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FIRST AMENDMENT TO REDEVELOPMENT AGREEMENT AND CITY NOTE WITH NORTH AND TALMAN ELDERLY LIMITED PARTNERSHIP FOR PROPERTY WITHIN HUMBOLDT PARK COMMERCIAL TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA

This First Amendment (this "Amendment") is made and entered into this 22 day of December, 2011, by and between the CITY OF CHICAGO, an Illinois municipal corporation (the "City"), acting by and through its Department of Housing and Economic Development, or successor department thereto ("HED"), North and Talman Elderly Limited Partnership, an Illinois limited partnership (the "Developer") and North and Talman Corporation, an Illinois corporation (the "General Partner"), which is the sole general partner of the Developer.

RECITALS

WHEREAS, pursuant to an ordinance adopted by the City Council on December 13, 2006, the City entered into that certain North and Talman Elderly Limited Partnership Redevelopment Agreement dated as of August 8, 2007 and recorded on August 10, 2007, as Document Number 0722226217 in the Office of the Cook County Recorder of Deeds (the "Original Agreement") with the Developer.

WHEREAS, pursuant to the Original Agreement the City issued a City Note (the "City Note") to the General Partner as additional financing to assist the Developer in completing the Project, which is located on the property described as Property A in Exhibit A attached hereto ("Property A"). Capitalized terms not otherwise defined in this Amendment shall have the meanings given them in the Original Agreement; and

WHEREAS, the Developer, as required by the Original Agreement, failed to meet the required percentage of hard construction work performed by Women-Owned Businesses certified by the City in the amount of \$307,545 (the "WBE Shortfall"); and

WHEREAS, as a result of the WBE Shortfall, the Developer has been unable to obtain a Certificate of Completion, as defined in the Original Agreement, and to receive subsequent TIF Payments (as defined below); and

WHEREAS, Hispanic Housing Development Corporation ("HHD"), an affiliate of the Developer, plans to purchase parcels and existing improvements located at 2656 West North Avenue, Chicago, Illinois 60647 from the City ("Property B") and through North & Talman III Limited Partnership, an Illinois limited partnership (the "Affiliate"), shall construct thereon 27 affordable housing units, and on certain adjacent land shall construct another 6 affordable housing units for a total of 33 new units (the "Phase III Project"); and

WHEREAS, the Developer is willing to offer and HED is willing to accept as a settlement of the WBE Shortfall the withholding by HED of the amount of the WBE Shortfall from the 2009-2011 annual TIF Payments, which will be placed into an escrow account held by the City until the Affiliate completes the construction of the Phase III Project and the City can determine whether the WBE Shortfall has been eliminated through the Phase III Project; and

WHEREAS, once the Affiliate completes the Phase III Project and HED confirms that the Phase III Project has met its increased WBE requirement (4% of Phase III budget plus the amount of the WBE Shortfall, the "Increased WBE Requirement"), then the escrowed funds will be released to the Developer. Otherwise, if the Affiliate fails to meet its increased WBE



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requirement, then HED will retain the escrowed funds as a settlement of the WBE Shortfall on the Phase II Project; and

WHEREAS, the General Partner collaterally assigned and pledged the City Note to Fannie Mae, a corporation organized and existing under the laws of the United States of America ("**Fannie Mae**"), as a condition precedent to Fannie Mae making a loan ("**Fannie Mae Loan**") to the General Partner to pay TIF-Funded Improvements for the Project, as evidenced by a note payable to Fannie Mae (the "**Fannie Mae Note**"); and

WHEREAS, subsequent to the issuance of the City Note and its collateral assignment to Fannie, it has been determined that a debt schedule computed by Fannie Mae (the "Fannie Mae Schedule") was not attached to the City Note and there is an inconsistency between the payment terms of the Original Agreement, the City Note and the Fannie Mae Schedule; and

WHEREAS, the parties desire to make the payment terms of the City Note consistent with the Fannie Mae Schedule by amending (i) the Original Agreement and (ii) the City Note; and

