



# Office of Chicago City Clerk



**O2011-3759**

Office of the City Clerk

Tracking Sheet

<b>Meeting Date:</b>	<b>5/4/2011</b>
<b>Sponsor(s):</b>	<b>Mayor Daley</b>
<b>Type:</b>	<b>Ordinance</b>
<b>Title:</b>	<b>Redevelopment agreement and associated housing revenue bonds issuance and loan for Goldblatt's Senior Living</b>
<b>Committee(s) Assignment:</b>	<b>Committee on Finance</b>

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**CHICAGO June 8, 2011**

**To the President and Members of the City Council:**

**Your Committee on Finance having had under consideration**

**An ordinance authorizing the Commissioner of the Department of Housing and Economic Development to enter into and execute a Loan Agreement with Goldblatts, the issuances of City of Chicago Multi-Family Housing Revenue Bonds, Series 2011, (Goldblatts Supportive Living Project), and a Redevelopment Agreement with Goldblatts of Chicago Limited Partnership.**

<b>Amount of Bonds</b>	
not to exceed:	\$18,000,000
 <b>Amount of Notes</b>	
not to exceed:	\$1,000,000

**Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the proposed**

**Ordinance Transmitted Herewith**

**This recommendation was concurred in by \_\_\_\_\_ (a viva voce vote of members of the committee with \_\_\_\_\_ dissenting vote(s)).**  
**Alderman Burke abstains from voting pursuant to Rule 14.**

**Respectfully submitted**

(signed) *Edward M. Burke*  
**Chairman**



FIN.

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OFFICE OF THE MAYOR  
CITY OF CHICAGO

**RICHARD M. DALEY**  
MAYOR

May 4, 2011

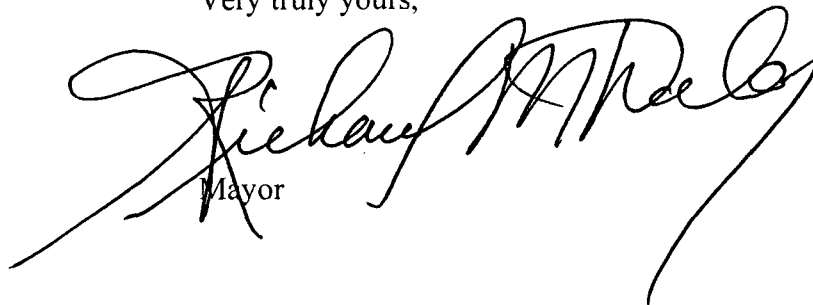
TO THE HONORABLE, THE CITY COUNCIL  
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Commissioner of Housing and Economic Development, I transmit herewith an ordinance authorizing the execution of a redevelopment agreement and associated housing revenue bonds issuance and loan for Goldblatt's Senior Living.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,



Mayor

## ORDINANCE

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

**WHEREAS**, as a home rule unit and pursuant to the Constitution of the State of Illinois, the City is authorized and empowered to issue multi-family housing revenue bonds for the purpose of financing the cost of acquiring, rehabilitating and equipping a senior citizen residential facility located in the City; and

**WHEREAS**, by this ordinance, the City Council of the City (the "City Council") determines that it is necessary and in the best interests of the City to issue multi-family housing revenue bonds (as defined below, the Bonds) on behalf of and to provide certain other funding, as provided herein, to Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Borrower"), the general partner of which is Goldblatts SLF of Chicago GP, Inc., an Illinois corporation (the "General Partner") (a shareholder of which is AHC Ashland LLC, an Illinois limited liability company ("AHC Ashland") (AHC Ashland, together with Borrower, are sometimes collectively referred to herein as the "Developer")), of the proceeds received by the City from the sale of the Bonds, to finance or reimburse Borrower for (a) certain permitted costs in connection with the acquisition, rehabilitation and equipping of a low-income housing development project consisting of real property (the "Property") improved with a building (the "Building") that formerly housed a Goldblatt's Department Store and comprised of a supportive living facility with approximately 101 residential dwelling units and certain attendant facilities located on all but the commercial space areas on the ground floor of the Building, located generally at 4707 S. Marshfield Avenue, and with parking on adjacent property located at 1635 W. 47th Street, in the City, (b) capitalized interest, if required, (c) a deposit into a debt service reserve fund for the Bonds, if required, and (d) the costs of issuance relating thereto (collectively, the "Project"); and

**WHEREAS**, the Project site is located on parcels of land owned or to be owned, in whole or in part, by Borrower or an affiliated party of Borrower, located generally at 4707 S. Marshfield Avenue and 1635 W. 47th Street in the City, which is located in the 47th/Ashland Project Redevelopment Area (as defined below); and

**WHEREAS**, in order to finance a portion of the costs of the Project, the City proposes to issue not to exceed \$18,000,000 in aggregate principal amount of its Multi-Family Housing Revenue Bonds, Series 2011 (Goldblatts Supportive Living Project) (the "Bonds"), as more particularly described below; and

**WHEREAS**, in connection with the issuance of the Bonds, the City and Borrower will enter into a Loan Agreement pursuant to which the City will lend the proceeds of the Bonds to Borrower (the "Loan Agreement"); and

**WHEREAS**, in connection with the issuance of the Bonds, pursuant to a Bond Trust Indenture (the "Indenture"), to be entered into between the City and a trustee to be named by the City (the "Trustee"), the City will assign to the Trustee the City's right, title and interest in, under and to the Loan Agreement (except for certain Unassigned Rights as defined in the Loan Agreement) as security for the payment of the Bonds; and

**WHEREAS**, the Bonds will be payable from the loan payments received by the City pursuant to the Loan Agreement; and

**WHEREAS**, the Bonds issued pursuant to this ordinance, together with interest thereon, shall be special, limited obligations of the City secured under the Indenture for the benefit of the owners of the Bonds; and

**WHEREAS**, the Bonds and the obligation to pay interest thereon, do not now and shall never constitute an indebtedness or any obligation of the City, the State of Illinois or any political subdivision thereof, within the purview of any constitutional limitation or statutory provision, or a charge against the general credit or taxing powers of any of them nor will any owner of the Bonds have any right to compel the taxing powers of any of the City, the State of Illinois or any political subdivision thereof to pay any principal installment of, premium, if any, or interest thereon; and

**WHEREAS**, the Bonds will be offered for sale to the public or to a limited group of one or more institutional investors pursuant to a Purchase Agreement to be dated the date of its execution (the "Purchase Agreement"), among the City, the Borrower and one or more underwriters or institutional investors as determined by the Authorized Officer pursuant to Section 5 hereof (the "Underwriters"); the Underwriters will undertake to offer the Bonds for sale pursuant to an offering or placement disclosure document with respect to the Bonds (the "Offering Memorandum"); and

**WHEREAS**, under ordinances adopted on March 27, 2002, amended (as applicable and set forth below) and published in the Journal of Proceedings of the City Council (the "Journal") for such date at pages as set forth below, and under the provisions of the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "Act"), the City Council: (i) approved a redevelopment plan and project (the "47<sup>th</sup>/Ashland Plan") for a portion of the City known as the "47<sup>th</sup>/Ashland Redevelopment Project Area" (the "47<sup>th</sup>/Ashland Redevelopment Project Area"), which ordinance was published at pages 81473 to 81625 of the relevant Journal referenced above and amended pursuant to ordinance adopted on April 13, 2011 (such ordinance being defined herein as the "47<sup>th</sup>/Ashland Plan Ordinance"); (ii) designated the 47<sup>th</sup>/Ashland Redevelopment Project Area as a "redevelopment project area" within the requirements of the Act, which ordinance was published at pages 81626 to 81639 of the relevant Journal referenced above (the "47<sup>th</sup>/Ashland Designation Ordinance"); and (iii) adopted tax increment financing for the 47<sup>th</sup>/Ashland Redevelopment Project Area, which ordinance was published at pages 81640 to 81652 of the relevant Journal referenced above (the "47<sup>th</sup>/Ashland TIF Adoption Ordinance") (the 47<sup>th</sup>/Ashland Plan Ordinance, the 47<sup>th</sup>/Ashland Designation Ordinance and the 47<sup>th</sup>/Ashland TIF Adoption Ordinance are collectively referred to in this ordinance as the "47<sup>th</sup>/Ashland TIF Ordinances"); and

**WHEREAS**, to permit financing of the Project in part from the Fund (as defined below), the City Council desires to amend the 47<sup>th</sup>/Ashland Plan Ordinance to amend the 47<sup>th</sup>/Ashland Plan by amending the Generalized Land Use Map therein to change the use allowed for the Property from commercial to mixed use (the "Plan Map Amendment"); and

**WHEREAS**, pursuant to Section 5/11-74.4-8(b) of the Act and the 47<sup>th</sup>/Ashland TIF Adoption Ordinance, incremental taxes are deposited from time to time in the special tax allocation fund for the 47<sup>th</sup>/Ashland Redevelopment Project Area established pursuant to the 47<sup>th</sup>/Ashland TIF Adoption Ordinance designated as the "47<sup>th</sup>/Ashland Redevelopment Project Area Special Tax Allocation Fund" (the "Fund"); and

**WHEREAS**, the Developer (i) will undertake the completion of the Project and (ii) will undertake certain other covenants associated with the Project, all in accordance with the 47th/Ashland Plan (as amended by the Plan Map Amendment) and pursuant to the terms and conditions of a proposed redevelopment agreement to be executed by Borrower, AHC Ashland and the City (the "Redevelopment Agreement"); and

**WHEREAS**, the Project will be financed in part by up to two million nine hundred thousand dollars (\$2,900,000) of certain pledged incremental taxes deposited from time to time in the Fund ("Incremental Taxes"); and

**WHEREAS**, pursuant to Resolution 11-CDC-22 adopted by the Community Development Commission of the City of Chicago (the "Commission") on April 12, 2011, the Commission authorized the City's Department of Housing and Economic Development ("HED") to negotiate, execute and deliver on behalf of the City a redevelopment agreement with the Developer and/or an affiliated entity of the Borrower for the Project; and

**WHEREAS**, the City has certain funds available from a variety of funding sources ("Multi-Family Program Funds") to make loans and grants for the development of multi-family residential housing to increase the number of families served with decent, safe, sanitary and affordable housing and to expand the long-term supply of affordable housing, and such Multi-Family Program Funds are administered by HED; and

**WHEREAS**, HED has preliminarily reviewed and approved the making of a loan to the Borrower in an amount not to exceed \$1,000,000 (the "Loan"), to be funded from Multi-Family Program Funds pursuant to the terms and conditions set forth in **Exhibit A-1** attached hereto and made a part hereof; and

**WHEREAS**, in connection with the issuance of the Bonds, the City, the Borrower and the Trustee will enter into a Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") in order to ensure that the Project will be acquired, constructed, used and operated in accordance with the requirements of the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations promulgated thereunder; now, **therefore**,

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO, AS FOLLOWS:**

**Section 1. Incorporation of Recitals.** The recitals contained in the preambles to this ordinance are hereby incorporated into this ordinance by this reference. All capitalized terms used in this ordinance, unless otherwise defined herein, shall have the meanings ascribed thereto in the Loan Agreement and the Redevelopment Agreement.

**Section 2. Findings and Determinations.** The City Council hereby finds and determines that the delegations of authority that are contained in this ordinance, including the authority to make the specific determinations described herein, are necessary and desirable because the City Council cannot itself as advantageously, expeditiously or conveniently exercise such authority and make such specific determinations.

**Section 3. Bonds; Authorized Officers.** In order to provide funds to finance a portion of the costs of the Project, there are hereby authorized to be Issued multi-family housing

revenue bonds of the City in an aggregate principal amount not to exceed \$18,000,000, which revenue bonds will be designated "City of Chicago, Multi-Family Housing Revenue Bonds, Series 2011 (Goldblatts Supportive Living Project)", with changes to such designation from time to time as are necessary to reflect the series or subseries of Bonds.

The Bonds (a) shall be issued in one or more series or subseries in fully registered form and in such denominations, (b) shall be dated initially their date of delivery and otherwise as provided in the Indenture, (c) shall bear interest from their dates on the unpaid principal amount thereof at an interest rate or rates per annum, (d) shall mature on such date or dates but not later than December 1, 2046 and in such principal amounts, (e) shall be subject to tender for purchase and (f) shall be subject to redemption prior to maturity on such terms as are set forth in the Indenture. The Bonds shall bear interest at fixed rates as provided in the Indenture not to exceed 9%. In connection with any series or subseries of the Bonds, (a) the underwriter, placement agent or remarketing agent may obtain separate CUSIP numbers to identify such series or subseries, and (b) the underwriter, placement agent or remarketing agent and Borrower shall take those actions that are necessary, in the opinion of bond counsel, to preserve the tax-exempt status of interest on the Bonds, including without limitation causing necessary information returns (Form 8038) to be filed.

