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REDEVELOPMENT AGREEMENT
NEW HOMES FOR CHICAGO PROGRAM
CHICAGO METROPOLITAN DEVELOPMENT ASSOCIATION

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THIS INSTRUMENT PREPARED BY, AND
AFTER RECORDING, PLEASE RETURN TO:

Mark Lenz
Assistant Corporation Counsel
City of Chicago
30 North LaSalle Street
Room 1610
Chicago, Illinois 60602
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BOX 333-CTI

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REDEVELOPMENT AGREEMENT NEW HOMES FOR CHICAGO PROGRAM CHICAGO METROPOLITAN DEVELOPMENT ASSOCIATION

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REDEVELOPMENT AGREEMENT NEW HOMES FOR CHICAGO PROGRAM CHICAGO METROPOLITAN DEVELOPMENT ASSOCIATION

This Agreement ("Agreement"), dated as of November 30, 2001 is made by and between the City of Chicago, an Illinois municipal corporation, having its offices at City Hall, 121 North LaSalle Street, Chicago, Illinois 60602 ("City") and Chicago Metropolitan Development Association, an Illinois not for profit corporation, having its principal office at 220 West Kinzie Street, 5th floor, Chicago, Illinois 60610 ("Developer").

PREAMBLE

A. The City, as a home rule unit under the 1970 Constitution of the State of Illinois, has the authority to promote the health, safety and welfare of its inhabitants, to prevent the spread of blight and to encourage private development in order to enhance the local tax base and create employment, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes.

B. The City Council of the City, by Ordinance adopted June 7, 1990 (C.J.P. pgs. 17038-17045), established the New Homes for Chicago Program ("New Homes Program") to assist with the construction of affordable, new, high-quality, owner-occupied housing.

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C. The enabling ordinance for the New Homes Program was amended by ordinance adopted by the City Council on July 24, 1991 (C.J.P. pgs. 4361-4365), as further amended by ordinance adopted by the City Council on April 29, 1992 (C.J.P. pgs. 15675-15677), as further amended by that certain ordinance adopted May 19, 1993 (C.J.P. pgs. 32921-32924), as further amended by that certain ordinance adopted September 14, 1994 (C.J.P. pgs. 56815-56819), as further amended by that certain ordinance adopted October 2, 1995 (C.J.P. pgs. 8079-8082), as further amended by that certain ordinance adopted March 26, 1996 (C.J.P. pgs. 19241-19250), as further amended by that certain ordinance adopted July 2, 1997 (C.J.P. 47944-48951), as further amended and restated by that certain ordinance adopted April 1, 1998 (C.J.P. 64910-64918), and as further amended and restated by that certain ordinance adopted June 6, 2001 (C.J.P. 55917-55928).

D. Developer has previously submitted an application package to the Department of Housing of the City of Chicago ("DOH") describing its proposal for participation in the New Homes Program by constructing single family housing in the Lawndale neighborhood.

E. Based in part on the representations and proposals contained in Developer's application package, the City Council of the City, by Ordinance adopted February 7, 2001 (C.J.P. pgs. 51673-51731), approved the selection of Developer for

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participation in the New Homes Program and approved the allocation of Development Subsidy funds (as defined below) to subsidize certain development costs associated with the Project (as defined below).

F. Developer, subject to the terms of the Agreement, shall undertake to complete the construction of up to one hundred (100) single family homes (singularly, "Single Family Home" and collectively "Single Family Homes") and two-flat buildings (singularly, "Two-flat Building" or collectively, "Two-flat Buildings") consisting of an owner-occupied housing unit and a rental unit. The construction of the Single Family Homes and Two flat Buildings by Developer pursuant to the terms of the Agreement shall be referred to as the "Project".

G. Within the Project, the City and Developer may agree that up to twenty percent (20%) of the aggregate number of housing units (consisting of Single Family Homes and Two-flat Buildings) constituting the Project to be developed and constructed by Developer pursuant to the Agreement may be sold at a "market rate" sales price to households which may not meet the income eligibility requirements of the New Homes Program. For purposes of this Agreement, the Single Family Homes or Two-flat Buildings to be sold at a market rate sales price by Developer may sometimes also be referred to as "MR-Single Family Homes" or "MR-Two-flat Buildings", respectively.

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H. The Single Family Homes and Two flat Buildings shall be constructed on those certain parcels presently owned or to be acquired by Developer ("Private Lots") or on those certain parcels presently owned or to be acquired by the City and to be conveyed to Developer pursuant to the terms of the Agreement ("City Lots"). A list of the City Lots and Private Lots is provided on Exhibit A attached hereto. Those City Lots and Private Lots which are presently owned by the City and Developer, respectively, are legally described on Exhibit B attached hereto. The City Lots and Private Lots are located in the Lawndale Conservation Area and the West Side Enterprise Community of the City of Chicago. Furthermore, those City Lots and Private Lots listed on Exhibit A and marked with an asterisk are also located within the Midwest Tax Increment Financing District. The disposition of these Lots was approved by the Community Development Commission of the City by resolution #00-CDC-124 adopted December 12, 2000.

I. In accordance with the terms and conditions of the Agreement, those City Lots with a fair market value of Twenty Thousand Dollars (\$20,000) or less may be conveyed by the City to Developer for the sum of One Dollar (\$1.00) per City Lot, and those City Lots with a fair market value in excess of Twenty Thousand Dollars (\$20,000) may be conveyed by the City to Developer for the amount by which the fair market value of the

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City Lot in question exceeds Twenty Thousand Dollars (\$20,000). Furthermore, Developer shall also receive waivers of certain City fees and deposits relating to new construction as described on Exhibit C attached hereto.

J. The Single Family Homes and Two-flat Buildings constituting the Project shall be constructed by Developer utilizing in part a development subsidy ("Development Subsidy") derived from City corporate funds not to exceed the sum of Ten Thousand Dollars (\$10,000) for each Single Family Home or Thirty Thousand Dollars (\$30,000) for each Two flat Building. Notwithstanding the above, the parties acknowledge and agree that the aggregate amount of the Development Subsidy described in this paragraph I to be made available to Developer pursuant to the Agreement shall not exceed the sum of One Million Dollars (\$1,000,000).

K. Developer and the City acknowledge that the implementation of the policies and provisions described in the Agreement will be of mutual benefit to Developer and the City.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

DEFINITIONS

For all purposes of the Agreement, each of the following terms shall have the respective meaning assigned to it as follows:

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Affidavits: Those certain affidavits executed by Developer dated December 20, 2000, as re-certified to the City on _____, 2001 consisting of an economic disclosure statement, anti-scofflaw affidavit, certification regarding lobbying and any other customary affidavit or certification required by the City in connection with the New Homes Program.

Certificate: The certificate of compliance to be issued by the City pursuant to Section 4.8 below.

City: The City of Chicago, an Illinois municipal corporation.

City Lots: Those certain lots presently owned or to be acquired by the City which are to be conveyed to and redeveloped by Developer pursuant to the terms of the Agreement. The City Lots are listed on Exhibit A attached hereto.

Commissioner: The Commissioner of Housing of the City of Chicago.

Construction Lender: Developer's construction lender as more fully described in Section 4.5 below.

Construction Loan: That certain construction loan obtained by Developer from the Construction Lender as more fully described in Section 4.5 below.

Developer: Chicago Metropolitan Development Association, an Illinois not for profit corporation.

DOH: City of Chicago Department of Housing.

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First Mortgage: That certain mortgage created by Developer and Developer's construction lender in accordance with the terms of Section 4.5 below.

Inspector: The independent inspecting architect employed by the Construction Lender and approved by the City, or if there is no Construction Lender, employed by the City, pursuant to Section 4.5 below

Lot: A City Lot or a Private Lot, as the case may be.

New Homes Program: The New Homes for Chicago Program of the City of Chicago, as created by ordinance of the City Council of the City of Chicago adopted June 7, 1990, and any amendments thereto as described in Paragraph C of the Recitals.

P.M.S.A.: The Primary Metropolitan Statistical Area.

Private Lots: Those certain lots presently owned or to be acquired by Developer and to be redeveloped by Developer pursuant to the terms of the Agreement. The Private Lots are listed on Exhibit A attached hereto.

Project: The construction of the new Single Family Homes and Two-flat Buildings by Developer pursuant to the terms of the Agreement.

Single Family Homes: The single family housing units to be constructed by Developer pursuant to the terms of the Agreement.

Title Company: That certain title company selected by Developer and the City pursuant to the terms of the Agreement.

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Two-flat Buildings: The two-flat buildings to be constructed by Developer pursuant to the terms of the Agreement, consisting of an owner-occupied housing unit and a rental unit.

Working Drawings and Specifications: The final working drawings and specifications prepared for Developer with regard to the construction of the Single Family Homes and the Two-flat Buildings, a list of which is attached hereto as Exhibit D.

SECTION I

INCORPORATION OF RECITALS AND DEFINITIONS

The recitations and definitions set forth above constitute an integral part of the Agreement and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

SECTION II

COVENANTS, REPRESENTATIONS AND WARRANTIES

2.1 Covenants, Representations and Warranties of Developer.

To induce the City to execute the Agreement and perform the obligations of the City hereunder, Developer hereby covenants, represents and warrants to the City as follows:

- (a) Developer is a duly organized and existing not for profit corporation in good standing under the laws of the State of Illinois. The Articles of Incorporation were filed with the Illinois Secretary of State on January 11, 2000, and the By-laws were adopted as of

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January 12, 2000, a certified copy of which has been delivered to the DOH. Developer agrees that the Articles of Incorporation and By-laws, insomuch as it affects the performance of Developer pursuant to the terms of this Agreement, shall not be modified or amended without the express written consent of the DOH.

- (b) To the best of Developer's knowledge, no litigation or proceedings are pending, or are threatened against Developer or any party affiliated with Developer which could: (i) adversely affect the ability of Developer to perform its obligations pursuant to and as contemplated by the terms and provisions of the Agreement; or (ii) adversely materially affect the operation or financial condition of Developer.
- (c) To the best of Developer's knowledge, the execution, delivery and performance by Developer of the Agreement have not constituted or will not, upon the giving of notice or lapse of time, or both, constitute a breach or default under any other agreement to which Developer or any party affiliated with Developer is a party or may be bound or affected, or a violation of any law, regulation or court order which currently

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affects the Project, any part thereof, any interest therein or the use thereof.

- (d) The officers executing the Agreement on behalf of Developer have been duly authorized by all appropriate action to enter into, execute and deliver the Agreement and to cause Developer to perform the terms and obligations contained herein.
- (e) To the best of Developer's knowledge, the construction of the Single Family Homes and the Two-flat Buildings, and the development of the Project, as proposed by Developer pursuant to the terms of its application package for participation in the New Homes Program and the terms of this Agreement, do not currently violate:
- (i) any statute, law, regulation, rule, ordinance or executive or judicial order of any kind (including, without limitation, zoning and building laws, ordinances, codes or approvals and environmental protection laws or regulations); or (ii) any building permit, restriction of record or any agreement affecting any City Lot, Private Lot, or any part thereof.
- (f) Except as otherwise provided in the Agreement, Developer shall not, without the prior written consent

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of the DOH, which the DOH may withhold in its sole discretion: (i) grant, suffer or permit any lien, claim or encumbrance upon any City Lot, Private Lot, or any portion thereof (unless Developer has taken such appropriate action to cause the Title Company to insure over any title encumbrances caused by such liens or claims); (ii) permit or suffer any levy, attachment, claim or restraint to be made affecting any City Lot, Private Lot or any portion thereof; or (iii) enter into any transaction not in the ordinary course of business of Developer which materially or adversely affects Developer's ability to perform its obligations under the terms of the Agreement.

- (g) Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct and complete the Single Family Homes and Two-flat Buildings constituting the Project.
- (h) Developer has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with this Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City

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Contract") as an inducement for the City to enter into this Agreement or any City Contract with Developer in violation of Chapter 2-156-020 of the Municipal Code of Chicago.

- (i) The financial statements of Developer which have been submitted to the City in conjunction with this Project and Agreement are, and when hereafter required to be submitted will be, complete 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 financial statements.
- (j) Developer has agreed to comply with the terms of: (1) those certain covenants described in Section V below; (2) the Affidavits; and (3) the employment obligations described in section VII below.