WHEREAS, in addition, the parties desire to amend the Original Agreement to enable the Developer to receive TIF Payments by modifying the terms for the issuance of the Certificate of Completion to include (i) a written acknowledgement by the Developer of the WBE Shortfall, (ii) creation of an escrow account held by HED and funded by \$307,545 deducted from the 2009-2011 TIF Payments payable to the Developer as security until the completion of the Phase III Project and a compliance review by HED of the Phase III Project, (iii) the Affiliate's commitment to remedy the WBE Shortfall by utilizing Women Owned Businesses certified by the City to construct the Phase III Project with the Increased WBE Requirement;

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

ARTICLE 1. RECITALS

Incorporation of Recitals. The foregoing recitals constitute an integral part of this Amendment and are incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

ARTICLE 2. AMENDMENTS TO ORIGINAL AGREEMENT AND TO THE CITY NOTE

A. The following definitions are hereby added to Section 2 Definitions of the Original Agreement:

1. "**Affiliate**" means North & Talman III Limited Partnership, an Illinois limited partnership, whose general partner is North and Talman III Corporation, and whose general partner interest is owned directly or indirectly by HHDC. HHDC also owns directly or indirectly the General Partner.

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2. "**Agreement**" means the Original Agreement as amended by this Amendment.
3. "**Department Housing and Economic Development**" or "**HED**" means the former "Department of Planning and Development" or "DPD", and the former "Department of Housing" or "DOH", as applicable.
4. "**Increased WBE Requirement**" means 4% of the Phase III Project Budget, as defined in the Phase III Project Redevelopment Agreement, plus the amount of the WBE Shortfall
5. "**Phase II Project**" shall have the same meaning as "Project" in the Original Agreement.
6. "**Phase III Project**" means acquisition of Property B, as described on Exhibit A, attached hereto, and the construction of an affordable housing project as described in the Recitals herein.
7. "**TIF Payments**" means the annual payments due on the City Note to the Developer, as further described in Section 4.03(b) of the Original Agreement.
8. "**WBE Shortfall**" means the required percentage of hard construction costs of the Phase II Project Budget performed by Women Owned Businesses certified by the City that the Developer failed to meet in the amount of \$307,545.
- B. All of the text in Section 4.03(b) Sources of City Funds of the Original Agreement is hereby deleted in (i) and replaced with the following:
- "(b) Sources of City Funds. (i) Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to issue the City Note to the General Partner on the Closing Date and the General Partner will make a capital contribution to the Developer for the Project. The initial principal amount of the City Note on the Closing Date shall be in an amount equal to the costs of the TIF-Funded Improvements which have been incurred by the Developer as of the Closing Date (that is, the amount of the Prior TIF-Eligible Expenditures as defined in Section 4.05 below and set forth on Exhibit I hereto, subject to the Developer's submission to HED of a Requisition Form with respect to the Prior TIF-Eligible Expenditures and HED's issuance to the Developer of a Certificate of Expenditure with respect to the Prior TIF-Eligible Expenditures) and are to be reimbursed by the City through payments of principal and interest on the City Note, with the principal amount of the City Note to be thereafter increased by an amount equal to the cost of the TIF-Funded Improvements which are thereafter incurred by the Developer upon the submission by the Developer of a Requisition Form to HED as required by Section 4.04; provided, however, that (1) the maximum principal amount of the City Note shall be an amount not to exceed \$2,450,000 (the "**Maximum Principal Amount**"); and (2) payments under the City Note are subject to the amount of Available Incremental Taxes deposited into the Humboldt Park Commercial Redevelopment Project Area TIF Fund being sufficient for such payments. The City's obligation to make payments on the City Note shall be limited to the lesser of the Maximum Principal Amount plus interest or the aggregate amount of Available Incremental Taxes. Interest on the City Note shall begin to accrue on the Closing Date. All payments on the City Note are subject to Sections 4.04 and 4.07 hereof, with payments as follows: (i) On March

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1, 2008, the first payment of City Funds shall be an interest only payment in an amount not to exceed \$220,000; (ii) the second payment shall be made after the Certificate is issued and includes any payment in arrears beginning with the payment due as of March 1, 2009 and in the amounts indicated on the debt schedule attached to the City Note, attached hereto as **Exhibit M**; however, the HED Commissioner may authorize the second payment of City Funds even if the Certificate has not been issued, if the HED Commissioner determines that such payment is necessary to complete the Project; and (iii) subsequent payments of principal and interest will be made on March 1 of each year in the amounts indicated on the debt schedule attached to the City Note, attached hereto as **Exhibit M**."