The Bonds shall be payable at the designated corporate trust office of the Trustee in the City and at such other offices as may be chosen pursuant to the Indenture. The Bonds shall be subject to redemption prior to maturity at the times, under the circumstances, in the manner, at the prices, in the amounts and with the effect set forth in the Indenture.

As further detailed in Section 5 of this ordinance, each of (i) the Mayor of the City (the "Mayor"), (ii) the Chief Financial Officer of the City (the "Chief Financial Officer"), or (iii) the City Comptroller of the City (the "City Comptroller"; each of the Chief Financial Officer or the City Comptroller being referred to as an "Authorized Officer") is hereby authorized to execute and deliver the Purchase Agreement, the Loan Agreement, the Regulatory Agreement and the Indenture on behalf of the City.

An Authorized Officer is hereby authorized to execute and deliver one or more tax agreements on behalf of the City, in substantially the form of tax agreements or certificates used in previous issuances of tax-exempt bonds, pursuant to similar programs, with appropriate revision to reflect the terms and provisions of the Bonds, and the applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, and with such other revision in text as the Authorized Officer executing the same shall determine are necessary or desirable in connection with the exclusion from gross income for federal income tax purposes of interest on the Bonds authorized under this ordinance issued on a tax-exempt basis. The execution of such tax agreements by such Authorized Officer shall be deemed conclusive evidence of such Authorized Officer's approval and the approval of the City Council to the terms provided in the tax agreements.

The seal of the City shall be affixed to or a facsimile thereof printed on the Bonds, and the Bonds shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk. The provisions for dating, execution, authentication, registration, transfer, payment and prepayment with respect to the Bonds shall be as set forth in the Indenture and in the forms of the Bonds attached thereto.

Section 4. Bonds are Special Limited Obligations. The Bonds and the interest thereon shall be limited obligations of the City, payable solely and only from the revenues,

receipts or other amounts derived by the City pursuant to the Loan Agreement (except to the extent payable from Bond proceeds or moneys from the investment thereof), from certain funds pledged under the Indenture, and shall be otherwise secured as provided in the Indenture and the Loan Agreement. The Bonds shall not in any respect be a general obligation of the City, nor shall they be payable in any manner from funds of the City raised by taxation. The Bonds shall state that they do not constitute an indebtedness of the City or a loan of credit thereof within the meaning of any constitutional or statutory provision.

Nothing in this ordinance, the Loan Agreement, the Regulatory Agreement, the Indenture, the Purchase Agreement, the Offering Memorandum or the Bonds (hereinafter referred to collectively as the "Financing Documents"), or in any document or agreement required hereby and thereby, shall be construed as an obligation or commitment by the City to expend any of its funds other than (i) the proceeds derived from the sale of the Bonds, (ii) the revenues, receipts or other amounts derived from the Loan Agreement, and (iii) any moneys arising out of the investment or reinvestment of said proceeds, income, revenues, receipts or moneys.

Section 5. Form of Offering Memorandum, Purchase Agreement, Loan Agreement, Indenture and Regulatory Agreement. The form, terms and provisions of the Loan Agreement, the Indenture and the Regulatory Agreement, attached hereto as **Exhibit B**, **Exhibit C** and **Exhibit D**, respectively, are in all respects approved, and the Mayor, the Authorized Officer and/or the City Clerk or Deputy City Clerk of the City, are each hereby authorized and empowered to execute, acknowledge and deliver the Financing Documents to which the City is a party, with or without an impression of the official seal of the City as required thereby, with only such changes therein, including, without limitation, modifications or changes to allow the Bonds to be issued as draw down bonds, as shall be approved by the Mayor or the Authorized Officer executing the same; provided that the Mayor or the Authorized Officer are authorized to execute and deliver a Purchase Agreement (which Purchase Agreement is to be in substantially similar form as other bond purchase agreements executed by the City in transactions similar to the Bonds including, if applicable, sales of the Bonds to institutional investors, with appropriate revisions to reflect the terms and provisions of the Bonds and such other changes as the Mayor or the Authorized Officer executing the same shall determine to be necessary or desirable in connection with the sale of the Bonds) and the Purchase Agreement shall also be executed by the Chairman of the Committee on Finance of the City Council. In connection with the Purchase Agreement, the Authorized Officer shall select the Underwriters and, if there is more than one underwriter, designate one of them to act as representative of the Underwriters. The execution of the Loan Agreement, the Indenture, the Regulatory Agreement and the Purchase Agreement by the Mayor or the Authorized Officer shall be deemed conclusive evidence of their approval of the terms provided in such agreements. The distribution of the Offering Memorandum, including any preliminary Offering Memorandum, and the use thereof by the Underwriters in connection with the offering and sale of the Bonds are hereby authorized; provided that the City shall not be responsible for the content of the Offering Memorandum, including any preliminary Offering Memorandum, or any other offering or placement disclosure document, except as specifically provided in the Purchase Agreement; provided further that if the Bonds are sold directly to institutional investors, the City may forego the use of an Offering Memorandum, but only if such institutional investors execute and deliver to the City "sophisticated investor" letters satisfactory to the Authorized Officer. The aggregate purchase price of the Bonds shall be not less than ninety-eight percent (98.0%) of their original principal amount (less any net original issue discount used in their marketing) plus accrued interest, if any from their date to the date of delivery. In connection with the sale of the Bonds, any Authorized Officer is authorized but not required, with the consent of Borrower, to obtain (i) a bond insurance policy ("Bond Insurance



Policy") from a bond insurer ("Bond insurer") to secure the payment of principal of, premium, if any, and interest on the Bonds or (ii) a Letter of Credit or similar credit facility with a financial institution to secure the payment of principal of, premium, if any, and interest on the Bonds, and (iii) a surety bond, an insurance policy, a letter of credit or other credit facility assuring the availability of cash to fund any applicable debt service reserve requirement (a "Debt Reserve Credit instrument") from such provider or providers as the Authorized Officer shall determine, if said Authorized Officer determines such Bond insurance Policy, Letter of Credit or Debt Reserve Credit instrument to be desirable in connection with the sale of the Bonds. The Authorized Officer is also authorized, with the consent of Borrower, to enter into such agreements and make such covenants with any Bond insurer or provider of a Debt Reserve Credit instrument or Letter of Credit as the Authorized Officer deems necessary and are approved by Borrower; provided, that any agreement to reimburse such Bond insurer or provider shall be payable solely and only from the sources pledged to the payment of the Bonds or from funds provided by Borrower.

Section 6. Sale of Bonds. The Bonds shall be sold and delivered to, or at the direction of, the Underwriters to be selected by the Authorized Officer as provided in Section 5 hereof, subject to the terms and conditions of the Purchase Agreement.

Section 7. Designated Developer. The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

Section 8. Redevelopment Agreement. The Commissioner of HED (the "HED Commissioner"), or a designee of the HED Commissioner (each, an "Authorized HED Officer"), is each hereby authorized, with the approval of the City's Corporation Counsel as to form and legality, to negotiate, execute and deliver the Redevelopment Agreement among the Developer, any affiliates of Borrower and the City in substantially the form attached hereto as **Exhibit D** and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Redevelopment Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Redevelopment Agreement.

Section 9. Amendment of 47<sup>th</sup>/Ashland Plan Ordinance. To permit use of incremental Taxes from the Fund as part of the financing of the Project, the City Council hereby amends the 47<sup>th</sup>/Ashland Plan Ordinance to change the designated use of the Property set forth on the Generalized Land Use Map from commercial to mixed use.

Section 10. Payment of Incremental Taxes. The City Council hereby finds that the City is authorized to pay an amount not to exceed Two Million Nine Hundred Thousand Dollars (\$2,900,000) in the aggregate from incremental Taxes deposited in the general account of the Fund to finance or reimburse a portion of the eligible redevelopment project costs (as such term is defined under the Act) included within the Project.

Section 11. Notification of Sale. After the sale and delivery of the Bonds, a notification of sale directed to the City Council, is to be filed with the City Clerk and such notification of sale will set forth (a) the aggregate principal amount of the Bonds and of each series or subseries of the Bonds, if any, (b) the designations of the Bonds and of each series or subseries of the Bonds, if any, (c) the initial interest rates on the Bonds or on the Bonds of each series or subseries, if any, (d) the terms for redemption, if any, applicable to the Bonds or on the Bonds of each series or subseries, if any, (e) the respective purchase prices of the Bonds or of the Bonds of each series or subseries, if any, (f) the Underwriters and the representative

thereof, if any, selected pursuant to Section 5, and (g) the maturity dates of the Bonds or of the Bonds of each series or subseries, if any. The final form of the indenture shall be attached to the notification of sale.

Section 12. Supplemental Authority. The Mayor, the Authorized Officer, the Authorized HED Officer, and the City Clerk or Deputy City Clerk are each hereby authorized and empowered to do all such acts and things, and to execute all such documents (including, without limitation, an IRS Form 8038, any certifications, including tax certifications, any tax compliance agreements and tax certificates, financing statements, assignments and other instruments), as may be necessary, in the opinion of the bond counsel and counsel to the City, to carry out and comply with (a) the provisions of the Loan Agreement, the Regulatory Agreement, the indenture, the Purchase Agreement and the Bonds as executed, and any other documents and instruments required to effectuate any portion of the financing transaction, and (b) the purposes of this ordinance including to maintain the tax-exempt status of the Bonds for Federal income tax purposes.

Section 13. Reserve for Legal Expenses, Administrative Fee. The City is hereby authorized to assess a fee in the amount of one-tenth of one percent of the aggregate principal amount of the Bonds, and to use such fee to pay for legal and other fees incurred by the City in connection with private activity bonds issued by the City.

The program ordinance authorizing HED to, among other things, impose fees in connection with federal low-income housing tax credits passed by the City Council on November 4, 1987 and published in the Journal for said date at pages 5989 through 5992, as amended on March 29, 2006 and published in the Journal for the said date at pages 73284 through 73288 (collectively, the "Housing Credit Ordinance"), is hereby amended by adding the following underlined language to Section 3 as follows:

"Section 3. The Commissioner is also authorized to impose fees in connection with the administration of the low-income housing tax credit program and the issuance of tax-exempt multi-family housing revenue bonds ("Credit Use Programs"). Such fees shall be non-refundable, uniform with respect to all the Projects and shall include the following:

- an ongoing 0.15% bond administration fee on the outstanding principal amount of tax-exempt multi-family housing revenue bonds issued by the City; provided such fee does not exceed the maximum amount permitted under Section 148 of the Code to avoid characterization of the tax-exempt bonds as "arbitrage bonds" as defined in such Section 148;"

Section 14. Loan implementation. Upon the approval and availability of the Additional Financing as defined and shown in **Exhibit A-1** hereto, the Authorized HED Officer is hereby authorized, subject to approval by the City's Corporation Counsel, to enter into and execute such agreements and instruments, and perform any and all acts as shall be necessary or advisable in connection with the implementation of the Loan. The Authorized HED Officer is hereby authorized, subject to the approval of the City's Corporation Counsel, to negotiate any and all terms and provisions in connection with the Loan which do not substantially modify the terms described in **Exhibit A-1** hereto. Upon the execution and receipt of proper documentation, the Authorized HED Officer is hereby authorized to disburse the proceeds of the Loan to Borrower.

Section 15. Loan Fees. in connection with the Loan by the City to Borrower, the City shall waive those certain fees, if applicable, imposed by the City with respect to the Project and as described in **Exhibit A-2** attached hereto and made a part hereof. The Project shall be deemed to qualify as "Affordable Housing" for purposes of Chapter 16-18 of the Municipal Code of Chicago. Section 2-45-110 of the Municipal Code of Chicago shall not apply to the Project.

Section 16. Separability. The provisions of this ordinance are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared by a court of competent jurisdiction to be invalid or unenforceable, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 17. No Recourse. No recourse shall be had for the payment of the principal of, or premium, if any, or interest on the Bonds, or for any claim based thereon or upon any obligation, covenant or agreement contained herein or in the Loan Agreement, the Regulatory Agreement, the indenture or the Redevelopment Agreement, respectively, against any past, present or future officer, member, agent, employee or alderman of the City or successor thereto, either directly or indirectly through the City, under any rule of law or equity, statute or regulation or by the enforcement of any assessment or penalty or otherwise.