2.2 Representations and Warranties of the City.

To induce Developer to execute the Agreement and perform the obligations of Developer hereunder, the City hereby represents and warrants to Developer that the City has authority under its home rule powers granted in the Constitution of the State of

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Illinois to enter into, execute and deliver the Agreement and perform the terms and obligations contained herein.

2.3 Survival of Covenants, Representations and Warranties.

Developer agrees that all of its covenants, representations and warranties, and the City agrees that all of its representations and warranties, set forth in this Section II or elsewhere in the Agreement are true as of the execution date of the Agreement and will be true in all material respects at all times hereafter, except with respect to matters which from time to time are or have been disclosed in writing to and approved by the other party.

SECTION III

CONVEYANCE OF THE CITY LOTS

3.1 Form of Deed. In accordance with the terms of the Agreement, the City shall convey to Developer fee simple title to each City Lot (upon the request of Developer pursuant to the terms of the Agreement) by quitclaim deed substantially in the form attached hereto as Exhibit E ("Deed"). The conveyance and title of each City Lot, in addition to the provisions of the Agreement, shall be subject only to the following ("Permitted Exceptions"):

1. Covenants and restrictions set forth in the Deed.
2. The permitted exceptions in an ALTA insurance policy regarding the City Lot in question.

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3. Taxes for the current year.
4. Easements of record and not shown of record.
5. Such defects which cannot reasonably be cured but will not affect the use, marketability and insurability of the City Lots.
6. Title objections caused by Developer.

In addition, each City Lot shall be conveyed to Developer with no warranty, express or implied, by the City as to the condition of the soil, its geology, or the presence of known or unknown faults. It shall be the sole responsibility of Developer, at its sole expense, to investigate and determine the soil and environmental condition existing in each City Lot. Such investigation shall at the minimum consist of a soil test or, in the alternative, an engineering test subsequent to excavation of the City Lot in question. If the soil conditions are not in all respects entirely suitable for the use or uses to which each City Lot shall be utilized in accordance with the terms of the New Homes Program and the Agreement, then it shall be the sole responsibility and obligation of Developer to take such action as may be necessary to place the soil and environmental condition of each City Lot in a condition entirely suitable for the intended uses of the City Lots as described in the New Homes Program and the Agreement. The parties acknowledge, however, that if Developer conducts its Phase II testing which reveals soil

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conditions or environmental contamination of the City Lot in question to such an extent that Developer is able to demonstrate, to the reasonable satisfaction of the DOH, that the cost of any corrective action or environmental clean-up of the City Lot in question will cause the ceiling base price for the proposed Single Family Home to exceed the sum of \$145,000 or, in the case of a Two-flat Building, the sum of \$190,000, then: (a) if such Phase II testing occurs prior to the conveyance of the City Lot in question, said City Lot shall not be conveyed to Developer and the City shall endeavor to make available to Developer a "substitute lot" pursuant to Section 3.6 below; or (b) if such Phase II testing occurs subsequent to the conveyance of any City Lot by the City to Developer, Developer shall have the option to re-convey said City Lot to the City Concurrent with any said reconveyance, Developer agrees to: (a) restore the City Lot to a condition immediately prior to the commencement of any environmental testing conducted by or on behalf of Developer (said obligation to restore the City Lot does not include any requirement of Developer to undertake any landscaping of the City Lot), and (b) provide the City with copies of any and all environmental reports prepared on behalf of Developer with regard to the City Lot in question. Additionally, the parties acknowledge that if any City Lot is re-conveyed by Developer to the City in accordance with the terms of this Section 3.1, the

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City shall be under no obligation to Developer to remedy the environmental contamination with regard to said City Lot.

3.2 Conveyance of the City Lots. Subject to all the terms, covenants and conditions of the Agreement, the City shall convey to Developer the Deed to each City Lot in accordance with the terms of the Escrow described in Section 4.5 below.

Notwithstanding the above, the parties agree that the initial conveyance of City Lots by the City to Developer shall not occur until Developer has complied with the following:

- (a) approval by the DOH of Developer's Working Drawings and Specifications for each model Single Family Home or Two-flat Building (as described in Section 4.2 below);
- (b) approval by the DOH of Developer's Budget (as defined in Section 4.5 below);
- (c) approval by the DOH of Developer's Financing (as defined in Section 4.5 below); and
- (d) receipt by Developer of a building permit with regard to the construction of the Single Family Home or the Two-flat Building, as the case may be, on the City Lot.
- (e) receipt of written request from Developer by the City designating the City Lots to be conveyed to Developer.

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With regard to the conveyance of City Lots by the City to Developer subsequent to the initial conveyance of City Lots to facilitate the construction of the model Single Family Homes, Developer shall comply with items (d) and (e) above.

If the conditions described in this Section 3.2 (a) through (d) are not achieved by Developer for the construction of the first Single Family Home or Two-flat Building of the Project within three (3) months of the execution date of the Agreement (except in the instance of the occurrence of any Permitted Delay described in Section 3.2 below), then the Agreement, at the option of the City, shall become null and void and the City shall be under no further obligation to Developer.

3.3 Closing Documents. At the closing for the initial City Lot to be conveyed by the City to Developer pursuant to the terms of the Agreement, Developer shall deliver to the Escrowee (as defined in Section 4.5 below) a certificate of good standing and a certificate of incumbency, and a corporate resolution authorizing Developer's acceptance of the conveyance by the City of each City Lot described on Exhibit A attached hereto. Concurrently, the City shall deliver to the Escrowee a certified copy of the ordinance adopted by the City Council of the City authorizing the City to enter into and perform the Agreement and to execute the Agreement and all other documents necessary to carry out the transactions provided for in the Agreement. At the

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closing for each City Lot requested by Developer, the parties shall deliver to each other the following:

(i) Developer's documents:

(a) A written request executed by an appropriate party of Developer requesting the conveyance to Developer of the City Lot(s) in question.

(b) An ALTA statement.

(ii) The City shall deliver the Deed to each City Lot requested by Developer (with appropriate transfer tax exemptions).

3.4 Title Insurance. Upon the conveyance of each City Lot by the City to Developer, the City, at Developer's sole expense, shall provide to Developer, a commitment of title insurance from the Chicago Title Insurance Company or other title company mutually agreeable to the parties ("Title Company"), consisting of an Owner's Policy ALTA form B (1992), dated as of the date of conveyance of the City Lot to Developer, insuring the title of Developer with regard to the City Lot, subject only to the reservations and exceptions provided in this Section III. Developer, at Developer's sole expense, may obtain such endorsements as it may require. The City agrees to use reasonable efforts to assist Developer in obtaining said endorsements.

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3.5 Real Estate Taxes. The City shall take all appropriate steps to secure the waiver of general real estate taxes to the date of delivery of the Deed. Developer shall be responsible for real estate taxes accruing after the conveyance of said Deed.

3.6 Substitution of Lots. The parties acknowledge that the City may be unable to clear certain tax liens or other exceptions to title affecting some of the City Lots in a time frame suitable for purposes of the Agreement, or that the result of Developer's investigation of the soil and environmental condition of certain City Lots (as more fully described in Section 3.1 above) may cause Developer to refuse the conveyance of said Lots, or if such City Lots have been conveyed to Developer, to re-convey said City Lots to the City. In such event, the City, if acceptable to Developer, may substitute lots which are acceptable to Developer to be included in the universe of City Lots potentially available to Developer for redevelopment pursuant to the terms of the Agreement; provided, however, that the City owns additional lots in the vicinity of the Project that may be substituted, and provided further that under no circumstances shall the City be compelled by Developer, with regard to any City Lot, to remedy any tax lien, title exception, or environmental condition as described in this Section III.

3.7 Recordation of Deed. The City shall promptly file the Deed to any City Lot conveyed by the City to Developer for

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recordation with the Office of the Recorder of Deeds of Cook County, Illinois ("Recorder's Office"). Developer shall pay all recording costs.

SECTION IV

THE CONSTRUCTION OF THE PROJECT

4.1 Schedule of Construction Progress. In accordance with the terms of the Agreement, Developer shall construct the Single Family Homes and Two-flat Buildings constituting the Project (which shall not collectively exceed one hundred (100) in the aggregate) on the City Lots and the Private Lots. Developer shall construct the Single Family Homes and the Two-flat Buildings in accordance with that certain construction timetable schedule dated as of October 25, 2001 ("Schedule"), prepared by Developer, approved by the DOH, and attached hereto as Exhibit F. The Schedule shall represent an estimate of the number of structures (Single Family Homes and Two-flat Buildings) to be completed by Developer by the expiration of certain time periods within the twenty-four (24) month time frame for commencement and completion of the Project (as extended, if applicable, pursuant to Section 6.2 below) as described further in Section 4.7 below. If Developer fails to complete the construction of at least twenty-five (25) Single family Homes or Two-flat Buildings within one (1) year of the execution date of the Agreement, as extended, if applicable, pursuant to Section 6.2 below (the completion of

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construction to be evidenced by the issuance of the Certificate for each of the aforesaid Single Family Homes and Two-flat Buildings), the City and Developer agree that any City Lot not conveyed to Developer by the City within the aforesaid one year time frame (as extended, if applicable, pursuant to Section 6.2 below), and any Private Lots not redeveloped by Developer within such time frame, shall be released from the terms and provisions of the Agreement. Those City Lots and Private Lots upon which a Single Family Home or Two-flat Building has been completed within such time frame (as evidenced by the Certificate) shall be sold to homebuyers in accordance with the terms and provisions of the Agreement. With regard to those City Lots and Private Lots upon which a Single Family Home or Two-flat Building has been commenced but not completed during the aforesaid time period, the parties agree that such housing units shall be completed in a timely manner in accordance with the terms and conditions of the Agreement and sold to homebuyers in accordance with the Agreement. In the alternative to the scenario described above, if Developer fails to achieve the completion of the twenty-five (25) housing units within the one (1) year time frame, the parties agree that, at the sole discretion of the City, the Project may be "scaled back" and that certain of the City Lots (and the corresponding amount of Development Subsidy) shall be released from the terms of the Agreement.

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Developer covenants that the Single Family Homes and Two-flat Buildings shall be constructed in accordance with the Working Drawings and Specifications approved by the DOH as described further in Section 4.2 below. Upon completion of the construction of each Single Family Home or Two-flat Building, as the case may be, the City shall issue to Developer the Certificate in accordance with Section 4.8 below.

4.2 Working Drawings and Specifications. Developer's list of Working Drawings and Specifications dated November 8, 2001, containing the preliminary plans and drawings with regard to the construction of the Single Family Homes and the Two-flat Buildings, are approved by the DOH and listed on Exhibit D attached hereto. Within thirty (30) days of the execution date of the Agreement, Developer shall submit to the DOH for its approval Developer's proposed final working drawings and specifications with regard to each model to be constructed by Developer. The DOH shall have thirty (30) days within which to approve or reject said drawings and specifications. If the DOH rejects the drawings and specifications, Developer shall have sixty (60) days in order to prepare said documents consistent with the requirements of the DOH and resubmit them to the DOH for its approval. The DOH shall thereafter have thirty (30) days within which to approve or reject said drawings and specifications. Upon the approval of

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the DOH, said drawings and specifications shall be considered final Working Drawings and Specifications for purposes of the Agreement.

Should Developer, subsequent to the execution date of the Agreement, wish to construct Single Family Homes or Two-flat Buildings in the Project based upon a different type of model than that reflected in the Working Drawings and Specifications listed on Exhibit D attached hereto, Developer shall submit to the DOH for its approval Developer's final design drawings and specifications for said models. The DOH shall have thirty (30) days within which to approve or reject said drawings and specifications. If the DOH rejects the drawings and specifications, Developer shall have sixty (60) days in order to prepare said documents consistent with the requirements of the DOH and resubmit them to the DOH for approval. Upon the approval of the DOH, said drawings and specifications shall be considered Working Drawings and Specifications for purposes of the Agreement.

The Working Drawings and Specifications shall conform to the terms of the Agreement, the New Homes Program, and all applicable federal, state and local laws, ordinances and regulations, including, without limitation, the Zoning Ordinance of the City of Chicago, Title 17, Municipal Code of Chicago, the current edition of the Model Energy Code published by the Council of

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American Building Officials, and the housing quality standards contained in 24 C.F.R. Section 882.109.

