kimbark Avenue	Owned	University	Building	Office
E11	University High School	5840 Kenwood Avenue	Owned	University	Building	Teaching
E12	Blaine Hall	1362 East 59TH Street	Owned	University	Building	Teaching
E13	International House	1414 East 59TH Street	Owned	University	Building	Residential
E14	5706-08 Blackstone	5706-08 Blackstone Avenue	Owned	REO	Building	Residential
E15	1413-15 East 57TH Street	1413-15 East 57TH Street	Owned	REO	Building	Residential
E16	5700 Kenwood	5700 Kenwood Avenue	Owned	REO	Building	Residential
E17	1323 East 57TH Street	1323 East 57TH Street	Owned	REO	Building	Residential
E18	Blackstone Hall	5748 Blackstone Avenue	Owned	RH&C	Building	Residential
E19	5710 Blackstone	5710 Blackstone Avenue	Owned	REO	Building	Residential
E20	Wilder House	5811 Kenwood Avenue	Owned	University	Building	Office
E21	Breckinridge House	1442 East 59TH Street	Owned	RH&C	Building	Residential
E22	5706 Blackstone Garage	5706 Blackstone	Owned	REO	Garage/Shed	Residential
E23	1323 East 57TH Street Garage	1323 East 57TH Street	Owned	REO	Garage/Shed	Residential
E24	5700-5708 S. Stony Island	5700-5708 S. Stony Island	Owned	REO	Building	Residential
E25	Lillie House Shed	5801 Kenwood Avenue	Owned	University	Garage/Shed	Other
E26	Wilder House Garage	5811 Kenwood Avenue	Demolished	University	Garage/Shed	Other
E27	5700-5708 Stony Island Parking Lot	5700-5708 Stony Island	Owned	REO	Parking Lot	Parking
E29	Middle School	5838 Kenwood	Owned	University	Building	Teaching
E31	Judd Parking Lot	5835 Kimbark Avenue	Owned	University	Parking Lot	Parking
E32	Woodward Parking Lot	5825 Woodlawn Avenue	Demolished	University	Parking Lot	Parking
E33	Ida Noyes Parking Lot	58th & Woodlawn Avenue	Demolished	University	Parking Lot	Parking

Exhibit "A".

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E38	Cloisters	5801 South Dorchester	Owned	REO	Building	Residential
E39	Stein Place	5825 South Dorchester	Owned	REO	Building	Residential
E41	Kovler Gymnasium	5823 S. Kenwood Ave	Owned	University	Building	Athletic
E42	5721 Kenwood Parking Lot	5721 South Kenwood Avenue	Owned	REO	Parking Lot	Parking
E43	Cloister Parking Lot	5801-11 South Dorchester Avenue	Owned	REO	Parking Lot	Parking
E44	GSB - Campus Center	5807 S. Woodlawn Avenue	Owned	University	Building	Office
E50	Doctors Hospital of Hyde Park	5800 South Stony Island Avenue	Other	Other	Building	Office
EG	E Grid Grounds	57th-59th Streets, Woodlawn-Stony Island	Owned	University	Grounds	Other
F02	Steam Plant Power Plant	6053 Blackstone Avenue	Owned	University	Building	Other
F03	Steam Plant Engineers Office	6101 Blackstone Avenue	Owned	University	Building	Other
F05	C.F.S.C.	1411-13 East 60TH Street	Demolished	University	Building	Other
F06	6018-20 Blackstone	6018-20 Blackstone Avenue	Demolished	University	Building	Other
F07	Power Plant Garage	6037 Blackstone Avenue	Owned	University	Garage/Shed	Other
F08	Laboratory Service Building	6049 Blackstone Avenue	Owned	University	Building	Other
F09	1445-49 E 60th Street	1445-49 E 60th	Owned	REO	Vacant Lot	Non-Bldg
F10	1545 E 60th Street	1545 E 60th	Owned	REO	Vacant Lot	Non-Bldg
F11	Dorchester Parking Lot		Owned	University	Parking Lot	Parking
F12	Press Office Building	1427 East 60th Street	Owned	University	Building	Office
F13	Press Building Parking Lot	1427 East 60th Street	Owned	University	Parking Lot	Parking
F14	Community Parking Lot	60th Street & Harper Avenue	Owned	University	Parking Lot	Parking
FG	F Grid Grounds	59th-61st Streets, Blackstone-Stony Island	Owned	University	Grounds	Other
G01	Orthogenic School	1365-75 East 60TH Street	Owned	University	Building	Residential
G02	Chapin Hall	1313 East 60TH Street	Owned	Other	Building	Office
G03	New Graduate Residence Hall	1307 East 60TH Street	Owned	REO	Building	Residential
G04	Mott Building	1225 East 60TH Street	Owned	University	Building	Office
G05	6021-35 Kimbark	6021-35 Kimbark Avenue	Owned	REO	Building	Residential
G06	Mott Parking Lot	6022 Kimbark	Owned	University	Parking Lot	Parking
G09	6005-11 Woodlawn	6005-11 Woodlawn	Owned	REO	Building	Residential
G10	6042 Kimbark	6042 Kimbark Avenue	Owned	University	Building	Office
G12	6021 Kimbark Garage	6021 Kimbark Avenue	Owned	REO	Garage/Shed	Residential
G13	6035 Kimbark Garage	6035 Kimbark Avenue	Owned	REO	Garage/Shed	Residential
G14	6030 Kimbark Parking Lot	6022-30 S. Kimbark Avenue	Owned	University	Parking Lot	Parking
G15	Chapin Hall Parking Lot	6032 S. Kimbark Avenue	Owned	University	Parking Lot	Parking
G17	NGRH Parking Lot	1307 East 60TH Street	Owned	REO	Parking Lot	Parking
G30	Bell Telephone Building	6035 S. Kenwood	Owned	REO	Building	Office
GG	G Grid Grounds	59th-61st Streets, Blackstone-Woodlawn	Owned	University	Grounds	Other
H01	1155 Building	1155 East 60TH Street	Owned	REO	Building	Office
H02	Law School	1111 East 60TH Street	Owned	University	Building	Office
H03	Burton-Judson Courts	1005 East 60TH Street	Owned	RH&C	Building	Residential
H05	Law School Parking Lot	61st Street & University Avenue	Owned	University	Parking Lot	Parking
H08	1155 East 60TH Street Parking Lot	1155 East 60TH Street	Owned	REO	Parking Lot	Parking
H09	South Campus Residence Hall	61st & Ellis	Construction	RH&C	Building	Residential

Exhibit "A".

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HG	H Grid Grounds	59th-61st Streets, Woodlawn-Ellis	Owned	University	Grounds	Other
I01	Social Service Administration	969 East 60TH Street	Owned	University	Building	Office
I02	Midway Studios	6016 Ingleside Avenue	Owned	University	Building	Teaching
I03	6011-27 Ingleside	6011-27 Ingleside	Owned	REO	Building	Residential
I04	Edelstone Hall	6030 Ellis Avenue	Owned	University	Building	Office
I05	Edelstone Parking Lot	6058 Ellis Parking Lot	Owned	University	Parking Lot	Parking
I06	6020-22 Ingleside	6020-22 Ingleside Avenue	Owned	REO	Building	Residential
I07	6044-52 Ingleside	6044-52 Ingleside Avenue	Owned	REO	Building	Residential
I08	6054-56 Ingleside	6054-56 Ingleside Avenue	Owned	REO	Building	Residential
I09	6051-57 Drexel	6051-57 Drexel Avenue	Owned	REO	Building	Residential
I10	6022-24 Drexel	6022-24 Drexel Avenue	Owned	REO	Building	Residential
I11	Service Station	6001-17 Cottage Grove	Owned	REO	Building	Commercial
I12	6021-23 Cottage Grove	6021-23 Cottage Grove	Owned	REO	Building	Residential
I13	Woodlawn Social Service Center	950 East 61st Street	Owned	REO	Building	Office
I20	6024-58 S. Drexel Place Parking Lot	6024-58 S. Drexel Place	Owned	Hospital	Parking Lot	Parking
I21	6021-49 S. Drexel Place Parking Lot	6021-49 S. Drexel Place	Owned	Hospital	Parking Lot	Parking
I23	Wells Parking Lot	6000 S. Drexel Avenue	Owned	University	Parking Lot	Parking
I24	Wagner Parking Lot	6001 S. Drexel Avenue	Owned	University	Parking Lot	Parking
I25	WSSC Parking Lot	950 East 61st Street	Owned	REO	Parking Lot	Parking
I26	6011-27 Ingleside Parking Lot	6011-27 South Ingleside Avenue	Owned	REO	Parking Lot	Parking
I27	6024-42 Ingleside Parking Lot	6024-42 S. Ingleside Avenue	Owned	REO	Parking Lot	Parking
I28	Hospital Parking Structure/Office Building	61st & Drexel	Construction	Hospital	Building	Parking
IG	I Grid Grounds	59th-61st Streets, Woodlawn-Cottage	Owned	University	Grounds	Other
JG	J Grid Grounds	61st Street East of Harper Avenue	Owned	University	Grounds	Other
K02	1334-40 Hyde Park Blvd	1334-40 Hyde Park Blvd	Owned	REO	Building	Residential
K03	1318-24 Hyde Park Blvd	1318-24 Hyde Park Blvd	Owned	REO	Building	Residential
K04	1310-16 Hyde Park Blvd	1310-16 Hyde Park Blvd	Owned	REO	Building	Residential
K05	1330 Hyde Park Blvd	1330 Hyde Park Blvd	Owned	REO	Vacant Lot	Non-Building
K06	5020 Cornell	5020 Cornell Avenue	Owned	REO	Building	Commercial
K07	1027-29 East 48th Street	1027-29 East 48th Street	Owned	REO	Vacant Lot	Non-Building
L01	1100-10 East 53rd Street	1100-10 East 53rd Street	Owned	REO	Building	Residential
L02	1160-74 East 55th Street	1160-74 East 55th Street	Owned	REO	Building	Commercial
L05	5427-29 Greenwood	5427-29 Greenwood Avenue	Owned	REO	Building	Residential
L06	5470 Greenwood	5470 Greenwood Avenue	Owned	REO	Building	Residential
L07	5482-88 Greenwood	5482-88 Greenwood Avenue	Owned	REO	Building	Residential
L08	5468 Ellis	5468 Ellis Avenue	Owned	REO	Building	Residential
L09	5440 Ingleside	5440 Ingleside Avenue	Owned	REO	Building	Residential
L10	MacLean House	5445 S. Ingleside	Owned	RH&C	Building	Residential
L11	Friends Center	800 E 55th Street	Owned	Hospital	Building	Patient Care
L12	1100 East 53RD Street Garage	1100 East 53RD Street	Owned	REO	Garage/Shed	Residential
L15	5468 S. Ellis Garage	5468 S. Ellis Avenue	Owned	REO	Garage/Shed	Residential

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L17	5442 Drexel	5442 Drexel Avenue	Owned	REO	Building	Residential
L21	5436 Drexel	5436 Drexel Avenue	Owned	REO	Vacant Lot	Non-Building
L22	5440 Drexel	5440 Drexel Avenue	Owned	Hospital	Building	Residential
L23	5440 Drexel Garage	5440 Drexel Avenue Garage	Owned	Hospital	Garage/Shed	Residential
L25	5482 Greenwood Parking Lot	5482 South Greenwood Avenue	Owned	REO	Parking Lot	Residential
L26	5450 Drexel	5450 Drexel Avenue	Owned	REO	Building	Residential
L27	State Farm Building	5245 S Cottage Grove Avenue	Owned	REO	Building	Commercial
L28	Ronald MacDonald House	5444 S Drexel Avenue	Construction		Building	
M01	Piccadilly Apartments	5107 Blackstone Avenue	Owned	REO	Building	Residential
M02	Carlson Hall	1401-03 E Hyde Park Blvd	Owned	REO	Building	Residential
M03	Fairfax Apartments	1369 East Hyde Park Blvd	Owned	REO	Building	Residential
M04	Chicago Arms	5125 Kenwood Avenue	Owned	REO	Building	Residential
M05	Shelbyrne Apartments	5110 Kenwood Avenue	Owned	REO	Building	Residential
M06	Max Mason Hall	1215 E Hyde Park Blvd	Owned	REO	Building	Residential
M07	Grosvenor Apartments	5220 Kenwood Avenue	Owned	REO	Building	Residential
M08	Harper Crest Apartments	5345 Harper Avenue	Owned	REO	Building	Residential
M09	Gaylord Apartments	5316-30 Dorchester Avenue	Owned	REO	Building	Residential
M10	5301-23 Kimbark	5301-23 Kimbark	Owned	REO	Building	Residential
M11	5409-11 Blackstone	5409-11 Blackstone Avenue	Owned	REO	Building	Residential
M12	5410-18 Ridgewood Court	5410-18 Ridgewood Court	Owned	REO	Building	Residential
M13	5428-32 Kimbark	5428-32 Kimbark Avenue	Owned	REO	Building	Residential
M14	5439-45 Woodlawn	5439-45 Woodlawn Avenue	Owned	REO	Building	Residential
M15	5447-57 Woodlawn	5447-57 Woodlawn Avenue	Owned	REO	Building	Residential
M17	5447 Woodlawn Garage	5447 Woodlawn Avenue	Owned	REO	Garage/Shed	Residential
M18	5457 Woodlawn Garage	5457 Woodlawn Avenue	Owned	REO	Garage/Shed	Residential
M19	5118 S. Dorchester	5118 S. Dorchester Avenue	Owned	REO	Building	Residential
M20	Shoreland Hall	5454 South Shore Drive	Owned	RH&C	Building	Residential
M22	1405-21 E Hyde Park Blvd Parking Lot	1405-21 E Hyde Park Blvd	Owned	REO	Parking Lot	Parking
M23	1361-65 E Hyde Park Blvd	1361-65 E Hyde Park Blvd	Owned	REO	Other	Other
M24	5117 S Kenwood Parking Lot	5117 S Kenwood	Owned	REO	Parking Lot	Parking
M25	1400-12 E Hyde Park Blvd	1400-12 E Hyde Park Blvd	Owned	REO	Parking Lot	Parking
M26	5220 Kenwood Parking Lot	5220 Kenwood	Owned	REO	Parking Lot	Parking
M27	5114-16 Kenwood Parking Lot	5114-16 Kenwood	Owned	REO	Parking Lot	Parking
M28	1514-16 E 54TH Street Parking Lot	1514-16 E 54TH Street	Owned	REO	Parking Lot	Parking
M29	Piccadilly Parking Lot	5111-17 Blackstone	Owned	REO	Parking Lot	Parking
M30	1401 E 55TH Street #608N	1401 E 55TH Street	Owned	REO	Building	Residential
M31	1401-09 53RD Street	1401-09 53RD Street	Owned	REO	Building	Residential
M33	Hyde Park Shopping Center		Owned	REO	Building	Commercial
M34	5455 Blackstone	5455 Blackstone Avenue	Owned	REO	Building	Residential
M35	5330 Blackstone	5330 Blackstone Avenue	Owned	REO	Building	Residential
M36	5100 South Blackstone	5101 South Blackstone Avenue	TBD	REO	Building	Residential
M37	5100 South Blackstone Parking Lot	5101 South Blackstone Avenue	TBD	REO	Parking Lot	Parking

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M38	5104 South Kenwood Parking Lot	5105 South Kenwood Avenue	Owned	REO	Parking Lot	Parking
M39	5110 South Dorchester	5111 South Dorchester Avenue	Owned	REO	Vacant Lot	Non-Building
M40	5111 South Kenwood	5112 South Kenwood Avenue	Owned	REO	Vacant Lot	Non-Building
M41	5301-15 South Dorchester Parking Lot	5301-15 South Dorchester Avenue	Owned	REO	Parking Lot	Parking
M42	5345 South Harper Parking Lot	5346 South Harper Avenue	Owned	REO	Parking Lot	Parking
M43	5461 South Woodlawn	5462 South Woodlawn Avenue	Owned	REO	Vacant Lot	Non-Building
M44	Theater Building	5238-40 South Harper Avenue	Owned	REO	Building	Commercial
M45	53rd Street Retail Building	1452-66 East 53rd Street	Owned	REO	Building	Commercial
M46	5228 Harper	5228 S Harper Avenue	Owned	REO	Building	Commercial
N01	Broadview Hall	5540 S Hyde Park Blvd	Owned	RH&C	Building	Residential
N02	5533-35 Blackstone	5533-35 Blackstone Avenue	Owned	REO	Building	Residential
N03	5514 Blackstone	5514 Blackstone Avenue	Owned	REO	Building	Residential
N04	5623-25 Dorchester	5623-25 Dorchester Avenue	Owned	REO	Building	Residential
N09	Sylvan Arms	5532 Kenwood Ave	Owned	REO	Building	Residential
N11	University Service Building (ATS)	5608 Stony Island Avenue	Owned	University	Building	Other
N12	Alumni Association	5555 S. Woodlawn	Owned	University	Building	Office
NG	N Grid Grounds	55th-57th Streets, Woodlawn-Stony Isl	Owned	University	Grounds	Other
P01	Press Warehouse	11030 Langley Avenue	Owned	University	Building	Other
P02	Press Warehouse Addition	11030 Langley Avenue	Owned	University	Building	Other
P03	Press Warehouse II	727 East 110th Street	Owned	University	Building	Other
P04	Press Parking Lot		Owned	University	Parking Lot	Other
P05	Press new property	10910 S Langley Avenue	Owned	University		
X07	Weiss Memorial Hospital		Owned	Hospital	Building	Patient Care
X18	Gleacher Center	450 North Cityfront Plaza	Owned	University	Building	Office

AUTHORIZATION FOR CANCELLATION OF WARRANTS FOR
COLLECTION ISSUED AGAINST COMMUNITY CHURCH.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Finance, to which had been referred an order for cancellation of a warrant for collection issued against Community Church, 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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

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 the warrant for collection of Invoice Number 101953/Inspection Number 1322784 in the amount of \$60.00 for annual canopy inspection, under the date of September 13, 2006, charged to Community Church, for their premises located at 4817 West Madison Street.

REDUCTION IN ANNUAL LICENSE FEES FOR SPECIAL POLICE
EMPLOYED BY THE UNIVERSITY OF CHICAGO.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance introduced by Alderman Hairston (5th Ward) authorizing the reduction in license fees for the employment of special police at The University of Chicago, 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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schuler, Moore, Stone -- 45.

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. Pursuant to Section 4-340-050 of the Municipal Code of Chicago, the following charitable institution employs one hundred (100) special police and shall pay an annual fee of Ten and no/100 Dollars (\$10.00) per license for the year 2007:

The University of Chicago
5801 South Ellis Avenue.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

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, December 13, 2006.