Section 18. Proxies. The Mayor and the Authorized Officer may each designate another to act as their respective proxy and to affix their respective signatures to each Bond, whether in temporary or definitive form, and to any other instrument, certificate or document required to be executed by the Mayor and/or the Authorized Officer pursuant to this ordinance. In each case each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and statements which such person shall be authorized to sign as proxy for the Mayor and/or the Authorized Officer, respectively. A written signature of the Mayor and/or the Authorized Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Such notice, with signatures attached, shall be recorded in the Journal and filed with the City Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the Mayor in the specified manner, the same in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of the Authorized Officer, as the case may be, is so affixed to an instrument, certificate or document at the direction of the Chief Financial Officer or the City Comptroller, the same, in all respects, shall be binding on the City as if signed by the Chief Financial Officer or the City Comptroller, as the case may be, in person.

Section 19. Conflicts. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 20. No impairment. No provision of the Municipal Code of the City of Chicago (the "Municipal Code") or violation of any provision of the Municipal Code shall be deemed to impair the validity of this ordinance or the instruments authorized by this ordinance or to impair the security for or payment of the instruments authorized by this ordinance; provided further, however, that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Municipal Code.

Section 21. Effective Date. This ordinance shall take effect and be in full force immediately upon its execution and approval.

Exhibit A-1

Multi-Family Program Funds Terms and Conditions

Affordable Housing Loan

1. Amount: Not to exceed \$1,000,000
- Source: Multi-Family Program Funds
- Term: Not to exceed 32 years, or another term acceptable to the Authorized HED Officer
- Interest: Zero percent per annum
- Security: Non-recourse loan; second mortgage on the Property (the "City Mortgage")

Additional Financing

2. Amount: Not to exceed \$18,000,000
- Source: Multi-Family Housing Revenue Bonds Issued by the City of Chicago as described in this ordinance. The Bond proceeds will be loaned to the Borrower to pay for eligible project costs and will be secured by a first mortgage on the Property.
3. Amount: Approximately \$4,352,436, or another amount acceptable to the Authorized HED Officer
- Source: Low-Income Housing Tax Credit Proceeds; to be derived from the syndication of approximately \$511,959 in Low-Income Housing Tax Credits or of another amount acceptable to the Authorized HED Officer, all or a portion of which may be paid in on a delayed basis.
4. Amount: Not to exceed \$2,900,000
- Source: AHC Ashland, from proceeds of a grant of Tax Increment Financing funds made by the City, or another source acceptable to the Authorized HED Officer
- Term: Not to exceed 42 years
- Interest: A fixed rate not to exceed 8% per annum, or another interest rate acceptable to the Authorized HED Officer
- Security: A mortgage on the Property junior to the lien of the City Mortgage
5. Amount: Approximately \$1,500,000, or another amount acceptable to the Authorized HED Officer

- Source: AHC Ashland, derived from a grant of proceeds of the sale of donation tax credits in connection with the Project, or another source acceptable to the Authorized HED Officer
- Term: Not to exceed 42 years
- Interest: A fixed rate not to exceed 8% per annum, or another interest rate acceptable to the Authorized HED Officer
- Security: A mortgage on the Property junior to the lien of the City Mortgage
6. Amount: Approximately \$3,000,000, or another amount acceptable to the Authorized HED Officer
- Source: AHC Ashland, as seller financing in connection with the Property, or another source acceptable to the Authorized HED Officer
- Term: Not to exceed 42 years
- Interest: A fixed rate not to exceed 8% per annum, or another interest rate acceptable to the Authorized HED Officer
- Security: A mortgage on the Property junior to the lien of the City Mortgage

Exhibit A-2

Fee Waivers

**Department of Construction and Permits**

**Waiver of Plan Review, Permit and Inspection Fees:**

- A. Building Permit:
  - Zoning
  - Construction/Architectural/Structural
  - Internal Plumbing
  - HVAC
  - Water for Construction
  - Smoke Abatement
- B. Electrical Permit: Service and Wiring
- C. Elevator Permit (if applicable)
- D. Wrecking Permit (if applicable)
- E. Fencing Permit (if applicable)
- F. Fees for the review of building plans for compliance with accessibility codes by the Mayor's Office for People with Disabilities imposed by Section 13-32-310(2) of the Municipal Code of Chicago

**Department of Water Management**

Tap Fees  
Cut and Seal Fees  
(Fees to purchase B-boxes and remote read-outs are not waived.)

Permit (connection) and Inspection Fees  
Sealing Permit Fees

**Department of Transportation**

Street Opening Fees  
Driveway Permit Fees  
Use of Public Way Fees

**Exhibit B**

**Loan Agreement**

**See attached.**

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**LOAN AGREEMENT**

between

**CITY OF CHICAGO**

and

**GOLDBLATT'S OF CHICAGO LIMITED PARTNERSHIP**

Relating to:

**[\$13,910,000]**

**City of Chicago**

**Multi-Family Housing Revenue Bonds**

**(Goldblatts Supportive Living Project), Series 2011**

Dated as of [ \_\_\_\_\_ ] 1, 2011

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## LOAN AGREEMENT

This LOAN AGREEMENT (this "Loan Agreement"), dated as of [ ] 1, 2011, is entered into between the CITY OF CHICAGO, a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois (the "Constitution") and a home rule unit of government under Section 6(a) of Article VII of the Constitution (the "Issuer"), and Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Borrower").

### WITNESSETH:

**WHEREAS**, the Issuer is authorized under the Constitution of the State of Illinois (the "State"), to exercise any power and perform any function pertaining to its governmental affairs, including the power to issue bonds and lend the proceeds of the sale thereof to finance the acquisition, rehabilitation and equipping of a low-income housing development project located within the boundaries of the Issuer; and

**WHEREAS**, the Issuer has agreed under certain conditions to issue its Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2011, in the aggregate principal amount of \$[13,910,000] (the "Bonds") pursuant to the Indenture (as defined below) and to loan the proceeds to the Borrower for the purpose of financing or reimbursing the Borrower for (a) certain permitted costs in connection with the acquisition, rehabilitation and equipping of a low-income housing development project consisting of real property improved with a building (the "Building") that formerly housed a Goldblatt's Department Store and comprised of a supportive living facility with approximately 101 residential dwelling units and certain attendant facilities located on all but the commercial space areas on the ground floor of the Building, located generally at 4707 S. Marshfield Avenue, and with parking on adjacent property located at 1635 W. 47th Street, within the boundaries of the Issuer, (b) capitalized interest, if required, (c) a deposit into a debt service reserve fund for the Bonds, if required, and (d) the costs of issuance relating thereto (the "Project"); and

**WHEREAS**, the Issuer and the Borrower desire to enter into this Loan Agreement to evidence the Loan (hereinafter defined).

Now, THEREFORE the Issuer and the Borrower, each in consideration of the representations, covenants and agreements of the other as set forth herein, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, mutually represent, covenant and agree as follows:

### Article I

#### DEFINITIONS

**Section 1.1 Definitions.** All words and phrases defined in Article I of the Indenture shall have the same meanings when used in this Loan Agreement. In addition, the following words and phrases shall have the following meanings:

"Acquisition and **Rehabilitation Budget**" means the budget for the acquisition, rehabilitation and equipping of the Project attached as **Exhibit C** as modified to the date of reference pursuant to Section 3.3.

"**Bond Purchase Agreement**" means the Bond Purchase Agreement with respect to the Bonds among the Borrower, the Issuer and the Underwriter.

"**Debt Service Coverage Ratio**" means for any consecutive twelve (12) month period, the ratio of Revenues minus Operating Expenses for such consecutive twelve (12) month period other than depreciation determined in accordance with generally accepted accounting principles applied to Bond Service Charges for such consecutive twelve (12) month period.

"**Fiscal Year**" means the fiscal year of the Borrower which commences January 1 and ends on the succeeding December 31, or any other consecutive twelve month period which the Borrower shall designate in writing to the Issuer and the Trustee.

"**Force Majeure**" means that term as it is defined in Section 7.1 hereof.

"**Indebtedness**" means (a) all the indebtedness of the Borrower for borrowed money or that has been incurred in connection with the acquisition of assets, excluding, however, indebtedness incurred in connection with a gift, bequest or devise of property that is secured by a lien, charge or other encumbrance on such property and liability for which is effectively limited to the property subject to such lien, charge or other encumbrance with no recourse, directly or indirectly, to any other property of the Borrower and (b) the capitalized value of the liability under any lease of real or personal property which is properly capitalized on the balance sheet of the Borrower in accordance with generally accepted accounting principles consistently applied.

"**Indenture**" means the Trust Indenture, dated as of [ \_\_\_\_\_ ] 1, 2011, from the Issuer to [ \_\_\_\_\_ ], as trustee, under which the Bonds are being issued.

"**Independent Insurance Consultant**" means a person who or firm which is not a director, trustee, employee or officer of the Borrower or a director, trustee, employee or commissioner of the Issuer, appointed by an authorized officer of the Borrower and satisfactory to the Borrower, qualified to survey risks and to recommend insurance coverage for such Project and having a favorable reputation for skill and experience in such surveys and such recommendations, and who may be a broker or agent with whom the Borrower transacts business.

"**Issuer Documents**" means this Loan Agreement, the Indenture, the Bond Purchase Agreement, the Regulatory Agreement and the Tax Agreement and all certificates executed and delivered by the Issuer with respect to the issuance of the Bonds.

"**Limited Offering Memorandum**" means the Limited Offering Memorandum with respect to the Bonds.

"**Permitted Encumbrances**" means those title exceptions listed more specifically on *Schedule B* attached hereto and made a part hereof.

"Preliminary Expenditure" means Preliminary Expenditure as defined in Regulation §1.150-2(f)(2); or an amount not in excess of the lesser of \$100,000 or 5% of the proceeds of the issue. The term "Preliminary Expenditure" includes architectural, engineering, surveying, soil testing and similar costs that are incurred prior to commencement of acquisition or rehabilitation of the Project, other than land acquisition, site preparation, and similar costs incident to commencement of rehabilitation. Preliminary Expenditures are limited to 20% of the aggregate issue price of the Bonds that finance, or are reasonably expected to finance, the capital facility for which the Preliminary Expenditure was paid.

"Project" means a supportive living facility, which facility and the real property on which it is located is described on *Exhibit A* hereto. The term "Project" includes the "Project Site", the "Project Equipment" and the "Project Facilities" as described in *Exhibit A*.

"Qualified Portion" means the portion of the Project which is a qualified residential rental project as defined in Section 142 of the Code.

"Regulatory Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants in the form of *Exhibit G* hereto, filed in the office of the Recorder of Deeds of Cook County, Illinois, which restricts the use of the Qualified Portion of the Project to that of a qualified residential rental property as described in Section 142 of the Code.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Loan Agreement; the term "heretofore" means before the date of execution of this Loan Agreement; and the term "hereafter" means after the date of execution of this Loan Agreement.

**Section 1.2 Interpretation.** Words importing persons include firms, associations and corporations. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate.

## Article II

### REPRESENTATIONS AND WARRANTIES

**Section 2.1 Representations and Warranties of the Issuer.** The Issuer represents and warrants that:

(a) The Issuer is a duly constituted and existing municipality and home rule unit of government within the meaning of Section 6(a), Article VII of the Constitution and as such may legislate matters which pertain to its government and affairs.

(b) To the knowledge of the undersigned representatives of the Issuer, there are no actions, suits, proceedings, inquiries or investigations pending or threatened against the Issuer in any court or before any governmental authority or arbitration board or tribunal which would (i) materially and adversely affect the validity or enforceability of the Bonds, the Bond Resolution, the Indenture, this Loan Agreement or the performance by the Issuer of its obligations hereunder or thereunder, (ii) materially and adversely affect the remarketing of the Bonds or (iii) question the tax-exempt status of the Bonds.

(c) The execution and delivery by the Issuer of the Indenture and this Loan Agreement and the other Bond Documents to which it is a party, and the performance by the Issuer of its obligations hereunder and thereunder (i) are within the purposes, power and authority of the Issuer, (ii) comply with the Constitution and the laws of the State, (iii) are legal, valid and binding obligations of the Issuer, except as may be limited by applicable bankruptcy, insolvency, moratorium, reorganization, or other laws affecting the enforcement of creditors' rights generally and general principles of equity, (iv) have been duly authorized by all necessary action on the part of the Issuer, and (v) have been duly executed and delivered by the Issuer. The Bonds do not and will not constitute a debt of the Issuer, the State or any political subdivision thereof or a loan of credit thereof within the meaning of any constitutional or statutory provision or limitation, nor shall the Bonds constitute or give rise to a pecuniary liability of the Issuer.