It is anticipated that the changes reflected in Section 4.03(b) above will be acknowledged by Fannie Mae.

C. The text of Section 7.01 Certificate of Completion of Construction in the Original Agreement is amended as follows:

1. In 7.01(c) add the following language at the end of this subsection

", except as provided in 7.01(g) herein;"

2. Add Section 7.01(g) to the Original Agreement with the following text:

"To address the WBE Shortfall, as a condition to the Closing of this Amendment (i) the Developer will submit in writing an acknowledgment of its WBE Shortfall, (ii) HED will create an escrow account funded by \$307,545, the WBE Shortfall, deducted from the 2009-2011 TIF Payments payable to the Developer, (iii) the Affiliate commits to utilize Women Owned Business certified by the City to construct the Phase III Project with the Increased WBE Requirement, as evidenced by its consent to this Amendment."

D. After the first paragraph, Section 15.0 Remedies in the Original Agreement, a second paragraph is hereby added as follows:

"As a result of the Developer's failure to comply with the WBE requirement in Section 10.03 of the Agreement, (i) the Developer will accept a reduction in its 2009-2011 TIF Payments and the \$307,545 deducted will be escrowed by HED, (iii) the Affiliate commits to utilize WBEs certified by the City to construct the Phase III Project with the Increased WBE Requirement, as evidenced by its consent to this Amendment, and (iii) if the Phase III Project meets the Increased WBE Requirement, as evidenced by an HED compliance review, then escrowed funds will be released to the Developer; otherwise, HED will retain the escrowed funds as a settlement of the WBE Shortfall."

E. Exhibit M - Form of City Note in the Original Agreement is hereby replaced in its entirety with the Form of Amended City Note, attached hereto as **Exhibit B** and hereby incorporated herein. It is anticipated that the changes reflected in the Form of Amended City Note, attached hereto as **Exhibit B**, will be acknowledged by Fannie Mae.

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F. The City Note is hereby amended by (i) changing the name of Registered Owner from the Developer to the General Partner, (ii) replacing the language in the first paragraph (ii) of the City Note in its entirety with "the second payment shall be made after the Certificate is issued and includes any payment in arrears beginning with the payment due as of March 1, 2009 and in the amounts indicated on the debt schedule attached to the City Note, attached hereto as **Exhibit M**; however, the HED Commissioner may authorize the second payment of City Funds even if the Certificate has not been issued, if the HED Commissioner determines that such payment is necessary to complete the Project;" and (iii) attaching the debt schedule contained in the Form of Amended City Note attached hereto as **Exhibit B**.

ARTICLE 3. MISCELLANEOUS.

A. Limitation of Liability.

No member, official or employee of the city shall be personally liable to any party to this Amendment or any successor in interest in the event of any default or breach by the City or any successor in interest or for any amount which may become due to any party to this Amendment or the Agreement.

B. No Effect on Recording Priority of Agreement or Subordination Agreement; No Novation of Indebtedness.

The parties agree that entering into this Amendment shall have no effect on the recording priority of the Agreement (or any outstanding subordination agreement that relate thereto) and that this Amendment shall relate back to the dates that each of the Agreements (or any outstanding subordination agreement that might relate thereto) were originally recorded in the land title records of Cook County, Illinois.

The parties further acknowledge and agree that this Amendment does not constitute a novation of the existing indebtedness under the City Note, but is intended to be an amendment and modification thereof.

C. No Change in Defined Terms.

Except as defined herein, all capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Agreement.

D. Other Terms in the Agreement Remain; Conflict.

1. Except as explicitly provided in this Amendment, all other provisions and terms of the Original Agreement and/or the City Note shall remain unchanged.

2. In the event of a conflict between any provision of this Amendment and the provisions of the Original Agreement and/or the City Note, the provision of this Amendment shall control. Other than as specifically modified hereby the terms and conditions of the Original Agreement and/or the City Note shall remain in full force and effect with respect to the parties thereto.