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 firefighters 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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

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:

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/2006

REGULAR ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
ABRAMS	POLICE OFFICER	SIXTEENTH DISTRICT	7/09/2006	0.00
ADAMS	POLICE OFFICER	FOURTH DISTRICT	5/07/2006	0.00
ALDAHONDO	POLICE OFFICER	TWENTY-FIFTH DISTRICT	9/13/2006	0.00
ALLEN	POLICE OFFICER	SIXTH DISTRICT	1/30/2005	0.00
ALLEN	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/31/2006	0.00
ALLEN	POLICE OFFICER	THIRD DISTRICT	5/19/2006	0.00
ALLEN-HARPER-TATE	POLICE OFFICER	UNKNOWN	8/10/2006	0.00
ALMDALE	POLICE OFFICER	DETECTIVE DIVISION - AREA 3	7/22/2006	0.00
ALONZO	POLICE OFFICER	RECRUIT TRAINING	9/11/2006	0.00
ANTONSEN	POLICE OFFICER	FOURTH DISTRICT	9/28/2006	0.00
ARCHER	POLICE OFFICER	RECRUIT TRAINING	9/18/2006	0.00
ARCILLAS	POLICE OFFICER	FOURTEENTH DISTRICT	7/16/2006	0.00
ARNOTE	POLICE OFFICER	DETECTIVE DIVISION - AREA 5	9/19/2004	0.00
ARONA	POLICE OFFICER	SEVENTH DISTRICT	9/03/2006	0.00
AVGLE	POLICE OFFICER	EIGHTH DISTRICT	8/05/2006	0.00
AUSTIN	POLICE OFFICER	RECRUIT TRAINING	8/22/2006	0.00
AVALOS	POLICE OFFICER	TWELFTH DISTRICT	3/10/2006	0.00
AVILA	POLICE OFFICER	SPECIAL OPERATIONS SECTION	7/27/2006	0.00
BADILLO	POLICE OFFICER	FOURTEENTH DISTRICT	6/10/2005	0.00
BAIO	POLICE OFFICER	FOURTEENTH DISTRICT	9/14/2006	0.00
BALL	POLICE OFFICER	DETACHED SERVICES-MISCELLANEOUS	11/02/2006	0.00
BANIK	POLICE OFFICER	TRAFFIC SECTION-DETAIL UNIT	7/08/2006	0.00
BARANOWSKI	POLICE OFFICER	TWENTY-FIRST DISTRICT	5/05/2006	0.00
BARBER	POLICE OFFICER	TWENTY-FOURTH DISTRICT	8/28/2006	0.00
BARNAS	POLICE OFFICER	FIRST DISTRICT	8/24/2006	0.00
BARNER	POLICE OFFICER	TENTH DISTRICT	6/02/2006	0.00
BARNES	POLICE OFFICER	SIXTH DISTRICT	7/22/2006	0.00
BARROSO	POLICE OFFICER	RECRUIT TRAINING	9/27/2006	0.00
BARTH-FLYNN	POLICE OFFICER	THIRD DISTRICT	9/16/2006	0.00
BARTH-FLYNN	POLICE OFFICER	SIXTEENTH DISTRICT	9/24/2001	0.00
BAYTOR	POLICE OFFICER	SIXTEENTH DISTRICT	5/23/2004	0.00
BEVAN	POLICE OFFICER	NARCOTICS SECTION	1/10/2003	0.00
BLASZ	POLICE OFFICER	FIRST DISTRICT	3/25/1987	0.00
BLEN	POLICE OFFICER	FOURTEENTH DISTRICT	7/17/2006	0.00
BOOKER	POLICE OFFICER	SEVENTH DISTRICT	9/27/2006	0.00
BOSCH	POLICE OFFICER	EIGHTEENTH DISTRICT	8/12/2006	0.00
BRANDSTETTER	POLICE OFFICER	SEVENTEENTH DISTRICT	8/31/2006	0.00
BROSAN	POLICE OFFICER	EIGHTEENTH DISTRICT	6/21/2006	0.00
BROWN	POLICE OFFICER	SIXTEENTH DISTRICT	5/08/2006	0.00
BRYNKUS	POLICE OFFICER	SECOND DISTRICT	2/25/2006	0.00
BURRELL	POLICE OFFICER	RECRUIT TRAINING	12/14/2005	0.00
CAIN	POLICE OFFICER	TWENTY-SECOND DISTRICT	5/21/2006	0.00
CALIXTO	POLICE OFFICER	UNKNOWN	10/08/2006	0.00
CAMPBELL	POLICE OFFICER	THIRTEENTH DISTRICT	3/02/2006	0.00
CAPONERA	POLICE OFFICER	THIRD DISTRICT	10/28/2006	0.00
CARDENAS	POLICE OFFICER	EIGHTEENTH DISTRICT	9/25/2006	0.00
CASTRO	POLICE OFFICER	TWENTY-SECOND DISTRICT	9/09/2006	0.00
CATINELLA	POLICE OFFICER	NINETEENTH DISTRICT	8/21/2006	0.00
	POLICE OFFICER	RECRUIT TRAINING	5/23/2006	0.00

12/13/2006

REPORTS OF COMMITTEES

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CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/2006

REGULAR ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
CAVIN	POLICE OFFICER	FOURTH DISTRICT	2/15/2001	0.00
CELESTON	POLICE OFFICER	UNKNOWN	7/18/2006	0.00
CERDA	POLICE OFFICER	TWENTY-FIFTH DISTRICT	9/19/2006	0.00
CHERRY	POLICE OFFICER	THIRD DISTRICT	9/09/2006	0.00
CHON	POLICE OFFICER	TWENTY-FIFTH DISTRICT	5/30/2006	0.00
CHUCHRO	POLICE OFFICER	SIXTEENTH DISTRICT	9/28/2006	0.00
CIARDULLO	POLICE OFFICER	NINTH DISTRICT	5/25/2006	0.00
CIECHON	POLICE OFFICER	TWENTY-FOURTH DISTRICT	5/07/1995	0.00
CLANCY	POLICE OFFICER	TWENTY-FOURTH DISTRICT	7/05/2006	0.00
COLON	POLICE OFFICER	RECRUIT TRAINING	8/24/2006	0.00
COLON	POLICE OFFICER	FIFTEENTH DISTRICT	9/12/2006	0.00
CONNELLY	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/13/2006	0.00
CONWAY	POLICE OFFICER	TWENTY-FIRST DISTRICT	5/05/2006	0.00
COOPER	POLICE OFFICER	EIGHTEENTH DISTRICT	6/08/2006	0.00
CORONA	POLICE OFFICER	ELEVENTH DISTRICT	10/24/2006	0.00
COSTANZO	POLICE OFFICER	FIFTEENTH DISTRICT	10/24/2006	0.00
COSTELLO-CIUBERNAT	POLICE OFFICER	SEVENTH DISTRICT	8/09/1995	0.00
CRUZ	POLICE OFFICER	NINETEENTH DISTRICT	4/08/2006	0.00
CUNNINGHAM	POLICE OFFICER	SPECIAL FUNCTIONS GROUP	7/04/2006	0.00
CYGNAR	POLICE OFFICER	TWENTY-FOURTH DISTRICT	6/18/2006	0.00
DAHLBERG	POLICE OFFICER	EIGHTEENTH DISTRICT	8/17/2006	0.00
DAICHENDT	POLICE OFFICER	SIXTEENTH DISTRICT	5/28/2006	0.00
DAILEY	POLICE OFFICER	TWENTY-FIFTH DISTRICT	8/21/2002	0.00
DAVID-NIGRO	POLICE OFFICER	THIRTEENTH DISTRICT	4/23/2006	0.00
DAVIS	POLICE OFFICER	SPECIAL OPERATIONS SECTION	8/07/2006	0.00
DELBOSQUE	POLICE OFFICER	SPECIAL OPERATIONS SECTION	9/16/2006	0.00
DOCKETT	POLICE OFFICER	FIFTEENTH DISTRICT	5/24/2006	0.00
DOMAGALA	POLICE OFFICER	UNKNOWN	7/14/1988	0.00
DOUGHERTY	POLICE OFFICER	TWENTY-FIRST DISTRICT	5/07/2006	0.00
DOYLE-MONAGHAN	POLICE OFFICER	TWENTY-FIFTH DISTRICT	9/02/2006	0.00
DUFFY	POLICE OFFICER	EIGHTEENTH DISTRICT	9/17/2006	0.00
DUGGAN	POLICE OFFICER	FIFTEENTH DISTRICT	10/25/2006	0.00
EBBITT	POLICE OFFICER	ELEVENTH DISTRICT	6/23/2006	0.00
EDWARDS	POLICE OFFICER	SECOND DISTRICT	6/29/2006	0.00
EDWARDS	POLICE OFFICER	EIGHTEENTH DISTRICT	5/27/2005	0.00
EDWARDS	POLICE OFFICER	SIXTH DISTRICT	7/02/2006	0.00
ENRIQUEZ	POLICE OFFICER	TWELFTH DISTRICT	6/04/2006	0.00
ERVIN	POLICE OFFICER	SECOND DISTRICT	9/28/2005	0.00
ESPARZA-HALL	POLICE OFFICER	SEVENTH DISTRICT	1/16/2006	0.00
ESTRADA	POLICE OFFICER	THIRTEENTH DISTRICT	2/13/2006	0.00
FELICIANO	POLICE OFFICER	TWENTIETH DISTRICT	5/19/2006	0.00
FELL	POLICE OFFICER	NARCOTICS SECTION	9/28/2006	0.00
FENCL	POLICE OFFICER	GUN REGISTRATION	6/30/2006	0.00
FIERRO	POLICE OFFICER	EIGHTEENTH DISTRICT	4/27/2006	0.00
FIGUEROA	POLICE OFFICER	INTELLIGENCE SECTION	6/19/2006	0.00
FILICE	POLICE OFFICER	NINTH DISTRICT	9/05/2006	0.00
FISHER	POLICE OFFICER	RECRUIT TRAINING	9/26/2006	0.00
FISBINGER	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/08/2006	0.00
FLAHERTY	POLICE OFFICER	NINTH DISTRICT	9/16/2006	0.00

CITY OF CHICAGO
CITY COUNCIL ORDERS
COUNCIL MEETING OF 12/13/2006
REGULAR ORDERS

***** EMPLOYEE NAME *****	RANK *****	UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
ROBERT	POLICE OFFICER	EIGHTEENTH DISTRICT	7/11/2006	0.00
EDWARD	POLICE OFFICER	NINTH DISTRICT	9/05/2006	0.00
MARK S	POLICE OFFICER	NINTH DISTRICT	9/20/2006	0.00
JOHN W	POLICE OFFICER	FIFTEENTH DISTRICT	9/17/2006	0.00
EUGENE W	POLICE OFFICER	RECRUIT TRAINING	6/12/2006	0.00
KEVIN	POLICE OFFICER	SEVENTH DISTRICT	5/02/2006	0.00
NIAL	POLICE OFFICER	MARINE UNIT	7/13/2006	0.00
TIFFANY S	POLICE OFFICER	THIRD DISTRICT	4/16/2005	0.00
JOHN	POLICE OFFICER	TENTH DISTRICT	9/25/2006	0.00
ALFRED	POLICE OFFICER	TWELFTH DISTRICT	12/28/2005	0.00
ARMANDO	POLICE OFFICER	SIXTH DISTRICT	6/14/2005	0.00
ELADIO	POLICE OFFICER	TENTH DISTRICT	2/16/2006	0.00
MATTHEW A	POLICE OFFICER	FIRST DISTRICT	8/17/2005	0.00
KENNETH D	POLICE OFFICER	TWELFTH DISTRICT	8/19/2006	0.00
CAMILD E	POLICE OFFICER	TENTH DISTRICT	1/09/2005	0.00
TRACY	POLICE OFFICER	FOURTEENTH DISTRICT	1/01/2006	0.00
ANDRE	POLICE OFFICER	SEVENTH DISTRICT	4/30/2003	0.00
JAMES M	POLICE OFFICER	ELEVENTH DISTRICT	9/05/2006	0.00
ROBERT F	POLICE OFFICER	TWENTY-FOURTH DISTRICT	7/11/2006	0.00
RICHARD C	POLICE OFFICER	SIXTH DISTRICT	7/13/2006	0.00
THOMAS	POLICE OFFICER	TWELFTH DISTRICT	7/01/2006	0.00
JOSEPH R	POLICE OFFICER	TWENTY-FOURTH DISTRICT	8/03/2006	0.00
NANO	POLICE OFFICER	TWENTY-THIRD DISTRICT	9/10/2006	0.00
EILEEN T	POLICE OFFICER	UNKNOWN	7/17/2006	0.00
JOSEPH	POLICE OFFICER	RECRUIT TRAINING	9/16/2006	0.00
ALI Y	POLICE OFFICER	EIGHTH DISTRICT	6/05/2004	0.00
ALI Y	POLICE OFFICER	EIGHTH DISTRICT	7/25/2005	0.00
MAHMOUD	POLICE OFFICER	EIGHTH DISTRICT	10/01/2006	0.00
JOHN A	POLICE OFFICER	CENTRAL DETENTION SECTION	6/21/2006	0.00
SHAWN	POLICE OFFICER	FOURTEENTH DISTRICT	3/30/2005	0.00
BRIAN L	POLICE OFFICER	SIXTH DISTRICT	4/05/2006	0.00
DANIEL	POLICE OFFICER	TWENTY-FOURTH DISTRICT	9/09/2006	0.00
ROBERT P	POLICE OFFICER	EIGHTH DISTRICT	9/28/2006	0.00
BRIAN	POLICE OFFICER	NARCOTICS SECTION	9/06/2006	0.00
PAULINE M	POLICE OFFICER	SECOND DISTRICT	9/06/2001	0.00
ERIC E	POLICE OFFICER	FIRST DISTRICT	7/20/2006	0.00
CHERIE N	POLICE OFFICER	UNKNOWN	8/06/2006	0.00
NICHOLAS J	POLICE OFFICER	SPECIAL OPERATIONS SECTION	7/20/2006	0.00
JUANA	POLICE OFFICER	TWELFTH DISTRICT	6/04/2006	0.00
RUBY	POLICE OFFICER	THIRD DISTRICT	10/03/2005	0.00
ANTHONY L	POLICE OFFICER	ELEVENTH DISTRICT	8/01/2006	0.00
REGINALD	POLICE OFFICER	SIXTH DISTRICT	4/02/2005	0.00
JONATHAN	POLICE OFFICER	SEVENTH DISTRICT	8/20/2006	0.00
LOWELL P	POLICE OFFICER	SEVENTH DISTRICT	7/19/2006	0.00
ANDRE L	POLICE OFFICER	TWELFTH DISTRICT	7/19/2006	0.00
JOHN	POLICE OFFICER	FIFTH DISTRICT	9/14/2006	0.00
DENNIS	POLICE OFFICER	INTELLIGENCE SECTION	4/16/2006	0.00
DAVID M	POLICE OFFICER	TWENTY-FIRST DISTRICT	8/03/2006	0.00
JA LANCE D	POLICE OFFICER	SEVENTH DISTRICT	3/11/2006	0.00

12/13/2006

REPORTS OF COMMITTEES

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CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/2006

REGULAR ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
HYDE	AUGUST C	POLICE OFFICER	9/22/2006	0.00
JABER	RABI	POLICE OFFICER	4/24/2006	0.00
JACKSON	ERIC	POLICE OFFICER	8/08/2006	0.00
JACKSON	TALMITCH	POLICE OFFICER	9/10/1994	0.00
JAGLARSKI	STEVEN	POLICE OFFICER	8/04/2006	0.00
JARMUSZ	DAVID	POLICE OFFICER	9/22/2006	0.00
JASKE	PAUL B	POLICE OFFICER	10/07/2006	0.00
JOHNSON	AJAMU-BOM	POLICE OFFICER	1/01/2006	0.00
JONES JR	CLARENCE L	POLICE OFFICER	5/30/2006	0.00
KAMKA	MITCHELL	POLICE OFFICER	4/02/2005	0.00
KAPUGI	STEVEN	POLICE OFFICER	3/18/2006	0.00
KARADJIAS	SOLOMIS	POLICE OFFICER	4/28/1995	0.00
KATICH	CHERE	POLICE OFFICER	9/13/2006	0.00
KAUP	EDWIN	POLICE OFFICER	10/06/2006	0.00
KAZUPSKI	EDWARD R	POLICE OFFICER	5/23/2006	0.00
KEETER	JOSEPH	POLICE OFFICER	9/30/2006	0.00
KELL-HECKENBACH	MARY ELIZABETH	POLICE OFFICER	6/21/2006	0.00
KELLAM	ROBERT T	POLICE OFFICER	9/21/2006	0.00
KELNOSKY	STEVEN	POLICE OFFICER	10/04/2006	0.00
KHAN	ZARAK	POLICE OFFICER	8/27/2006	0.00
KIM	ALEXANDER B	POLICE OFFICER	11/13/2005	0.00
KING	JEMAL	POLICE OFFICER	2/21/2006	0.00
KING	STEVIE	POLICE OFFICER	12/01/2001	0.00
KOKIC	MARKO A	POLICE OFFICER	10/17/2005	0.00
KONIAKSKI	JENNIFER L	POLICE OFFICER	10/15/2003	0.00
KONIOR	BRIAN J	POLICE OFFICER	6/19/2006	0.00
KORBAS	DEAN	POLICE OFFICER	8/29/2006	0.00
KOBZOLA	MICHAEL	POLICE OFFICER	5/05/2006	0.00
KROFEL	KENNETH	POLICE OFFICER	6/05/1993	0.00
KUHLMANN	LAURA C	POLICE OFFICER	7/09/2004	0.00
KUMIGA	MICHAEL J	POLICE OFFICER	9/19/2006	0.00
KUPRIANCZYK	STANLEY	POLICE OFFICER	2/09/2006	0.00
KURPIEL	JOSEPH	POLICE OFFICER	6/30/2006	0.00
LADD	RYAN M	POLICE OFFICER	10/08/2006	0.00
LADUZINSKY	MARK J	POLICE OFFICER	8/28/2006	0.00
LANDORF	ERIC A	POLICE OFFICER	7/24/2006	0.00
LANGE	JIMMIE	POLICE OFFICER	3/07/2003	0.00
LARDINO	DANIEL P	POLICE OFFICER	9/28/2006	0.00
LAVORATA	JOHN	POLICE OFFICER	4/19/2006	0.00
LEE	HYUK J	POLICE OFFICER	8/12/2006	0.00
LESIECKI	ANDREW	POLICE OFFICER	8/07/2006	0.00
LEWIS	HERSCHEL	POLICE OFFICER	3/07/2006	0.00
LEWIS	LAMONICA S	POLICE OFFICER	7/03/2006	0.00
LIPKA	JOHN J	POLICE OFFICER	5/15/2006	0.00
LISULA	NANCY J	POLICE OFFICER	12/14/2005	0.00
LOPEZ	DENIS	POLICE OFFICER	7/09/2006	0.00
LOPEZ	ENRIQUE	POLICE OFFICER	1/15/2006	0.00
LOPEZ	RUTH P	POLICE OFFICER	9/05/2006	0.00
LORENZ	RICHARD R	POLICE OFFICER	9/19/2006	0.00
		SEVENTH DISTRICT		
		SPECIAL OPERATIONS SECTION		
		SIXTH DISTRICT		
		THIRD DISTRICT		
		ELEVENTH DISTRICT		
		DETECTIVE DIVISION - AREA 2		
		FOURTEENTH DISTRICT		
		TWENTY-FIFTH DISTRICT		
		THIRD DISTRICT		
		AIRPORT LAW ENFORCEMENT NORTH		
		FIRST DISTRICT		
		TWENTY-FIFTH DISTRICT		
		DISTRICT REINSTATEMENTS		
		TWENTY-FOURTH DISTRICT		
		PUBLIC TRANSPORTATION SECTION		
		SPECIAL OPERATIONS SECTION		
		TWENTY-FOURTH DISTRICT		
		NINTH DISTRICT		
		NINTH DISTRICT		
		EIGHTEENTH DISTRICT		
		SIXTH DISTRICT		
		RECRUIT TRAINING		
		RECRUIT TRAINING		
		TWENTY-FOURTH DISTRICT		
		TWENTY-SECOND DISTRICT		
		THIRTEENTH DISTRICT		
		TWENTIETH DISTRICT		
		RECRUIT TRAINING		
		TWENTY-FOURTH DISTRICT		
		MARINE UNIT		
		SEVENTEENTH DISTRICT		
		UNKNOWN		
		SPECIAL OPERATIONS SECTION		
		SIXTEENTH DISTRICT		
		PUBLIC TRANSPORTATION SECTION		
		TWENTIETH DISTRICT		
		EIGHTEENTH DISTRICT		
		TENTH DISTRICT		
		NINTH DISTRICT		
		FIFTH DISTRICT		
		SEVENTH DISTRICT		
		ELEVENTH DISTRICT		
		SIXTH DISTRICT		
		FOURTEENTH DISTRICT		
		TENTH DISTRICT		
		NINTH DISTRICT		
		FIRST DISTRICT		