(d) The City Council of the Issuer has approved the Bond Resolution and the Bond Resolution has not been amended, modified or rescinded and is in full force and effect as of the date hereof.

(e) To the knowledge of the undersigned representatives of the Issuer, the Issuer has not pledged and will not pledge or grant any security interest in its interest in, to or under this Loan Agreement and the payments made thereunder, or the revenues to be derived by the Issuer thereunder for any purpose other than to secure the Bonds.

(f) To the knowledge of the undersigned representatives of the Issuer, all authorizations, consents and approvals of any governmental body required in connection with the execution and delivery by the Issuer of, or in connection with the performance by the Issuer of its obligations under, the Indenture, this Loan Agreement, the Bonds and the other Bond Documents to which it is a party, have been obtained and are in full force and effect.

**Section 2.2 Representations, Warranties and Certain Covenants of the Borrower.** The Borrower represents, warrants and covenants as of the date of issuance of the Bonds as follows:

(a) The Borrower is a limited partnership duly organized and validly existing under the laws of the State, is in good standing and duly authorized to conduct its business in the State and is duly authorized and has full power under all applicable laws and its partnership agreement to create, issue, enter into, execute and deliver, as the case may be, the Borrower Documents. There has been no event of dissolution of the Borrower under its partnership agreement or applicable law, and no such event of dissolution is planned or anticipated.

(b) The execution and delivery of the Borrower Documents on the Borrower's part have been duly authorized by all necessary action and neither the Borrower's execution and delivery of the Borrower Documents, the Borrower's consummation of the transactions contemplated hereby or thereby, nor the Borrower's fulfillment of or compliance with the terms and conditions hereof or thereof, conflicts with or results in a material breach of the limited partnership agreement of the Borrower or any material agreement or instrument to which the Borrower is now a party or by which it or any of its property is bound (except for any such breaches for which the Borrower has obtained a waiver or a required consent), or constitutes a material default (or would constitute a material default with due notice or the passage of time or both) under any of the

foregoing, or, except as described in the Borrower Documents, results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the property or assets of the Borrower under the terms of any material instrument or agreement to which the Borrower is now a party or by which it, or any of its property, is bound.

(c) The Project comprises the facilities more completely described in **Exhibit A** and is a qualified residential rental project as defined in Section 142 of the Code, except as described in **Exhibit F**. The Borrower intends to operate the Project for such use from the Issuance Date to the expiration or earlier termination of the term of this Loan Agreement and the Regulatory Agreement. No portion of the Project includes any property used or to be used for sectarian instruction or study or as a place for devotional activities or religious worship or any property which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

(d) The Borrower Documents have been duly authorized by all necessary action by the Borrower, executed and delivered and constitute the valid and binding obligations of the Borrower, enforceable in accordance with their terms, except as such enforcement may be limited by applicable bankruptcy, insolvency or other similar laws affecting the rights and remedies of creditors generally. No authorization or approval of any other governmental body or agency is required for the execution by the Borrower of the Borrower Documents or the performance by the Borrower of its obligations under the Borrower Documents or the transactions contemplated thereby.

(e) The Borrower will not use any of the proceeds of the Bonds in such a manner as to impair the exclusion from gross income of the interest on the Bonds from federal income taxation or take or fail to take any action that would so impair such exclusion. The Borrower will comply fully with its covenants and agreements under the Borrower Documents and the Tax Agreement.

(f) No amount shall be withdrawn from the Acquisition Fund (as defined in the Indenture) except to pay, to refinance or to reimburse the Borrower for capital expenditures regarding the Qualified Portion.

(g) As of the date hereof, the Borrower is in full compliance with all of the terms and conditions of this Loan Agreement, the Borrower Documents and the Bonds and no "Event of Default" has occurred and is continuing with respect thereto and no event has occurred and is continuing which with the lapse of time or the giving of notice or both would constitute such an "Event of Default".

(h) None of the proceeds of the Bonds will be used directly or indirectly as working capital or to finance inventory.

(i) The availability of financial assistance from the Issuer as provided herein and in the Indenture has induced the Borrower to proceed with the Project. The Borrower does not intend to lease the Qualified Portion of the Project, except to residents in the living units contained in the Project or otherwise in the ordinary course of business of the Borrower.



(j) The Borrower has good and marketable title in fee simple to the Project Site, sufficient for the purposes of this Loan Agreement, subject only to Permitted Encumbrances.

(k) The Borrower has obtained a standard American Land Title Association ("ALTA") title insurance policy from a title insurance company satisfactory to the Trustee in an amount at least equal to the face amount of the Bonds insuring the Issuer and the Trustee on behalf of the Bondholders as their respective interests may appear, and containing only such exceptions as listed on Schedule B.

(l) The Borrower has good and merchantable title to the Project Equipment owned by the Borrower as of the date hereof, free and clear of all liens and encumbrances.

(m) The Project is in compliance with all applicable federal, state and local laws and ordinances relating to zoning, building, safety and those environmental laws and regulations that are applicable to the Project.

(n) The representations and covenants contained in the Tax Agreement are true and correct and are incorporated herein by this reference and shall have the same effect as if such representations and covenants were actually contained in this Loan Agreement.

(o) No portion of the proceeds of the Bonds will be used for costs paid prior to sixty days before the date of the Declaration of Official Intent adopted by the Issuer or paid 18 months prior to the Issuance Date other than a Preliminary Expenditure.

(p) No property shall be substituted for the property described in **Exhibit A** unless an opinion is received from Bond Counsel to the effect that such substitution will not cause interest on the Bonds to become subject to Federal income taxation.

(q) No litigation, proceedings or investigations are pending or, to the knowledge of the Borrower, threatened against the Borrower seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of the Borrower Documents or which would in any manner challenge or adversely affect the corporate existence or powers of the Borrower to enter into and carry out the transactions described in or contemplated by or the execution, delivery, validity or performance by the Borrower of the Borrower Documents. In addition, except as described in the Limited Offering Memorandum, no litigation, proceedings or investigations are pending or, to the knowledge of the Borrower, threatened in writing against the Borrower, except litigation, proceedings or investigations involving claims for which the probable ultimate recoveries and the estimated costs and expenses of defense, would reasonably be considered to (i) be entirely within the applicable insurance policy limits (subject to applicable deductibles) or are not in excess of the total of the available assets held under applicable self-insurance programs or (ii) not have a material adverse effect on the operations or condition, financial or otherwise, of the Borrower.

(r) The Borrower has filed or caused to be filed all federal, state and local tax returns which are required to be filed, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

(s) The Borrower is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any material agreement or instrument to which it is a party, including the SLF Agreement.

(t) The Qualified Portion consists of buildings or structures that contain complete living facilities which are to be used on other than a transient basis and facilities which are functionally related and subordinate to the living facilities. No actions will be taken by the Borrower which will in any way adversely affect the use of the residential rental portion of the Project for such purposes.

(u) The information furnished, or to be furnished, by the Borrower and filed, or to be filed, by the Issuer with the Internal Revenue Service pursuant to Section 149(e) of the Code was or will be true and correct in all material respects as of the date of filing said information.

(v) The average maturity of the Bonds does not exceed 120 percent of the average reasonably expected economic life of the Project.

(w) None of the proceeds of the Bonds were or will be used in such a manner as to cause the Bonds to be "federally guaranteed" within the meaning of Section 147(b) of the Code.

(x) The Project has been and will continue to be operated in compliance with the Code. The Borrower will take all actions necessary to remedy any non-compliance with the Code arising in connection with the operation of the Project.

(y) The information used in the preparation of this Loan Agreement, the Tax Agreement and any other written statement furnished by the Borrower to the Issuer (including the descriptions and information contained in the Limited Offering Memorandum relating to (i) the Borrower and the Project, (ii) the operations and financial and other affairs of the Borrower, (iii) the application by the Borrower of the proceeds to be received by it from the loan of the proceeds of sale of the Bonds, and (iv) the participation by the Borrower in the transactions contemplated herein and in the Limited Offering Memorandum, and the material relating to the Borrower under the caption "Bondholders' Risks") do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein not misleading. There is no fact which the Borrower has not disclosed to the Issuer in writing which materially adversely affects or, so far as the Borrower can now foresee, will materially adversely affect the financial condition of the Borrower, the ability of the Borrower to own and operate the Project or the Borrower's ability to make payments on the Note and under this Loan Agreement when and as the same become due and payable.

(z) Compliance by the Borrower with the provisions of the Borrower Documents will not involve, to the extent applicable, any prohibited transaction within the meaning of the Employee Retirement Income Security Act of 1974, as amended (herein sometimes referred to as "ERISA"), or Section 4975 of the Code. No "employee pension benefit plans", that are subject to Title IV of ERISA (herein sometimes referred to as "Plans"), maintained by the Borrower, nor any trust created thereunder, have incurred any "accumulated funding deficiency" as defined in Section 302 of ERISA, to the extent applicable and the present value of all benefits vested under all Plans, if any, did not

exceed, as of the last annual valuation date, the value of the assets of the Plans allocable to such vested benefits.

(aa) The Borrower has any and all necessary licenses and permits to occupy and operate their existing facilities and has obtained, will obtain or will cause to be obtained all necessary licenses and permits to acquire, occupy and operate the Project, as they become required.

(bb) Except as otherwise provided by Section 3.3 of this Loan Agreement or Section 5.4 of the Indenture, no amounts shall be withdrawn from the Acquisition Fund except to pay, or to reimburse the Borrower for, any costs of the Project or, to the extent permitted by the Code, Costs of Issuance.

(cc) The General Partner of the Borrower has entered into a management agreement (the "Management Agreement") with [\_\_\_\_\_], as managing agent, a certified copy of which has been delivered and made part of the closing transcript. It provides for a maximum fee not to exceed 7.0% of the annual gross revenues of the Project.

(dd) The proceeds of the sale of the Bonds shall be used exclusively to acquire, rehabilitate and equip the Qualified Portion, to fund capitalized interest and necessary reserves and to pay a portion of the Costs of Issuance of the Bonds.

(ee) When recorded, the Regulatory Agreement shall be valid and enforceable in accordance with its terms subordinate, however, to the Mortgage and the Assignment.

(ff) The Borrower hereby acknowledges and agrees that the Project is to be leased, managed and operated as "a qualified residential rental project" within the meaning of Section 142(d) of the Code. Subject to the exceptions provided in regulations promulgated under the Code, the Borrower agrees to execute and, for the Qualified Project Period or until the Bonds are no longer Outstanding, whichever is later, comply with the terms and provisions of the Regulatory Agreement, to insert into any deed of conveyance transferring any interest in the Project provisions requiring compliance with the Regulatory Agreement during the Term (as defined in the Regulatory Agreement) thereof by any transferee and to obtain from such transferee an agreement to comply with the Regulatory Agreement during the Term thereof. The representations, warranties, and covenants of the Borrower made in the Regulatory Agreement are incorporated herein and made a part hereof. The Borrower will file or record the Regulatory Agreement at the place or places specified therein and assure the re-recording of the Regulatory Agreement if required under the laws of the State to continue the effectiveness of the original filings and recordings.

**Section 2.3 Bond Counsel May Rely on Representations and Warranties.** The Issuer and the Borrower agree that Bond Counsel shall be entitled to rely upon the factual representations and warranties of the Issuer and the Borrower set forth in this Article II in connection with the delivery of its opinion.

**Section 2.4 Inspections of Project.** The Borrower agrees that during the term of this Loan Agreement, the Issuer, the Trustee and their duly authorized agents shall have the right, but shall be under no duty or obligation to exercise this right, during regular business hours, with reasonable notice, to enter upon the premises and examine and inspect the Project,

subject to such limitations, restrictions and requirements as the Borrower may reasonably prescribe.

## Section 2.5 Financial Records and Statements.

(a) The Borrower will keep true books of record and account in which full, true and correct entries will be made of all dealings or transactions in relation to its business and activities on an accrual basis.