Any material amendment to the Working Drawings and Specifications must be submitted to the DOH for its approval, which approval shall not be unreasonably withheld or delayed.

4.3 Preparation of the Lots; General Requirements.

Developer and the City acknowledge that some of the City Lots and the Private Lots may have "atypical" conditions (sunken lot and other site elevation problems, a lack of ingress and egress to the parking pads for certain of the Lots, issues concerning the location of the Single Family Homes or Two-flat Buildings vis-a-vis existing buildings located on the parcels adjacent to the City Lots and the Private Lots) which dictate that special consideration should be given to the redevelopment of said City Lots and Private Lots by Developer pursuant to this Agreement and the New Homes Program. These "atypical" conditions do not include matters which are routinely considered by the City's Department of Buildings with regard to the issuance of building permits. Accordingly, prior to the commencement of construction of the Project, a representative of Developer and the DOH shall conduct a site visit of each of the City Lots and Private Lots listed on Exhibit A to determine if any special, "atypical" conditions exist. Those lots shall be deemed as "Special Lots" for purposes of the Agreement.

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Prior to the commencement of construction by Developer on any Special Lot, the DOH must approve a site-specific, final plat of survey (including grading elevations) identifying the proposed location of the model type in question, showing the resolution of any elevation, location of the housing structure, or parking pad issue.

In addition, prior to the commencement of construction on any of the City Lots or Private Lots, the environmental effect of the development and construction of the Project must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 ("NEPA") and implementing regulations contained in 24 C.F.R. Parts 50 and 58. In such regard, the City may grant to Developer a right of entry to the City Lots for the purpose of allowing Developer's architects and engineers to inspect each City Lot and to investigate the soil and environmental condition existing in each City Lot.

Construction and development of any of the Single Family Homes and Two-flat Buildings constituting the Project shall be in accordance with the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4821 et seq, and the corresponding regulations contained in 24 C.F.R. Part 35. In addition, Developer shall comply with the Flood Disaster Protection Act of 1973, 42 U.S.C. 4001 -4128).

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4.4 Limited Applicability of DOH's Approval. Any approvals of the Working Drawings and Specifications made by the DOH are for the purposes of the Agreement only and do not affect or constitute approvals required for building permits or approvals required pursuant to any other ordinance of the City, nor does any approval by the DOH pursuant to the Agreement constitute approval of the quality, structural soundness or the safety of the Single Family Homes and Two-flat Buildings constituting the Project. The City, however, agrees to assist Developer in expeditiously obtaining approvals for building permits and driveways affecting the Project.

4.5 Financing and Constructing the Project.

(a) **Budget.** Concurrent with the execution of the Agreement by Developer and its delivery to the City, Developer shall deliver to the DOH for its approval a written budget ("Budget") setting forth the projected and anticipated development costs with regard to the construction of the Single Family Homes and Two-flat Buildings constituting the Project. Developer shall also submit to the DOH a description of Developer's financing ("Financing"), which shall include the amount of Developer's equity in the Project and evidence of: (i) a commitment for adequate financing ("Commitment") obtained from a financial institution or lender, specifying the source and the amount of the loan, length of the term and the applicable interest rate, or

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(ii) evidence of a line of credit or other funding source necessary to fund the construction of the Single Family Homes or the Two-flat Buildings. Within seven (7) business days of receipt, the DOH shall review and approve the Financing with regard to its adequacy in providing sufficient funds to facilitate the construction of the Project, and further, approve the Commitment, if any, to determine its compliance with the terms and provisions of the Agreement and the New Homes Program. The Financing shall be subject and subordinate to the terms and conditions of the Agreement.

Provided that the Commitment is approved by the City, Developer shall obtain financing from the lender identified in the Commitment ("Construction Lender") to permit the construction of the Project ("Construction Loan"). The Construction Lender shall be permitted to secure and evidence its loan by a mortgage ("First Mortgage") and mortgage note ("First Mortgage Note") encumbering the Lots. The Construction Loan funds shall be disbursed pursuant to the Escrow described in Section 4.5(c) below.

(b) City's Incentives.

The City's incentives for Developer's participation in the New Homes Program and in constructing the Single Family Homes and Two-flat Buildings constituting the Project pursuant to this

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Agreement are described throughout the Agreement and specifically in this Section 4.5(b) (1) through (6); provided, however, that Developer is not eligible to receive any Development Subsidy (as described in paragraph (2) below of this Section 4.5(b)) from the City in the development and sale of any MR-Single Family Homes or MR-Two-flat Buildings which may be constructed as part of the Project. Furthermore, the homebuyers of said MR-Single Family Homes or MR-Two-flat Buildings shall not be eligible to receive any Purchase Price Subsidy (paragraphs (3) through (5) of this Section 4.5(b)).

(1) **Sales Price.** Subject to all of the terms, covenants and conditions of the Agreement, the City shall convey to Developer the Deed to each City Lot requested by Developer pursuant to the terms of the Agreement for the consideration of One Dollar (\$1.00) per City Lot if the fair market value of the City Lot in question is Twenty Thousand Dollars (\$20,000) or less, and with regard to those City Lots in which the fair market value exceeds the sum of Twenty Thousand Dollars (\$20,000), said City Lots shall be conveyed by the City to Developer for the amount by which the fair market value of the City Lot exceeds the sum of Twenty Thousand Dollars (\$20,000). The actual amount determined to be the fair market value of a particular City Lot redeveloped by Developer pursuant to the Agreement and the New Homes Program shall be added to and included in the amount of

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monies potentially due and owing the City pursuant to the Mortgage, Security and Recapture Agreement executed by the homebuyer purchasing said City Lot from Developer and which is described more fully in Section 4.5(b)(2) below.

(2) Development Subsidy. Pursuant to the objectives of the New Homes Program and consistent with the terms of the Agreement, the City shall grant to Developer a Development Subsidy in an amount not to exceed the sum of One Million Dollars (\$1,000,000) in the aggregate to cover hard construction costs of certain of the Single Family Homes and Two-flat Buildings constituting the Project. The Development Subsidy for each Single Family Home shall not exceed the sum of Ten Thousand Dollars (\$10,000) per structure, and the Development Subsidy for each Two-flat Building shall not exceed the sum of Thirty Thousand Dollars (\$30,000) per structure. The specific amount of Development Subsidy to be allocated to each model type of Single Family Home or Two-flat Building is described further on Exhibit G attached hereto. Notwithstanding anything to the contrary contained herein, Developer shall not be entitled to receive any Development Subsidy regarding the development and sale of MR-Single Family Homes and MR-Two-flat Buildings.

The Development Subsidy shall be disbursed to Developer at the closing of the sale of each Single Family Home or the Two-flat Building, as the case may be, from Developer to the initial

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homebuyer, but only in the event that Developer: (a) obtains from the City the Certificate with regard to Developer's compliance with the terms and conditions of the Agreement concerning the construction of the Single Family Home or Two-flat Building in question; (b) conveys the completed Single Family Home or Two-flat Building to an eligible homebuyer as more particularly described in Section 5.3 below; (c) complies with the covenants described in Section 5.1 below; and (d) provides the initial homebuyer with a policy of title insurance issued by the Title Company, consisting of an Owner's Policy ALTA form B (1992), dated as of the date of conveyance of the Lot in question by Developer to the initial homebuyer, insuring the title of the initial homebuyer with regard to the Lot in the amount of the purchase price.

Developer agrees, however, that it shall advise said initial homebuyer, prior to the closing of the Lot from Developer to the initial homebuyer, and it shall be a condition of such sale, that the homebuyer shall be required to execute: (a) a mortgage, security and recapture agreement in favor of the City to be dated as of the date of the closing ("Mortgage, Security and Recapture Agreement"), and (b) a covenant of residency ("Covenant of Residency") with regard to the use of the Single Family Home by the initial homebuyer as its principal residence, or in the case of a Two-flat Building, the use of one of the housing units of

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the Two-flat Building by the initial homebuyer as its principal residence. Developer must also advise potential homebuyers of the Two-flat Buildings that renter-households of the rental unit of the Two-flat Building must meet the income eligibility standards of the New Homes Program. The Mortgage, Security and Recapture Agreement shall be repaid by the homebuyer to the City in accordance with its terms in the event that, subsequent to the closing, the Single Family Home or Two-flat Building and Lot are sold by the initial homebuyer within four (4) years of purchase. The Mortgage, Security and Recapture Agreement shall be subordinate to the lien in favor of the permanent lender, if any.

(3) **Purchase Price Subsidy.** Homebuyers purchasing a Single Family Home (other than a MR-Single Family Home) constructed by Developer pursuant to the Agreement and the New Homes Program and whose household incomes are between 81% to 90% of the median income for the Chicago Primary Metropolitan Statistical Area ("P.M.S.A.") may request from the City, by application to the DOH, a financial subsidy ("Purchase Price Subsidy") not to exceed the amount of Ten Thousand Dollars (\$10,000) per homebuyer. The amount of Purchase Price Subsidy received by eligible homebuyers shall be added to and included in the amount of monies potentially due and owing the City pursuant to the Mortgage, Security and Recapture Agreement described in Section 4.5(b) (2) above.

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(4) HOME Purchase Price Subsidy. Homebuyers purchasing a Single Family Home (other than a MR-Single Family Home) constructed by Developer pursuant to the Agreement and the New Homes Program and whose household incomes are at or below 80% of the median income for the P.M.S.A. (hereafter, a "HOME Homebuyer") may request from the City, by application to the DOH, a financial subsidy ("HOME Purchase Price Subsidy") derived from an allocation to the City of HOME Investment Partnerships Program grant funds, pursuant to the Cranston-Gonzalez National Affordable Housing Act, 42 U.S.C. Section 12701 et seq. (1992) and the regulations promulgated thereto in 24 C.F.R. Part 92. The amount of HOME Purchase Price Subsidy available for a particular HOME Homebuyer shall not exceed the amount of Twenty Thousand Dollars (\$20,000) per HOME Homebuyer whose household income range is between 61% to 80% of the median income for the P.M.S.A., and the amount of Thirty Thousand Dollars (\$30,000) per HOME Homebuyer whose household income range is up to 60% of the median income for the P.M.S.A.

The HOME Purchase Price Subsidy shall be provided to the HOME Homebuyer at closing of the Single Family Home from Developer to the HOME Homebuyer, but only in the event that Developer: (a) obtains from the City the Certificate with regard to Developer's compliance with the terms and conditions of the Agreement concerning the construction of the Single Family Home

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in question; (b) conveys the completed Single Family Home and Lot to a HOME Homebuyer as more particularly described in this Section and Section 5.3 below; (c) complies with the covenants described in Section 5.1 below; and (d) provides the HOME Homebuyer with a policy of title insurance issued by the Title Company, consisting of an Owner's Policy ALTA form B (1992), dated as of the date of conveyance of the Single Family Home and Lot in question by Developer to the HOME Homebuyer, insuring the title of the HOME Homebuyer with regard to the Single Family Home and Lot in question in the amount of the purchase price. The pertinent amount of HOME Purchase Price Subsidy funds to be provided to a particular HOME Homebuyer shall be wired to the Title Company at closing, in accordance with the Escrow instructions (as described in Section 4.5(c) below).

Developer agrees, however, that it shall advise said HOME Homebuyer, prior to the closing of the Single Family Home and Lot to the HOME Homebuyer, and it shall be a condition of such sale, that the HOME Homebuyer shall be required to execute: (a) the Mortgage, Security and Recapture Agreement and Covenant of Residency (as described in Section 4.5(b)(2) above) in favor of the City to be dated as of the date of the closing; (b) a mortgage, security and recapture agreement reflecting the provision by the City of the HOME Purchase Price Subsidy ("HOME Mortgage, Security and Recapture Agreement"), which shall be in

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favor of the City and to be dated as of the date of closing; and (c) a covenant of residency ("HOME Covenant of Residency") with regard to the use of the particular Single Family Home by the HOME Homebuyer as its principal residence. The HOME Mortgage, Security and Recapture Agreement shall be repaid by the HOME Homebuyer to the City in accordance with its terms in the event that, subsequent to the closing, the Single Family Home and Lot are sold by the HOME Homebuyer within the applicable affordability period (as prescribed by the HOME Regulations) commencing with the closing date. If, however, the mortgage obtained by the HOME Homebuyer from the permanent lender is insured by the FHA, the affordability period shall be extended to conform to the terms of the FHA-insured mortgage, as is required under the HOME Regulations. The HOME Mortgage, Security and Recapture Agreement described in this paragraph shall be subordinate to the lien in favor of the permanent lender, if any.