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/2006

REGULAR ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
MADDEN	POLICE OFFICER	NINTH DISTRICT	8/30/2006	0.00
MALCZYNSKI	POLICE OFFICER	SIXTEENTH DISTRICT	9/24/2006	0.00
MANGAN	POLICE OFFICER	SEVENTH DISTRICT	12/17/2005	0.00
MANNING	POLICE OFFICER	TENTH DISTRICT	6/27/2006	0.00
MARIJAN	POLICE OFFICER	UNKNOWN	8/17/2006	0.00
MARIN	POLICE OFFICER	THIRTEENTH DISTRICT	7/16/2006	0.00
MARKULIS	POLICE OFFICER	YOUTH DIVISION-ADMINISTRATION	1/10/2006	0.00
MAROE	POLICE OFFICER	TENTH DISTRICT	7/08/2006	0.00
MARTIN	POLICE OFFICER	TWELFTH DISTRICT	7/02/2006	0.00
MARTINEZ	POLICE OFFICER	SEVENTEENTH DISTRICT	4/12/2006	0.00
MATURA	POLICE OFFICER	TWENTY-SECOND DISTRICT	5/22/2006	0.00
MAU	POLICE OFFICER	SEVENTH DISTRICT	7/31/2006	0.00
MAZUR	POLICE OFFICER	BOMB AND ARSON SECTION	7/27/2006	0.00
MCCANN	POLICE OFFICER	EIGHTH DISTRICT	11/06/2005	0.00
MCCARTHY	POLICE OFFICER	AIRPORT LAW ENFORCEMENT NORTH	10/18/2006	0.00
MCCRAY	POLICE OFFICER	THIRD DISTRICT	9/18/2006	0.00
MCDANIELS	POLICE OFFICER	THIRD DISTRICT	6/19/2006	0.00
MCDEVITT	POLICE OFFICER	NINTH DISTRICT	9/17/2006	0.00
MCDEVITT	POLICE OFFICER	SEVENTH DISTRICT	7/29/2006	0.00
MCDONALD	POLICE OFFICER	TWENTY-SECOND DISTRICT	10/18/2006	0.00
MCMALE	POLICE OFFICER	ELEVENTH DISTRICT	9/19/2006	0.00
MCMAHON	POLICE OFFICER	SIXTH DISTRICT	10/06/2006	0.00
MCMAHARA	POLICE OFFICER	TWENTY-FIFTH DISTRICT	10/01/2006	0.00
MCNICHOLAS	POLICE OFFICER	ELEVENTH DISTRICT	9/23/2006	0.00
MEDOW	POLICE OFFICER	TWENTY-THIRD DISTRICT	11/26/1983	0.00
MENDOZA	POLICE OFFICER	TENTH DISTRICT	7/20/2006	0.00
MENDOZA	POLICE OFFICER	NINETEENTH DISTRICT	8/26/2006	0.00
MERTES	POLICE OFFICER	AIRPORT LAW ENFORCEMENT NORTH	3/18/2006	0.00
MICKENS	POLICE OFFICER	MARINE UNIT	8/29/2005	0.00
MILNER	POLICE OFFICER	THIRD DISTRICT	9/03/2005	0.00
MINT	POLICE OFFICER	FOURTEENTH DISTRICT	4/14/2006	0.00
MOLLOY	POLICE OFFICER	AIRPORT LAW ENFORCEMENT NORTH	1/25/2005	0.00
MOORE	POLICE OFFICER	MOUNTED UNIT	8/27/2005	0.00
MOORE-POWELL	POLICE OFFICER	TWENTY-THIRD DISTRICT	8/30/2006	0.00
MORALES	POLICE OFFICER	TWENTY-SECOND DISTRICT	6/05/2006	0.00
MORENO	POLICE OFFICER	NINTH DISTRICT	8/23/2006	0.00
MORENO	POLICE OFFICER	TRAINING DIVISION	10/03/2005	0.00
MORRIS	POLICE OFFICER	SIXTEENTH DISTRICT	7/09/2006	0.00
MORRIS-TILLERY	POLICE OFFICER	RECRUIT TRAINING	2/08/2006	0.00
MOSER	POLICE OFFICER	TWENTY-SECOND DISTRICT	6/19/2006	0.00
MOSER	POLICE OFFICER	SECOND DISTRICT	4/30/2006	0.00
MULLEN	POLICE OFFICER	SECOND DISTRICT	8/15/2006	0.00
MURILLO	POLICE OFFICER	TWENTY-FOURTH DISTRICT	10/16/1996	0.00
MURRAY	POLICE OFFICER	THIRD DISTRICT	10/04/2006	0.00
MUSCOLINO	POLICE OFFICER	FOURTH DISTRICT	7/03/2004	0.00
NELSON	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/11/2006	0.00
NESSER	POLICE OFFICER	RECRUIT TRAINING	10/17/2006	0.00
NEUMEYER	POLICE OFFICER	EIGHTEENTH DISTRICT	10/01/2006	0.00
	POLICE OFFICER	FOURTEENTH DISTRICT	6/21/2006	0.00

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REPORTS OF COMMITTEES

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CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/2006

REGULAR ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
NICHOL	POLICE OFFICER	TWENTY-FOURTH DISTRICT	5/30/2006	0.00
NOVALEZ	POLICE OFFICER	EIGHTEENTH DISTRICT	7/13/2006	0.00
NOHAKOWSKI	POLICE OFFICER	NINTH DISTRICT	9/13/2006	0.00
OBRIEN	POLICE OFFICER	EIGHTEENTH DISTRICT	9/04/2006	0.00
OBRYUT	POLICE OFFICER	SEVENTH DISTRICT	7/31/2006	0.00
OCARROLL	POLICE OFFICER	PUBLIC TRANSPORTATION SECTION	6/04/2006	0.00
ODONNELL	POLICE OFFICER	NINETEENTH DISTRICT	7/31/2006	0.00
ODONNELL	POLICE OFFICER	EIGHTEENTH DISTRICT	8/30/2006	0.00
OMANE	POLICE OFFICER	THIRTEENTH DISTRICT	8/22/2006	0.00
OLEN	POLICE OFFICER	TWENTY-THIRD DISTRICT	7/07/2006	0.00
OLSON	POLICE OFFICER	SPECIAL OPERATIONS SECTION	8/07/2006	0.00
OMARRAH	POLICE OFFICER	PUBLIC TRANSPORTATION SECTION	7/26/2006	0.00
ORLANDO	POLICE OFFICER	TWENTY-FIFTH DISTRICT	9/22/2006	0.00
ORTEGA	POLICE OFFICER	SEVENTH DISTRICT	10/08/2006	0.00
PACELLI	POLICE OFFICER	EIGHTH DISTRICT	9/16/2006	0.00
PADILLA	POLICE OFFICER	FOURTH DISTRICT	10/02/2006	0.00
PALERMO	POLICE OFFICER	SEVENTH DISTRICT	10/08/2006	0.00
PALMER	POLICE OFFICER	SEVENTH DISTRICT	10/08/2006	0.00
PARTYKA	POLICE OFFICER	SIXTEENTH DISTRICT	8/26/2006	0.00
PASTERNAK	POLICE OFFICER	TWENTIETH DISTRICT	10/08/2006	0.00
PERAINO	POLICE OFFICER	TWENTY-FIFTH DISTRICT	8/11/2006	0.00
PEREZ	POLICE OFFICER	RECRUIT TRAINING	5/27/2006	0.00
PERRY	POLICE OFFICER	SECOND DISTRICT	6/14/2006	0.00
PERRY-ADAMOVIK	POLICE OFFICER	TWENTY-SECOND DISTRICT	8/26/2006	0.00
PIPER	POLICE OFFICER	TWENTIETH DISTRICT	10/15/2006	0.00
PLANEY	POLICE OFFICER	TWELFTH DISTRICT	9/25/2006	0.00
PORADZISZ	POLICE OFFICER	FIFTH DISTRICT	8/02/2006	0.00
PREIB	POLICE OFFICER	TWENTY-FOURTH DISTRICT	6/10/2006	0.00
PRICE	POLICE OFFICER	FIRST DISTRICT	7/02/2006	0.00
PRKALO	POLICE OFFICER	TWENTY-SECOND DISTRICT	6/05/2006	0.00
RADKE	POLICE OFFICER	SECOND DISTRICT	3/14/2005	0.00
RAINEY	POLICE OFFICER	SPECIAL FUNCTIONS GROUP	11/17/2005	0.00
RAMIREZ	POLICE OFFICER	ELEVENTH DISTRICT	5/30/2006	0.00
RAMIREZ	POLICE OFFICER	THIRD DISTRICT	8/12/2006	0.00
RAMIREZ	POLICE OFFICER	RECRUIT TRAINING	7/27/2006	0.00
RAMIREZ-WIESINGER	POLICE OFFICER	TENTH DISTRICT	9/23/2006	0.00
RAY	POLICE OFFICER	RECRUIT TRAINING	7/27/2006	0.00
REARDON	POLICE OFFICER	NINETEENTH DISTRICT	10/12/2006	0.00
REED	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/24/2006	0.00
RENTERIA	POLICE OFFICER	SPECIAL OPERATIONS SECTION	7/01/2006	0.00
RICHARDSON	POLICE OFFICER	RECRUIT TRAINING	8/31/2006	0.00
RIVERA	POLICE OFFICER	RECRUIT TRAINING	6/19/2006	0.00
ROBERTS	POLICE OFFICER	TWENTIETH DISTRICT	9/12/2006	0.00
RODRIGUEZ	POLICE OFFICER	TWELFTH DISTRICT	1/29/2005	0.00
RODRIGUEZ	POLICE OFFICER	TWENTY-FIFTH DISTRICT	8/15/2006	0.00
RODRIGUEZ	POLICE OFFICER	NINTH DISTRICT	9/13/2006	0.00
RODRIGUEZ	POLICE OFFICER	EIGHTEENTH DISTRICT	7/01/2006	0.00
RODRIGUEZ	POLICE OFFICER	THIRTEENTH DISTRICT	7/30/2006	0.00
RODRIGUEZ	POLICE OFFICER	THIRTEENTH DISTRICT	9/21/2006	0.00

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/2006

REGULAR ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
RODRIGUEZ-HANLEY	POLICE OFFICER	THIRTEENTH DISTRICT	2/10/2006	0.00
RODRIGUEZ	POLICE OFFICER	SEVENTH DISTRICT	10/08/2006	0.00
ROHERO	POLICE OFFICER	RECRUIT TRAINING	12/13/2005	0.00
ROOT	POLICE OFFICER	TWENTY-FIFTH DISTRICT	9/27/2006	0.00
RUBALD	POLICE OFFICER	SPECIAL OPERATIONS SECTION	8/07/2006	0.00
RUSCH	POLICE OFFICER	TWENTY-THIRD DISTRICT	7/19/2006	0.00
RUBSON	POLICE OFFICER	SEVENTH DISTRICT	8/05/2006	0.00
RYSZKA	POLICE OFFICER	ELEVENTH DISTRICT	10/11/2006	0.00
SAMPSON	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/11/2006	0.00
SANCHEZ	POLICE OFFICER	FOURTH DISTRICT	9/04/2006	0.00
SCHENK	POLICE OFFICER	EIGHTEENTH DISTRICT	3/30/2005	0.00
SCHENK	POLICE OFFICER	EIGHTEENTH DISTRICT	6/03/2006	0.00
SCHMEDA	POLICE OFFICER	SIXTEENTH DISTRICT	4/19/2006	0.00
SCHMITZ	POLICE OFFICER	SECOND DISTRICT	8/08/2006	0.00
SCHNOTALA	POLICE OFFICER	SIXTEENTH DISTRICT	3/05/2006	0.00
SEYFERT	POLICE OFFICER	THIRTEENTH DISTRICT	4/04/1991	0.00
SHANNON	POLICE OFFICER	SEVENTH DISTRICT	8/11/2006	0.00
SHEEHY	POLICE OFFICER	TWENTY-SECOND DISTRICT	9/25/2006	0.00
SHELTON	POLICE OFFICER	SEVENTH DISTRICT	7/18/2006	0.00
SHEVLIN	POLICE OFFICER	EIGHTEENTH DISTRICT	7/22/2006	0.00
SHIELDS	POLICE OFFICER	EIGHTEENTH DISTRICT	3/10/2006	0.00
SINDORSKI	POLICE OFFICER	DETECTIVE DIVISION - AREA 3	4/14/2006	0.00
SIMONETTI	POLICE OFFICER	TWENTY-FIFTH DISTRICT	8/08/2006	0.00
SMITH	POLICE OFFICER	FIRST DISTRICT	6/27/2006	0.00
SONMERFIELD	POLICE OFFICER	EIGHTH DISTRICT	8/14/2006	0.00
SOTO	POLICE OFFICER	EIGHTEENTH DISTRICT	7/21/2006	0.00
SOTO	POLICE OFFICER	SIXTH DISTRICT	7/25/2006	0.00
SOTO	POLICE OFFICER	TENTH DISTRICT	4/04/2006	0.00
SPEARS	POLICE OFFICER	FIFTH DISTRICT	9/07/2006	0.00
STANLEY	POLICE OFFICER	EIGHTH DISTRICT	8/31/2006	0.00
STAPLETON	POLICE OFFICER	EIGHTEENTH DISTRICT	3/01/2006	0.00
STASKIEWICZ	POLICE OFFICER	RECRUIT TRAINING	1/31/2005	0.00
STEEN	POLICE OFFICER	NINTH DISTRICT	9/05/2006	0.00
STOJACK	POLICE OFFICER	NINETEENTH DISTRICT	8/02/2006	0.00
BURMA	POLICE OFFICER	TWENTY-FIFTH DISTRICT	9/19/2006	0.00
SVACHULA	POLICE OFFICER	SPECIAL OPERATIONS SECTION	8/03/2006	0.00
SWEENEY	POLICE OFFICER	RECRUIT TRAINING	7/11/2006	0.00
SZCZESNY	POLICE OFFICER	TWENTY-THIRD DISTRICT	1/31/2006	0.00
SZUDY	POLICE OFFICER	UNKNOWN	9/24/2006	0.00
TANNERHILL	POLICE OFFICER	NINETEENTH DISTRICT	5/19/2006	0.00
TENZER	POLICE OFFICER	TWELFTH DISTRICT	1/19/1977	0.00
THILL	POLICE OFFICER	SECOND DISTRICT	8/18/2006	0.00
THOMAS	POLICE OFFICER	AIRPORT LAW ENFORCEMENT NORTH	12/30/2005	0.00
THOMAS	POLICE OFFICER	ELEVENTH DISTRICT	8/12/2006	0.00
THOMAS	POLICE OFFICER	UNKNOWN	6/09/2005	0.00
THOMPSON	POLICE OFFICER	THIRD DISTRICT	10/26/2006	0.00
THURMOND	POLICE OFFICER	TWELFTH DISTRICT	6/06/2006	0.00
TOKARZ	POLICE OFFICER	TWENTY-THIRD DISTRICT	4/06/1998	0.00
TORRES	POLICE OFFICER	TENTH DISTRICT	9/09/2006	0.00

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CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/2006