(b) The Borrower shall furnish to the Trustee, the Issuer and to any holder of 10% or more of principal amount of the Bonds (upon their written request) then outstanding: (i) annual audited financial and operating statements as soon as practicable after the end of each fiscal year of the Borrower, and in any event within 180 days thereafter, copies of an audited consolidated balance sheet of the Borrower at the end of such year, prepared in accordance with generally accepted accounting principals, (ii) quarterly unaudited financial and operating statements within 30 days after the end of each quarter, (iii) on or before the 18<sup>th</sup> day of each month, a statement of Outstanding Medicaid Receivables as of the last day of the prior month and (iv) a monthly report on the status of construction and lease up with respect to the Project within 10 days after the end of each month.

(c) The Borrower shall deliver to the Trustee within 90 days after the end of each of Borrower's fiscal years a written statement signed by an Authorized Borrower Representative stating, as to the signer thereof, that (i) a review of the activities of the Borrower during such year and performance under the Borrower Documents has been made under such Representative's supervision, and (ii) to the best of the knowledge of such Representative, based on such review, the Borrower has fulfilled all its obligations under the Borrower Documents throughout such year, or if there has been a default in the fulfillment of any such obligation, specifying each such default known to such Representative and the nature and status thereof.

(d) The Borrower shall notify the Issuer and the Trustee in writing of the occurrence of any Event of Default hereunder or any event which, with the passage of time or service of notice, or both, would constitute an Event of Default hereunder or under the Indenture, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto. Such notice shall be given promptly, and in no event less than 10 Business Days after the Borrower receives notice or knowledge of the occurrence of any such event. The Borrower further agrees that it will give prompt written notice to the Issuer and the Trustee if insurance proceeds or condemnation awards are received with respect to the Project and are not used to repair or replace the Project, which notice shall state the amount of such proceeds or award.

(e) The Borrower shall deliver to the Issuer and the Trustee not later than the 45th day preceding each fiscal year of the Borrower, its budget for such fiscal year, which shall include, on a monthly basis, all Operating Expenses, capital expenditures (as determined in accordance with generally accepted accounting principals) and Bond Service Charges to be made with respect to the Project, together with rents and other income projected to be produced by the Project. Such budget may be amended from time to time by the Borrower and any amended annual budget shall be promptly provided to the Issuer and the Trustee. The Borrower shall deliver to the Issuer and the Trustee not later than the thirtieth (30th) day after the end of each quarter of each fiscal year of the Borrower the unaudited operating statement of revenues and expenses comparing actual to budgeted results for the Project with respect to the

prior quarter of the fiscal year and the year to date and any statement as to variations in expenses from the actual to budgeted results.

(f) The Borrower shall provide to the Trustee not later than the 30th day after the end of each quarter of its fiscal year, and annually not later than the 30th day after the end of each fiscal year, an occupancy report stating the occupancy rate of the Project for such quarter or fiscal year, as applicable.

(g) The Borrower shall provide all information and reports required by this Section to Interested Beneficial Holders whose names are provided to the Borrower by the Trustee at the same time it provides such information and reports to the Trustee. The Trustee's only responsibility with respect to the information and reports required by this Section shall be to promptly notify Borrower of the names and addresses of Interested Beneficial Holders or, if the Bonds are not then held in a book-entry only system, of the names and addresses of Registered Owners.

(h) The Borrower shall provide such other information with respect to the Project and its results of operations as the Issuer or the Trustee shall from time to time reasonably request.

Each set of financial statements so delivered will be accompanied by a certificate of an Authorized Borrower Representative certifying that (i) said financial statements fairly represent the financial position and results of operations of the Borrower at and for the period indicated, and (ii) he has reviewed the relevant terms of this Loan Agreement and the Indenture and to the best of such representative's knowledge after due inquiry, there does not exist, as at the end of such reporting period, any condition or event which constitutes a Default or an Event of Default under said documents or, if any such condition or event exists, specifying the nature thereof and what action the Borrower has taken or proposes to take with respect thereto.

**Section 2.6 Modification with Respect to Excludability of Interest from Gross Income.**

(a) This Loan Agreement may not be amended, changed, modified, altered or terminated except as permitted herein and by the Indenture and with the written consent of the Borrower and the Issuer. Anything contained in this Loan Agreement or the Indenture to the contrary notwithstanding, the Issuer and the Borrower hereby agree to amend this Loan Agreement as is in the opinion of Bond Counsel required or reasonably desirable in order for interest on the Bonds to remain excludable from gross income for federal income tax purposes under Section 103 of the Code. The party requesting such amendment shall notify the other party to this Loan Agreement and the Trustee of the proposed amendment, and shall deliver a copy of such requested amendment to Bond Counsel. After review of such proposed amendment, Bond Counsel shall render to the Trustee an opinion as to the effect of such proposed amendment upon the excludability of interest on the Bonds in the income of the recipient thereof for federal income tax purposes and shall send a copy of such opinion to the Borrower. The Borrower shall pay the reasonable fees and disbursements of Bond Counsel for reviewing any such proposed amendment and rendering any such opinion.

(b) The Borrower and the Issuer shall execute, deliver and, if applicable, file or record any and all documents and instruments, including without limitation, any amendment to the Regulatory Agreement necessary to effectuate the intent of this Section 2.6, and both the Borrower and the Issuer hereby appoint the Trustee as their true and lawful attorney-in-fact to

execute, deliver and, if applicable, file or record on behalf of the Borrower or the Issuer, as is applicable, any such document or instrument (in such form as approved by Bond Counsel) if either the Borrower or the Issuer defaults in the performance of its obligation under this subsection (b); provided, however, that the Trustee shall take no action under this subsection (b) without first notifying the Borrower or the Issuer, or both, as is applicable, of its intention to take such action and providing the Borrower or the Issuer, or both, as is applicable, a reasonable opportunity to comply with the requirements of this Section 2.6. The Trustee shall have no obligation to act under this Section 2.6 unless (i) directed to do so in writing by the Borrower or the Issuer, and (ii) all fees and expenses to be incurred by the Trustee shall be paid by the Borrower.

**Section 2.7 Sale, Transfer or Assignment of Project.** The Borrower shall not voluntarily sell, transfer or assign the Project or any or all of its interest therein (other than leases for occupancy of individual units by residential tenants or leases of commercial space, if any) without the prior written approval by the Issuer of the purchaser, assignee or lessor and unless in the opinion of Bond Counsel such transaction will not adversely affect the exclusion from gross income of interest on the Bonds or the other transfer restrictions set forth in the Borrower Documents.

Any such assignment, sale or lease, if consented and approved by the Issuer, shall be conditioned on the following:

- (a) The assignee, purchaser or lessor shall assume the obligations of the Borrower hereunder to the extent of the interest assigned or leased;
- (b) The Borrower shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Issuer and the Trustee a true and complete copy of each assignment, assumption of obligations, contract of sale, or lease, as the case may be; and
- (c) The written consent of the holders of a majority in principal amount of the Bonds then outstanding shall be obtained.

For purposes of this Section, neither of the following in and of itself shall be deemed an assignment: (i) any foreclosure or conveyance in lieu of foreclosure by or to the Trustee pursuant to the terms of any deed to secure debt, mortgage or security agreement securing the Borrower Documents; and (ii) any other transfer to the Trustee of or to a nominee or assignee of the Trustee.

### Article III

#### ISSUANCE OF THE BONDS; APPLICATION OF THE BOND PROCEEDS AND BORROWER DEPOSITS

**Section 3.1 Issuance of the Bonds; Deposit of Bond Proceeds and Borrower Deposits.** To provide funds to make the Loan, the Issuer will, on the Issuance Date, issue, sell and deliver the Bonds to the Underwriter. The Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest, will mature, will be subject to redemption and will contain such other terms as are set forth in the Bonds and the Indenture and will be limited obligations of the Issuer payable solely from the sources described in the

Indenture. The Borrower hereby approves the terms and conditions of the Indenture and the Bonds, and the terms and conditions under which the Bonds will be issued, sold and delivered. On the Issuance Date, the proceeds from the sale of the Bonds will be loaned to the Borrower and deposited directly with the Trustee who is hereby directed to apply such proceeds as described in the Indenture and herein.

**Section 3.2 Investment of Funds and Arbitrage.** Any moneys held as a part of any of the funds established under the Indenture shall be invested or reinvested by the Trustee as directed by the Authorized Borrower Representative in accordance with the Indenture. The Borrower covenants to the Issuer and to and for the benefit of the purchasers and owners of the Bonds from time to time outstanding that so long as any of the Bonds remain outstanding, moneys on deposit in any fund established under the Indenture in connection with the Bonds, whether or not such moneys were derived from the proceeds of the Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. The Borrower covenants and agrees to comply with the provisions of the Tax Agreement and to timely make any deposits required thereunder.

**Section 3.3 Agreement to Acquire, Rehabilitate and Equip the Project; Disbursement of Acquisition Fund.**

(a) The Borrower agrees that the Bond proceeds will be applied to the various funds and accounts as set forth in *Schedule A* hereto which, not to the exclusion of the other accounts, provides that \$[ ] in the Acquisition Fund, as defined in the Indenture, shall be used for the purpose of paying the costs of acquiring, rehabilitating or equipping the Project or reimbursing the Borrower for any such costs paid by the Borrower. In addition the Borrower will cause to be deposited in the Acquisition Fund at closing the additional sum of \$[ ] of Borrower's equity from the sale of low-income housing tax credits and donation tax credits to be applied, respectively, towards acquisition and rehabilitation expenditures. All such funds will be used to acquire or rehabilitate the Qualified Portion in accordance with the Acquisition and Rehabilitation Budget and the outline specifications supplied to the Issuer and attached to the Regulatory Agreement incorporated hereto as **Exhibit G**. The Borrower shall make and enter into all contracts required for such acquisition and rehabilitation. The Borrower will cause the acquisition and rehabilitation of the Qualified Portion to be completed with reasonable dispatch and in no event later than two years from the Issuance Date.

(b) Pursuant to the Indenture, the Trustee shall disburse funds from the Acquisition Fund to pay the cost of acquisition, equipping and rehabilitation pursuant to the Acquisition and Rehabilitation Budget or to reimburse the Borrower for any such costs paid by the Borrower. Disbursements from the Acquisition Fund shall be made only by means of a requisition in the form set forth in **Exhibit D** hereto executed by the Authorized Borrower Representative and only to the extent the amount requested is available pursuant to the relevant line-item in the Acquisition and Rehabilitation Budget. The Trustee shall not be responsible for verifying the accuracy of the information contained in the requisition. The Borrower shall cause such requisitions to be directed to the Trustee as may be necessary to effect payments from the Acquisition Fund in accordance with the terms of this **Section 3.3** and the Indenture. The Trustee shall retain a record of all requisitions. The Borrower shall provide with each requisition appropriate waivers of any statutory liens by the party that performed the work and a detailed requisition form as provided by the general contractor for the work

completed. In making any payments from the Acquisition Fund, the Trustee may conclusively rely on any requisitions and certificates delivered pursuant hereto.

(c) Any changes to the Acquisition and Rehabilitation Budget including allocations from one line item to another, shall be made only with the written approval of the Borrower and the Interested Beneficial Holders, if any, or the holders of a majority in principal amount of the Bonds outstanding; provided that the Borrower may allocate an amount up to 10% of a line item in the original Acquisition and Rehabilitation Budget to another line item upon submitting an affidavit to the Trustee stating that the amount reallocated will not be required for the purpose originally allocated.

(d) Within 90 days after the completion of all items in the Acquisition and Rehabilitation Budget, the Borrower shall submit to the Trustee a certificate signed by the Authorized Borrower Representative certifying that all portions of the work provided for in the Acquisition and Rehabilitation Budget have been fully completed substantially in accordance with the Acquisition and Rehabilitation Budget, the contracts therefor and any outline specifications for such work. Upon delivery of such certificate, all funds then remaining (i) in the Bond Proceeds Account of the Acquisition Fund shall be transferred to the Bond Fund, and (ii) in the Equity Account of the Acquisition Fund shall be transferred as directed by the Equity Investor.