(5) **EZ-HOME Purchase Price Subsidy.** Homebuyers purchasing a Single Family Home (other than a MR-Single Family Home) constructed by Developer pursuant to the Agreement and the New Homes Program and whose household incomes are at or below 80% but higher than sixty-one percent (61%) of the median income for the P.M.S.A. may request from the City, by application to the DOH, a financial subsidy ("EZ-HOME Purchase Price Subsidy") not to exceed the sum of Thirty Thousand Dollars (\$30,000), with Fifteen

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Thousand Dollars (\$15,000) of EZ-HOME Purchase Price Subsidy being derived from Community Development Block Grant funds which have been awarded to the State of Illinois by the U.S. Department of Health and Human Services for use for eligible activities in Empowerment Zone areas ("EZ Funds"), and any remaining balance of funds to be derived from an allocation to the City of HOME Investment Partnerships Program grant funds, pursuant to the Cranston-Gonzalez National Affordable Housing Act, 42 U.S.C. Section 12701 et seq. (1992) ("Act") and the regulations promulgated thereto in 24 C.F.R. Part 92 ("HOME Funds"). For purposes of the Agreement, the EZ Funds shall be derived from Empowerment Zone funds or Enterprise Community funds in accordance with the terms and conditions of those certain ordinances passed by the City Council on December 15, 1999 (C.J.P. 21285-21296) and May 17, 2000 (C.J.P. 32361-32635) (collectively, the "EZ/EC Ordinances").

The Homebuyers purchasing a Single Family Home constructed by Developer pursuant to the Agreement and the New Homes Program and whose household incomes are at or below sixty percent (60%) of the median income for the P.M.S.A. may request from the City, by application to the DOH, an EZ-HOME Purchase Price Subsidy not to exceed the sum of Forty Thousand Dollars (\$40,000), with Fifteen Thousand Dollars (\$15,000) of EZ-HOME Purchase Price Subsidy being derived from EZ Funds and any remaining balance of

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funds being derived from HOME Funds. For purposes of the Agreement, the Homebuyers referred to in this paragraph that shall receive the EZ-HOME Purchase Price Subsidy from the City shall be referred to as "EZ-HOME Homebuyers".

The use of HOME funds pursuant to the New Homes Program and this Agreement shall be governed by the terms and conditions of the Act and any regulations promulgated thereunder, and by the terms and conditions of the enabling ordinance for the New Homes Program. With respect to the use of EZ funds, said funds shall be governed by the terms and conditions and meet the statutory requirements set forth in 45 U.S.C. Section 2007f, by the terms and conditions of the enabling ordinance for the New Homes Program, and in accordance with other laws, rules and regulations which pertain to or govern the use of EZ Funds.

The EZ-HOME Purchase Price Subsidy shall be provided to the EZ-HOME Homebuyer at closing of the Single Family Home from Developer to the HOME Homebuyer, but only in the event that Developer: (a) obtains from the City the Certificate with regard to Developer's compliance with the terms and conditions of the Agreement concerning the construction of the Single Family Home in question; (b) conveys the completed Single Family Home and Lot to an EZ-HOME Homebuyer as more particularly described in this Section and Section 5.3 below; (c) complies with the covenants described in Section 5.1 below; and (d) provides the EZ-HOME

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Homebuyer with a policy of title insurance issued by the Title Company, consisting of an Owner's Policy ALTA form B (1992), dated as of the date of conveyance of the Single Family Home and Lot in question by Developer to the EZ-HOME Homebuyer, insuring the title of the HOME Homebuyer with regard to the Single Family Home and Lot in question in the amount of the purchase price. The pertinent amount of HOME Purchase Price Subsidy funds to be provided to a particular EZ-HOME Homebuyer shall be wired to the Title Company at closing, in accordance with the Escrow instructions (as described in Section 4.5(c) below).

Developer agrees, however, that it shall advise said EZ-HOME Homebuyer, prior to the closing of the Single Family Home and Lot to the EZ-HOME Homebuyer, and it shall be a condition of such sale, that the EZ-HOME Homebuyer shall be required to execute:

- (a) the Mortgage, Security and Recapture Agreement and Covenant of Residency (as described in Section 4.5(b)(2) above) in favor of the City to be dated as of the date of the closing;
- (b) a mortgage, security and recapture agreement reflecting the provision by the City of the HOME Purchase Price Subsidy ("EZ-HOME Mortgage, Security and Recapture Agreement"), which shall be in favor of the City and to be dated as of the date of closing;
- and (c) a covenant of residency ("EZ-HOME Covenant of Residency") with regard to the use of the particular Single Family Home by the EZ-HOME Homebuyer as its principal residence. The EZ-HOME

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Mortgage, Security and Recapture Agreement shall be repaid by the EZ-HOME Homebuyer to the City in accordance with its terms in the event that, subsequent to the closing, the Single Family Home and Lot are sold by the EZ-HOME Homebuyer within the applicable affordability period (as prescribed by the HOME Regulations) commencing with the closing date. If, however, the mortgage obtained by the EZ-HOME Homebuyer from the permanent lender is insured by the FHA, the affordability period shall be extended to conform to the terms of the FHA-insured mortgage, as is required under the HOME Regulations. The EZ-HOME Mortgage, Security and Recapture Agreement described in this paragraph shall be subordinate to the lien in favor of the permanent lender, if any.

(6) **Waiver of City Fees.** In conjunction with the construction by Developer of the Single Family Homes and Two-flat Buildings constituting the Project, the City shall waive those certain fees and deposits as described in Exhibit C attached hereto.

(c) **Escrow.** Prior to the commencement of construction of the first Single Family Home or Two-flat Building, Developer and the City shall open an escrow account ("Escrow") held by an institutional escrowee ("Escrowee") mutually acceptable to the parties. The Escrow shall be utilized by the parties for the conveyances of the City Lots to Developer pursuant to the terms of the Agreement (or, if Developer so chooses, to provide for the

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conveyance of any Private Lots to Developer that may be acquired subsequent to the execution date of the Agreement). The respective rights, liabilities and duties of the Escrowee are contained in the Agreement. The parties agree that if any conflict exists between the terms of the Agreement and any escrow instructions or other documents affecting the Escrow, the terms and provisions of the Agreement shall govern.

Prior to the commencement of construction of the Project on any City Lot or Private Lot by Developer pursuant to the terms of this Agreement, the DOH must have approved the following: (a) the Working Drawings and Specifications for each model type of Single Family Home or Two-flat Building; (b) the Budget and the Financing (including, without limitation, the Construction Loan documents, if any); and have received a certified copy of the contract between Developer and its general contractor, and all executed contracts covering the completion of the Project from the major subcontractors, if available. In addition, prior to the commencement of construction by Developer on any particular City Lot or Private Lot, the DOH must have approved: (a) the condition of title with regard to the City Lot or Private Lot in question; and (b) a final plat of survey for the Lot (as described in Section 4.3 above) certified by a licensed engineer showing all easements, encroachments and containing a legal description of the Lot.

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Prior to the commencement of construction of the Project, the Escrowee must have received the following documents submitted by Developer: (a) a certificate of good standing from the State of Illinois regarding Developer; (b) copies of each subcontract; (c) Internal Revenue Service taxpayer identification numbers; and (d) originals of the Construction Loan documents or evidence of Financing. Escrowee shall also have received the following documents submitted by the City: (a) one copy of this Agreement; (b) a certified copy of the ordinance authorizing the selection of Developer to participate in the New Homes Program; and (c) a check in the amount of Five Hundred Thousand Dollars (\$500,000) representing the City's aggregate Development Subsidy (as further described in Section 4.5(b)(2) above), which shall be deposited in the NHFC Account maintained by the Escrowee. The parties further understand and agree that the balance of the Development Subsidy (consisting of the sum of Five Hundred Thousand Dollars (\$500,000)) shall be deposited by the City in the NHFC Account upon receipt by the City from Developer of the building permit representing the fifty-first (51) Single Family Home to be constructed by Developer as part of the Project.

As construction of the Project commences on each particular City Lot or Private Lot, the Escrowee shall receive from Developer: (a) one copy of every "soft sheet" building permit issued by the City; and (b) a final plat of survey certified by a

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licensed engineer showing all easements, encroachments and containing a legal description of the Lot in question, and from the City, the Deed (if the Lot is a City Lot).

(d) Review of Construction Progress. During the construction of the Project, Developer shall submit to the City for its review any documentation relating to the construction work, including, without limitation, an Owner's sworn statement and the general contractor's sworn statement.

During the construction of the Project by Developer, the Construction Lender shall employ, at the sole expense of Developer, an inspecting architect ("Inspector") (other than the architect who prepared the Working Drawings and Specifications) meeting the prior approval of the DOH, to review for the parties all activities undertaken with regard to the construction of the Single Family Homes or Two-flat Buildings, as the case may be. In the event that no Construction Lender exists (or if the Construction Lender does not wish to hire the Inspector), then the DOH, at the sole expense of Developer, shall utilize an Inspector which has been previously approved by the DOH for the benefit of the New Homes Program.

The scope of the Inspector's work shall be contained in the terms of the contract between the Inspector and the Construction Lender, or the Inspector and the DOH, as the case may be, and shall include inter alia, a certification for the benefit of the

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Construction Lender and the DOH on the form attached hereto as Exhibit H that the construction of said Single Family Home or Two-flat Building complies with the Working Drawings and Specifications. The Inspector shall be affirmatively obligated to notify the DOH and the Construction Lender of any discrepancies between the Working Drawings and Specifications (as approved by the DOH) and the actual construction of the Single Family Home or Two-flat Building in question, and shall provide the DOH with a copy of each and every Inspector's certification. As described in Section 4.5(e) below, the receipt by the DOH of the Inspector's Conditional Certificate shall be a condition precedent to the disbursement of the applicable amount of Development Subsidy to Developer, and, if applicable, Purchase Price Subsidy, HOME Purchase Price Subsidy, or EZ-HOME Purchase Price Subsidy funds, as the case may be, to the Homebuyer to facilitate the purchase of the Single Family Home. A representative of the DOH shall have the right, but not the obligation, to accompany the Inspector during his inspection of the progress of the construction of the Single Family Homes and the Two-flat Buildings constituting the Project.

(e) Sale and Closing of the Completed Single Family Homes and Two-flat Buildings, and Disbursement of the Development Subsidy, Purchase Price Subsidy, HOME Purchase Price Subsidy or EZ/EC Purchase Price Subsidy. Subject to the provisions of the

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Agreement, and as long as Developer is not in material default in the due, prompt and complete performance or observance of any of its covenants or obligations contained in the Agreement, the conveyance of the Single Family Home or Two-flat Building to a homebuyer may proceed to closing, and if applicable, the Development Subsidy and any Purchase Price Subsidy, HOME Purchase Price Subsidy or EZ/EC Purchase Price Subsidy shall be disbursed by the City to or for the benefit of Developer or the homebuyer, upon the occurrence of the following:

- (i) Except for closings for MR-Single Family Homes or MR-Two-flat Buildings, Developer and the initial homebuyer shall have complied with the provisions described in Section 4.5(b)(2)-(5) above, as the case may be, including, the execution of the Mortgage, Security and Recapture Agreement and the Covenant of Residency by the initial homebuyer, and in addition, if the initial homebuyer is also a HOME Homebuyer, the HOME Homebuyer must also execute the HOME Mortgage, Security and Recapture Agreement and HOME Covenant of Residency, or in the alternative, if the EZ-HOME Homebuyer must also execute the EZ-HOME Mortgage, Security and Recapture Agreement and EZ-HOME Covenant of Residency;

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- (ii) The Inspector shall have delivered to the City its conditional certificate indicating that the construction of said Single Family Home or Two-flat Building is complete and complies with the Working Drawings and Specifications, conditioned and subject only to the completion of punch list items or such other items agreed to by the City, the Inspector and Developer ("Substantial Completion Certificate");
- (iii) The City shall have issued its Certificate in accordance with the provisions described in Section 4.8 below;
- (iv) Developer, in the form of an owner's sworn statement and the general contractor's sworn statement, shall have submitted to the Escrowee and the Inspector affirmative proof that no materialmen's liens or claims exist affecting the Single Family Home or the Two-flat Building in question, or that Developer has taken such appropriate action to cause the Title Company to insure over any title encumbrances caused by such liens or claims; provided, however, that the Title Company shall have received from Developer acceptable waivers or releases of lien covering at least seventy five percent (75%) of the hard construction costs associated with the construction of

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the Single Family Home or Two-flat Building in question;

- (v) Developer shall have submitted to the City a copy of the Owner's sworn statement and the general contractor's sworn statement describing all costs expended for the construction of the Single Family Home or Two-flat Building in question;
- (vi) Developer shall have furnished to the City one (1) copy of an "as-built" survey showing the location of all completed improvements on the Lot in question, including all walks, drives and other on-site appurtenances and improvements, showing site elevations, and showing no encroachments by any such improvements across the boundary lines of the Lot; and
- (vii) The DOH shall have issued a letter to Developer that the homebuyer in question meets the income eligibility requirements of the New Homes Program (unless the housing unit in question is a MR-Single Family Home or MR-Two-flat Building).