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E. Notices.

Any notice, demand or communication required or permitted to be given hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) facsimile; (c) overnight courier; or (d) registered or certified first class mail, postage prepaid, return receipt requested:

If to the City: City of Chicago
Department of Housing and Community Development
121 North LaSalle Street, Room 1003
Chicago, Illinois 60602

With a copy to: City of Chicago
Department of Law
121 North LaSalle Street, Suite 600
Chicago, Illinois 60602
Attn: Finance and Economic Development Division

If to Developer: North and Talman Elderly Limited Partnership
c/o North and Talman Corporation
325 North Wells Street 8th Floor
Chicago, IL 60654

With a copy to: Marcus Nunes
Chico & Nunes, P.C.
333 W. Wacker Drive
Suite 1800
Chicago, IL 60606

North & Talman III Limited Partnership
c/o North and Talman III Corporation
325 North Wells Street 8th Floor
Chicago, IL 60654

Any notice, demand or communication given pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon confirmed transmission by facsimile, respectively, provided that such facsimile transmission is confirmed as having occurred prior to 5:00 p.m. on a business day. If such transmission occurred after 5:00 p.m. on a business day or on a non-business day, it shall be deemed to have been given on the next business day. Any notice, demand or communication given pursuant to clause (c) shall be deemed received upon receipt of such notice. Any notice, demand or communication sent pursuant to clause (d) shall be deemed received upon receipt of such notice. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications shall be given. The refusal to accept delivery by any party or the inability to deliver any communication because of a changed address of which no notice has been given in accordance with this Section shall constitute delivery.

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F. Governing Law.

This Amendment shall be construed and enforced in accordance with the laws of the State of Illinois.

G. Headings.

The headings of the various sections and subsections of this Amendment have been inserted for convenience of reference only and shall not in any manner be construed as modifying, amending or affecting in any way the express terms and provisions hereof.

H. Binding Effect of this Amendment.

The covenants, agreements, and obligations contained in this Amendment shall extend to, bind, and inure to the benefit of the parties hereto and their legal representatives, heirs, successors, and assigns.

I. Time is of the Essence.

Time is of the essence of this Amendment and of each and every provision hereof.

J. Authorization to Execute this Amendment.

The parties executing this Amendment hereby represent and warrant that they are duly authorized and acting representatives of the City and Developer respectively and that by their execution of this Amendment, it became the binding obligation of the City and Developer respectively, subject to no contingencies or conditions except as specifically provided herein.

K. Counterparts.

This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute a single, integrated instrument.

L. Exhibits.

All exhibits referred to herein and attached hereto shall be deemed part of this Amendment.

M. Amendments.

From time to time, the parties hereto may amend any provisions of this Amendment which are related only to the City's administration of this Amendment; provided, however, such amendments may not materially alter the essential provisions contained herein. Such amendments shall be in writing, shall establish the factual background necessitating such alteration, and shall be duly executed by both the City and Developer and consented to by the Affiliate. Such amendments shall only take effect upon execution by all parties. Upon execution, such amendments shall become a part of this Amendment and all other provisions of this Amendment shall remain in full force and effect.

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N. Property B.

Neither the Original Agreement nor this Amendment creates a lien or encumbrance or other use restriction upon or affecting Property B. A failure by the Affiliate to redress the WBE Shortfall through construction of the Phase III Project shall not affect or encumber title to Property B in any manner.

(Signatures appear on subsequent page)

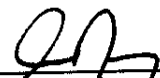
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IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

CITY:

CITY OF CHICAGO, a municipal corporation, acting by and through its Department of Housing and Economic Development

By: 
Print Name: Andrew J. Mooney
Title: Commissioner

DEVELOPER:

North and Talman Elderly Limited Partnership, an Illinois limited partnership

By: **North and Talman Corporation**, an Illinois corporation, its general partner

By: _____
Print Name: Hipolito Roldan
Title: President

GENERAL PARTNER:

North and Talman Corporation, an Illinois corporation

By: _____
Print Name: Hipolito Roldan
Title: President

CONSENTED TO AND AGREED BY

AFFILIATE:

North & Talman III Limited Partnership, an Illinois limited partnership

By: **North and Talman III Corporation**, an Illinois corporation, its general partner

By: _____
Print Name: Hipolito Roldan
Title: President

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IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

CITY:

CITY OF CHICAGO, a municipal corporation, acting by and through its Department of Housing and Economic Development

By: _____
Print Name: Andrew J. Mooney
Title: Commissioner

DEVELOPER:

North and Talman Elderly Limited Partnership, an Illinois limited partnership

By: **North and Talman Corporation**, an Illinois corporation, its general partner

By: 
Print Name: Hipolito Roldan
Title: President

GENERAL PARTNER:

North and Talman Corporation, an Illinois corporation


By: 
Print Name: Hipolito Roldan
Title: President

CONSENTED TO AND AGREED BY

AFFILIATE:

North & Talman III Limited Partnership, an Illinois limited partnership

By: **North and Talman III Corporation**, an Illinois corporation, its general partner

By: 
Print Name: Hipolito Roldan
Title: President

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Exhibit A

LEGAL DESCRIPTION

Property A

Legal Description:

LOTS 18 THROUGH 22 (EXCEPT THE NORTH 8 FEET OF EACH OF SAID LOTS) IN CHARLES PROEBSTING'S SUBDIVISION OF LOTS 4, 5, 6, AND THE SOUTH 60 FEET OF LOT 7 IN BLOCK 8 IN BORDEN'S SUBDIVISION OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index Numbers: 13-36-427-035-0000; 13-36-427-036-0000; 13-36-427-037-0000; 13-36-427-038-0000; 13-36-427-039-0000

Common Address: 2634-44 W. North Avenue/1600 N. Talman Avenue, Chicago, Illinois 60647

Property B

Building Address:

LOTS 27 AND 28, (EXCEPT THE NORTH 8 FEET TAKEN FOR ALLEY) IN CHARLES PROEBSTING'S SUBDIVISION OF LOTS 4, 5, 6 AND THE SOUTH 60 FEET OF LOT 7 IN BLOCK 8 IN JAHN BORDEN'S SUBDIVISION OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK, ILLINOIS.

Commonly Known As: 2656 West North Avenue
Chicago, Illinois

Permanent Index Number. 13-36-427-032-0000

Parking Lot Parcel:

LOTS 9 AND 10 IN C. BOETTCHER'S SUBDIVISION OF LOTS 8 AND 10 AND THAT PART OF LOT 7 OF THE SOUTH 60 FEET THEREOF IN BLOCK 8 IN BORDEN'S SUBDIVISION OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly Known As: 1617-19 North Washtenaw Avenue
Chicago, Illinois

Permanent Index Numbers: 13-36-427-014-0000
13-36-427-040-0000 (part of)

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AMENDED CITY NOTE**

REGISTERED

MAXIMUM
AMOUNT

NO. R-1

\$2,450,000

**UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO****TAX INCREMENT ALLOCATION REVENUE NOTE (HUMBOLDT PARK REDEVELOPMENT
PROJECT AREA), TAXABLE SERIES 2007**

Registered Owner: North and Talman Corporation

Interest Rate: 7.45%.

Maturity Date: December 31, 2021

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Chicago, Cook County, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on or before the Maturity Date identified above, but solely from the sources hereinafter identified, the principal amount of this Note from time to time advanced by the Registered Owner to pay costs of the Project (as hereafter defined) in accordance with that certain ordinance adopted by the City Council of the City on December 13, 2006 and that certain North and Talman Elderly Limited Partnership Redevelopment Agreement (the "Original Redevelopment Agreement") dated as of August 7, 2007 between the City, North and Talman Elderly Limited Partnership (the "Developer"), as amended by the First Amendment, dated as of _____, 2011, by and among the City, the Developer and North and Talman Corporation, the sole general partner of the Developer (the "First Amendment" together with the Original Redevelopment Agreement are referred to herein as the "Redevelopment Agreement"), up to the principal amount of \$2,450,000 and to pay the Registered Owner interest on that amount at the Interest Rate per year specified above from the date of this Note. Interest shall