(e) If the money in the Acquisition Fund available for payment of the rehabilitation and repair costs of the Project shall not be sufficient to make such payment in full, the Borrower agrees to pay directly, or to deposit (or cause to be deposited) moneys in the Acquisition Fund for the payment of, such costs as may be in excess of the moneys available therefor in the Acquisition Fund. THE ISSUER DOES NOT MAKE ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, THAT THE MONEYS WHICH WILL BE DEPOSITED INTO THE ACQUISITION FUND, AND WHICH UNDER THE PROVISIONS OF THE LOAN AGREEMENT WILL BE AVAILABLE FOR PAYMENT OF THE ACQUISITION AND REHABILITATION COSTS OF THE PROJECT, WILL BE SUFFICIENT TO PAY ALL OF THE COSTS WHICH WILL BE INCURRED IN CONNECTION THEREWITH. The Borrower agrees that if, after exhaustion of the moneys in the Acquisition Fund, the Borrower should pay, or deposit moneys in the Acquisition Fund for the payment of, any portion of the costs of the Project pursuant to the provisions hereof, it shall not be entitled to any reimbursement therefor from the Issuer, the Trustee, or from the owners of any of the Bonds, nor shall it be entitled to any diminution of the amounts payable under Article IV hereof.

**Section 3.4 Replacement Reserve Account.** The Replacement Reserve Account of the Project Fund shall be established to pay amounts requisitioned by the Borrower to pay for repairs and restoration of the Project. The Borrower shall pay or cause to be paid to the Trustee pursuant to Section 5.7(b)(vii) of the Indenture for deposit in the Replacement Reserve Account the amount of \$[ ] per month, commencing [ ], 20[ ], *subject, however, to any greater amount as provided by a notice by the Borrower or any future adjustment, as determined by a report prepared by an independent consultant in accordance with Section 6.14(b) herein, in such amounts sufficient to fund any necessary repairs and/or restoration as determined by such findings of the Independent Consultant.* The Borrower shall provide to the Trustee annually at least 30 days prior to the commencement of each Fiscal Year of Borrower, a budget showing all costs and expenses expected to be paid from the Replacement Reserve Account for the following Fiscal Year of the Borrower. Such budget shall be based on the engineer's reports provided for in Section 6.14(b) hereof. Disbursements shall be made from the Replacement Reserve Account solely to pay the costs and expenses provided for in the budget based on a requisition signed by the Authorized Borrower



Representative, certifying with respect to each payment, (i) the name and address of the person to whom payment is due (which may be the Borrower if the payment is to reimburse the Borrower for amounts previously paid and the Borrower provides evidence of prior payment), (ii) the line item of the approved budget to which the payment relates, (iii) the unexpended budgeted amount remaining in regard to such line item before the payment requested, (iv) the amount to be paid, and (v) that the obligation to be paid has been properly incurred in regard to the Project and is a proper charge against the Replacement Reserve Account. Notwithstanding the foregoing, however, the Trustee shall, upon the written request of the Borrower, make unanticipated disbursements from the Replacement Reserve Account for emergency repairs to the Project affecting essential mechanical and/or structural elements of the Project and/or the health and safety of the Project residents.

**Section 3.5 No Warranty by Issuer.** The Borrower recognizes that the Issuer has not made an inspection of the Project or of any fixture or other item constituting a portion thereof, and the Issuer makes no warranty or representation, express or implied or otherwise, with respect to the same or the location, use, description, design, merchantability, condition, workmanship or fitness suitability or for use for any particular purpose, condition or durability thereof. The Borrower further recognizes that the Issuer has no title interest to any part of the Project and that the Issuer makes no representations or warranties of any kind as to Borrower's title thereto or ownership thereof or otherwise, it being agreed that all risks incident thereto are to be borne by the Borrower. In the event of any defect or deficiency of any nature in the project or any fixture or other item constituting a portion thereof, whether patent or latent, the issuer shall have no responsibility or liability with respect thereto. The provisions of this section have been negotiated and are intended to be a complete exclusion and negation of any warranties or representations by the issuer, express or implied, with respect to the project or any fixture or other item constituting a portion thereof, whether arising pursuant to the uniform commercial code of the state or any other law now or hereafter in effect or otherwise.

**Section 3.6 Issuer Not Liable; Limited Obligation of Issuer.**

(a) No pledge, agreement, covenant, representation, obligation or undertaking by the Issuer contained in this Loan Agreement and no other pledge, agreement, covenant, representation, obligation or undertaking by the Issuer contained in any document executed by the Issuer in connection with the Project or the Bonds shall give rise to any pecuniary liability of the Issuer or charge against its general credit, or shall obligate the Issuer financially in any way except out of payments to be made by the Borrower under this Loan Agreement, other than payments to be made by the Borrower pursuant to the Unassigned Rights. No failure of the Issuer to comply with any term, condition, covenant, obligation or agreement herein shall subject the Issuer to liability for any claim for damages, costs or other financial or pecuniary charge except to the extent the same is paid by the Borrower, and no execution of any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit, general funds or other property of the Issuer. Nothing herein shall preclude a proper party in interest from seeking and obtaining specific performance against the Issuer for any failure to comply with any term, condition, covenant, obligation or agreement herein; provided, that no costs, expenses or other monetary relief shall be recoverable from the Issuer except as may be payable by the Borrower. The Bonds are not general obligations of the Issuer and the full faith and credit of the Issuer are not pledged to their payment. No owner of any Bond has the right to compel any exercise of the taxing power of the Issuer to pay the principal, premium, if any, or interest on the Bonds.

(b) Anything in this Loan Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that (a) the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee, the Underwriter or the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer; (b) the Issuer shall not be under any obligation hereunder to perform any record keeping or to provide any legal services, it being understood that such services shall be performed either by the Trustee or the Borrower upon request of the Issuer; and (c) none of the provisions of this Loan Agreement shall require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless it shall first have been adequately indemnified to its satisfaction against the cost, expenses and liability which may be incurred thereby.

(c) All covenants, stipulations, representations, promises, agreements and obligations of the Issuer contained in this Loan Agreement or in any of the Bonds or in any other document executed in connection herewith or therewith shall be deemed to be the limited covenants, stipulations, representations, promises, agreements and obligations of the Issuer, and not of any elected or appointed officer, official, employee, attorney or agent of the Issuer in his or her individual capacity. No recourse shall be had against any such individual, either directly or through the Issuer or otherwise for the payment for or to the Issuer of any sum that may be due and unpaid by the Issuer, upon the Bonds or under any obligation, covenant, stipulation, promise or agreement contained herein, in the Bonds or in any other document executed in connection herewith or therewith and no recourse shall be had against any of such persons on account of the issuance and sale of the Bonds or on account of any representations made in connection therewith. Any and all personal liability or obligation, whether in common law or in equity or by reason of statute or constitution or by the enforcement of any assessment or otherwise, of any such person to respond by reason of any act or omission on his or her part or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the holder of any of the Bonds or otherwise, of any sum that may remain due and unpaid upon the Bonds or under any of the documents executed in connection with the issuance thereof is hereby expressly waived and released as a condition to and in consideration for the issuance of the Bonds and the execution of this Loan Agreement and related documents.

(d) The Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof or of any related document until it shall have been requested to do so by the Borrower or the Trustee and shall have received from the Borrower, the Trustee or the holders of the Bonds, assurance satisfactory to the Issuer that the Issuer will be reimbursed for its expenses, including attorneys' fees and expenses, incurred or to be incurred in connection with the taking of such action or execution of such instrument.

(e) The Bonds shall constitute special limited obligations of the Issuer payable solely from amounts payable under this Loan Agreement (except with respect to Unassigned Rights), and as provided in the Indenture. The Bonds are not general obligations of the Issuer and the full faith and credit of the Issuer are not pledged to their payment. No owner of any Bond has the right to compel any exercise of the taxing power of the Issuer to pay the principal, premium, if any, or interest on the Bonds. Notwithstanding any provision or obligation to the contrary set forth herein, no provision of this Loan Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer or to give rise to a charge upon the general credit of the Issuer, the liability of the Issuer hereunder shall be limited to its interest in the Project, this Loan Agreement, the Note, and all other related documents and collateral and the lien of any judgment shall be restricted thereto. In the performance of the Bond Documents of the Issuer

herein contained, any obligation it may incur for the payment of money shall not be a debt of the Issuer, nor shall the Issuer be liable on any obligation so incurred. The Issuer does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, commissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. The Issuer shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if a default shall occur hereunder.

## Article IV

### THE LOAN AND OTHER COVENANTS OF THE BORROWER

**Section 4.1 The Loan.** The Issuer agrees, upon the terms and subject to the conditions hereinafter set forth, to utilize the proceeds of the Bonds to cause the Loan to be made to the Borrower. The Issuer shall pledge its interest in the Loan and other documents related to the Loan (other than the Unassigned Rights, as defined in the Indenture) to the Trustee, all pursuant to the Indenture.

**Section 4.2 Borrower's Repayment Obligation.** The Borrower promises to pay to the Issuer, on the basis specified herein and in the Indenture and the Note, with interest, the principal sum of \$[\_\_\_\_\_]. Interest shall be determined, and principal and interest on the Loan shall be payable, as set forth herein and in the Note. The Borrower shall in all events pay the entire principal amount outstanding on the Bonds together with any accrued but unpaid interest upon the final maturity of the Bonds and shall pay any redemption premium applicable in the event of any optional or other redemption of the Bonds that requires the payment of redemption premium to owners of the Bonds. The Borrower waives presentment for payment, notice of dishonor, demand, protest, notice of protest, and all demand, notice and suretyship defenses generally in connection with the delivery, acceptance, performance, default or endorsement of this repayment obligation and specifically assents to any extension or postponement of the time for payment or other indulgence and/or to the addition or release of any other party or person primarily or secondarily liable.

The Borrower agrees to deposit with the Trustee on receipt (except that rents from tenants shall only be required to be deposited with the Trustee on the 3<sup>rd</sup> or 18<sup>th</sup> day of the month, whichever date first occurs after their receipt by Borrower) all Revenues, and to cause all payments under the SLF Agreement to be assigned by the Department to the Trustee, in order to secure payment of the Loan and of the following amounts and agrees to pay, to the extent not paid from the funds held under the Indenture, the following amounts:

(a) Notwithstanding any other provision of this Loan Agreement to the contrary contained herein or in the Note, this Loan Agreement evidences, and the Borrower agrees to pay, the principal of, redemption premium, if any, and interest on the Bonds issued pursuant to the Indenture, as said principal, redemption premium, if any, and interest becomes due. Payments of principal, redemption premium, if any, and interest due under this Loan Agreement shall be made in lawful money of the United States of America to the Trustee at the address set forth in the Indenture or at such other place as any assignee of this Loan Agreement may designate by a notice in writing given to the Borrower.

(b) The Borrower agrees to pay: (i) the issuance fee of the Issuer pursuant to its fee schedule in the amount of \$[ ] payable at or before the Issuance Date; (ii) all costs and other expenses incurred by the Issuer including, but not limited, to fees of Bond Counsel, counsel to the Issuer or of consultants retained by the Issuer in connection with the authorization, issuance, sale, preparation, execution and delivery of any and all documents required in connection with this financing, payable at or before Closing; and (iii) such other amounts required to pay or reimburse the Issuer's reasonable costs and expenses including, but not limited to, consultants fees, attorney's fees, etc., incurred from time to time in connection with the making by the Issuer of the Loan to the Borrower of the proceeds of the Bonds and all other services or actions of the Issuer in connection with this Loan Agreement, all such payments to be made within 30 days of submission of invoices for same. The Issuer shall not be responsible for payment of any such fees or expenses.

(c) The Borrower agrees to pay to the Bond Registrar, the Paying Agent and the Trustee (i) the initial acceptance fee of the Trustee and the costs and expenses, including reasonable attorneys' fees, incurred by the Trustee in entering into and executing the Indenture, and (ii) during the term of this Loan Agreement (A) an amount equal to the annual fee of the Trustee for the ordinary services of the Trustee, as trustee, rendered and its ordinary expenses incurred under the Indenture, including reasonable attorneys' fees, as and when the same become due, (B) the reasonable fees, charges and expenses of the Trustee, the Bond Registrar, and Paying Agent, as and when the same become due, and (C) the reasonable fees, charges and expenses of the Trustee for the necessary extraordinary services rendered by it and including reasonable attorneys' fees, as and when the same become due.

(d) The Borrower agrees to pay to the United States of America all amounts due and owing as arbitrage rebate on the Bonds in accordance with the Tax Agreement and the Code and applicable regulations thereunder.

(e) The Borrower agrees to pay with respect to the Project all taxes, assessments and related governmental charges and all insurance premiums (including public liability insurance and insurance against damage to or destruction of the Project) concerning or in any way related to the Project required to maintain the insurance coverage on the Project provided for herein and in the Mortgage.

(f) The Borrower hereby grants a security interest in all Revenues to the Issuer and agrees to turn over all the Revenues to the Trustee as provided for in the Indenture.