Notwithstanding the foregoing, Developer shall be obligated to complete those items listed on the Substantial Completion Certificate (including the punch list items) in a timely and expeditious manner subsequent to the closing of the Single Family Home or Two-flat Building in question. The City reserves the

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right to request that Developer deposit or reserve with the Escrowee funds (or in lieu thereof, deliver to the Escrowee a letter of credit) in an amount to pay for the cost of such incomplete work, including, without limitation, any landscaping or other work that was not completed prior to closing because of weather-related conditions. Once such work has been completed, the Inspector shall conduct an on-site inspection in order to facilitate the issuance of a final certificate indicating that construction of the Single Family Home or Two-flat Building is complete ("Final Certificate"). Any funds retained by the Escrowee pursuant to this paragraph shall not be released until a copy of the Final Certificate is delivered to the Escrowee and the DOH.

Developer does also certify that it shall not take its fee until the closing for the Single Family Home or Two-flat Building in question.

4.6 Relocation of Utilities. In the event Developer requests the relocation, repair or replacement of any existing City utility lines in and under any of the City Lots or Private Lots, the public streets or private property adjacent to said Lots, Developer agrees that such utilities shall be relocated at Developer's sole expense. The DOH shall use its best efforts to assist Developer in obtaining the cooperation of any City agency with regard to the relocation, repair or replacement of existing

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utility lines. Under no circumstances shall the City be financially responsible for the relocation, repair or replacement of any utility lines as a result of the Agreement. In addition, Developer shall be solely responsible for the payment of any costs associated with the repair, replacement or relocation of any private utility lines as a result of the Agreement.

4.7 Commencement and Completion of the Project. Developer, subject to the occurrence of Permitted Delays described in Section 6.2 below, shall commence with the construction of the Project within three (3) months of the execution date of the Agreement. Except as otherwise provided in the Agreement, Developer shall complete the Project within twenty-four (24) months from said execution date. Developer agrees for itself, its successors and assigns, that Developer, its successors and assigns, shall promptly begin and diligently complete the Project within the time period specified in this Section 4.7. The parties, however, may mutually agree to extend the time for Developer's performance of its obligations to construct the Project by executing a written amendment to the Agreement.

4.8 Certificate of Compliance. As each Single Family Home or Two-flat Building, as the case may be, of the Project is substantially completed in accordance with the Working Drawings and Specifications (as evidenced by, and based solely on, the issuance of the Inspector's Conditional Certificate or Final

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Certificate, as the case may be, as further described in Section 4.5(e) above), and Developer has performed all of its other contractual obligations pursuant to the provisions contained in the Agreement and the objectives of the New Homes Program, including without limitation, the provisions described in 4.5(e) (i), (iv) - (vii) above, the DOH, upon written request by Developer, shall furnish Developer with an appropriate Certificate. The Certificate shall be a conclusive determination of satisfaction and termination of the covenants in the Agreement with respect to the obligations of Developer and its successors and assigns to complete such Single Family Home or Two-flat Building and to satisfy the objectives of the New Homes Program. The Certificate, however, shall not constitute evidence that Developer has complied with any applicable provisions of federal, state and local laws, ordinances and regulations with regard to the completion of the Single Family Home or Two-flat Building in question and furthermore, shall not serve as any "guaranty" as to the quality of the construction of said structure.

The Certificate shall be in recordable form and shall be delivered by the DOH to the Escrowee at the closing of the Single Family Home or Two-flat Building, as the case may be, from Developer to the initial homebuyer. Once the Certificate is recorded with the Recorder's Office, the Agreement shall no

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longer be deemed to be a title encumbrance of the Lot in question.

4.9 Prohibition Against Unpermitted Encumbrances.

Prior to the issuance of the Certificate with regard to the completion of construction of each Single Family Home or Two-flat Building on a particular Lot, neither Developer nor any successor in interest to the Lot in question shall engage in any financing or other transaction the effect of which creates an encumbrance or lien upon said Lot; provided, however, that Developer, after receiving the prior written consent of the City, shall be permitted to mortgage the Lots for the purpose of obtaining the Construction Loan or other financing source as described in Section 4.5(a) above to the extent necessary for completing the construction of the Project. Notwithstanding the above, no mortgage shall be placed of record affecting a City Lot until such time as the City has conveyed said City Lot to Developer pursuant to the terms and conditions of the Agreement.

4.10 Mortgagees Not Obligated to Construct.

Notwithstanding any of the provisions of the Agreement, the holder of any mortgage (or any affiliate of such holder) authorized by the Agreement (including any holder who obtains title to the Lots or any part thereof as a result of foreclosure proceedings, or action in lieu therefor), shall not be obligated by the provisions of the Agreement to construct or complete the

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construction of the Single Family Home or Two-flat Building on the Lots in question, as the case may be, or to guarantee such construction or completion. Nothing in this Section 4.10 or any section of the Agreement, however, shall be deemed or construed to permit or authorize any such holder or its affiliate to devote the Lots in question or any part thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided for or permitted in the New Homes Program and the Agreement. In the event that the Developer obtains a Construction Loan, if the Construction Lender, due to the occurrence of a default by Developer of its obligations under the Agreement or under the terms of its mortgage executed in favor of the Construction Lender, obtains possession or title to any of the Lots by foreclosure or deed in lieu of foreclosure, the Construction Lender shall be entitled, upon the receipt of the prior written consent of the City, which consent shall not unreasonably be withheld, to utilize those amounts of the Development Subsidy which is available to complete the Single Family Homes and Two-flat Buildings on said Lots (including the completion of the Single Family Homes and Two-flat Buildings on said Lots which had not been commenced by Developer as of the date that the Construction Lender acquires title to said Lots), so long as the Construction Lender complies with the terms and conditions of the Agreement. In such event, the Construction

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Lender shall be required to execute such economic disclosure documents as the City deems appropriate.

Whenever the City shall deliver a notice or demand with respect to any breach or default by Developer of its obligations under the Agreement, the City shall at the same time forward a copy of such notice or demand to any mortgagee whose address has been given in writing to the City. After any such default by Developer, and the expiration of any applicable cure period, the City and each mortgagee shall (insofar as the City is concerned) have the right, at the mortgagee's option, to remedy such default.

Whenever the mortgagee shall deliver a notice or demand to Developer with respect to any breach or default by Developer of its obligations under the mortgage loan documents, the mortgagee shall at the same time forward a copy of such notice or demand to the City at the addresses listed in Section 8.8 below. After any such default by Developer, and the expiration of any applicable cure period, the City and each mortgagee shall have the right to remedy such default.

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SECTION V

CONVEYANCE OF THE SINGLE FAMILY HOMES AND TWO-FLAT BUILDINGS

5.1 Developer's Covenants for Participation in the New Homes Program.

(a) Sales Price. Developer acknowledges and affirms the objectives of the City with regard to the creation of the New Homes Program as a means of achieving the construction of affordable, new, high quality, owner-occupied housing within the corporate boundaries of the City. Developer affirmatively covenants that it shall sell and convey each Single Family Home to a prospective homebuyer for a base price per model of \$135,000.00 for the "A" Unit (but in no event shall said base price for a particular Single Family Home exceed the sum of \$145,000). In the event that Developer seeks to construct Two-flat Buildings pursuant to the terms of the Agreement, the base price for said units shall be approved by the DOH, but Developer acknowledges and agrees that in no event shall said base price for a particular Two-flat Building exceed the sum of \$190,000. The City shall also have the right to review and approve the sales prices for the MR-Single Family Homes and MR-Two-flat Buildings. Developer's projected final sales pricing of the various models of the Single Family Homes and Two-flat Buildings to be constructed by Developer are described on Exhibit I

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attached hereto. The parties acknowledge that said base price does not include options described on Exhibit J attached hereto, which may be desired by individual homebuyers. The parties further acknowledge that said base price may be slightly adjusted due to inflation, upon the express agreement of the parties and as anticipated by the provisions contained in the New Homes Program.

(b) Compliance with Fair Housing and Non-Discrimination Laws. Developer shall not discriminate based upon race, color, religion, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military status, parental status or source of income in the design, marketing and sale of any Single Family Home or Two-flat Building constructed by Developer pursuant to the terms of the Agreement, and shall comply with any and all federal, state and local laws, statutes, ordinances or regulations with regard to non-discrimination in the sale and marketing of housing, including, without limitation, the Fair Housing Act, 42 U.S.C. sec. 3601-20 et seq. (1988) and implementing regulations at 24 C.F.R. Part 100; Executive Order 11063, as amended by Executive Order 12259 (3 C.F.R., 1958-1963 Comp., p. 652 and 3 C.F.R., 1980 Comp., p. 307) (Equal Opportunity in Housing) and implementing regulations at 24 C.F.R. Part 107; and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and

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implementing regulations issued at 24 C.F.R. Part 1; 42 U.S.C. sec. 1982 (1988), and sections 17-19 of Article I of the Constitution of the State of Illinois; the Age Discrimination Act of 1975, 42 U.S.C. sect. 6101-07, and implementing regulations at 24 C.F.R. Part 146, Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 and implementing regulations at 24 C.F.R. Part 8.

(c) **Warranty of Habitability.** At the closing for the conveyance of a Lot from Developer to an initial homebuyer, Developer shall deliver to said homebuyer a warranty of habitability approved by the DOH and attached hereto as Exhibit K. Said warranty of habitability shall have a duration of one year and shall be deemed to run with the land.

5.2 Marketing. Developer shall comply with the affirmative marketing requirements described in Section 5.1(b) above. In addition, Developer agrees to abide by the terms and conditions of the marketing plan which has been approved by the DOH and is attached hereto as Exhibit L, and to utilize solely those marketing materials which have been approved by the DOH either prior to or subsequent to the execution date of the Agreement with regard to the marketing of the Single Family Homes and Two-flat Buildings to prospective homebuyers. Developer also agrees to place on at least one of the Lots a sign containing an inscription that the Single Family Home or Two-flat Building was

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(or shall be) constructed by Developer in accordance with Developer's participation in the New Homes Program.

5.3 Income Eligibility Standards. Developer agrees that each and every potential homebuyer (other than buyers of MR-Single Family Homes or MR-Two-flat Buildings), in conjunction with the execution of any contract with Developer for the purchase of a Single Family Home or Two-flat Building, as the case may be, shall be approved in writing by the DOH as meeting the income eligibility standards of the New Homes Program. Developer shall be responsible for providing the DOH with any and all information required by the DOH in determining the prospective homebuyer's income eligibility. The DOH shall have ten (10) business days from the date of receipt of a "complete information package" (which shall include, by means of illustration and not limitation, the W-2 forms from the initial homebuyer's employer(s), U.S. 1040 income tax returns for the previous two years, an affidavit or verification from the homebuyer with regard to household size, and the employer verification form utilized by the Federal National Mortgage Association ("Fannie Mae")) within which to qualify potential homebuyers.

5.4 Pre-Purchase Qualification. Developer shall refer each prospective homebuyer for pre-purchase counseling, which shall be offered either by the DOH, a qualified community organization or

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lending institution. Each homebuyer must participate in pre-purchase counseling, and provide the DOH with a certificate or other evidence of participation.