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be computed on the basis of a 360-day year of twelve 30-day months. Accrued but unpaid interest on this Note shall also accrue at the interest rate per year specified above until paid. All payments on this Note are from the Available Incremental Taxes (as defined in the Redevelopment Agreement) and subject to **Sections 4.04 and 4.07** of the Redevelopment Agreement, with payments as follows: (i) On March 1, 2008, the first payment of City Funds shall be an interest only payment in an amount not to exceed \$220,000; (ii) the second payment shall be made after the Certificate is issued and includes any payment in arrears beginning with the payment due as of March 1, 2009 and in the amounts indicated on the debt schedule attached to the City Note, attached hereto as **Exhibit M**; however, the Department of Housing and Economic Development's Commissioner (the "HED Commissioner") may authorize the second payment of City Funds even if the Certificate has not been issued, if the HED Commissioner determines that such payment is necessary to complete the Project; and (iii) subsequent payments of principal and interest will be made on March 1 of each year in the amounts indicated on the debt schedule attached to this Note.

The principal of and interest on this Note are payable in lawful money of the United States of America, and shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Comptroller of the City, as registrar and paying agent (the "Registrar"), at the close of business on the fifteenth day of the month immediately prior to the applicable payment, maturity or redemption date, and shall be paid by check or draft of the Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar; provided, that the final installment of principal and accrued but unpaid interest will be payable solely upon presentation of this Note at the principal office of the Registrar in Chicago, Illinois or as otherwise directed by the City. The Registered Owner of this Note shall note on the Payment Record attached hereto

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the amount and the date of any payment of the principal of this Note promptly upon receipt of such payment.

This Note is issued by the City in the principal amount of advances made from time to time by the Registered Owner up to \$2,450,000 for the purpose of paying the costs of certain eligible redevelopment project costs incurred by North and Talman Elderly Limited Partnership (the "Project"), in connection with the acquisition of land and the construction of a five story masonry building with approximately 52 rental units restricted to residents who are 55 years and older in the Humboldt Park Commercial Redevelopment Project Area (the "Project Area") in the City, all in accordance with the Constitution and the laws of the State of Illinois, and particularly the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"), the Local Government Debt Reform Act (30 ILCS 350/1 et seq.) and the Ordinance, in all respects as by law required.

The City has assigned and pledged certain rights, title and interest of the City in and to certain incremental ad valorem tax revenues from the Project Area which the City is entitled to receive pursuant to the TIF Act and the Ordinance, in order to pay the principal and interest of this Note. Reference is hereby made to the aforesaid Ordinance and the Redevelopment Agreement for a description, among others, with respect to the determination, custody and application of said revenues, the nature and extent of such security with respect to this Note and the terms and conditions under which this Note is issued and secured. **THIS NOTE IS A SPECIAL LIMITED OBLIGATION OF THE CITY, AND IS PAYABLE SOLELY FROM AVAILABLE EXCESS INCREMENTAL TAXES, AND SHALL BE A VALID CLAIM OF THE REGISTERED OWNER HEREOF ONLY AGAINST SAID SOURCES. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE AN INDEBTEDNESS OR A LOAN AGAINST THE GENERAL TAXING POWERS OR CREDIT OF THE CITY, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION. THE REGISTERED OWNER OF THIS NOTE SHALL NOT HAVE THE RIGHT TO COMPEL ANY EXERCISE OF THE TAXING**

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POWER OF THE CITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OR INTEREST OF THIS NOTE. The principal of this Note is subject to redemption on any date, as a whole or in part, at a redemption price of 100% of the principal amount thereof being redeemed. There shall be no prepayment penalty. Notice of any such redemption shall be sent by registered or certified mail not less than five (5) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of this Note at the address shown on the registration books of the City maintained by the Registrar or at such other address as is furnished in writing by such Registered Owner to the Registrar.

This Note is issued in fully registered form in the denomination of its outstanding principal amount. This Note may not be exchanged for a like aggregate principal amount of notes or other denominations.