**Section 4.3 Additional Covenants of the Borrower.** The Borrower covenants that it will complete the Project and that it will operate the Project Site and the Project Equipment for the purposes and in a manner consistent with the Limited Offering Memorandum. The Borrower further covenants and agrees that it will, throughout the term of this Loan Agreement, (a) comply with all applicable laws, regulations, ordinances, rules, and orders relating to the Project Site or the Project Equipment as provided in the Borrower Documents, (b) maintain and insure the Project Site or the Project Equipment and pay all taxes, payments-in-lieu-of-taxes, assessments and other governmental charges in accordance with the Borrower Documents, (c) not cause or permit the Project Site or the Project Equipment to become or remain a public nuisance, (d) not allow any change in the nature of the occupancy, use or operation of the Project Site or the Project Equipment which is inconsistent with the Borrower's

application for assistance to the Issuer, except that the Borrower may after notice to the Issuer permit any such change which does not disqualify the Project as an authorized project under the Code as in effect on the date hereof, and (e) except as otherwise provided herein, not sell, assign, convey, lease or otherwise dispose of its interest in the Project Site or the Project Equipment without the prior written consent of the Issuer and all Interested Beneficial Holders. Nothing in this Section is intended to require the Borrower to operate the Project Site or the Project Equipment in such manner as, in the good faith judgment of the Borrower, shall materially and adversely impair the operating results of the Borrower in connection with the use of the Project Site or the Project Equipment.

**Section 4.4 Assignment and Pledge of the Issuer's Rights; Obligations of the Borrower Hereunder Unconditional.** As security for the payment of the Bonds, the Issuer will assign and pledge to the Trustee all rights, title and interest of the Issuer in and to this Loan Agreement and the Note, including the right to receive payments hereunder and thereunder (except its Unassigned Rights, including without limitation, the right to receive payment of expenses, fees, indemnification and the rights to make determinations and receive notices as herein provided), and hereby directs the Borrower to make said payments directly to the Trustee. The Borrower herewith assents to such assignment and pledge and will make payments directly to the Trustee without defense or set-off by reason of any dispute between the Borrower and the Issuer or the Trustee, and hereby agrees that its obligation to make payments hereunder and to perform its other agreements contained herein are absolute and unconditional. Until the principal of and interest on the Bonds shall have been fully paid or provision for the payment of the Bonds made in accordance with the Indenture, the Borrower (a) will not suspend or discontinue any payments provided for in this Loan Agreement, (b) will perform all its other duties and responsibilities called for by this Loan Agreement, and (c) will not terminate this Loan Agreement for any cause including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the laws of the United States or of the State or any political subdivision of either or any failure of the Issuer to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with this Loan Agreement.

**Section 4.5 Non-Recourse Obligation of the Borrower.** The Borrower and its partners shall only be liable upon the indebtedness evidenced by this Loan Agreement, or sums or amounts to accrue or to become payable hereunder or under the Note or either of them, to the full extent (but only to the extent) of the security granted for the Loan and the Note and the funds held pursuant to the Indenture. If a default occurs in the timely and prompt payment of all or any part of said indebtedness, sums or amounts, any judicial proceedings or enforcement of the remedies under this Loan Agreement and the Note against the Borrower and/or its partners shall be limited to the preservation, enforcement and foreclosure, or any thereof, of the liens, estates, assignments, titles, rights and security interests now or at any time hereafter acquired in such security and no judgment, attachment, execution or other writ of process shall be sought, issued or levied upon the assets, property or funds of the Borrower and/or its partners other than the properties, rights, estates and interests of the Borrower as are identified as security for the Loan and the Note. In the event of a foreclosure or other disposition as provided for in the Mortgage and the Assignment or the Indenture of such liens, estates, assignments, titled, rights and security interests, whether by judicial proceedings or the exercise of the power of sale, no judgment for the deficiency of such indebtedness, sums and amounts shall be sought or obtained against the Borrower and/or its partners.

Notwithstanding the foregoing provisions of this Section, nothing herein contained shall limit or restrict the ability of the Issuer or the Trustee to seek or obtain a judgment against the Borrower for damages caused by the Borrower as a direct consequence of the occurrence of any of the events set forth below (collectively, "Recourse Events"):

(a) fraud or any material misrepresentation made by the Borrower or any officer, agent or employee of the Borrower in any material writing or contained in any of the provisions of this Loan Agreement, the Mortgage, the Security Agreement and the Assignment, the Limited Offering Memorandum or any related document or Borrower Document;

(b) material breach of any covenant contained in the Mortgage and the Assignment, as defined in the Indenture, relating to the failure by the Borrower to pay, satisfy and discharge all general and special city, county and state taxes or special assessments or encumbrances, charges and liens which are or may be prior to or superior to the lien of the Mortgage;

(c) misapplication of (i) proceeds paid under any insurance policies by reason of damage, loss or destruction to any portion of the Project to the full extent that such proceeds are payable or should be payable to the Trustee under the terms of the Mortgage; or (ii) proceeds or awards resulting from the condemnation or other taking in lieu of condemnation, relating to any portion of the Project to the full extent of any such proceeds or awards which are payable or should be paid to the Trustee under the terms of the Mortgage;

(d) failure by the Borrower to cause to be maintained upon the Project such insurance coverages as are required hereunder or under the Mortgage;

(e) the occurrence of acts or omissions of the Borrower which result in waste to or of the Project;

(f) failure by the Borrower to remit to the Trustee the Revenues promptly upon demand; and

(g) the incurrence of any expenses, damages, or liabilities including, without limitation, all reasonable attorneys' fees, whether incurred by the Issuer or the Trustee prior to or following foreclosure of the Mortgage and whether the Issuer or the Trustee shall be in the status of a lienholder or an owner of the Project following foreclosure, directly or indirectly arising out of or attributable to use, generation, storage, release, threatened release, discharge, disposal, or presence on, under, or about the Project of any materials, wastes, or substances defined or classified as hazardous or toxic under any federal, state or local laws, regulations or otherwise resulting from the breach by the Borrower of any of the environmental covenants contained in the Mortgage.

**Section 4.6 Security Interest.** As security for the Loan and all other debts, liabilities and obligations of Borrower to the Issuer now or hereafter arising (collectively, the "Obligations"), Borrower hereby grants the Issuer a perfected lien on and security interest in the Project, all monies held in certain funds and accounts established under the Indenture, all Revenues, including the SLF Payments, gross revenues from the Project, all rents and leases from the Project, all equipment, furniture, fixtures and machinery located at the Project of any kind, nature or description, and all additions to, substitutions of and replacements of or

accessories to same, wherever located, and all attachments, components, parts, equipment and accessories installed thereon or affixed thereto, and all receipts, revenues, income and other moneys, whether in the form of cash, securities or other personal property and all insurance proceeds and proceeds of the foregoing, derived from same (collectively, the "Collateral").

#### **Section 4.7 Recording and Maintenance of Liens.**

(a) The Borrower will, at its own expense, take all necessary action to maintain and preserve the liens and security interest in the Collateral so long as any principal, premium, if any, or interest on the Bonds remains unpaid.

(b) The Borrower will, forthwith after the execution and delivery of the Bond Documents and thereafter from time to time, cause the Bond Documents, including any amendments thereof and supplements thereto, and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice of and fully to perfect and protect (i) the lien and security interest thereof upon and the title of the Borrower to the Project, and (ii) the lien and security interest therein granted to the Trustee or the Equity Investor, if any, to the rights, if any, of the Issuer assigned under the Bond Documents, and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all continuation statements and further instruments necessary for such publication, perfection and protection. The Borrower will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all Federal or State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Bond Documents and such instruments of further assurance.

(c) The Issuer shall have no responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the maintenance of any security interest intended to be perfected thereby. The Issuer will execute such instruments provided to it by the Borrower as may be reasonably necessary in connection with such filing or recording.

**Section 4.8 Annual Certificate.** For each year that this Loan Agreement remains in effect, the Borrower will furnish to the Issuer and the Trustee on or before January 31 of each succeeding year, a certificate of the Borrower, signed by an Authorized Borrower Representative, stating that (i) the Borrower has made a review of its activities during the preceding calendar year for the purpose of determining whether or not the Borrower has complied with all of the terms, provisions and conditions of this Loan Agreement, (ii) the Borrower has kept, observed, performed and fulfilled each and every covenant, provision and condition of this Loan Agreement on its part to be performed, and (iii) the Borrower is not in default in the performance or observance of any of the covenants, provisions or conditions hereof, or if the Borrower shall be in default, such certificate shall specify all such defaults and the nature thereof

**Section 4.9 Maintenance of Existence and Qualification.** Unless the Borrower complies with the following provisions of this Section 4.9, the Borrower agrees that as long as any Bonds are outstanding it will maintain its existence, will not dissolve, liquidate or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge

into it. Any dissolution, liquidation, disposition, consolidation or merger shall be subject to the following conditions:

(a) the Borrower provides a certificate to the Issuer and the Trustee, in form and substance satisfactory to such parties, to the effect that no **Event of Default** exists hereunder or under the Indenture and that no **Event of Default** will be caused by the dissolution, liquidation, disposition, consolidation or merger;

(b) the entity surviving the dissolution, liquidation, disposition, consolidation or merger assumes in writing and without condition or qualification the obligations of the Borrower under each of the Borrower Documents;

(c) the Borrower or the entity surviving the dissolution, liquidation, disposition, consolidation or merger, within **10** days after execution thereof, furnishes to the Issuer and the Trustee a true and complete copy of the instrument of dissolution, liquidation, disposition, consolidation or merger;

(d) neither the validity nor the enforceability of the Bonds, the Indenture or any agreements to which the Borrower is a party is adversely affected by the dissolution, liquidation, disposition, consolidation or merger;

(e) the exclusion of the interest on the Bonds from gross income for federal income tax purposes is not adversely affected by the dissolution, liquidation, disposition, consolidation or merger, and the provisions of the Indenture and the Borrower Documents are complied with concerning the dissolution, liquidation, disposition, consolidation or merger;

(f) no rating on the Bonds, if the Bonds are then rated, is reduced or withdrawn as a result of the dissolution, liquidation, disposition, consolidation or merger;

(g) the Project continues to be as described herein;

(h) any successor to the Borrower shall be qualified to do business in the State and shall continue to be qualified to do business in the State throughout the term hereof; and

(i) the Issuer has executed a certificate acknowledging receipt of all documents, information and materials required by this Section 4.9. As of the effective date of the dissolution, liquidation, disposition, consolidation or merger, the Borrower (at its cost) shall furnish to the Issuer and the Trustee (i) an opinion of Bond Counsel, in the form and substance satisfactory to such parties, as to items (e) and (f) above, and (ii) an opinion of Independent Counsel, in form and substance satisfactory to such parties, as to the legal, valid and binding nature of item (c) above.

**Section 4.10 Nature of Project and Public Purpose.** The Borrower represents to the Issuer that it will use the proceeds of the Bonds to acquire, rehabilitate and equip the Project substantially as described in **Exhibit A** hereto.



## Article V

### DAMAGE, DESTRUCTION AND CONDEMNATION

**Section 5.1 No Abatement of Payments.** If the Project shall be damaged or either partially or totally destroyed, or if title to or the temporary use of the whole or any part of the Project shall be taken or condemned by a competent authority for any public use or purpose, there shall be no abatement or reduction in the amounts payable under this Loan Agreement.

**Section 5.2 Application of Proceeds.** If the Project shall be damaged or either partially or totally destroyed, or if title to or the temporary use of the whole or any part of the Project shall be taken or condemned by a competent authority for any public use or purpose, the Borrower shall immediately notify the Trustee of such event in writing and, within 90 days after the occurrence of such event shall determine and certify to the Trustee in writing as to whether any of the events set forth in Section 3.1(e)(i) or (ii) of the Indenture requiring mandatory redemption of the Bonds have occurred. If the Borrower certifies to the Trustee that an event requiring mandatory redemption has occurred, all proceeds of insurance or condemnation, net of any expenses of recovering such amounts, shall be paid immediately on receipt to the Trustee for deposit in the Bond Fund. If the Borrower certifies to the Trustee that no event requiring redemption of the Bonds has occurred, and no Event of Default has occurred under this Loan Agreement or any of the Borrower Documents, the Borrower shall restore the Project to substantially the same condition as existed prior to the event causing the damage or destruction or the condemnation and may apply the proceeds of any insurance or condemnation to the payment or reimbursement of the costs of such repair or restoration, provided (i) such proceeds are sufficient to keep the Loan in balance and rebuild the Project in a manner that provides adequate security to the Issuer for repayment of the Loan or if such proceeds are insufficient, Borrower shall, at its sole cost and expense, fund any deficiency, and (ii) Issuer shall have the right to approve, in its reasonable discretion, any and all plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under an escrow or similar arrangement.