5.5 Review of Renters of Two-flat Buildings. With regard to the rental of the housing unit of the Two-flat Building which is not occupied by the initial homebuyer, Developer shall advise the initial homebuyer, prior to the closing of the conveyance of the Two-flat Building from Developer to said initial homebuyer, that each renter-household occupying the rental unit of the Two-flat Building must be approved in writing by the DOH as meeting the income eligibility standards of the New Homes Program. Such approval shall precede the execution of any lease affecting the rental unit. The initial homebuyer shall be responsible for providing the DOH with any and all information required by the DOH in determining the prospective renter's income eligibility. The DOH shall have ten (10) business days from the date of receipt of a "complete information package" within which to qualify potential renters.

SECTION VI

PERFORMANCE

6.1 Time of the Essence. Time is of the essence of the Agreement.

6.2 Permitted Delays. Neither the City, Developer, or any successor in interest to Developer, shall be considered in breach

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of its obligations with respect to the commencement and completion of the Project in the event of delay in the performance of such obligations due to unforeseeable causes beyond such party's control and without such party's fault or negligence, including but not limited to, any delays or halts in the construction of the Single Family Homes and Two-flat Buildings constituting the Project, which are compelled by court order, acts of God, acts of the public enemy, acts of the United States or other governmental body, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, vandalism, embargoes and unusually severe weather or delays of subcontractors due to such cause. The time for the performance of the obligations shall be extended only for the period of the permitted delay if the party seeking the extension shall request it in writing of the other party within twenty (20) days after the beginning of any such delay.

6.3 Breach.

(a) Generally. Except as otherwise provided in the Agreement, in the event of default by any party or its successor in interest in the performance of its obligations under the Agreement, such party or successor, upon written notice from the other, shall commence to immediately cure or remedy such default but, in any event, by not later than thirty (30) days after receipt of such notice. In the event such action is not

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diligently pursued or the default not cured within a reasonable time, the aggrieved party may institute such proceedings at law or in equity as may be necessary or desirable in its sole discretion to cure and remedy such default, including but not limited to, proceedings to compel specific performance by the party in default of its obligations.

(b) Event of Default. For purposes of the Agreement, the occurrence of any one or more of the following shall constitute an "event of default":

- (1) If, at any time, any covenant, warranty, representation or statement made or furnished by Developer (including the covenants, representations and warranties of Developer described in Section 2.1 above) is not true and correct in any material respect; or
- (2) If any petition is filed by or against Developer under the Federal Bankruptcy Code or any similar state or federal law, whether now or hereafter existing (and in the case of involuntary proceedings, failure to cause the same to be vacated, stayed or set aside within sixty (60) days after filing); or
- (3) Failure of Developer to develop Working Drawings and Specifications materially consistent with the procedures outlined in Section 4.2 above with regard

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- to the construction of the Single Family Homes and Two-flat Buildings constituting the Project; or
- (4) If Developer fails to fulfill its obligations with respect to the completion of the Project (including the nature of and the dates of the beginning and completion thereof) or abandons or substantially suspends construction work of any Single Family Home or Two-flat Building then under construction, and such failure, violation, abandonment or suspension shall not be cured, ended or remedied within thirty (30) days of the date Developer receives written demand by the City to cure the same; or
- (5) If Developer conveys any Single Family Home or Two-flat Building to a homebuyer in excess of the consideration described in Section 5.1 above, or conveys any Single Family Home or Two-flat Building to a homebuyer ineligible to participate in the New Homes Program; or
- (6) If Developer fails to comply with the non-discrimination covenant described in Section V above with regard to the marketing and sale of the Single Family Homes and Two-flat Buildings constructed by Developer; or

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- (7) Failure of Developer to pay real estate taxes or assessments affecting the City Lots (accruing after the date of conveyance by the City to Developer) or Private Lots (after the date of acquisition by Developer) or any part thereof when due, or placing thereon any encumbrance or lien unauthorized by the Agreement, or suffering any levy or attachment to be made or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach to the Lots or any part thereof (unless Developer has taken such appropriate action to cause the Title Company to insure over any title encumbrances caused by such liens or encumbrances), and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the City made for such payment, removal or discharge within thirty (30) days after written demand by the City to remove such lien or encumbrance; or
- (8) The occurrence of an event of default within the context of the First Mortgage, if any, which is not cured within the applicable time periods, if any, contained therein; or

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- (9) Any assignment, pledge, encumbrance, transfer or other disposition is made in violation of Section 8.2 below.
- (10) A violation of the HOME Regulations, the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.4-1 et seq. as amended from time to time, and/or the EZ/EC Ordinances.

(c) Prior to Commencement of Construction. If, from the execution date of the Agreement until the commencement of construction of the Project, Developer or its successor in interest defaults in any specific manner as described in paragraph (b) of this Section 6.3, and such default continues after the delivery of notice of default pursuant to Section 6.3(a), and the failure of Developer to commence to cure within the thirty (30) day period (or such longer period if so specified) provided for in such notice, the City may immediately terminate the Agreement and institute any action or proceeding at law or in equity against Developer.

(d) After Commencement of Construction Until Issuance of Certificate. If, subsequent to the commencement of construction by Developer on any Lot, until the City issues its Certificate with regard to the completion of construction of the pertinent housing unit on the Lot(s) in question, Developer or its successor in interest shall default in any specific manner as described in paragraph (b) of this Section 6.3, then the City,

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written notice to Developer, and after opportunity to cure as described in paragraph (a) of this Section 6.3, may immediately terminate the Agreement and institute any action or proceeding at law or in equity against Developer. In such event, Developer shall have no further right or interest regarding any City Lot not conveyed to Developer prior to the default.

In addition, in the event of default and failure to cure by Developer as provided herein, if the Lots then under construction by Developer as of the date of default are City Lots, then the City shall have the right to re-enter and take possession of each such City Lot, to terminate the estate conveyed by the Deeds to such City Lots to Developer as well as Developer's right of title and all other rights and interests in said City Lots conveyed by the Deeds to Developer, and re-vest title in said City Lots with the City without any compensation whatsoever to Developer; provided, however, that such condition subsequent and the re-vesting of title as a result thereof in the City shall always be limited by, and shall not defeat, render invalid, or limit in any way, the lien of the First Mortgage, if any, authorized by the Agreement for the protection of the holders of the First Mortgage. The parties agree that the City also has the right, in the event of a default as described in this Section, to purchase from Developer each or all of the Private Lots in question. The City shall pay as consideration for said Private Lots the fair

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market value of each said Lot determined as of the execution date of the Agreement, or in the event that improvements have been constructed on the Lot in question, the City shall pay the fair market value of the Lot (with improvements) as of the date in which Developer is declared to be in default by the City pursuant to the terms of this Section.

Upon the revesting in the City of title to the City Lots and the acquisition of any of the Private Lots in the manner described in the preceding paragraph, the DOH may complete the construction of the Single Family Homes and Two-flat Buildings on the Lots in question, including, if necessary, the hiring of an alternative contractor to complete the construction. Upon completion of construction, the DOH shall employ its best efforts to convey the Single Family Homes and Two-flat Buildings (subject to the First Mortgage liens described above, if any) to eligible prospective homeowners ("Homeowners") under the New Homes Program, and in accordance with all applicable federal, state and local laws, ordinances and regulations. The Single Family Homes and Two-flat Buildings shall be conveyed to the Homeowners who, at closing, in the event a First Mortgage encumbers the Lot, shall pay the unpaid principal of the First Mortgage affecting said Lot and the interest accrued thereon due and payable as of the date of the conveyance of the Single Family Home by the City. When the City sells all of the Single Family Homes and Two-flat

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Buildings in accordance with the provisions described in this Section, the proceeds from said sale shall be utilized and distributed in accordance with the provisions described in Section 6.3(e) below.

In the alternative, in the event that Lots are then under construction by Developer as of the time of default, the City may allow the Construction Lender to enter into possession of such Lots and cause the completion of construction of the Single Family Home or Two-flat Building, as the case may be, on the Lots in question; provided, however, that the Construction Lender complies with the terms and provisions of the Agreement, including, without limitation, section 4.10 of the Agreement.

(e) **Distribution of Sale Proceeds.** Upon the sale of all of the Single Family Homes and Two-flat Buildings by the City pursuant to Section 6.3(d) above, the proceeds from said conveyance(s) shall be utilized first to reimburse the City for:

- (a) costs and expenses incurred by the City with regard to the reconveyance of the City Lots and the conveyance of the Private Lots, if any, from Developer to the City, and the management and subsequent conveyance of the said Lots to the Homeowners;
- (b) all taxes, assessments, and water and sewer charges with respect to the City Lots and the

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Private Lots as provided for under this Agreement;

- (c) any payments made or necessary to be made (including attorneys' fees) to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Developer, its successors or transferees;
- (d) any expenditures made or obligations incurred with respect to the construction and maintenance of any Single Family Homes and Two-flat Buildings constructed on the Lots;
- (e) any other amounts owed to the City by Developer, its successors or transferees; and
- (f) any remaining sums shall be delivered to Developer.

(f) **After Conveyance.** If, subsequent to the issuance of the Certificate with regard to the completion of construction of the Single Family Home or Two-flat Building in question, Developer or its successor in interest shall default in any specific manner as described in items (5) or (6) contained in paragraph (b) of this Section 6.3, and after reasonable opportunity to cure as described in paragraph (a) of this Section 6.3, then the City shall have the right to institute a suit for

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injunctive relief against Developer, or alternatively, at the option of the City solely with regard to item (5) concerning the default by Developer for charging a sales price in excess of the consideration allowable under Section 5.1 above, Developer, within twenty (20) days after the receipt of written notice of default from the City, shall deliver the sum of one and one/half times the amount by which the sales price exceeds the consideration described in Section 5.1, per violation to the City, said sum representing an amount of liquidated damages and not a penalty.

6.4 Waiver and Estoppel. Any delay by the City in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not operate as a waiver of such rights or operate to deprive the City of or limit such rights in any way. No waiver made by the City with respect to any specific default by Developer shall be construed, considered or treated as a waiver of the rights of the City with respect to any other defaults of Developer.

6.5 Indemnity. Developer hereby agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, attorneys' fees and court costs), suffered or incurred by the City (except due to the negligence of the City) arising from or in connection

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with: (i) the failure of Developer to perform its obligations under the Agreement; (ii) the failure of Developer or any contractor to pay contractors, subcontractors or materialmen in connection with the construction of the Single Family Homes and the Two-flat Buildings constituting the Project (unless Developer has taken such appropriate action to cause the Title Company to insure over any title encumbrances caused by such liens and encumbrances), (iii) a material misrepresentation or material omission in Developer's application to participate in the New Homes Program or in the Agreement which is the result of information supplied or omitted by Developer or by agents, employees, contractors, subcontractors, or persons acting under the control or at the request of Developer; (iv) the failure of Developer to redress any misrepresentations or omissions in the Agreement or any other agreement relating hereto; (v) any activity undertaken by Developer on any of the City Lots or Private Lots or any part thereof; and (vi) any claim or cost relating to any soil or environmental condition existing at, or created by Developer on, any City Lot or Private Lot.

6.6 Access to the City Lots and Private Lots. Any duly authorized representative of the City shall, at all reasonable times, have access to any City Lot, Private Lot, or part thereof, from the execution date of the Agreement until the City issues its Certificate with regard to the completion of the Single

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Family Home or Two-flat Building on the City Lot or Private Lot in question, for the purpose of confirming Developer's compliance with the Agreement and the objectives of the New Homes Program.

6.7 City's Right to Inspect Records. Until the City issues its Certificate with regard to the completion of the final Single Family Home or Two-flat Building of the Project, Developer agrees that the City shall have the right and authority to review and audit, from time to time, Developer's books and records relating to the Project, including, without limitation, Developer's loan statements, the general contractor's sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices. All such books, records and other documents shall be available at the offices of Developer for inspection, copying, audit and examination by any duly authorized representative of the City; provided, however, that the City shall provide Developer with at least two (2) business days' written notice of any proposed inspection of Developer's books and records.

SECTION VII

DEVELOPER'S EMPLOYMENT OBLIGATIONS

7.1 Employment Opportunity. Developer agrees for itself and its successors and assigns, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of Developer operating on the Project (collectively, with

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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 and the occupation of the Lots with regard thereto:

- 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 of Chicago, 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.