This Note is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the principal office of the Registrar in Chicago, Illinois, but only in the manner and subject to the limitations provided in the Ordinance, and upon surrender and cancellation of this Note. Upon such transfer, a new Note of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Registrar shall not be required to transfer this Note during the period beginning at the close of business on the fifteenth day of the month immediately prior to the maturity date of this Note nor to transfer this Note after notice calling this Note or a portion hereof for redemption has been mailed, nor during a period of five (5) days next preceding mailing of a notice of redemption of this Note. Such transfer shall be in accordance with the form at the end of this Note.

This Note hereby authorized shall be executed and delivered as the Ordinance and the Redevelopment Agreement provide.

Pursuant to the Redevelopment Agreement, the Registered Owner has agreed to acquire and construct the Project and to advance funds for the construction of certain facilities

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related to the Project on behalf of the City. The cost of such acquisition and construction up to the amount of \$2,450,000 shall be deemed to be a disbursement of the proceeds of this Note.

Pursuant to Section 15.02 of the Redevelopment Agreement, the City has reserved the right to suspend payments of principal and of interest on this Note upon the occurrence of certain conditions and seek reimbursement of any payments of principal and of interest on this Note. The City shall not be obligated to make payments under this Note if an Event of Default (as defined in the Redevelopment Agreement), or condition or event that with notice or the passage of time or both would constitute an Event of Default, has occurred. Such rights shall survive any transfer of this Note. The City and the Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary, unless transferred in accordance with the provisions hereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist, to happen, or to be done or performed precedent to and in the issuance of this Note did exist, have happened, have been done and have been performed in regular and due form and time as required by law; that the issuance of this Note, together with all other obligations of the City, does not exceed or violate any constitutional or statutory limitation applicable to the City.

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

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IN WITNESS WHEREOF, the City of Chicago, Cook County, Illinois, by its City Council, has caused its official seal to be imprinted by facsimile hereon or hereunto affixed, and has caused this Note to be signed by the duly authorized signature of the Mayor and attested by the duly authorized signature of the City Clerk of the City, all as of _____, 20__.

Mayor

(SEAL)
Attest: _____
City Clerk

**CERTIFICATE
OF
AUTHENTICATION**

Registrar and Paying Agent
Comptroller of the
City of Chicago,
Cook County, Illinois

This Note is described in the within mentioned Ordinance and is the Tax Increment Allocation Revenue Note (Humboldt Park Redevelopment Project), Taxable Series 2007, of the City of Chicago, Cook County, Illinois.

Comptroller

Date: _____

Property of Cook County Clerk's Office

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12-19-11

DEBT SCHEDULE

Principal	\$	2,450,000
Interest Rate		7.45%
Amortization		11
Annual Payment	\$	334,086.13

Pmt Date	Principal	Interest	Total Payment	Remaining Balance
3/1/2008	0	114,231	114,231	\$ 2,450,000 Interest only*
3/1/2009	0	182,525	182,525	\$ 2,450,000 Interest only*
3/1/2010	151,561	182,525	334,086	\$ 2,298,439
3/1/2011	162,852	171,234	334,086	\$ 2,135,586
3/1/2012	174,985	159,101	334,086	\$ 1,960,602
3/1/2013	188,021	146,065	334,086	\$ 1,772,580
3/1/2014	202,029	132,057	334,086	\$ 1,570,551
3/1/2015	217,080	117,006	334,086	\$ 1,353,471
3/1/2016	233,253	100,834	334,086	\$ 1,120,219
3/1/2017	250,630	83,456	334,086	\$ 869,589
3/1/2018	269,302	64,784	334,086	\$ 600,287
3/1/2019	289,365	44,721	334,086	\$ 310,922
3/1/2020	310,922	23,164	334,086	\$

* Subject to change based on actual outstanding balance of Fannie Mae loan

UNOFFICIAL COPY

12-19-11

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto the within Note to Fannie Mae and does hereby irrevocably constitute and appoint the Comptroller of the City of Chicago to transfer the said Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Registered Owner:

NORTH AND TALMAN CORPORATION,
an Illinois corporation

By

Name: Hipolito Roldan, President

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

Consented to by:

CITY OF CHICAGO
DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT

By: _____

Andrew J. Mooney

Its: Commissioner