REGULAR ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
VALADEZ	POLICE OFFICER	TWENTY-SECOND DISTRICT	8/09/2006	0.00
VALENCIA	POLICE OFFICER	UNKNOWN	9/18/2006	0.00
VALLE	POLICE OFFICER	RECRUIT TRAINING	10/13/2006	0.00
VANNA	POLICE OFFICER	SIXTH DISTRICT	9/30/2006	0.00
VANVEGTEN	POLICE OFFICER	UNKNOWN	1/09/1997	0.00
VARGAS-ACUILERA	POLICE OFFICER	FOURTH DISTRICT	9/27/2005	0.00
VAZQUEZ	POLICE OFFICER	RECRUIT TRAINING	3/20/2006	0.00
VAZQUEZ	POLICE OFFICER	RECRUIT TRAINING	10/17/2006	0.00
VIGUERAS	POLICE OFFICER	FIFTEENTH DISTRICT	3/28/2006	0.00
VINS	POLICE OFFICER	INTELLIGENCE SECTION	6/23/2006	0.00
WAGNER	POLICE OFFICER	EIGHTH DISTRICT	10/08/2006	0.00
WALKER	POLICE OFFICER	TENTH DISTRICT	9/23/2006	0.00
WARD	POLICE OFFICER	SIXTH DISTRICT	2/09/1994	0.00
WATKINS	POLICE OFFICER	DETECTIVE DIVISION - AREA 2	10/22/2005	0.00
WEATHERLY	POLICE OFFICER	SIXTH DISTRICT	6/02/2006	0.00
WEST	POLICE OFFICER	SIXTH DISTRICT	9/26/2006	0.00
WHITE	POLICE OFFICER	UNKNOWN	12/26/2005	0.00
WILLIAMS	POLICE OFFICER	EIGHTH DISTRICT	8/08/2006	0.00
WILLIAMS	POLICE OFFICER	SECOND DISTRICT	7/19/1997	0.00
WILLIAMS	POLICE OFFICER	FIFTH DISTRICT	7/17/2006	0.00
WILLIAMS	POLICE OFFICER	PUBLIC HOUSING UNIT-NORTH	12/17/2002	0.00
WILLIAMS-COLLINS	POLICE OFFICER	FIFTH DISTRICT	6/18/2006	0.00
WILLIAMS-HANDLEY	POLICE OFFICER	SEVENTH DISTRICT	8/09/2006	0.00
WILLINGHAM	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/11/2006	0.00
WILSON	POLICE OFFICER	SPECIAL OPERATIONS SECTION	8/06/2006	0.00
WINGFIELD	POLICE OFFICER	SIXTH DISTRICT	7/02/2006	0.00
WOLBERS	POLICE OFFICER	SEVENTH DISTRICT	7/23/2006	0.00
YOUNG	POLICE OFFICER	ELEVENTH DISTRICT	10/13/2006	0.00
YOUNG	POLICE OFFICER	FIFTH DISTRICT	6/29/2006	0.00
ZALA	POLICE OFFICER	NINTH DISTRICT	9/14/2006	0.00
ZALINSKI	POLICE OFFICER	EIGHTEENTH DISTRICT	5/30/2006	0.00
ZAPATA	POLICE OFFICER	RECRUIT TRAINING	8/30/2006	0.00
ZEPEDA	POLICE OFFICER	ELEVENTH DISTRICT	9/28/2006	0.00
ADESSO	POLICE OFFICER	UNKNOWN	8/17/2006	0.00
AUGUSTINE	FIREFIGHTER	UNKNOWN	3/17/2006	0.00
BAILEY	FIREFIGHTER	TRUCK 31	5/25/2006	0.00
BASILE	FIREFIGHTER	AMBULANCE 35	3/05/2006	0.00
BOJAN	FIREFIGHTER	UNKNOWN	3/26/2006	0.00
DONKO	FIREFIGHTER	ENGINE COMPANY 126	3/14/2006	0.00
BYRNE	FIREFIGHTER	AMBULANCE 36	3/05/2006	0.00
CAREY	FIREFIGHTER	ENGINE COMPANY 120	6/07/2006	0.00
CHAPMAN	FIREFIGHTER	ENGINE COMPANY 59	4/13/2006	0.00
CONSOLA	POLICE OFFICER	UNKNOWN	1/06/2006	0.00
DALCOUR	FIREFIGHTER	ENGINE COMPANY 86	5/20/2006	0.00
DAVILA	FIREFIGHTER	TRUCK 24	3/03/2005	0.00
DEBITS	FIREFIGHTER	AMBULANCE 44	3/13/2006	0.00
ENHENDER	FIREFIGHTER	AMBULANCE 6	1/27/2006	0.00
FARIAS	LIEUTENANT	TRUCK 14	3/06/2003	0.00
	FIREFIGHTER	TRUCK 21	12/11/2005	0.00

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/2006

REGULAR ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
FAVIS	FIREFIGHTER	AMBULANCE 33	4/05/2006	0.00
FAVIS	FIREFIGHTER	AMBULANCE 33	7/06/2006	0.00
GLAUDE	FIREFIGHTER	BATTALION 2	8/16/2005	0.00
HANNON	FIREFIGHTER	AMBULANCE 29	12/19/2005	0.00
HATZIS	FIREFIGHTER	ENGINE COMPANY 11	3/02/2006	0.00
HEDRICH	FIREFIGHTER	UNKNOWN	3/08/2006	0.00
HEINZ	FIREFIGHTER	TRUCK 47	4/05/2006	0.00
HENDRICKS	FIREFIGHTER	AMBULANCE 22	3/16/2006	0.00
HICKS	FIREFIGHTER	DISTRICT RELIEF 6	4/15/2006	0.00
HORNER	FIREFIGHTER	AMBULANCE 21	3/19/2006	0.00
JENKINS	FIREFIGHTER	ENGINE COMPANY 35	3/27/2006	0.00
KEAO	FIREFIGHTER	SNORKEL SQUAD 3	4/22/2006	0.00
KINNEAR	FIREFIGHTER	ENGINE COMPANY 94	3/18/2006	0.00
KIRKLEY	PARAMEDIC	AMBULANCE 45	6/03/2005	0.00
KOCHAN	FIREFIGHTER	UNKNOWN	1/31/2006	0.00
LESHER	FIREFIGHTER	ENGINE COMPANY 110	12/15/2005	0.00
LEVIN	FIREFIGHTER	UNKNOWN	2/12/2006	0.00
LOPER	FIREFIGHTER	TRUCK 13	2/28/2006	0.00
LOPEZ	FIREFIGHTER	ENGINE COMPANY 79	1/20/2006	0.00
LORENZ	FIREFIGHTER	TRUCK 57	3/02/2006	0.00
MORAN	FIREFIGHTER	TRUCK 14	12/12/2002	0.00
MULLALLY	PARAMEDIC	AMBULANCE 31	1/22/2005	0.00
MUNSON	FIREFIGHTER	DISTRICT RELIEF 5	1/30/2006	0.00
O'CONNELL	FIREFIGHTER	TRUCK 41	2/11/2006	0.00
PATRICELLI	FIREFIGHTER	ENGINE COMPANY 106	9/26/2004	0.00
PROMELL	FIREFIGHTER	AMBULANCE 38	2/22/2006	0.00
PUGH	FIREFIGHTER	ENGINE COMPANY 75	5/11/2006	0.00
ROGUS	FIREFIGHTER	ENGINE COMPANY 117	12/06/2003	0.00
ROJAS	FIREFIGHTER	ENGINE COMPANY 34	3/29/2006	0.00
SHANAHAN	FIREFIGHTER	UNKNOWN	2/06/2006	0.00
SOBEK	FIREFIGHTER	ENGINE COMPANY 123	9/27/2005	0.00
SORRENTINO	FIREFIGHTER	ENGINE COMPANY 57	10/25/2001	0.00
SOTO	FIREFIGHTER	AMBULANCE 35	4/08/2006	0.00
SPENCER	FIREFIGHTER	ENGINE COMPANY 116	10/10/2005	0.00
STENSLAND	FIREFIGHTER	TRUCK 15	4/01/2006	0.00
STRICKLER	FIREFIGHTER	SQUAD 1	4/10/1990	0.00
TAFT	FIREFIGHTER	TRUCK 50	6/27/2004	0.00
WALDRON	FIREFIGHTER	ENGINE COMPANY 72	5/02/2006	0.00
ZAMBELLO	FIREFIGHTER	UNKNOWN	2/25/2006	0.00

; 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 94842
through 94844 of this *Journal*.]

AUTHORIZATION FOR PAYMENT OF MISCELLANEOUS REFUNDS,
COMPENSATION FOR PROPERTY DAMAGE, ET CETERA.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

(Continued on page 94845)

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/2006

THIRD PARTY ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
ACEVADO	POLICE OFFICER	TENTH DISTRICT	12/12/2005	0.00
ACEVEDO	POLICE OFFICER	SEVENTEENTH DISTRICT	5/07/2001	0.00
ACEVEDO	POLICE OFFICER	TENTH DISTRICT	7/30/2006	0.00
AHEARN	POLICE OFFICER	SIXTEENTH DISTRICT	7/15/2006	0.00
ANDERSON	POLICE OFFICER	NINTH DISTRICT	3/30/1978	0.00
ANTHONY	POLICE OFFICER	SIXTEENTH DISTRICT	7/28/2001	0.00
BAGAI	POLICE OFFICER	FIFTH DISTRICT	8/30/2004	0.00
BEAMON	POLICE OFFICER	SECOND DISTRICT	8/26/2006	0.00
BLAIR	POLICE OFFICER	FIRST DISTRICT	4/11/2002	0.00
BRAQUEL	POLICE OFFICER	TWELFTH DISTRICT	10/18/2006	0.00
BRENNER	POLICE OFFICER	SEVENTEENTH DISTRICT	9/08/1986	0.00
BRUMLEY	POLICE OFFICER	FOURTH DISTRICT	8/15/2002	0.00
BUEHLER	POLICE OFFICER	EIGHTH DISTRICT	4/30/2006	0.00
CALICDAN	POLICE OFFICER	TENTH DISTRICT	7/15/2006	0.00
CALVINO	POLICE OFFICER	TENTH DISTRICT	7/10/2006	0.00
CAMACHO	POLICE OFFICER	NARCOTICS SECTION	1/19/2001	0.00
CASEY	POLICE OFFICER	UNKNOWN	8/02/2006	0.00
CASEY	POLICE OFFICER	TRAFFIC SECTION-DETAIL UNIT	7/15/2006	0.00
CHAMBS	POLICE OFFICER	FIFTEENTH DISTRICT	6/29/2006	0.00
CHON	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/04/2006	0.00
CIANGI	POLICE OFFICER	SIXTEENTH DISTRICT	8/12/1996	0.00
COLE	POLICE OFFICER	FIFTEENTH DISTRICT	10/30/1993	0.00
COLON	POLICE OFFICER	NARCOTICS SECTION	5/27/2006	0.00
CORONA	POLICE OFFICER	TWENTY-FOURTH DISTRICT	8/23/2006	0.00
COSTELLO-KUPIANCZYK	POLICE OFFICER	SIXTEENTH DISTRICT	7/05/2005	0.00
COVELLO	POLICE OFFICER	TWENTIETH DISTRICT	6/16/2004	0.00
CREED	POLICE OFFICER	FIFTH DISTRICT	12/17/2005	0.00
CROTTY	POLICE OFFICER	SPECIAL OPERATIONS SECTION	10/14/2006	0.00
CROWLEY	POLICE OFFICER	SECOND DISTRICT	9/04/1987	0.00
CRUZ	POLICE OFFICER	SEVENTEENTH DISTRICT	8/27/2006	0.00
DONOVAN	POLICE OFFICER	EIGHTEENTH DISTRICT	4/25/2006	0.00
DUBOIS	POLICE OFFICER	UNKNOWN	9/29/2006	0.00
DUFFY	POLICE OFFICER	EIGHTEENTH DISTRICT	9/01/1999	0.00
EASTERDAY	POLICE OFFICER	FIFTH DISTRICT	9/19/2006	0.00
EIGENBAUER	POLICE OFFICER	FOURTEENTH DISTRICT	4/22/2006	0.00
ENRIQUEZ	POLICE OFFICER	SPECIAL OPERATIONS SECTION	4/27/2006	0.00
FELMON	POLICE OFFICER	EIGHTEENTH DISTRICT	4/25/2006	0.00
FERNANDEZ	POLICE OFFICER	RECRUIT TRAINING	9/07/2006	0.00
FLEMING	POLICE OFFICER	NINETEENTH DISTRICT	5/11/2006	0.00
FLISK	POLICE OFFICER	TWELFTH DISTRICT	3/28/2005	0.00
FLYNN	POLICE OFFICER	EIGHTEENTH DISTRICT	6/24/2006	0.00
FOSTER	POLICE OFFICER	EIGHTEENTH DISTRICT	8/12/2006	0.00
FUDA	POLICE OFFICER	SECOND DISTRICT	5/02/2006	0.00
FUENTES	POLICE OFFICER	SEVENTH DISTRICT	1/14/2003	0.00
GADSON	POLICE OFFICER	EIGHTH DISTRICT	10/21/2006	0.00
GARAY	POLICE OFFICER	THIRD DISTRICT	5/30/2006	0.00
GARIBAY	POLICE OFFICER	TWENTY-SECOND DISTRICT	9/17/2006	0.00
GARTH	POLICE OFFICER	FOURTH DISTRICT	5/02/2006	0.00
	POLICE OFFICER	SPECIAL OPERATIONS SECTION	1/18/2006	0.00

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CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/2006

THIRD PARTY ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
GILES	POLICE OFFICER	RECRUIT TRAINING	8/31/2006	0.00
GOCHEE	POLICE OFFICER	SIXTH DISTRICT	8/26/2006	0.00
GOMEZ	POLICE OFFICER	FOURTEENTH DISTRICT	9/13/2006	0.00
GORDON	POLICE OFFICER	PREV. PROGRAMS & NEIGHBORHOOD	5/10/2006	0.00
GORSKI	POLICE OFFICER	PUBLIC HOUSING UNIT-NORTH	12/09/2002	0.00
HALLINAN	POLICE OFFICER	SIXTEENTH DISTRICT	8/17/2006	0.00
HALTEK	POLICE OFFICER	FOURTH DISTRICT	6/28/1998	0.00
HARRIS	POLICE OFFICER	FIFTEENTH DISTRICT	6/25/2006	0.00
JARVIS	POLICE OFFICER	EIGHTEENTH DISTRICT	7/22/2006	0.00
JASKOLKA	POLICE OFFICER	TWENTIETH DISTRICT	6/16/2006	0.00
JASTRZEBSKI	POLICE OFFICER	TWENTY-FOURTH DISTRICT	9/22/2006	0.00
KEFALAS	POLICE OFFICER	FIFTEENTH DISTRICT	4/11/2006	0.00
KHAN	POLICE OFFICER	FIFTEENTH DISTRICT	6/29/2006	0.00
KIEDUK	POLICE OFFICER	EIGHTEENTH DISTRICT	7/21/2006	0.00
KIM	POLICE OFFICER	FOURTEENTH DISTRICT	8/23/2006	0.00
KITOWSKI	POLICE OFFICER	EIGHTEENTH DISTRICT	8/21/2003	0.00
KRISTIN	POLICE OFFICER	TWENTY-SECOND DISTRICT	9/17/2006	0.00
KUEHLMAN	POLICE OFFICER	TWENTIETH DISTRICT	3/07/2006	0.00
KUPOINTE	POLICE OFFICER	TRAFFIC SECTION - ENFORCEMENT	4/10/2006	0.00
LATSOS	POLICE OFFICER	EIGHTH DISTRICT	8/05/2006	0.00
LOCONSOLE	POLICE OFFICER	TWENTY-THIRD DISTRICT	5/11/2006	0.00
LOPEZ	POLICE OFFICER	SEVENTEENTH DISTRICT	4/23/2006	0.00
MACKEY	POLICE OFFICER	RECRUIT TRAINING	5/16/1999	0.00
MACKLIN	POLICE OFFICER	FIRST DISTRICT	6/23/2006	0.00
MANARES	POLICE OFFICER	SIXTEENTH DISTRICT	7/09/2006	0.00
MANNO	POLICE OFFICER	TWENTY-FIFTH DISTRICT	8/06/2006	0.00
MAR	POLICE OFFICER	TWENTIETH DISTRICT	3/19/2001	0.00
MARTINEZ	POLICE OFFICER	FOURTH DISTRICT	7/02/2006	0.00
MCDERMOTT	POLICE OFFICER	TWENTY-THIRD DISTRICT	8/08/2002	0.00
MERRIMEATHER	POLICE OFFICER	FIFTH DISTRICT	3/07/2002	0.00
MICKENS	POLICE OFFICER	THIRD DISTRICT	2/02/2006	0.00
MORENO	POLICE OFFICER	SIXTEENTH DISTRICT	9/03/2006	0.00
MOSQUEDA	POLICE OFFICER	EIGHTH DISTRICT	6/10/2006	0.00
MULLENIX	POLICE OFFICER	TWENTIETH DISTRICT	9/29/2006	0.00
NOWELLS	POLICE OFFICER	THIRD DISTRICT	5/30/2006	0.00
OCONEILL	POLICE OFFICER	SIXTH DISTRICT	2/24/1998	0.00
ODONNELL	POLICE OFFICER	FOURTH DISTRICT	7/10/2006	0.00
ODONNELL	POLICE OFFICER	BOMB AND ARSON SECTION	7/30/2006	0.00
OPRONDEK	POLICE OFFICER	TRAFFIC SECTION - ENFORCEMENT	6/21/2006	0.00
OPRONDEK	POLICE OFFICER	TRAFFIC SECTION - ENFORCEMENT	7/02/2006	0.00
OSHAUGHNESSY	POLICE OFFICER	SPECIAL OPERATIONS SECTION	10/14/2006	0.00
OVERTON	POLICE OFFICER	NINETEENTH DISTRICT	11/25/1984	0.00
PARKS	POLICE OFFICER	SEVENTEENTH DISTRICT	8/27/2006	0.00
PENA	POLICE OFFICER	TWENTY-FIRST DISTRICT	9/02/2006	0.00
PEPPER	POLICE OFFICER	FIFTH DISTRICT	8/27/2006	0.00
PERRY	POLICE OFFICER	SECOND DISTRICT	8/26/2006	0.00
POSTRELKO	POLICE OFFICER	RECRUIT TRAINING	9/02/2006	0.00
PROSAD	POLICE OFFICER	TRAFFIC SECTION - LOOP TRAFFIC	6/01/2006	0.00
PURVIS	POLICE OFFICER	EIGHTEENTH DISTRICT	7/28/2006	0.00

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/13/2006

THIRD PARTY ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
GAZI	POLICE OFFICER	EIGHTEENTH DISTRICT	7/22/2006	0.00
REYES	POLICE OFFICER	SIXTEENTH DISTRICT	8/17/2006	0.00
RIDGNER	POLICE OFFICER	SIXTH DISTRICT	3/22/1994	0.00
RIGAN	POLICE OFFICER	TWENTY-FIFTH DISTRICT	12/28/2003	0.00
RIOS	POLICE OFFICER	FOURTEENTH DISTRICT	10/06/2006	0.00
RIVAS	POLICE OFFICER	TWENTY-FOURTH DISTRICT	9/19/2006	0.00
ROBERISON	POLICE OFFICER	FIFTEENTH DISTRICT	3/20/2005	0.00
RODRIGUEZ	POLICE OFFICER	TENTH DISTRICT	9/07/2006	0.00
ROMAKHA	POLICE OFFICER	THIRTEENTH DISTRICT	7/26/2006	0.00
ROUNDS	POLICE OFFICER	FIFTH DISTRICT	10/16/2006	0.00
RYAN	POLICE OFFICER	EIGHTH DISTRICT	8/18/2006	0.00
SALVAGE	POLICE OFFICER	TWENTY-FOURTH DISTRICT	11/14/2005	0.00
SANCHEZ	POLICE OFFICER	NARCOTICS SECTION	2/13/2002	0.00
SOBCYZNSKI	POLICE OFFICER	NINTH DISTRICT	5/29/2006	0.00
SPECHT	POLICE OFFICER	TWENTY-FOURTH DISTRICT	7/07/2006	0.00
SPRADLEY	POLICE OFFICER	SPECIAL OPERATIONS SECTION	4/27/2006	0.00
STRANGE	POLICE OFFICER	FIFTH DISTRICT	4/16/2005	0.00
TAYLOR	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/03/2006	0.00
THOMAS	POLICE OFFICER	FIFTH DISTRICT	12/17/2005	0.00
THOMPSON	POLICE OFFICER	SECOND DISTRICT	2/24/2006	0.00
TIMMONS-RUSSELL	POLICE OFFICER	RECRUIT TRAINING	9/24/1989	0.00
TREMBLE	POLICE OFFICER	EIGHTH DISTRICT	10/28/2001	0.00
VAZQUEZ	POLICE OFFICER	TENTH DISTRICT	7/10/2006	0.00
VILLANUEVA	POLICE OFFICER	SEVENTH DISTRICT	11/19/2002	0.00
VITTORI	POLICE OFFICER	DETECTIVE DIVISION - AREA 3	5/11/2002	0.00
VOVOS	POLICE OFFICER	DETECTIVE DIVISION - AREA 1	6/28/2006	0.00
WASHINGTON	POLICE OFFICER	FOURTH DISTRICT	8/30/2006	0.00
WATSON	POLICE OFFICER	PUBLIC TRANSPORTATION SECTION	3/29/2006	0.00
WHISENTON	POLICE OFFICER	TWENTY-FIRST DISTRICT	9/23/2006	0.00
WILLEMS	POLICE OFFICER	FOURTEENTH DISTRICT	8/15/2006	0.00
WILLIAMS	POLICE OFFICER	ELEVENTH DISTRICT	6/07/2005	0.00
ZIEDMAN	POLICE OFFICER	TWENTIETH DISTRICT	9/14/2006	0.00
DON	FIREFIGHTER	EMS DISTRICT 5 HEADQUARTERS & R	3/14/2006	0.00
FLAHERTY	FIREFIGHTER	EMS DISTRICT 3 HEADQUARTERS & R	5/04/2006	0.00
GILLEN	FIREFIGHTER	TRUCK 54	5/20/2005	0.00
PLECKI	FIREFIGHTER	AMBULANCE 12	3/17/2006	0.00

(Continued from page 94841)

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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

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:
Account Number 100-99-4415-0934-0934.*

Name And Address	Date And Location	Amount
Shawn Boler and State Farm Insurance P.O. Box 2375 Bloomington, Illinois 61702	12/24/05 1803 South Springfield Avenue	\$ 877.00 100.00*

Damage To Vehicle.