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- B. 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 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.
- C. Developer, 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.
- D. Developer and each Employer shall include the foregoing provisions of subparagraphs A through C 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.
- E. Failure to comply with the employment obligations described in this Section 7.1 shall be a basis for the City to pursue remedies under the provisions of Section VI above.

7.2 City Resident Employment Requirement. Developer agrees for itself and its successors and assigns, and shall contractually obligate the other Employers, as applicable, to agree, that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City of Chicago as specified in Section 2-92-330 of the Municipal Code of Chicago (at least fifty percent of the total worker hours worked by persons on the

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site of the construction for the Project shall be performed by actual residents of the City of Chicago); provided, however, that in addition to complying with this percentage, Developer and the other Employers shall be required to make good faith efforts to utilize qualified residents of the City of Chicago in both unskilled and skilled labor positions.

Developer and the other Employers 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 Purchasing Agent of the City of Chicago.

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

Developer and the other Employers shall provide for the maintenance of adequate employee residency records to ensure that actual Chicago residents are employed on the Project. Developer and the other Employers shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of the DOH in triplicate, which shall identify clearly the actual

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residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that the company hired the employee should be written in after the employee's name.

Developer and the other Employers shall provide full access to their employment records to the Purchasing Agent, the Commissioner of the DOH, the Superintendent of the Chicago Police Department, the Inspector General, or any duly authorized representative thereof. Developer and the other Employers shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project as evidenced by the issuance of the Certificate for the last Single Family Home or Two-flat Building constructed by Developer.

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

Good faith efforts on the part of Developer and the other Employers to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Purchasing Agent) shall not suffice to replace the actual, verified

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achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that Developer and the other Employers failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or 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 (.05%), 0.0005, of the aggregate hard construction costs set forth in the Budget (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by Developer and/or the other Employers to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer and/or the other Employers or employee to prosecution. Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order

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11246" and "Standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement.

Developer shall cause or require the provisions of this Section 7.2 to be included in all construction contracts and subcontracts related to the Project.

7.3 Developer's MBE/WBE Commitment. Developer agrees for itself and its successors and assigns, and shall contractually obligate the General Contractor to agree, that during the construction of the Project:

- A. Consistent with the findings which support the Minority-Owned and Women Owned Business Enterprise Procurement Program ("MBE/WBE Program"), Section 2-92-420 et seq., Municipal Code of Chicago, and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, and as qualified by, the provisions of this Section 7.3, during the course of construction of the Project, at least the following percentages of the aggregate hard construction costs (as set forth in the Budget) shall be expended for contract participation by minority-owned businesses ("MBEs") and by women-owned businesses ("WBEs"):
 - a. At least 25% by MBEs.
 - b. At least 5% by WBEs.
- B. For purposes of this Section 7.3 only, Developer (and any party to whom a contract is let by Developer pursuant to this Agreement) shall be deemed a "Contractor" and this Agreement (and any contract let pursuant thereto) shall be deemed a "Contract" as such terms are defined in Section 2-92-420, Municipal Code of Chicago. In addition, the term "minority-owned business" or

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MBE shall mean a business enterprise identified in the Directory of Certified Minority Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a minority-owned business enterprise; and the term "women-owned business" or WBE shall mean a business enterprise identified in the Directory of Certified Women Business Enterprises published by the City's Purchasing Department, or otherwise certified by the City's Purchasing Department as a women-owned business enterprise.

- C. Consistent with Section 2-92-440, Municipal Code of Chicago, Developer's MBE/WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual construction work performed by Developer), or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture, or (ii) the amount of any actual construction work performed by the MBE or WBE), by Developer utilizing a MBE or a WBE as a contractor (but only to the extent of any actual construction work performed by such contractor), by subcontracting or causing a contractor to subcontract a portion of the work to one or more MBEs or WBEs, or by the purchase of materials used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer's MBE/WBE commitment as described in this Section 7.3.
- D. Developer shall deliver quarterly reports to the DOH describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include inter alia the name and business address of each MBE and WBE solicited by Developer or a 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

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may assist the DOH in determining Developer's compliance with this MBE/WBE commitment. The DOH shall have access to Developer's books and records, including, without limitation, payroll records and tax returns, and records and books of account in accordance with Section 6.7 of this Agreement on two (2) business days' notice, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation.

- E. The City shall have the right to terminate this Agreement upon the disqualification of Developer or its contractors as a MBE or WBE, if the Developer or its contractor's status as a MBE or WBE was a factor in the approval of Developer to participate in the New Homes Program, and such status was misrepresented by the contractor or Developer. In addition, the City shall have the right to terminate this Agreement upon the disqualification of any MBE or WBE subcontractor or supplier of goods or services if the subcontractor's status as a MBE or WBE was a factor in the approval of Developer to participate in the New Homes Program, and such status was misrepresented by the contractor or Developer. In the event that Developer is determined not to have been involved in any misrepresentation of the status of the disqualified contractor, subcontractor or supplier, the City, at its option, may choose to not terminate this Agreement; provided, however, Developer shall be obligated to discharge or cause to be discharged the disqualified contractor or subcontractor or to terminate any contract or business with the disqualified supplier, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this Paragraph E, the disqualification procedures are further described in Section 2-92-540, Municipal Code of Chicago.
- F. Any reduction or waiver of Developer's MBE/WBE commitment as described in this Section 7.3 shall be undertaken in accordance with Section 2-92-450, Municipal Code of Chicago.

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7.4 Pre-Construction Meeting; Monitoring Requirements.

Prior to the commencement of construction of the Project, Developer shall be required to meet with the monitoring staff of the DOH with regard to Developer's compliance with its employment obligations described in this Section VII. Developer's General Contractor and major Subcontractors shall be required to attend this pre-construction meeting. During said meeting, Developer shall demonstrate to the DOH its plan to achieve its employment obligations, the sufficiency of which must be approved by the DOH as a pre-condition to the DOH's approval to allow Developer to commence with the construction of the Project. During the construction of the Project, Developer shall submit documentation (as required in Sections 7.1-7.3 above) to the monitoring staff of the DOH. Failure to submit such documentation on a timely basis, or if the DOH determines, upon analysis of the documentation, that Developer is not complying with its employment obligations described in this Section VII, shall, upon the delivery of written notice to Developer, be deemed a default. In such event, in addition to any remedies described in this Section VII, the City may: (1) issue a written demand to Developer to halt construction of the Project;

(2) withhold certain pertinent sums from payment to Developer or the General Contractor; or (3) seek any other remedies against Developer available at law or in equity.

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SECTION VIII

MISCELLANEOUS PROVISIONS

8.1 Entire Agreement. Except as otherwise provided herein, the Agreement contains the entire agreement of the parties with respect to the Project and supersedes all prior agreements, negotiations and discussions with respect thereto, and shall not be modified, amended or changed in any material manner whatsoever except by mutual consent of the parties as reflected by written instrument executed by the parties hereto. The term "material" for the purpose of this Section 8.1 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 obligation of Developer by more than five percent (5%) or substantially changes the character of the Project or any activities undertaken by Developer affecting the Project, or increases any time agreed for performance by either party by more than thirty (30) days.

8.2 Assignability and Transfer. With regard to any Lot to be redeveloped by Developer pursuant to the terms of the Agreement, unless permitted by the provisions contained in Section 4.9 above, Developer, until the City issues the Certificate with regard to the completion of a Single Family Home or Two-flat Building, as the case may be, on such particular Lot, shall not assign, transfer or convey any right, title or

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interest in said Lot. Notwithstanding the above, Developer shall have the right to enter into real estate purchase contracts with initial homebuyers concerning the conveyance of a Lot by Developer to an initial homebuyer prior to the issuance of the Certificate. In addition, Developer shall be permitted to convey its right, title and interest to any of the Lots to a land trust formed under the laws of the state of Illinois and of which Developer is the sole beneficiary; provided, however, that the City must receive prior notification of such transfer accompanied by a certified copy of the land trust agreement, and the City, Developer and the land trustee shall execute a document granting the City the irrevocable right to approve the land trust documents.

8.3 Conflict of Interest - City's Representatives Not Individually Liable. Prior to the issuance of the Certificate by the City with regard to the completion of the final Single Family Home or Two-Flat Building constituting the Project, no member of any City board, commission or agency, or official or employee of the City shall have any personal interest, direct or indirect, in Developer, the Agreement or the Project; nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his or her personal interest or, the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. This

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prohibition shall include those public officials who have exercised any functions or responsibilities with respect to this Project or the New Homes Program or who are in a position to participate in a decisionmaking process or gain inside information with regard to the Project or the New Homes Program or may obtain a financial interest or benefit from this Project, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds therefore, either for themselves or those with whom the officials have family or business ties, during the tenure or employment of said public officials and for a period of one year thereafter. The foregoing shall not be deemed to exclude employees of the City who meet the requirements of the New Homes Program from purchasing Single Family Homes or Two-flat Buildings for their primary residences, and who are able to do so pursuant to an ordinance passed by the City Council of the City. No member, official or employee of the City shall be personally liable to Developer, or any successor in interest, to perform any commitment or obligation of the City under the Agreement nor shall any such person be personally liable in the event of any default or breach by the City.

8.4 Survival. All representations and warranties contained in the Agreement are made as of the execution date of the Agreement and the execution, delivery and acceptance hereof by

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the parties shall not constitute a waiver of rights arising by reasons of any misrepresentation.

8.5 Mutual Assistance. The parties agree to perform their respective obligations, including the execution and delivery of any documents, instruments, petitions and certifications, as may be necessary or appropriate, consistent with the terms and provisions of the Agreement.

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

8.7 Disclaimer. No provision of the Agreement, nor any act of the City, shall be deemed or construed by any of the parties, or by third persons, to create any relationship of third-party beneficiary, or of principal or agent, or of limited or general partnership, or of joint venture, or of any association or relationship involving the City.

8.8 Notices. Any notice called for herein shall be in writing and shall be mailed postage prepaid by registered or certified mail with return receipt requested, or hand delivered and receipted, as follows:

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If to the City: Commissioner
Department of Housing
318 South Michigan Avenue
Chicago, Illinois 60604
Attn: Deputy Commissioner,
Developer Services

with a copy to: Corporation Counsel
City of Chicago
30 North LaSalle Street
Room 1610
Chicago, Illinois 60602
Attn: Real Estate & Land Use Div.

If to Developer: Chicago Metropolitan Development Assn.
220 West Kinzie Street
5TH floor
Chicago, Illinois 60610

with copies to: Chicago Metropolitan Development Assn.
c/o Hanover Capital Partners
208 South LaSalle Street
Suite 1338
Chicago, Illinois 60604
Attn: Mr. George Ostendorf

and to: Chicago Metropolitan Development Assn.
c/o Hanover Capital Partners
208 South LaSalle Street
Suite 1338
Chicago, Illinois 60604
Attention: Mr. John Iberie

and to: Schiff Hardin & Waite
6600 Sears Tower
233 South Wacker Drive
Chicago, Illinois 60606
Attn: Janet M. Johnson

Notices are deemed to have been received by the parties three (3) days after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

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8.9 Headings. The headings of the various sections and Sections of the Agreement have been inserted for convenient reference only and shall not in any manner be construed as modifying, amending or affecting in any way the express terms and provisions hereof.

8.10 Governing Law. The Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and, where applicable, the laws of the United States of America.

8.11 References to Statutes. All references herein to statutes, regulations, rules, executive orders, ordinances, resolutions, rulings, notices or circulars issued by any governmental body shall be deemed to include any and all amendments, supplements and restatements from time to time to or of such statutes, regulations, rules, executive orders, ordinances, resolutions, rulings, notices or circulars.

8.12 Recordation of the Agreement. Upon execution of the Agreement by the parties, the City shall promptly record one original of the Agreement with the Office of the Recorder of Deeds of Cook County, Illinois.

8.13 No Third Party Beneficiary. The approvals given by the City pursuant to the Agreement and the Certificate when issued by the City shall be only for the benefit of Developer, the First Mortgagee or other lien holder, and their successors in interest in the Project and no other person or party may assert

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against the City or claim the benefit of such approval or certificate.

8.14 Successors and Assigns. The terms of the Agreement shall be binding upon the City and Developer, and Developer's respective heirs, legal representatives, successors and assigns.