*Department Of Police:
Account Number 100-99-4415-0934-0934.*

Name And Address	Date And Location	Amount
Kimberly Fowlkes and Esurance P.O. Box 2890 Rocklin, California 95677	12/6/05 4017 North Keeler Avenue	\$1,336.00
Volodymyr Gordiychukm and Allstate Insurance P.O. Box 168288 Irving, Texas 75016	12/4/05 4700 West Irving Park Road	572.00
Deidra Smith and GEICO Insurance 1 GEICO Center Macon, Georgia 60641	11/2/05 7012 South Oglesby Avenue	821.00
James Wilson, Jr. 1500 Club Drive Glendale Heights, Illinois 60139	11/21/05 11220 South Wallace Street	1,018.00

* To City of Chicago, Bureau of Parking

Damage To Property.

*Department Of Police Works/Construction Management:
Account Number 100-99-4415-0934-0934.*

Name And Address	Date And Location	Amount
Annette Ledermann 5500 West Pensacola Avenue Chicago, Illinois 60641	4/6/06 West Milwaukee Avenue and North Giddings Street	\$215.00

Damage To Vehicle.

*Department Of Streets And Sanitation/Bureau Of Streets:
Account Number 300-99-4415-0934-0934.*

Name And Address	Date And Location	Amount
Blanche Ivey 1131 North Avers Avenue Chicago, Illinois 60651	12/20/05 1 North Madison Street	\$ 480.00
Savitri S. Khumkit 2421 West Walton Street Basement Apartment Chicago, Illinois 60622	3/11/05 200 South Ogden Avenue	65.00
Marcel Lang 1004 Linden Avenue Bellwood, Illinois 60104	7/25/99 3600 West Roosevelt Road	500.00
Nijole Simulyniene and Farmers Insurance National Document Center P.O. Box 268992 Oklahoma City, Oklahoma 73126	10/5/05 10546 South Longwood Drive	1,274.00

Name And Address	Date And Location	Amount
Martha Corinne Thompson 811 West Eastwood Avenue Apartment 508 Chicago, Illinois 60640	12/8/05 West Touhy Avenue and North Bell Avenue	\$185.00

Damage To Vehicle.

*Department Of Water/Bureau Of Water Distribution:
Account Number 200-99-4415-0934-0934.*

Name And Address	Date And Location	Amount
Daniel Vishnesky and State Farm Insurance Subrogation Services P.O. Box 2371 Bloomington, Illinois 61702	6/9/05 1831 South Honore Street	\$1,188.00

Damage To Vehicle.

*Department Of Fire:
Account Number 100-99-4415-0934-0934.*

Name And Address	Date And Location	Amount
Jerry Norman 4929 West Oakdale Avenue Chicago, Illinois 60641	7/7/05 4925 West Oakdale Avenue	\$1,079.00 300.00*

* To City of Chicago, Bureau of Parking

12/13/2006

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Name And Address	Date And Location	Amount
Carmen and Ernesto Perez and State Farm Insurance Subrogation Services P.O. Box 2371 Bloomington, Illinois 61702	3/15/06 6500 South Stony Island Avenue	\$542.00

Damage To Vehicle.

*Department Of Streets And Sanitation/Bureau Of Electricity:
Account Number 100-99-4415-0934-0934.*

Name And Address	Date And Location	Amount
Karen Gershon and State Farm Insurance P.O. Box 2371 Bloomington, Illinois 61702	11/14/05 5905 North Clark Street	\$1,106.00
Pavek Okulitch and USAgencies Direct Insurance P.O. Box 98505 Baton Rouge, Louisiana 70884	4/25/06 2638 North Talman Avenue	1,477.00

Damage To Vehicle.

*Department Of Streets And Sanitation/Bureau Of Equipment:
Account Number 300-99-4415-0934-0934.*

Name And Address	Date And Location	Amount
Erin Koeblitz 7541 River Oaks Trail Ohio 44040	5/18/06 During towing	\$ 145.00 100.00*

* To City of Chicago, Bureau of Parking

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12/13/2006

Name And Address	Date And Location	Amount
Thomas Schreiber and Farmers Insurance National Document Center P.O. Box 268992 Oklahoma City, Oklahoma 73126	10/11/2005 During towing	\$760.00

Damage To Vehicle.

*Department Of Streets And Sanitation/Bureau Of Sanitation:
Account Number 300-99-4415-0934-0934.*

Name And Address	Date And Location	Amount
John P. Labuz 6673 West Imlay Street Chicago, Illinois 60631	12/29/05 3430 North Marmora Avenue	\$788.00

AUTHORIZATION FOR PAYMENT OF SUNDRY CLAIMS
FOR CONDOMINIUM REFUSE REBATES.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order authorizing the payments 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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

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 amounts to be paid in full as follows and charged to Account Number 100-99-4415-0939-0939:

[List of claimants printed on pages 94852
through 94853 of this *Journal*.]

C I T Y O F C H I C A G O
COMMITTEE ON FINANCE
REFUSE REBATE COUNCIL ORDERS---PASSED
MEETING DATE 12/13/2006

CONDOMINIUM/ COOPERATIVE NAME	NO. OF ELIGIBLE UNITS	TYPE	AMOUNT OF REBATE	***** SPONSOR *****	*****
ADDISON MANOR CONDOMINIUM ASSN	21	SEMI-ANNUAL 2005	787.50	WILLIAM JP BANKS	36
ALBANY CONDOMINIUM ASSN	6	SEMI-ANNUAL 2005	225.00	BERNARD L. STONE	50
BEL-OAKS EAST CONDO ASSN. INC.	39	SEMI-ANNUAL 2005	1,462.50	BERNARD L. STONE	50
BIRCH TREE MANOR #5 CONDO	18	SEMI-ANNUAL 2005	675.00	BRIAN G. DOHERTY	41
BOUNDARY COURT CONDO ASSOC.	16	SEMI-ANNUAL 2005	600.00	BERNARD L. STONE	50
BRETON COURT BIPLEX OWNERS	32	SEMI-ANNUAL 2005	1,200.00	MARGARET LAURINO	39
BUENA TERRACE CONDO ASSN.	19	SEMI-ANNUAL 2005	712.50	HELEN SHILLER	46
BURNHAM PARK PLAZA CONDO	277	ANNUAL 2004	20,775.00	MADELINE HAITHCOCK	02
BYRON-MEDVALE CONDO ASSOC.	8	SEMI-ANNUAL 2005	300.00	THOMAS ALLEN	38
CARL SANDBURG VILLAGE CONDO. 7	616	SEMI-ANNUAL 2005	23,100.00	BURTON F. NATARUS	42
CAROUSEL COURT CONDO ASSOC	30	SEMI-ANNUAL 2005	1,125.00	PATRICK J. LEVAR	45
CHESTERFIELD ON TOUHY CONDO	60	SEMI-ANNUAL 2005	2,250.00	BERNARD L. STONE	50
DEVON PLACE CONDOMINIUM	27	SEMI-ANNUAL 2005	1,012.50	BRIAN G. DOHERTY	41
EDDYSTONE CONDOMINIUM HOMES	77	SEMI-ANNUAL 2005	2,887.50	THOMAS TUNNEY	44
EDGEWOOD MANOR IV	6	SEMI-ANNUAL 2005	225.00	BRIAN G. DOHERTY	41
EDISON VILLA CONDO ASSOC.	9	SEMI-ANNUAL 2005	337.50	BRIAN G. DOHERTY	41
EDMUNDS STREET CONDO ASSOC.	8	SEMI-ANNUAL 2005	300.00	PATRICK J. LEVAR	45
FARWELL ESTATES CONDO. ASSN.	6	SEMI-ANNUAL 2005	225.00	BERNARD L. STONE	50
GALEWOOD SOUTH CONDOMINIUM	12	SEMI-ANNUAL 2005	450.00	WILLIAM JP BANKS	36
GLENLAKE I CONDO. ASSOC	296	SEMI-ANNUAL 2005	11,100.00	THOMAS ALLEN	38
GLENLAKE II CONDO. ASSOC.	148	SEMI-ANNUAL 2005	4,332.00	THOMAS ALLEN	38
GLENWOOD HOMES CONDO ASSOC.	6	SEMI-ANNUAL 2005	225.00	PATRICK J O'CONNOR	40
GREYSTONE ON WOLCOTT CONDO	9	SEMI-ANNUAL 2005	337.50	THEODORE MATLAK	32
HAMPDEN TOWER CONDO ASSOC.	137	SEMI-ANNUAL 2005	4,546.67	VI DALEY	43
JEFFERSON COURTE CONDO. ASSN.	44	SEMI-ANNUAL 2005	1,650.00	PATRICK J. LEVAR	45
KEYSTONE COURTS CONDO. ASSN. #1	15	SEMI-ANNUAL 2005	562.50	MARGARET LAURINO	39
KEYSTONE MANOR CONDOMINIUM	18	SEMI-ANNUAL 2005	675.00	MARGARET LAURINO	39
LAKE TERRACE TOWNHOME OWNERS'	42	SEMI-ANNUAL 2005	1,575.00	JOE MOORE	49
LAMAI COURTS ASSOCIATION	18	SEMI-ANNUAL 2005	675.00	MARGARET LAURINO	39
LIFESTYLE 2 CONDOMINIUM	6	SEMI-ANNUAL 2005	225.00	JOE MOORE	49
MARINA TOWERS CONDO ASSOC	896	SEMI-ANNUAL 2005	33,600.00	BURTON F. NATARUS	42
MEDILL STREET LOFT CONDO. ASSOC	29	SEMI-ANNUAL 2005	1,087.50	MANUEL FLORES	01
MERRIMAC SQUARE CONDO. #2	50	SEMI-ANNUAL 2005	1,875.00	THOMAS ALLEN	38
MERRIMAC SQUARE CONDO. ASSN. III	50	SEMI-ANNUAL 2005	1,446.30	THOMAS ALLEN	38
NORTH DAREN SQUARE CONDO ASSOC	38	SEMI-ANNUAL 2005	1,425.00	PATRICK J O'CONNOR	40
NORTH SHORE BEACH CONDO. ASSN.	19	ANNUAL 2002	1,425.00	JOE MOORE	49
NORTHWEST POINT CONDO ASS'N	42	SEMI-ANNUAL 2005	1,575.00	BRIAN G. DOHERTY	41
NORWOOD COURT CONDO ASSOC.	36	SEMI-ANNUAL 2005	1,350.00	BRIAN G. DOHERTY	41
OAKWOOD COURT CONDO I	30	SEMI-ANNUAL 2005	1,125.00	BRIAN G. DOHERTY	41
OAKWOOD COURT CONDO II	30	SEMI-ANNUAL 2005	1,125.00	BRIAN G. DOHERTY	41
PALMER COURTS	12	SEMI-ANNUAL 2005	450.00	WILLIAM JP BANKS	36
PARK GABLES APT. HOMES, INC.	72	SEMI-ANNUAL 2005	2,244.39	BERNARD L. STONE	50
PARK HARBOR CONDO ASSN.	101	SEMI-ANNUAL 2005	3,787.50	HELEN SHILLER	46
PARK VIEW CONDO WEST INC.	30	SEMI-ANNUAL 2005	1,125.00	BRIAN G. DOHERTY	41
PARKVIEW PHASE II CONDO ASSOC.	21	SEMI-ANNUAL 2005	787.50	GINGER RUBAI	19

CITY OF CHICAGO
COMMITTEE ON FINANCE
REFUSE REBATE COUNCIL ORDERS--PASSED

MEETING DATE 12/13/2006

CONDOMINIUM/ COOPERATIVE NAME	NO. OF ELIGIBLE UNITS	TYPE	AMOUNT OF REBATE	***** SPONSOR *****	
PRATT SHORE CONDO ASSC.	28	SEMI-ANNUAL 2005	1,050.00	JOE MOORE	49
PRUITT CONDOMINIUM ASSOCIATION	8	SEMI-ANNUAL 2005	300.00	TONI PRECKWINKLE	04
RIDGEWOOD ESTATES CONDO. ASSN. 1	44	SEMI-ANNUAL 2005	1,650.00	THOMAS ALLEN	38
RIDGEWOOD ESTATES CONDO. ASSN. 2	44	SEMI-ANNUAL 2005	1,650.00	THOMAS ALLEN	38
RIDGEWOOD ESTATES CONDO. ASSN. 3	44	SEMI-ANNUAL 2005	1,650.00	THOMAS ALLEN	38
RIDGEWOOD ESTATES CONDO. ASSN. 5	44	SEMI-ANNUAL 2005	1,650.00	THOMAS ALLEN	38
RIDGEWOOD WEST CONDOS	10	SEMI-ANNUAL 2005	375.00	THOMAS ALLEN	38
RIVERS EDGE CONDO. ASSOC.	260	SEMI-ANNUAL 2005	7,542.38	MARGARET LAURINO	39
ROSCOE WOODS CONDOMINIUM	28	SEMI-ANNUAL 2005	1,050.00	WILLIAM JP BANKS	36
SEDGWICK MANOR CONDO. ASSOC.	4	ANNUAL 2001	300.00	VI DALEY	43
SEDGWICK MANOR CONDO. ASSOC.	4	ANNUAL 2001	300.00	VI DALEY	43
SEDGWICK MANOR CONDO. ASSOC.	4	ANNUAL 2001	300.00	VI DALEY	43
SEDGWICK MANOR CONDO. ASSOC.	4	ANNUAL 2001	300.00	VI DALEY	43
THE DARIEN CONDOMINIUMS	222	SEMI-ANNUAL 2005	4,787.89	THOMAS TUNNEY	44
THE PICADILLY CONDOMINIUM	7	SEMI-ANNUAL 2005	262.50	HELEN SHILLER	46
THIRTY EAST ELM CONDO ASSOC.	121	SEMI-ANNUAL 2005	1,772.70	BURTON F. NATARUS	42
WILSON COURT CONDOMINIUM	20	SEMI-ANNUAL 2005	750.00	PATRICK J. LEVAR	45
WINCHESTER-HOOD GARDEN HOMES	71	SEMI-ANNUAL 2005	2,191.73	PATRICK J O'CONNOR	40
WOLFHAM TOWERS CONDO ASSOC.	75	ANNUAL 2004	4,984.91	BILLY OCASIO	26
1122 N. DEARBORN CONDO ASSOC.	104	ANNUAL 2003	6,965.32	BURTON F. NATARUS	42
132 EAST DELAWARE PLACE	107	SEMI-ANNUAL 2003	2,546.97	BURTON F. NATARUS	42
1517-19 WEST LUNT CONDOMINIUMS	9	SEMI-ANNUAL 2005	337.50	JOE MOORE	49
2147 N. HARLEM BLDG. ASSN.	12	SEMI-ANNUAL 2005	450.00	WILLIAM JP BANKS	36
2151 NORTH HARLEM BUILDING	12	SEMI-ANNUAL 2005	450.00	WILLIAM JP BANKS	36
2302 W. NORTH AVE. CONDO ASSN.	6	SEMI-ANNUAL 2005	225.00	MANUEL FLORES	01
2626 LAKEVIEW CONDO ASSOC	491	SEMI-ANNUAL 2005	11,548.85	VI DALEY	43
3143 N. NASHVILLE CONDO ASSOC.	9	SEMI-ANNUAL 2005	337.50	WILLIAM JP BANKS	36
3843 N. NARRAGANSETT CONDO.	8	SEMI-ANNUAL 2005	300.00	THOMAS ALLEN	38
4028-30 N. SHERIDAN CONDO	10	SEMI-ANNUAL 2005	375.00	HELEN SHILLER	46
4236 N. KEDVALE CONDO. ASSN.	10	SEMI-ANNUAL 2005	375.00	MARGARET LAURINO	39
4728 N. MALDEN CONDO ASSOC.	6	SEMI-ANNUAL 2005	225.00	HELEN SHILLER	46
4850-54 N. LINDER BUILDING	18	SEMI-ANNUAL 2005	675.00	PATRICK J. LEVAR	45
50 E. BELLEVUE CONDOMINIUM	142	SEMI-ANNUAL 2005	3,766.29	BURTON F. NATARUS	42
5147-5151 N. EAST RIVER ROAD	72	SEMI-ANNUAL 2005	2,330.64	BRIAN G. DOHERTY	41
5155/59 N. EAST RIVER RD.	72	SEMI-ANNUAL 2005	2,330.64	BRIAN G. DOHERTY	41
6251-53 N. GLENWOOD CONDO	6	SEMI-ANNUAL 2005	225.00	MARY ANN SMITH	48
680 LAKE RESIDENCE CONDO	164	SEMI-ANNUAL 2005	3,935.70	BURTON F. NATARUS	42
680 SOUTH RESIDENCE CONDO	120	SEMI-ANNUAL 2005	4,061.70	BURTON F. NATARUS	42
680 TOWER RESIDENCE CONDO	131	SEMI-ANNUAL 2005	4,091.70	BURTON F. NATARUS	42
6964-6968 N. DIVERSEY AVE.	18	SEMI-ANNUAL 2005	675.00	WILLIAM JP BANKS	36
7935-41 SOUTH STATE CONDO	10	ANNUAL 2002	750.00	FREDDRENN LYLE	06
7935-41 SOUTH STATE CONDO	10	ANNUAL 2002	750.00	FREDDRENN LYLE	06
915-17 W. GUNNISON STREET	6	SEMI-ANNUAL 2005	225.00	MARY ANN SMITH	48

*Do Not Pass -- SUNDRY CLAIMS
FOR VARIOUS REFUNDS.*

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Finance, Small Claims Division, to which was referred on January 11, 2006 and on subsequent dates, sundry claims as follows:

Aleszczyk, Danuta

Artis, Christine

Banks, Joyce

Banks, Robert

Boutte, Carla

Boyd, Jacqueline

Coutrakon, Peter

Crohan, Thomas and State Farm Insurance

Daitchman, Yisroel

De La Rosa, Julio

Denton, Willie

Gonzalez, Liane

Gonzalez, Ruben and Affirmative Insurance Co.

Goodman, Tammy

Grace, Gabrielle

Hayes, W. G.

Hudson, Pearlie

Irving, Muriel

Jones, Nina

Joy, Arthur

Kasper, Sandra

Kerasotes, Galen

King, Mack

Kohn, Grace

Laszlo, Sandra

Maury, Tina

Oakley, Regina

Parakal, Josekultty and Allstate Insurance

Park, Charlotte

Piotrowski, Annie

Price, Moses

Proesel, Henry

Schulz, Janice

Scott, Jacqueline and State Farm Insurance

Shoolin, Joel and Michelle and State Farm Insurance

St. Fort, Pierre

Thomas, Ernestine

Torres, Gustavo

Turner, Ida

Vaughn, Janet McClain

Williams, Dawn

Williams, Janet and Progressive Insurance

Wright, William and Universal Casualty Company

Young, Maggie

2024 -- 2034 East 72nd Place Association,

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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyas, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

Nays -- None.

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

AUTHORIZATION FOR ISSUANCE OF CITY OF CHICAGO
CHARITABLE SOLICITATION
(TAG DAY) PERMITS.

The Committee on Finance submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an order authorizing the issuance of City of Chicago charitable solicitation (tag day) permits, 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 Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

Nays -- None.

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

The following is said order as passed:

Ordered, That the Committee on Finance is hereby authorized and directed to issue charitable solicitation (tag day) permits to the following organizations:

- A. Northwestern University Dance Marathon
January 19, 2007 through January 21, 2007 and
February 9, 2007 through February 11, 2007 -- citywide; and
- B. Children's Benefit League of Chicago and Suburbs
April 20, 2007 through April 21, 2007 -- citywide.

This order shall take effect and be in force from and after its passage.

**COMMITTEE ON THE BUDGET AND
GOVERNMENT OPERATIONS.**

AUTHORIZATION FOR SUPPLEMENTAL APPROPRIATION AND
AMENDMENT OF YEAR 2006 ANNUAL APPROPRIATION
ORDINANCE WITHIN FUND 925 TO PROVIDE GRANT
AWARDS TO DEPARTMENT ON AGING,
DEPARTMENT OF PLANNING AND
DEVELOPMENT, DEPARTMENT OF
POLICE AND DEPARTMENT
OF PUBLIC HEALTH.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing a supplemental appropriation and an

amendment to the Year 2006 Annual Appropriation Ordinance necessary to reflect an increase in the amount of funds received from federal, state and/or private agencies, 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) WILLIAM M. BEAVERS,
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 Haithcock, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Schulter, Moore, Stone -- 43.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, The Annual Appropriation Ordinance for the year 2006 of the City of Chicago (the "City") contains estimates of revenues receivable as grants from agencies of the state and federal governments and public and private agencies; and

WHEREAS, In accordance with Section 8 of the Annual Appropriation Ordinance, the heads of various departments and agencies of the City have applied to agencies of the state and federal governments and public and private agencies for grants to the City for various purposes; and

WHEREAS, The amount of grant funds awarded to the City by these entities for specific grant programs has exceeded the amount of revenues estimated from those sources; and

WHEREAS, It is beneficial to the City to appropriate such additional revenues; and

WHEREAS, The City through its Department of Planning and Development has been awarded state grant funds in the amount of Five Million Dollars (\$5,000,000) by the Illinois Department of Commerce and Economic Opportunity which shall be used for the Loretto Hospital project; and

WHEREAS, The City through its Department of Public Health ("Health") has been awarded additional federal grant funds in the amount of Two Hundred Thirty-five Thousand Dollars (\$235,000) by the United States Department of Health and Human Services, Centers for Disease Control and Prevention which shall be used for the AIDS Surveillance and Seroprevalence Program; and

WHEREAS, The City through Health has been awarded state grant funds in the amount of Six Thousand Dollars (\$6,000) by the Illinois Department of Public Health ("I.D.P.H.") which shall be used for the Breast and Cervical Cancer Awareness Program; and

WHEREAS, The City through Health has been awarded state grant funds in the amount of Two Hundred Ninety-five Thousand Dollars (\$295,000) by I.D.P.H. which shall be used for the Lead 10 to 15 Inspection Services Program; and

WHEREAS, The City through Health has been awarded state grant funds in the amount of Eighty-three Thousand Dollars (\$83,000) by I.D.P.H. which shall be used for the Corrections and Community Initiative Program; and

WHEREAS, The City through its Department on Aging has been awarded additional state grant funds in the amount of Three Thousand Dollars (\$3,000) by the West Central Illinois Area Agency on Aging which shall be used for the Long Term Care Ombudsman Program; and

WHEREAS, The City through its Department of Police has been awarded state grant funds in the amount of One Hundred Thirty-five Thousand Dollars (\$135,000) by the Illinois Department of Transportation which shall be used for the Speed Enforcement Grant Program; now, therefore,

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

SECTION 1. The sum of Five Million Seven Hundred Fifty-seven Thousand Dollars (\$5,757,000), not previously appropriated, representing increased grant awards, has become available for appropriation for the year 2006.

SECTION 2. The sum of Five Million Seven Hundred Fifty-seven Thousand Dollars (\$5,757,000) not previously appropriated is hereby appropriated from Fund 925 -- Grant Funds for the year 2006. The Annual Appropriation Ordinance is

hereby amended by striking the words and figures and adding the words and figures indicated in the attached Exhibit A which is hereby made a part hereof.

SECTION 3. 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 4. This ordinance shall be in full force and effect upon its passage and approval.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".

Amendment To The 2006 Appropriation Ordinance.

Code	Department And Item	Strike Amount	Add Amount
Estimate Of Grant Revenue For 2006:			
	Awards from Agencies of the Federal Government	\$1,111,314,645	\$1,111,549,645
	Awards from Agencies of the State Government	188,540,400	194,062,400
925 -- Grant Funds			
08	Department Of Planning And Development:		
	Loretto Hospital		\$ 5,000,000

Code	Department And Item	Strike Amount	Add Amount
41	Department Of Public Health:		
	AIDS Surveillance and Seroprevalence Program	\$ 1,610,000	\$ 1,845,000
	Breast and Cervical Cancer Awareness Program		6,000
	Lead 10 to 15 Inspection Services Program		295,000
	Corrections and Community Initiative		83,000
47	Department On Aging:		
	Long Term Care Ombudsman Program -- CMP Pioneer Funds	\$ 6,000	\$ 9,000
57	Department Of Police:		
	Speed Enforcement Grant		\$ 135,000

AUTHORIZATION FOR EXPENDITURE OF OPEN SPACE IMPACT
FEE FUNDS FOR COMMUNITY PARK PROJECT
AT 4901 -- 4909 WEST BELMONT AVENUE.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing the execution of an agreement between the City of Chicago and the Chicago Park District for the expansion of open space and recreational facilities for the Belmont Cragin Community 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) WILLIAM M. BEAVERS,
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 Haithcock, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Schulter, Moore, Stone -- 43.

Nays -- None.

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

The following is said ordinance as passed:

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

WHEREAS, The City is authorized under its home rule powers to regulate the use and development of land; and

WHEREAS, It is a reasonable condition of development approval to ensure that adequate open space and recreational facilities exist within the City; and

WHEREAS, On April 1, 1998, the City Council of the City (the "City Council") adopted the Open Space Impact Fee Ordinance codified at Chapter 18 of Title 16 (the "Open Space Ordinance") of the Municipal Code of Chicago (the "Code") to address the need for additional public space and recreational facilities for the benefit of the residents of newly created residential developments in the City; and

WHEREAS, The Open Space Ordinance authorizes, among other things, the collection of fees from residential developments that create new dwelling units without contributing a proportionate share of open space and recreational facilities for the benefit of their residents as part of the overall development (the "Fee-Paying Developments"); and

WHEREAS, Pursuant to the Open Space Ordinance, the Department of Revenue ("D.O.R.") has collected fees derived from the Fee-Paying Developments (the "Open Space Fees") and has deposited those fees in separate funds, each fund corresponding to the Community Area (as defined in the Open Space Ordinance), in which each of the Fee-Paying Developments is located and from which the Open Space Fees were collected; and

WHEREAS, The Department of Planning and Development ("D.P.D.") has determined that the Fee-Paying Developments built in the Community Area listed on Exhibit A (the "Community Area") have deepened the already significant deficit of open space in the Community Area, which deficit was documented in the comprehensive plan entitled "The City Space Plan", adopted by the Chicago Plan Commission on September 11, 1997 and adopted by the City Council on May 20, 1998 pursuant to an ordinance published at pages 69309 -- 69311 of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "Journal") of the same date; and

WHEREAS, The City acquired the property described in Exhibit A (the "Property") for Nine Hundred Sixty-eight Thousand Dollars (\$968,000) from Wix Auto Company, Inc. also known as Wix Auto Co., Inc, an Illinois corporation, on October 4, 2006, which deed was recorded in the records of the Cook County Recorder of Deeds Office on October 11, 2006 as Document Number 0628457033, such purchase being made pursuant to authority granted in an ordinance adopted by City Council on September 14, 2005 and published at pages 55557 -- 55561 of the *Journal*, for the purposes of developing the Property into a park, thereby creating an open space in the Community Area; and

WHEREAS, The Department of Planning and Development ("D.P.D.") desires, through the Department of General Services ("D.G.S."), to construct, improve and equip the Property for the development of a park thereon (the "Project"), as described in Exhibit A attached hereto; and

WHEREAS, D.P.D. desires to use proceeds of the Open Space Fees collected by D.O.R. from the Community Area to fund the Project in the amount listed on Exhibit A; and

WHEREAS, The Open Space Ordinance requires that the Open Space Fees be used for open space acquisition and/or capital improvements, which provide a direct and material benefit to the new development from which the fees are collected; and

WHEREAS, The Open Space Ordinance requires that the Open Space Fees be expended within the same or a contiguous Community Area from which they were collected after a legislative finding by the City Council that the expenditure of the Open Space Fees will directly and materially benefit the developments from which the Open Space Fees were collected; and

WHEREAS, D.P.D. has determined that the use of the Open Space Fees for the Project will provide a direct and material benefit to each of the Fee-Paying Developments from which the Open Space Fees were collected; and

WHEREAS, D.P.D. has determined that Open Space Fees to be used for the purposes set forth herein have come from the specific fund set up by D.O.R. for the corresponding Community Area in which a Fee-Paying Development is located and from which the Open Space Fees were collected; and

WHEREAS, D.P.D. has recommended that the City Council approve the use of the Open Space Fees for the Project; and

WHEREAS, D.P.D. has recommended that the City Council make a finding that the expenditure of the Open Space Fees as described herein will directly and materially benefit the Fee-Paying Developments from which the Open Space Fees were collected; 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 part of this ordinance as though fully set forth herein.

SECTION 2. The City Council hereby finds that the expenditure of the Open Space Fees will directly and materially benefit the residents of those Fee-Paying Developments from which the Open Space Fees were collected and approves the use of the Open Space Fees for the Project.

SECTION 3. The Commissioner of D.P.D. (the "Commissioner") or a designee of the Commissioner are each hereby authorized, subject to the approval of the Corporation Counsel, to disburse the Open Space Fees in the amount listed on Exhibit A from the corresponding fund.

SECTION 4. Open Space Fees in the amount listed on Exhibit A from the Belmont Cragin Community Area Open Space Fees Fund are hereby appropriated for the purposes described herein.

SECTION 5. To the extent that any ordinance, resolution, rule, order or provision of the Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provisions of this ordinance.

SECTION 6. This ordinance shall be in full force and effect from and after the date of its passage.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".

Description Of Project.

Federal Park.

Address: Commonly known as: 4901 -- 4909 West Belmont Avenue, Chicago, Illinois 60641 (the "Property").
Legal Description: Lots 1 to 4 in Block 8 in Falconers Addition to Chicago, a subdivision of the north half of the northeast quarter of Section 28, Township 40 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Index Numbers: 13-28-202-019,
13-28-202-020,
13-28-202-021 and
13-28-202-022.

Community Area: Belmont Cragin

Description of Project: Construct, improve and equip the Property by the Department of General Services for the purpose of providing open space to the residents of the Community Area.

Amount of Open Space Fees: \$153,061

AUTHORIZATION FOR EXPENDITURE OF OPEN SPACE
IMPACT FEE FUNDS FOR COMMUNITY
PARK PROJECT AT 2400 SOUTH
DEARBORN STREET.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing the execution of an agreement between the City of Chicago and the Chicago Park District for the expansion of open space and recreational facilities for the Armour Square Community 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) WILLIAM M. BEAVERS,
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 Haithcock, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Schulter, Moore, Stone -- 43.

Nays -- None.

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

The following is said ordinance as passed:

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

WHEREAS, It is a reasonable condition of development approval to ensure that adequate open space and recreational facilities exist within the City; and

WHEREAS, The Chicago Park District (the "Park District") is an Illinois municipal corporation and a unit of local government under Article VII, Section 1 of the 1970 Constitution of the State of Illinois and, as such, is authorized to exercise control over and supervise the operation of all parks within the corporate limits of the City; and

WHEREAS, On April 1, 1998, the City Council of the City (the "City Council") adopted the Open Space Impact Fee Ordinance codified at Chapter 18 of Title 16 (the "Open Space Ordinance") of the Municipal Code of Chicago (the "Code") to address the need for additional public space and recreational facilities for the benefit of the residents of newly created residential developments in the City; and

WHEREAS, The Open Space Ordinance authorizes, among other things, the collection of fees from residential developments that create new dwelling units without contributing a proportionate share of open space and recreational facilities for the benefit of their residents as part of the overall development (the "Fee-Paying Developments"); and

WHEREAS, Pursuant to the Open Space Ordinance, the Department of Revenue ("D.O.R.") has collected fees derived from the Fee-Paying Developments (the "Open Space Fees") and has deposited those fees in separate funds, each fund

corresponding to the Community Area (as defined in the Open Space Ordinance), in which each of the Fee-Paying Developments is located and from which the Open Space Fees were collected; and

WHEREAS, The Department of Planning and Development ("D.P.D.") has determined that the Fee-Paying Developments built in the Armour Square Community Area (the "Community Area") have deepened the already significant deficit of open space in the Community Area, which deficit was documented in the comprehensive plan entitled "The CitySpace Plan", adopted by the Chicago Plan Commission on September 11, 1997 and adopted by the City Council on May 20, 1998 pursuant to an ordinance published at pages 69309 -- 69311 of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") of the same date; and

WHEREAS, The City through D.P.D. has received grant funds in the amount of Nine Hundred Eighty-nine Thousand Five Hundred Seventy-five Dollars (\$989,575) from the State of Illinois Department of Natural Resources pursuant to the Open Space Land Acquisition and Development Grant Program (the "O.S.L.A.D. Grant") for the purpose of developing open space generally located at 2400 South Dearborn Street in the City (the "Site"), which funds were appropriated in the 2002 Appropriation Ordinance to support the CitySpace Plan (the "Grant Amount"); and

WHEREAS, The City and the Park District desired to undertake the development, construction and improvement of the Site in accordance with the O.S.L.A.D. Grant and the Open Space Ordinance (the "Project"), as described in Exhibit B attached hereto, thereby creating an open space and recreational facility in the Community Area; and

WHEREAS, The City and the Park District have entered into an intergovernmental agreement dated September 1, 2005 (the "Intergovernmental Agreement") pursuant to a City Council Ordinance passed on December 1, 2004 and published at City Council *Journal* pages 36108 -- 36113 to provide O.S.L.A.D. Grant proceeds to the Park District for the Project; and

WHEREAS, The City desires to make available bond proceeds in an amount not to exceed Six Hundred Eighty-four Thousand Six Hundred Thirteen Dollars (\$684,613) from the City of Chicago General Obligation Project and Refunding Bonds, Series 2001A issue authorized pursuant to ordinances adopted by the City Council on November 15, 2000 and February 7, 2001 and published at City Council *Journal* pages 45244 -- 45277 and 50907 -- 50908, respectively (the "Bond Funds"), to reimburse the Park District for a portion of the Project costs expended on a section of the Site described in Exhibit A (the "Property"); and

WHEREAS, D.P.D. desires to make available the Open Space fees collected by D.O.R. from the Community Area to reimburse the Park District for a portion of the

Project costs expended on the Property in an amount not to exceed Three Hundred Eight Thousand Nine Hundred Sixty-two Dollars (\$308,962) (the "Open Space Fees"); and

WHEREAS, The Open Space Ordinance requires that the Open Space Fees be used for open space acquisition and/or capital improvements, which provide a direct and material benefit to the new development from which the fees are collected; and

WHEREAS, The Open Space Ordinance requires that the Open Space Fees be expended within the same or a contiguous Community Area from which they were collected after a legislative finding by the City Council that the expenditure of the Open Space Fees will directly and materially benefit the developments from which the Open Space Fees were collected; and

WHEREAS, D.P.D. has determined that the use of the Open Space Fees for the Project, will provide a direct and material benefit to each of the Fee-Paying Developments from which the Open Space Fees were collected; and

WHEREAS, D.P.D. has determined that Open Space Fees to be used for the purposes set forth herein have come from the specific fund set up by D.O.R. for the corresponding Community Area in which a Fee-Paying Development is located and from which the Open Space Fees were collected; and

WHEREAS, The Park District has agreed to use the Bond Funds and the Open Space Fees for capital improvements relating to the development of the Property as public open space pursuant to an amendment to the Intergovernmental Agreement (the "Amended Agreement"), in order that the Property can be developed and thereafter maintained as a public park by the Park District for the benefit of the City and the Community Area; and

WHEREAS, D.P.D. has recommended that the City Council approve the use of the Open Space Fees for the Project; and

WHEREAS, D.P.D. has recommended that the City Council make a finding that the expenditure of the Open Space Fees as described herein will directly and materially benefit the Fee-Paying Developments from which the Open Space Fees were collected; 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 part of this ordinance as though fully set forth herein.