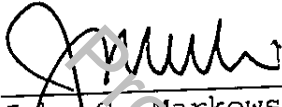
8.15 Severability. If any provision of the Agreement, or any paragraph, sentence, clause, phrase, or word, or the application thereof, in any circumstance, is held invalid, the remainder of the Agreement shall be construed as if such invalid part were never included herein and the Agreement shall be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

8.16 Counterparts. The Agreement shall be executed in triplicate, each of which shall constitute an original instrument.

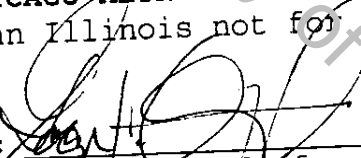
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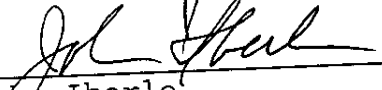
IN WITNESS WHEREOF, the parties hereto have executed or caused the Agreement to be executed, all as of the date first written above.

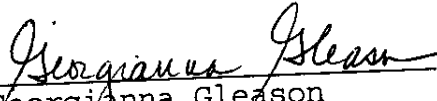
CITY OF CHICAGO,
an Illinois municipal corporation

By: 
John G. Markowski
Commissioner
Department of Housing

CHICAGO METROPOLITAN DEVELOPMENT ASSOCIATION,
an Illinois not for profit corporation

By: 
George Ostendorf
Chairman of the Board

By: 
John Iberle
Treasurer

Attest: 
Georgianna Gleason
Secretary

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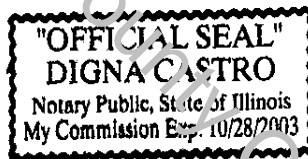
STATE OF ILLINOIS)) SS
COUNTY OF COOK)

I, Digna Castro, a Notary Public in and for said County, in the State aforesaid, do hereby certify that John G. Markowski, personally known to me to be the Commissioner of the Department of Housing of the City of Chicago, a municipal corporation, 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 being first duly sworn by me acknowledged that as such Commissioner, he signed and delivered the said instrument, pursuant to authority given by the City of Chicago, as his free and voluntary act and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 30th day of NOVEMBER, 2001.

Digna Castro
Notary Public

(SEAL)



My Commission expires

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STATE OF ILLINOIS)

) SS

COUNTY OF COOK)

I, Roy Kessel, a Notary Public in and for said County, in the State aforesaid, do hereby certify that George Ostendorf, personally known to me to be the Chairman of the Board of Chicago Metropolitan Development Association, an Illinois not for profit corporation, 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 being first duly sworn by me acknowledged that as such Chairman, he signed and delivered the said instrument, as his free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 30 day of November, 2001.

Roy Kessel
Notary Public

(SEAL)



My Commission expires 8/10/02

UNOFFICIAL COPY

STATE OF ILLINOIS)

) SS

COUNTY OF COOK

I, Roy Kessel, a Notary Public in and for said County, in the State aforesaid, do hereby certify that John Iberle, personally known to me to be the Treasurer of Chicago Metropolitan Development Association, an Illinois not for profit corporation, 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 being first duly sworn by me acknowledged that as such Treasurer, he signed and delivered the said instrument, as his free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 30 day of November, 2001.

Roy Kessel
Notary Public

(SEAL)

My Commission expires

8/10/02



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STATE OF ILLINOIS)

) SS

COUNTY OF COOK)

I, Roy Kessel, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Georgianna Gleason, personally known to me to be the Secretary of Chicago Metropolitan Development Association, an Illinois not for profit corporation, 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 being first duly sworn by me acknowledged that as such Secretary, she signed and delivered the said instrument, as her free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

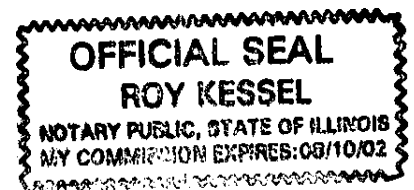
GIVEN under my hand and notarial seal this 30 day of November, 2001.

Roy Kessel
Notary Public

(SEAL)

My Commission expires

8/10/02



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LIST OF EXHIBITS

- A List of City Lots and Private Lots
- B Legal description of City Lots and Private Lots
- C List of waiver of City fees
- D Working drawings and specifications
- E Form of Deed
- F Schedule of Construction Progress
- G Allocation of City Subsidy Per Unit Type
- H Inspector's certificate
- I Final sales pricing of units
- J List of options
- K Warranty of habitability
- L Marketing Plan

Property of Cook County Clerk's Office

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EXHIBIT A

CITY LOTS:

Property Index Number	Common Address
16-23-100-034 *	1242 South Harding
16-23-100-035 *	1244 South Harding
16-23-101-024 *	1249-51 South Harding
16-23-101-025 *	1255-57 South Harding (3914-22 West 13 th)
16-23-101-033 *	1230 South Springfield
16-23-101-037 *	1240 South Springfield
16-23-101-011 *	1250 South Springfield
16-23-101-042 *	1252 South Springfield
16-23-107-017 *	3935-41 West 13th
16-23-108-001 *	1305 South Harding
16-23-108-002 *	1307 South Harding
16-23-108-019 *	1314 South Springfield
16-23-108-022 *	1320 South Springfield
16-23-108-023 *	1322 South Springfield
16-23-108-024 *	1326 South Springfield
16-23-108-026 *	1330 South Springfield
16-23-108-034 *	1358 South Springfield
16-23-109-021 *	3848-50 West 14 th
16-23-114-025 *	1416 South Harding
16-23-114-026 *	1420 South Harding
16-23-114-027 *	1422 South Harding
16-23-114-028 *	1424 South Harding
16-23-114-029 *	1426 South Harding
16-23-114-040 *	1454 South Harding
16-23-114-041 *	1458 South Harding
16-23-115-001 *	1405-11 South Harding
16-23-115-002 *	3921 West 14 th Street
16-23-115-030 *	1426 South Springfield
16-23-116-009 *	1415-17 South Springfield
16-23-116-010 *	1419-23 South Springfield
16-23-116-011 *	1425 South Springfield
16-23-116-019 *	1445-47 South Springfield
16-23-116-023 *	1414 South Avers

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16-23-117-012 *	1437 South Avers
16-23-117-016 *	1445-49 South Avers
16-23-117-017 *	1445-49 South Avers
16-23-117-020 *	1459 South Avers
16-23-120-010 *	1423 South Lawndale
16-23-120-011 *	1427 South Lawndale
16-23-120-012 *	1429 South Lawndale
16-23-120-013 *	1431 South Lawndale
16-23-123-001 *	1501 South Harding
16-23-123-002 *	1505 South Harding
16-23-123-004 *	1513 South Harding
16-23-123-005 *	1515 South Harding
16-23-123-018 *	3911 West 15 th Street
16-23-123-023 *	1516 South Springfield
16-23-124-001 *	3817-49 West 15 th Street
16-23-124-002 *	1503 South Springfield
16-23-124-016 *	1520 South Avers
16-23-125-001 *	1501-03 South Avers
16-23-125-002 *	1507 South Avers
16-23-125-003 *	1509 South Avers
16-23-125-006 *	1517 South Avers
16-23-126-001 *	3753-59 West 15 th Street
16-23-126-019 *	1510-12 South Ridgeway
16-23-127-001 *	1501 South Ridgeway
16-23-127-012 *	1535 South Ridgeway
16-23-127-013 *	1539 South Ridgeway
16-23-127-014 *	1541 South Ridgeway
16-23-127-017 *	1549 South Ridgeway
16-23-127-022 *	1504 South Lawndale
16-23-127-027 *	1522 South Lawndale
16-23-127-028 *	1524 South Lawndale
16-23-127-030 *	1532 South Lawndale
16-23-127-031 *	1534 South Lawndale

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16-23-127-032 * 1536 South Lawndale
16-23-127-033 * 1538 South Lawndale

16-23-128-005 * 1515 South Lawndale
16-23-128-007 * 1521 South Lawndale
16-23-128-008 * 1523 South Lawndale
16-23-128-009 * 1525 South Lawndale
16-23-128-012 * 1533 South Lawndale
16-23-128-013 * 1535 South Lawndale
16-23-128-014 * 1539 South Lawndale
16-23-128-027 * 1534 South Millard
16-23-128-028 * 1536 South Millard
16-23-128-031 * 1542 South Millard

16-23-303-003 1607 South Avers
16-23-303-005 1613 South Avers
~~16-23-303-020 1651 South Avers~~
~~16-23-303-021 1653 South Avers~~
16-23-303-024 1600 South Hamlin
16-23-303-037 1636 South Hamlin
16-23-303-038 1638 South Hamlin

16-23-304-004 1615 South Hamlin
16-23-304-015 1643 South Hamlin
~~16-23-304-016 1647 South Hamlin~~
16-23-304-017 1649 South Hamlin
16-23-304-023 1608 South Ridgeway
16-23-304-029 1624-26 South Ridgeway
16-23-304-035 1640 South Ridgeway

16-23-305-003 * 1607 South Ridgeway
16-23-305-004 1611 South Ridgeway
16-23-305-005 1613 South Ridgeway
16-23-305-006 1617 South Ridgeway
16-23-305-007 1619 South Ridgeway
16-23-305-009 1625 South Ridgeway
16-23-305-011 1631 South Ridgeway
16-23-305-012 1635 South Ridgeway
16-23-305-029 1624 South Lawndale
16-23-305-030 1626 South Lawndale

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16-23-305-031	1630 South Lawndale
16-23-305-035	1640-44 South Lawndale
16-23-305-040	1656-60 South Lawndale (3700-10 West 18 th Street).
16-23-306-004 *	1611 South Lawndale
16-23-306-005 *	1615 South Lawndale
16-23-306-006 *	1617 South Lawndale
16-23-312-038	1830 South Ridgeway
16-23-312-039	1832 South Ridgeway
16-23-312-043	1842 South Ridgeway
16-23-312-052	1866 South Ridgeway
16-23-313-006	1815-19 South Ridgeway
16-23-313-011	1831-33 South Ridgeway
16-23-313-012	1835 South Ridgeway
16-23-313-013	1837 South Ridgeway

Private Lots:

Presently None.

NOTE: *Parcels marked with an asterisk are located within the boundaries of the Midwest Tax Increment Financing District.*

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EXHIBIT B LEGAL DESCRIPTIONS OF THE CITY LOTS

PIN 16-23-100-034-0000
1242 S. Harding

LOT 23 IN BLOCK 1 IN FRANK WELLS AND COMPANY'S BOULEVARD SUBDIVISION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 16-23-100-035-0000
1244 S. Harding

LOT 24 IN BLOCK 1 IN FRANK WELLS AND COMPANY'S BOULEVARD SUBDIVISION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 16-23-101-024-0000
1249-51 S. Harding

LOT 31 AND THE NORTH 1/2 OF LOT 30 IN BLOCK 2 IN FRANK WELLS AND COMPANY'S BOULEVARD SUBDIVISION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 16-23-101-025-0000
1255-57 S. Harding/3914-22 W. 13th Street

LOT 29 AND THE SOUTH 1/2 OF LOT 30 IN BLOCK 2 IN FRANK WELLS AND COMPANY'S BOULEVARD SUBDIVISION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 16-23-101-033-0000
1230 S. Springfield

LOT 18 IN BLOCK 2 IN FRANK WELLS AND COMPANY'S BOULEVARD SUBDIVISION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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EXHIBIT B LEGAL DESCRIPTIONS OF THE CITY LOTS

PAGE 2

PIN 16-23-101-037-0000
1240 S. Springfield

LOT 22 IN BLOCK 2 IN FRANK WELLS AND COMPANY'S BOULEVARD SUBDIVISION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 16-23-101-041-0000
1250 S. Springfield

LOT 26 IN BLOCK 2 IN FRANK WELLS AND COMPANY'S BOULEVARD SUBDIVISION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 16-23-101-042-0000
1252 S. Springfield

LOTS 27 AND 28 IN BLOCK 2 IN FRANK WELLS AND COMPANY'S BOULEVARD SUBDIVISION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 16-23-108-001-0000
1305 S. Harding

LOTS 1 AND 2 IN BLOCK 7 IN FRANK WELLS AND COMPANY'S BOULEVARD SUBDIVISION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN 16-23-108-002-0000
1307 S. Harding

LOT 3 IN BLOCK 7 IN FRANK WELLS AND COMPANY'S BOULEVARD SUBDIVISION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 23, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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