SECTION 2. The City Council hereby finds that the expenditure of the Open Space Fees will directly and materially benefit the residents of those Fee-Paying Developments from which the Open Space Fees were collected and approves the use of the Open Space Fees for the Project.

SECTION 3. The Commissioner of D.P.D. (the "Commissioner") and a designee of the Commissioner are each hereby authorized to execute on behalf of the City the Amended Agreement with the Park District in connection with the Project in form agreed to by the parties and approved by the Corporation Counsel subject to customary terms and conditions, execute all such other agreements and instruments, and perform any and all acts, to the extent reasonably necessary or appropriate, to implement or complete the Project. The Amended Agreement shall provide for the payment of the Bond Funds and the Open Space Fees to the Park District for Project costs and any other changes deemed necessary in the discretion of the Commissioner to implement the Project.

SECTION 4. The Commissioner and a designee of the Commissioner are each hereby authorized to provide the Open Space Fees in an amount not to exceed Three Hundred Eight Thousand Nine Hundred Sixty-two Dollars (\$308,962) to the Park District from the corresponding fund pursuant to the Amended Agreement.

SECTION 5. Open Space Fees in an amount not to exceed Three Hundred Eight Thousand Nine Hundred Sixty-two Dollars (\$308,962) from the Armour Square Community Area Open Space Fees Fund are hereby appropriated for the purposes described herein.

SECTION 6. To the extent that any ordinance, resolution, rule, order or provision of the Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provisions of this ordinance.

SECTION 7. This ordinance shall be in full force and effect from and after the date of its passage.

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

Exhibit "A".

Legal Description Of Project.

Parcel 1:

Lots 37 to 48, both inclusive, in Block 12 in Uhlich and Muhlke's Addition to Chicago Subdivision of the east half of the northeast quarter (except the south half

of the south half thereof) of Section 28, Township 39 North, Range 14 East of the Third Principal Meridian,

Also,

the west half of vacated alley lying easterly and adjoining Lots 37 to 42 (except the north 16 feet thereof of Lot 42) in Cook County, Illinois.

Parcel 2:

Lots 30 to 36, both inclusive, also Lots 27, 28 and 29 (except that part of said lots lying south of a straight line drawn from a point in the west line of said Lot 29, 123.75 feet north of the southwest corner of Lot 25 to a point in the east line of said Lot 27, 58.52 feet north of the southeast corner of Lot 25) together with the west half of the vacated alley lying east of and adjoining said lots, in Block 12 in Uhlich and Muhlke's Addition to Chicago Subdivision of the east half of the northeast quarter (except the south half of the south half thereof) of Section 28, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 3:

Lots 7 to 15 in Block 12 in Uhlich and Muhlke's Addition to Chicago Subdivision of the east half of the northeast quarter (except the south quarter thereof) of Section 28, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Also,

the east half of the vacated alley lying west of said lots in Uhlich and Muhlke's Addition to Chicago Subdivision of the east half of the northeast quarter (except the south quarter thereof) of Section 28, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 4:

Lots 16 to 22 in Uhlich and Muhlke's Addition to Chicago Subdivision of the east half of the northeast quarter (except the south quarter thereof) of Section 28, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois,

Also,

the east half of vacated alley lying west of said lots in Uhlich and Muhlke's Addition to Chicago Subdivision of the east half of the northeast quarter (except the south

quarter thereof of Section 28, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Commonly Known As:

2400 South Dearborn Street
Chicago, Illinois 60616.

Permanent Index Numbers:

17-28-226-001;
17-28-226-005;
17-28-226-007; and
17-28-226-010.

Exhibit "B".

Project Budget.

Description	Cost
Removal/Demolition	\$ 122,000
Site Excavation	370,000
Site Grading	480,000
Site Drainage	52,000
Site Concrete	96,000
Asphalt Path	38,000

Description	Cost
Creative Playlot	\$ 255,000
Athletic Field	62,000
Site Electrical	66,000
Athletic Field Irrigation	55,000
Landscaping	125,000
CPA Report	4,000
A/E Fee	<u>258,150*</u>
TOTAL PROJECT BUDGET:	\$1,983,150

AUTHORIZATION FOR EXPENDITURE OF OPEN SPACE IMPACT
FEE FUNDS FOR CONSTRUCTION OF PUBLIC PARK
AT 630 NORTH KINGSBURY STREET.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration an ordinance authorizing the execution of an agreement between the City of Chicago and the Chicago Park District for the expansion of open space and recreational facilities for the Near North Community Area, having had the same under advisement, begs leave to report and recommend that Your Honorable Body Pass the proposed ordinance transmitted herewith.

* A/E Fee includes a Four Thousand Dollar (\$4,000) fee for an environmental remediation consultant.

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

Respectfully submitted,

(Signed) WILLIAM M. BEAVERS,
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 Haithcock, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Schulter, Moore, Stone -- 43.

Nays -- None.

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

The following is said ordinance as passed:

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

WHEREAS, The City is authorized under its home rule powers to regulate the use and development of land; and

WHEREAS, It is a reasonable condition of development approval to ensure that adequate open space and recreational facilities exist within the City; and

WHEREAS, On April 1, 1998, the City Council of the City (the "City Council") adopted the Open Space Impact Fee Ordinance codified at Chapter 18 of Title 16 (the "Open Space Ordinance") of the Municipal Code of Chicago (the "Code") to address the need for additional public space and recreational facilities for the benefit of the residents of newly created residential developments in the City; and

WHEREAS, The Open Space Ordinance authorizes, among other things, the collection of fees from residential developments that create new dwelling units without contributing a proportionate share of open space and recreational facilities for the benefit of their residents as part of the overall development (the "Fee-Paying Developments"); and

WHEREAS, Pursuant to the Open Space Ordinance, the Department of Revenue ("D.O.R.") has collected fees derived from the Fee-Paying Developments (the "Open Space Fees") and has deposited those fees in separate funds, each fund corresponding to the Community Area (as defined in the Open Space Ordinance), in which each of the Fee-Paying Developments is located and from which the Open Space Fees were collected; and

WHEREAS, The Department of Planning and Development ("D.P.D.") has determined that the Fee-Paying Developments built in the Near North Side Community Area (the "Community Area") have deepened the already significant deficit of open space in the Community Area, which deficit was documented in the comprehensive plan entitled "The CitySpace Plan", adopted by the Chicago Plan Commission on September 11, 1997 and adopted by the City Council on May 20, 1998 pursuant to an ordinance published at pages 69309 -- 69311 of the *Journal of the Proceedings of the City Council of the City of Chicago* (the "*Journal*") of the same date; and

WHEREAS, The City and the Chicago Park District ("Park District") proposed a project to create open space and recreational facilities at the site described on Exhibit A in the Community Area (the "Project"), and the Park District, for an amount not to exceed Ten Million Six Hundred Twenty-five Thousand Dollars (\$10,625,000) acquired land for the Project in part with funds granted by the City, in an amount not to exceed Five Million Five Hundred Thousand Dollars (\$5,500,000) (the "City Grant"), pursuant to an Agreement between the City of Chicago and the Chicago Park District dated February 10, 2000; and

WHEREAS, The City Grant was paid for with bond proceeds from the General Obligation Bonds (Neighborhoods Alive 21) Series 2000A issue authorized pursuant to an ordinance adopted on November 17, 1999 and published in the *Journal* for said date at pages 17523 -- 17569 (the "Bond Proceeds"); and

WHEREAS, D.P.D. desires to reimburse a portion of the Bond Proceeds in the amount of One Million Dollars (\$1,000,000) from proceeds of the Open Space Fees collected by D.O.R. from the Community Area, which were not available at the time the Project was undertaken; and

WHEREAS, The Open Space Ordinance requires that the Open Space Fees be used for open space acquisition or capital improvements, or both, which provide a direct and material benefit to the new development from which the fees are collected; and

WHEREAS, The Open Space Ordinance requires that the Open Space Fees be expended within the same or a contiguous Community Area from which they were collected after a legislative finding by the City Council that the expenditure of the Open Space Fees will directly and materially benefit the developments from which the Open Space Fees were collected; and

WHEREAS, D.P.D. has determined that the use of the Open Space Fees to reimburse the Bond Proceeds, which funded the Project, provides a direct and material benefit to each of the Fee-Paying Developments from which the Open Space Fees were collected in that the Project would not have been completed but for the use of Bond Proceeds, and it was intended that Open Space Fees once collected be used to reimburse the City; and

WHEREAS, D.P.D. has determined that Open Space Fees to be used for the purposes set forth herein will come from the specific fund set up by D.O.R. for the corresponding Community Area in which a Fee-Paying Development is located and from which the Open Space Fees were collected; and

WHEREAS, D.P.D. has recommended that the City Council approve the use of the Open Space Fees for the purposes set forth herein; and

WHEREAS, D.P.D. has recommended that the City Council make a finding that the expenditure of the Open Space Fees as described herein will directly and materially benefit the Fee-Paying Developments from which the Open Space Fees were collected; 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 part of this ordinance as though fully set forth herein.

SECTION 2. The City Council hereby finds that the expenditure of the Open Space Fees will directly and materially benefit the residents of those Fee-Paying Developments from which the Open Space Fees were collected and approves the use of the Open Space Fees for the purposes set forth herein.

SECTION 3. The Commissioner of D.P.D. (the "Commissioner") or designee of the Commissioner is hereby authorized, subject to the approval of the Corporation Counsel, to reimburse the Bond Proceeds with Open Space Fees proceeds in an amount not to exceed One Million Dollars (\$1,000,000) from the Near North Side Community Area Open Space Fees Fund, Fund Number PS08 131 08 5008 2604.

SECTION 4. Open Space Fees proceeds in the amount of One Million Dollars (\$1,000,000) from the Near North Side Community Area Open Space Fees Fund, Fund Number PS08 131 08 5008 2604, are hereby appropriated for the purposes set forth herein.

SECTION 5. To the extent that any ordinance, resolution, rule, order or provision of the Code, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provisions of this ordinance.

SECTION 6. This ordinance shall be in full force and effect from and after the date of its passage.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A"

Erie Park Legal Description.

Parcel 1:

All that part of the north 109 feet in width of Block 2 in Assessor's Division south of West Erie Street and east of the Chicago River of the east half of the northwest quarter of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in the City of Chicago, Cook County, Illinois according to the map of said Assessor's Division recorded in Book 164 of Maps, page 67 in the Office of the Recorder of said county, lying westerly of the following described curved line:

beginning at a point in the north side of said Block 2 of said Assessor's Division 85.53 feet west of the northeast corner of said Block 2 (as measured on the north side line thereof); thence southeasterly convex to the southwest of a radius of 1,684 feet, a distance of 136.77 feet to a point in the south side line of said north 109 feet of said Block 2, 2.78 feet west of the southeast corner of the said north 109 feet of said Block 2 of said Assessor's Division, being a portion of the land heretofore conveyed by Charles Brewster to Jason C. Easton by certain warranty deed dated October 1, 1884 and recorded November 12, 1884 in Book 1586 of deeds at page 87 in the Office of the Recorder of Cook County and subsequently conveyed by said Jason C. Easton and Sarah K. Easton, his wife, to the Chicago and Evanston Railroad Company by certain deed dated October 30, 1885 and recorded November 10, 1885 in Book 1714 of deeds on page 313 in the Office of the Recorder of said County, in Cook County, Illinois.

Parcel 2:

Block 2 (except the north 109 feet) in Assessor's Division of that part south of West Erie Street and east of the north branch of the Chicago River in the east half of the northwest quarter of Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, also Lots 1 and 2 (except that part conveyed to the City of Chicago by Document Number 4294754 and except that part taken for improvement of the north branch of the Chicago River) also Lots 3 and 4 (except that part taken for improvement of the north branch of the Chicago River), all in Block 80 in Russell Mather and Roberts' Second Addition to Chicago in Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, and being the same land conveyed by Ernest U. Schroeter to John G. McCullough, Trustee, by deed dated June 12, 1913 and recorded June 11, 1913 as Document Number 5204823 in Book 12432, page 127 in the Recorder's Office of Cook County, Illinois. Also known as:

that part of Block 2 in Assessor's Division south of West Erie Street and east in the Chicago River of the east half of the northwest quarter of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, described as follows:

beginning at a point in the north line of said Block 2, 85.13 feet west of the northeast corner of said Block 2; thence southeasterly along an arc of a circle convex southwest and having a radius of 1,684.0 feet, a distance of 336.77 feet to a point in the south line of the north 109 feet of said Block 2, said point being 2.78 feet west of the west line of North Kingsbury Street; thence south 90 degrees, 00 minutes, 00 seconds east, a distance of 2.78 feet to a point in the west line of North Kingsbury Street; thence south 00 degrees, 03 minutes and 40 seconds east along the west line of North Kingsbury Street, a distance of 30.92 feet; thence south 31 degrees, 13 minutes, 24 seconds east along the southeasterly line of North Kingsbury Street, a distance of 131.22 feet to a point 3.0 feet north of the centerline of West Ontario Street extended west; thence north 90 degrees, 00 minutes, 00 seconds west along the last described line, a distance of 163.0 feet; thence south 53 degrees, 38 minutes, 37 seconds west, a distance of 77.49 feet to a point in the east dock line of the Chicago River; thence north 41 degrees, 09 minutes, 01 seconds west along said dock line, a distance of 238.24 feet; thence south 81 degrees, 36 minutes, 32 seconds east along said dock line, a distance of 8.90 feet; thence north 19 degrees, 50 minutes, 22 seconds east along said dock line, a distance of 13.45 feet; thence north 24 degrees, 57 minutes, 00 seconds west along said dock line, a distance of 34.0 feet; thence north 71 degrees, 29 minutes and 48 seconds west along said dock line, a distance of 133.07 feet; thence north 46 degrees, 25 minutes, 11 seconds west along said dock line, a distance of 32.26 feet; thence north 50 degrees, 35 minutes, 26 seconds east, a distance of 23.86 feet to a point in the north line of said block 2; thence south 90 degrees, 00 minutes, 00 seconds east along the north line of said Block 2, a distance of 358.75 feet to the point of beginning, all in Cook County, Illinois.

Property Address:

630 North Kingsbury Street.

Property index Numbers:

17-09-126-002-0000;

17-09-126-003-0000;

17-09-126-004-0000;

17-09-126-008-0000; and

17-09-126-009-0000.

Community area:

Near North Side.

Amount requested:

\$1,000,000.

AUTHORIZATION FOR TRANSFER OF FUNDS FOR YEAR
2006 WITHIN CITY COUNCIL COMMITTEE
ON HUMAN RELATIONS.

The Committee on the Budget and Government Operations submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on the Budget and Government Operations, having had under consideration a proposed ordinance authorizing the transfer of funds within the City Council Committee on Human Relations, and 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) WILLIAM M. BEAVERS,
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 Haithcock, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Schulter, Moore, Stone -- 43.

Nays -- None.

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

The following is said ordinance as passed:

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

WHEREAS, The management of its finances is a matter pertaining to the government and affairs of the City of Chicago; now, therefore,

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

SECTION 1. The City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 2006. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year 2006 payable from such appropriations:

FROM:

Purpose	Fund	Code Department	Account	Amount
Contractual Services	100	15-2286	0000	\$12,000

TO:

Purpose	Fund	Code Department	Account	Amount
Contingencies	100	15-2286	0300	\$12,000

SECTION 2. The sole purpose of this transfer of funds is to provide funds to meet necessary obligations in the City Council Committee on Human Relations during the year 2006.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

COMMITTEE ON BUILDINGS.

AMENDMENT OF PROPOSED ORDER WHICH WOULD AUTHORIZE
COMMISSIONER OF BUILDINGS TO ADDRESS DANGEROUS
AND HAZARDOUS BUILDING AT 6442 -- 6444
NORTH HAMILTON AVENUE.

The Committee on Buildings submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Buildings, having had under consideration a proposed demolition order (which was referred November 8, 2006) pursuant to Section 13-12-130 of the Municipal Code of Chicago, for the demolition of a building, begs leave to recommend that your honorable body do *Pass* the amended order attached herewith.

The order was amended on face December 7, 2006 by the Committee on Buildings and passed.

This recommendation was concurred in by the members of the Committee on Buildings, with no dissenting vote.

This order shall be in full force and effect from and after its passage and publication.

Respectfully,

(Signed) BERNARD L. STONE,
Chairman.

On motion of Alderman Allen, the said proposed amended order transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

Nays -- None.

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

The following is said order as passed:

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

The proposed order which was introduced into City Council on November 8, 2006 is hereby amended by adding the following underlined language and deleting the struck-through language:

Section 1. Pursuant to Section 13-12-130 ~~13-9-010~~ of the Municipal Code of the City of Chicago, the Commissioner of Buildings is hereby authorized and directed to address ~~demolish~~ a dangerous and hazardous building ~~thirty (30) days after posting notice on said property.~~

Location: 6442 -- 6444 North Hamilton Avenue ~~6440 North Hamilton Avenue.~~

AUTHORIZATION FOR ISSUANCE OF PERMITS FOR ERECTION
OF SIGNS/SIGNBOARDS AT SUNDRY LOCATIONS.

The Committee on Buildings submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Buildings, having had under consideration eleven proposed sign orders (which were referred October 4, November 1 and November 15, 2006) pursuant to Section 14-40-120, "Aldermanic Recommendation", of the Municipal Code of Chicago, begs leave to recommend that Your Honorable Body do *Pass* the attached orders (2 -- 3rd Ward, 1 -- 28th Ward, 1 -- 31st Ward, 1 -- 35th Ward, 5 -- 42nd Ward and 1 -- 44th Ward) transmitted herewith.

This recommendation was concurred in by the members of the Committee on Buildings, with no dissenting votes.

These orders shall be in full force and effect from and after their passage and publication.

Respectfully,

(Signed) BERNARD L. STONE,
Chairman.

On motion of Alderman Allen, the said proposed orders transmitted with the foregoing committee report were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

Nays -- None.

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

The following are said orders as passed (the italic heading in each case not being a part of the order):

245 East Chicago Avenue.
(78 Square Feet)

Ordered, That the Commissioner of Buildings is hereby directed to issue a sign permit to Grate Signs, Inc., 4044 West McDonough, Joliet, Illinois 60431, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at Northwestern Memorial Hospital, 245 East Chicago Avenue (southeast corner):

Dimensions: length, 11 feet; height, 7 feet, 1 inch
Height Above Grade/Roof to Top of Sign: 285 feet
Total Square Foot Area: 78 square feet.

Such sign shall comply with all applicable provisions of Title 17 (the Chicago Zoning Ordinance) and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

245 East Chicago Avenue.
(156 Square Feet)

Ordered, That the Commissioner of Buildings is hereby directed to issue a sign permit to Grate Signs, Inc., 4044 West McDonough, Joliet, Illinois 60431, for the

erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at Northwestern Memorial Hospital, 245 East Chicago Avenue (northwest corner):

Dimensions: length, 15 feet, 7 inches; height, 10 feet
Height Above Grade/Roof to Top of Sign: 300 feet
Total Square Foot Area: 156 square feet.

Such sign shall comply with all applicable provisions of Title 17 (the Chicago Zoning Ordinance) and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

245 East Chicago Avenue.
(224 Square Feet)

Ordered, That the Commissioner of Buildings is hereby directed to issue a sign permit to Grate Signs, Inc., 4044 West McDonough, Joliet, Illinois 60431, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at Northwestern Memorial Hospital, 245 East Chicago Avenue (northeast corner):

Dimensions: length, 18 feet, 8 inches; height, 12 feet
Height Above Grade/Roof to Top of Sign: 285 feet
Total Square Foot Area: 224 square feet.

Such sign shall comply with all applicable provisions of Title 17 (the Chicago Zoning Ordinance) and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

4833 West Diversey Avenue.

Ordered, That the Commissioner of Buildings is hereby directed to issue a sign permit to Nu-Way Signs, 2320 Foster Avenue, Wheeling, Illinois 60090, for the

erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at Supermercado Morelias, 4833 West Diversey Avenue:

Dimensions: length, 16 feet; height, 7 feet
Height Above Grade/Roof to Top of Sign: 37 feet
Total Square Foot Area: 224 square feet (both sides).

Such sign shall comply with all applicable provisions of Title 17 (the Chicago Zoning Ordinance) and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

3570 North Elston Avenue.

Ordered, That the Commissioner of Buildings is hereby directed to issue a sign permit to American Sign & Lighting Co., 307 East Lincoln Avenue, Bensenville, Illinois 60106, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at Jewel, 3570 North Elston Avenue:

Dimensions: length, 49 feet, 2 inches; height, 8 feet, 7 inches
Height Above Grade/Roof to Top of Sign: 23 feet, 7 inches
Total Square Foot Area: 422 square feet.

Such sign shall comply with all applicable provisions of Title 17 (the Chicago Zoning Ordinance) and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

225 West Ohio Street.
(310 Square Feet)

Ordered, That the Commissioner of Buildings is hereby directed to issue a sign permit to H.M. Witt, 626 South Clark Street, Chicago, Illinois 60625, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 225 West Ohio Street (north elevation/flat sign):

Dimensions: length, 74 feet, 4 inches; height, 4 feet, 2 inches
Height Above Grade/Roof to Top of Sign: approximately 80 feet
Total Square Foot Area: 310 square feet.

Such sign shall comply with all applicable provisions of Title 17 (the Chicago Zoning Ordinance) and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

225 West Ohio Street.
(382 Square Feet)

Ordered, That the Commissioner of Buildings is hereby directed to issue a sign permit to H.M. Witt, 626 South Clark Street, Chicago, Illinois 60625, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 225 West Ohio Street (west elevation/flat sign):

Dimensions: length, 91 feet, 8 inches; height, 4 feet, 2 inches
Height Above Grade/Roof to Top of Sign: 80 feet
Total Square Foot Area: 382 square feet.

Such sign shall comply with all applicable provisions of Title 17 (the Chicago Zoning Ordinance) and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

3532 -- 3536 North Sheffield Avenue.

Ordered, That the Commissioner of Buildings is hereby directed to issue a sign permit to Olympic Signs, Inc., 1130 North Garfield, Lombard, Illinois 60148, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at AT & T, 3532 -- 3536 North Sheffield Avenue:

Dimensions: length, 15 feet; height, 18 feet
Height Above Grade/Roof to Top of Sign: 83 feet
Total Square Foot Area: 270 square feet.

Such sign shall comply with all applicable provisions of Title 17 (the Chicago Zoning Ordinance) and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

4050 South Wentworth Avenue.
(288 Square Feet)

Ordered, That the Commissioner of Buildings is hereby directed to issue a sign permit to RB Signs Inc., 4543 West Addison Street, Chicago, Illinois 60641, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 4050 South Wentworth Avenue (northside wall/non-illuminated):

Dimensions: length, 16 feet; height, 18 feet
Height Above Grade/Roof to Top of Sign: 30 feet
Total Square Foot Area: 288 square feet.

Such sign shall comply with all applicable provisions of Title 17 (the Chicago Zoning Ordinance) and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

4050 South Wentworth Avenue.
(300 Square Feet)

Ordered, That the Commissioner of Buildings is hereby directed to issue a sign permit to RB Signs Inc., 4543 West Addison Street, Chicago, Illinois 60641, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 4050 South Wentworth Avenue (front wall/painted on wall):

Dimensions: length, 60 feet; height, 5 feet
Height Above Grade/Roof to Top of Sign: 17 feet
Total Square Foot Area: 300 square feet.

Such sign shall comply with all applicable provisions of Title 17 (the Chicago Zoning Ordinance) and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

2558 West 16th Street.

Ordered, That the Commissioner of Buildings is hereby directed to issue a sign permit to ICON Identity Solutions, 1418 Elmhurst Road, Elk Grove Village, Illinois 60007, for the erection of one sign that is over 100 square feet in area at Ryerson, 2558 West 16th Street:

Our client, Ryerson, is proposing to replace the existing signage on the Odgen Avenue elevation with a new sign. This sign will be 30 feet in length and 6 feet, 6 inches in height for a total area of 195 square feet. As a result, it will exceed the 100 square foot rule.

Odgen Avenue Elevation:

Dimensions: length, 30 feet; height, 6 feet, 6 inches

Height Above Grade/Roof to Top of Sign: 12 feet, 4 inches (overall height)

Total Square Foot Area: 195 square feet, single faced sign.

Such sign shall comply with all applicable provisions of Title 17 (the Chicago Zoning Ordinance) and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of signs, billboards, signboards and related structures.

*Do Not Pass -- AUTHORIZATION FOR ISSUANCE OF PERMIT
FOR ERECTION OF SIGN/SIGNBOARD AT
801 -- 807 WEST RANDOLPH STREET.*

The Committee on Buildings submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Buildings, having had under consideration one proposed sign order (which was referred June 18, 2006) pursuant to Section 14-40-120, "Aldermanic Recommendation", of the Municipal Code of Chicago, begs leave to recommend that Your Honorable Body *Do Not Pass* the sign order (one -- 27th Ward) transmitted herewith.

This recommendation was *Concurred In* by the members of the Committee on Buildings, with no dissenting votes.

Respectfully,

(Signed) BERNARD L. STONE,
Chairman.

On motion of Alderman Allen, the committee's recommendation was *Concurred In* and the said proposed order transmitted with the forgoing committee report *Failed to Pass* by yeas and nays as follows:

Yeas -- Aldermen Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

Nays -- None.

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

Said order which failed to pass reads as follows:

Ordered, That the Commissioner of Buildings is hereby directed to issue a sign permit to Delta Pi Media L.L.C., 121 West Chestnut Street, Unit 3306, Chicago, Illinois 60610, for the expansion of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 801 -- 807 West Randolph Street:

Dimensions: length, 19 feet; height, 19 feet
Height Above Grade/Roof to Top of Sign: 49 feet
Total Square Foot Area: 361 square feet.

Such sign shall comply with all applicable provisions of Title 17 (the Chicago Zoning Ordinance) and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

**COMMITTEE ON ECONOMIC, CAPITAL
AND TECHNOLOGY DEVELOPMENT.**

APPROVAL OF PROPERTY AT 4108, 4124 AND 4134 SOUTH
PACKERS AVENUE AS CLASS 6(b) AND ELIGIBLE
FOR COOK COUNTY TAX INCENTIVES.

The Committee on Economic, Capital and Technology Development submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Economic, Capital and Technology Development, having had under consideration a proposed resolution introduced by Alderman Balcer (11th Ward) authorizing Class 6(b) tax incentives for the property located at 4108, 4124 and 4134 South Packers Avenue pursuant to the Cook County Real Property Classification Ordinance, begs leave to recommend that Your Honorable Body *Adopt* said resolution which is transmitted herewith.

This recommendation was concurred in by a viva voce vote of all Committee members present, with no dissenting votes.

Respectfully submitted,

(Signed) MARGARET LAURINO,
Chairman.

On motion of Alderman Laurino, the said proposed resolution transmitted with the foregoing committee report was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

Nays -- None.

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

The following is said resolution as adopted:

WHEREAS, The Cook County Board of Commissioners has enacted the Cook County Real Property Assessment Classification Ordinance, as amended from time to time (the "Ordinance"), which provides for, among other things, real estate tax incentives to property owners who build, rehabilitate, enhance and occupy property which is located within Cook County and which is used primarily for industrial purposes; and

WHEREAS, The City of Chicago (the "City"), consistent with the Ordinance, wishes to induce industry to locate and expand in the City by supporting financial incentives in the form of property tax relief; and

WHEREAS, United Assets Management Corporation, an Illinois corporation (the "Applicant"), has purchased from the City certain real estate located generally at 4108, 4124 and 4134 South Packers Avenue, Chicago, Illinois 60609 as further described on Exhibit A hereto (the "Subject Property"); and

WHEREAS, The Applicant intends to substantially rehabilitate an approximately one hundred thirty-three thousand eight hundred ten (133,810) square foot industrial facility located on the Subject Property (the "Facility"); and

WHEREAS, The Applicant has filed with the Office of the Assessor of Cook County (the "Assessor") an eligibility application for a Class 6(b) tax incentive under the Ordinance; and

WHEREAS, The Subject Property is located within the boundaries of the Stockyards Industrial Corridor Redevelopment Project Area (created pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended, and pursuant to an ordinance enacted by the City Council of

the City), and the purposes of Redevelopment Project Areas are also to provide certain incentives in order to stimulate economic activity and to revitalize depressed areas; and

WHEREAS, It is the responsibility of the Assessor to determine that an application for a Class 6(b) classification or renewal of a Class 6(b) classification is eligible pursuant to the Ordinance; and

WHEREAS, The Ordinance requires that, in connection with the filing of a Class 6(b) eligibility application with the Assessor, an applicant must obtain from the municipality in which such real estate that is proposed for Class 6(b) designation is located a resolution expressly stating that the municipality has determined that the incentive provided by Class 6(b) is necessary for development to occur on such real estate and that the municipality supports and consents to the Class 6(b) classification by the Assessor; and

WHEREAS, The intended use of the Subject Property will provide significant present and future employment; and

WHEREAS, Notwithstanding the Class 6(b) status of the Subject Property, the redevelopment and utilization thereof will generate significant new revenues to the City in the form of additional real estate taxes and other tax revenues; now, therefore,

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

SECTION 1. That the City determines that the incentive provided by Class 6(b) is necessary for the development to occur on the Subject Property.

SECTION 2. That the City supports and consents to the Class 6(b) classification by the Assessor with respect to the Subject Property.

SECTION 3. That the Clerk and/or the Deputy Clerk of the City of Chicago is authorized to and shall send a certified copy of this resolution to the Office of the Cook County Assessor, Room 312, County Building, Chicago, Illinois 60602 and a certified copy of this resolution shall be included with the Class 6(b) eligibility application filed with the Assessor by the Applicant, as applicant, in accordance with the Ordinance.

SECTION 4. That this resolution shall be effective immediately upon its passage and approval.

Exhibit "A" referred to in this resolution reads as follows:

Exhibit "A".

Legal Description Of Subject Property:

Lots 1, 2, 3 and 4 in Block 1 in Packer's Third Addition in the south half of the northwest quarter of Section 5, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Common Address:

4108, 4124 and 4134 South Packers Avenue
Chicago, Illinois.

Permanent Real Estate Tax Index Numbers
(P.I.N.s) For The Subject Property:

20-05-105-004;

20-05-105-005; and

20-05-105-003.

APPROVAL OF PROPERTY AT 1900 -- 1948 WEST WALNUT
STREET AS CLASS 6(b) AND ELIGIBLE FOR
COOK COUNTY TAX INCENTIVES.

The Committee on Economic, Capital and Technology Development submitted the following report:

CHICAGO, December 13, 2006.

To the President and Members of the City Council:

Your Committee on Economic, Capital and Technology Development, having had under consideration a proposed resolution introduced by Alderman Burnett (27th Ward) authorizing Class 6(b) tax incentives for the property located at

1900 -- 1948 West Walnut Avenue pursuant to the Cook County Real Property Classification Ordinance, begs leave to recommend that Your Honorable Body *Adopt* said resolution which is transmitted herewith.

This recommendation was concurred in by a viva voce vote of all Committee members present, with no dissenting votes.

Respectfully submitted,

(Signed) MARGARET LAURINO,
Chairman.

On motion of Alderman Laurino, the said proposed resolution transmitted with the foregoing committee report was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Haithcock, Tillman, Preckwinkle, Hairston, Lyle, Beavers, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, T. Thomas, Coleman, L. Thomas, Lane, Rugai, Troutman, Brookins, Zalewski, Chandler, Ocasio, Burnett, E. Smith, Carothers, Reboyras, Suarez, Matlak, Austin, Colón, Banks, Mitts, Allen, Laurino, O'Connor, Doherty, Natarus, Daley, Tunney, Levar, Shiller, Schulter, Moore, Stone -- 45.

Nays -- None.

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

The following is said resolution as adopted:

WHEREAS, The Cook County Board of Commissioners has enacted the Cook County Real Property Assessment Classification Ordinance, as amended from time to time (the "Ordinance"), which provides for, among other things, real estate tax incentives to property owners who build, rehabilitate, enhance and occupy property which is located within Cook County and which is used primarily for industrial purposes; and

WHEREAS, The City of Chicago (the "City"), consistent with the Ordinance, wishes to induce industry to locate and expand in the City by supporting financial incentives in the form of property tax relief; and

WHEREAS, 1900 -- 1948 Walnut L.L.C., an Illinois corporation (the "Applicant"), intends to purchase certain real estate located generally at 1900 -- 1948 West Walnut Street Chicago, Illinois 60612, as further described on Exhibit A hereto (the "Subject Property"); and

WHEREAS, The Applicant intends to construct an approximately fifty-eight thousand eight hundred (58,800) square foot industrial facility located on the Subject Property; and

WHEREAS, The Applicant has filed with the Office of the Assessor of Cook County (the "Assessor") an eligibility application for a Class 6(b) tax incentive under the Ordinance; and

WHEREAS, The Subject Property is located within (i) the Chicago Empowerment Zone (created pursuant to Title XIII of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66)), (ii) the City Chicago Enterprise Zone Number 4 (created pursuant to the Illinois Enterprise Zone Act, 20 ILCS 665/1, et seq., as amended, and pursuant to an ordinance enacted by the City Council of the City, as amended), and (iii) the Kinzie Industrial Redevelopment Project Area (created pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq., as amended, and pursuant to an ordinance enacted by the City Council of the City), and the purposes of the Chicago Empowerment Zone, Enterprise Zones and Redevelopment Project Areas are also to provide certain incentives in order to stimulate economic activity and to revitalize depressed areas; and

WHEREAS, It is the responsibility of the Assessor to determine that an application for Class 6(b) classification or renewal of a Class 6(b) classification is eligible pursuant to the Ordinance; and

WHEREAS, The Ordinance requires that, in connection with the filing of a Class 6(b) eligibility application with the Assessor, an applicant must obtain from the municipality in which such real estate that is proposed for Class 6(b) designation is located a resolution expressly stating that the municipality has determined that the incentive provided by Class 6(b) is necessary for development to occur on such real estate and that the municipality supports and consents to the Class 6(b) classification by the Assessor; and

WHEREAS, The intended use of the Subject Property will provide significant present and future employment; and

WHEREAS, Notwithstanding the Class 6(b) status of the Subject Property, the redevelopment and utilization thereof will generate significant new revenues to the City in the form of additional real estate taxes and other tax revenues; now, therefore,

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

SECTION 1. That the City determines that the incentive provided by Class 6(b) is necessary for the development to occur on the Subject Property.

SECTION 2. That the City supports and consents to the Class 6(b) classification by the Assessor with respect to the Subject Property.

SECTION 3. That the Clerk of the City of Chicago is authorized to and shall send a certified copy of this resolution to the Office of the Cook County Assessor, Room 312, County Building, Chicago, Illinois 60602 and a certified copy of this resolution may be included with the Class 6(b) eligibility application filed with the Assessor by the Applicant, as applicant, in accordance with the Ordinance.

SECTION 4. That this resolution shall be effective immediately upon its passage and approval.

Exhibit "A" referred to in this ordinance reads as follows:

Exhibit "A".

Legal Description Of Subject Property:

Parcel 1.

Lots 18, 19, 20, 21, 22, 23 and 24 in Jay Gorman's Subdivision of the northwest quarter of Block 45 in Canal Trustee's Subdivision of Section 7, Township 39 North, Range 14 East of the Third Principal Meridian.

Parcel 2.

Lots 3 and 4 in E.F. Runyan's Subdivision of Lot 1 in the Assessor's Subdivision of the east half of Block 45 in Canal Trustee's Subdivision, aforesaid.

Parcel 3.

Lot 1 and Lot 2 (except the north 7 feet and except alley) in E.F. Runyan's Subdivision of Lot 4 in the Assessor's Subdivision of the east half of Block 45, aforesaid.

Parcel 4.

Lots 3 and 4 in Eberhart's Subdivision of the north half of Lot 2 in the Assessor's Subdivision of the east half of Block 45, aforesaid.

Parcel 5.

That part of Lot 5 lying north of Walnut Street and that part of Lot 6 lying south of alley in the Assessor's Subdivision of the east half of Block 45, aforesaid.

Parcel 6.

The south half of the north half of Lot 3 in the Assessor's Subdivision of the east half of Block 45, aforesaid, all in Cook County, Illinois.

Parcel 7.

Lots 15, 16 and 17 in subdivision of the west half of Block 45 of Canal Trustee's Subdivision of Section 7, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Real Estate Tax Index Numbers
(P.I.N.s) For The Subject Property:

17-07-408-016-0000;
17-07-408-017-0000;
17-07-408-018-0000;
17-07-408-019-0000;
17-07-408-020-0000;
17-07-408-021-0000;
17-07-408-022-0000;
17-07-408-023-0000;
17-07-408-024-0000;
17-07-408-025-0000;
17-07-408-026-0000;
17-07-408-027-0000;
17-07-408-028-0000;
17-07-408-029-0000;
17-07-408-030-0000; and
17-07-408-037-0000.

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