## Article VI

### SPECIAL COVENANTS

**Section 6.1 Preservation of Project.** The Borrower will maintain the Project in a safe and sound operating condition, making from time to time all needed repairs thereto, and preserve and protect the Project in decent, safe and sanitary condition and from time to time will make, or will cause to be made, all reasonably required, proper repairs, renewals, replacements, betterments and improvements thereto. The Borrower shall have the privilege of remodeling the Project or making substitutions, additions, modifications and improvements to the Project from time to time as the Borrower, in its discretion, may deem to be desirable for the Borrower's use for its purposes, the costs of which remodeling, substitutions, additions, modifications and improvements shall be paid by the Borrower, and the same shall be subject to the Mortgage, the Security Agreement and the Assignment.

**Section 6.2 Insurance Required.** The Borrower agrees to insure the Project or cause it to be insured with insurance companies licensed to do business in the State in such amounts and in such manner and against such loss, damage and liability, including liability to

third parties, as is customary with entities in the same or similar business, including without limitation:

(a) Fire and extended coverage property damage insurance, including, but not limited to all risk insurance, in an amount equal to the full replacement value of the Project, without coinsurance or deduction for depreciation, containing a waiver of subrogation clause and a deductible amount not to exceed \$100,000 per occurrence;

(b) Public liability insurance, in such form, amount and deductible as is customary, and naming Trustee as additional insured covering Trustee's interest in the Project;

(c) Business interruption or rent loss insurance endorsement in an amount at least equal to 100% of the sum of: Bond Service Charges for the current Bond Year, annual debt service on any other permitted financing, ground rents, if any, and operating expenses, including, without limitation, real estate taxes and assessments and insurance, for the Project;

(d) To the extent that the Project lies within the boundaries of the 100 year flood plain, flood insurance required by and obtainable through the National Flood Insurance Program sufficient to cover any damage which may be anticipated in the event of flood unless Borrower has provided Trustee evidence satisfactory to Trustee that no portion of the Project is located within the boundaries of the 100 year flood plain;

(e) Boiler and machinery insurance when risks covered thereby are present;  
and

(f) Earthquake insurance.

The insurance coverages described in subsections (a), (c), (d) and (e) above shall name the Trustee under a standard noncontributory mortgagee clause or otherwise directly insure the Trustee's interest in the Project. All losses under said insurance shall be payable to the Trustee as its interests appear. All policies of insurance required hereunder shall be with a company or companies with a policy rating of A and financial rating of at least Class VII in the most current edition of Best's Insurance Reports and authorized to do business in the State. All policies of insurance shall provide that they will not be canceled or modified without 30 days' prior written notice to the Trustee and the Issuer. True copies of the above mentioned insurance policies or evidence of such insurance (in the form of Accord Form 27) satisfactory to the Issuer shall be delivered to and held by the Trustee. True copies of all renewal and replacement policies or evidences of such insurance forms (Accord Form 27) thereof shall be delivered to the Trustee at least 30 days before the expiration of the expiring policies. If any renewal or replacement policy is not obtained as required herein, the Trustee is authorized to obtain the same in the Borrower's name and at the Borrower's expense. The Trustee shall not by the fact of failing to obtain any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of insurance contracts, solvency of insurance companies, or payment or defense of lawsuits, and the Borrower hereby expressly assumes full responsibility therefor and all liability, if any, with respect thereto.

Not less than once every two years, with the first such report prepared no later than [\_\_\_\_\_], 2011, the Borrower shall cause the Independent Insurance Consultant to prepare and file a report with the Issuer and the Trustee certifying as to the adequacy of the

Borrower's insurance program. To the extent any such report recommends changes to the existing program, the Borrower agrees to follow such recommendation to the extent feasible.

**Section 6.3 Further Contribution of Borrower.** The Borrower acknowledges that the moneys available from the proceeds of the sale of the Bonds may not be sufficient to pay Project Costs and Issuance Costs in full and that the Borrower shall pay or cause to be paid all moneys necessary to pay Project Costs and Issuance Costs in excess of the moneys available therefor from such proceeds. The Borrower shall not be entitled to any reimbursement from the Issuer or the Trustee for any moneys the Borrower is obligated to pay or cause to be paid pursuant to this Section, nor shall it be entitled by virtue of such payment to any diminution in or postponement of the payments required to be paid by the Borrower under this Loan Agreement. At the closing the Borrower will contribute such additional funds to the Trustee to fund the accounts as set forth in *Schedule A* hereto.

**Section 6.4 Issuer and Borrower Representatives.** Whenever under the provisions of this Loan Agreement the approval of the Issuer or the Borrower is required to take some action at the request of the other, such approval or such request shall be given for the Issuer by an Authorized Officer of the Issuer and for the Borrower by an Authorized Borrower Representative, and any party hereto and the Trustee shall be authorized to act on any such approval or request, which approval or request shall not be unreasonably withheld.

**Section 6.5 Additional Payments.** The Borrower will pay the following within 30 days after receipt of a bill therefor:

(a) The reasonable fees and expenses of the Issuer in connection with and as provided in this Loan Agreement and the Bonds, such fees and expenses to be paid directly to the Issuer or as otherwise directed in writing by the Issuer;

(b) (i) the fees and expenses of the Trustee and all other fiduciaries and agents serving under the Indenture (including any expenses in connection with any redemption of the Bonds), and (ii) all fees and expenses, including attorneys fees, of the Trustee for any extraordinary services rendered by it under the Indenture. All such fees and expenses are to be paid directly to the Trustee or other fiduciary or agent for its own account as and when such fees and expenses become due and payable; and

(c) all other reasonable fees and expenses incurred in connection with the issuance of the Bonds.

**Section 6.6 Indemnification.**

(a) The Borrower, regardless of any agreement to maintain insurance, will indemnify the Issuer and its elected officers, agents, attorneys, employees, officials, successors and assigns and other elected and appointed officials of the Issuer, past, present and future and the Trustee (except with respect to the Trustee's own gross negligence or willful misconduct) against (a) any and all claims by any person related to the participation of the Issuer or the Trustee in the transactions contemplated by this Loan Agreement, including without limitation claims, loss, causes of action, charge, suit, demand, damage, tax penalty or expense (including litigation expense, attorney's fees and expenses and court costs), judgments, or liability of any nature, directly or indirectly, arising out of (i) the acquisition, financing, rehabilitation, operation, use or maintenance of the Project, any condition of the Project or the rehabilitation, use, occupancy or

management thereof; (ii) any act, failure to act on behalf of the Borrower, any accident, injury or damage to any person occurring in or about or as a result of the Project; (iii) any breach by the Borrower of its obligations under this Loan Agreement; (iv) any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees; or (v) the offering, issuance, sale, resale or remarketing of the Bonds to the extent permitted by law, and (b) all costs, counsel fees, expenses or liabilities reasonably incurred in connection with any such claim or any action or proceeding brought thereon. In case any action or proceeding is brought against the Issuer or the Trustee by reason of any such claim, the Borrower will defend the same at its expense upon notice from the Issuer or the Trustee, and the Issuer or the Trustee, as the case may be, will cooperate with the Borrower, at the expense of the Borrower, in connection therewith. This indemnification shall survive the termination or defeasance of this Loan Agreement and the Note. The Borrower shall also indemnify the Issuer and its elected officers, agents, attorneys, employees, officials, successors and assigns and other elected and appointed officials of the Issuer, past, present and future for all costs and expenses, including attorney's fees, incurred in (i) entering any obligation of the Borrower hereunder or any related agreement (including, without limitation, the Tax Agreement), (ii) taking any action requested by the Borrower, (iii) taking any action required by this Loan Agreement or any related agreement (including, without limitation, the Tax Agreement) or (iv) taking any action considered reasonably necessary by the Issuer or which is authorized by this Loan Agreement or any related Agreement.

(b) Without limiting the generality of the foregoing, the Borrower acknowledges that in the event of an examination, inquiry or related action by the Internal Revenue Service with respect to the Bonds or the exclusion of interest thereon from the gross income of the Holders thereof for federal income tax purposes, the Issuer may be treated as the responsible party, and the Borrower agrees to respond promptly and thoroughly to the satisfaction of the Issuer to such examination, inquiry or related action on behalf of and at the direction of the Issuer. The Borrower further agrees to pay all costs of counsel selected by the Issuer to represent the Issuer in connection with such examination, inquiry or related action. The Borrower shall indemnify and hold harmless the Issuer against any and all costs, losses, claims, penalties, damages or liability of or resulting from such examination, inquiry or related action by the Internal Revenue Service, including any settlement thereof by the Issuer.

**Section 6.7** Limitations on Liability of Issuer and Trustee. The Issuer and the Trustee shall each be entitled to the advice of counsel (who may also be counsel for the Trustee or the holder of a Bond or Bond Counsel) and shall be wholly protected as to action taken or omitted in good faith in reliance on such advice. Each may rely conclusively on any communication or other document furnished to it hereunder or under any other Bond Documents and reasonably believed by it to be genuine. Neither shall be liable for any action (a) taken by it in good faith and reasonably believed by it to be within the discretion or powers conferred upon it, or (b) in good faith omitted to be taken by it because reasonably believed to be beyond the discretion or powers conferred upon it, or (c) taken by it pursuant to any direction or instruction by which it is governed under any Bond Document, nor shall either of them be responsible for the consequences of any error of judgment reasonably made by it. Neither shall in any event be liable for the application or misapplication of funds, or for other acts or defaults, by any person, except its own directors, officers, officials or employees, its liability with respect to acts or defaults of any kind of agents appointed by it being limited to liability for any, if any, willful malfeasance in the appointment of such agent. When any consent or other action by any one of them is called for by Borrower Documents, it may defer such action pending receipt of

such evidence (if any) as it may require in support thereof. Except as otherwise provided in the Indenture in regard to the Trustee, neither shall be required to take any remedial action (other than the giving of notice) unless indemnity is furnished by the person or persons requiring such action for any expense or liability to be incurred thereby, and the furnishing of indemnity to the reasonable satisfaction of the Trustee, or of the Issuer, as the case may be, is hereby made a condition, which the Trustee, or the Issuer, as the case may be, may but need not assert, to the undertaking of such remedial action. Each shall be entitled to reimbursement for expenses reasonably incurred or advances reasonably made, with interest at the rate per annum announced by the Trustee from time to time as its prime rate, as such prime rate may change from time to time, in the exercise of its rights or the performance of its obligations to the extent that it acts without previously obtaining indemnity. No permissive right or power to act which any one of them may have shall be construed as a requirement to act; and no delay in the exercise of a right or power shall affect the subsequent exercise of the right or power. No recourse shall be had by the Borrower, the Trustee or any Bondholder for any claim based on this Loan Agreement, the Bonds, the Indenture or any other Borrower Documents against any director, member, officer, attorney, agent or employee, past, present or future, of the Issuer or of any successor body as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law or by the assessment or penalty or by any legal or equitable proceeding or otherwise, unless such claim is based upon the willful dishonesty of or intentional violation of law by such person. No covenant, stipulation, obligation or agreement of the Issuer contained in this Loan Agreement, the Bonds, the Indenture or any other Borrower Documents or in any document to which the Issuer is a party shall be deemed to be a stipulation, obligation or agreement of any present or future director, member, officer, agent or employee of the Issuer in his individual capacity, and any director, member, officer, agent or employee of the Issuer executing the Bonds shall not be liable personally thereon or subject to any personal liability or accountability by reason of the issuance thereof.

**Section 6.8 Borrower's Approval of Issuance of Bonds by Issuer.** The Borrower hereby approves the Issuer's issuance of the Bonds pursuant to the Indenture. Except as otherwise provided in the Indenture, the Indenture shall not be modified or amended except with the written consent of the Borrower.

**Section 6.9 Tax Exempt Status of the Bonds.** The Borrower and the Issuer, as the case may be, hereby represent, warrant and agree that:

(a) The Borrower will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the excludability from gross income for purposes of Federal income taxation of the interest on the Bonds and if the Borrower should take or permit, or omit to take or cause to be taken, any such action, the Borrower shall take all lawful actions necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof;

(b) Upon the request of the Issuer or the Trustee, the Borrower will take such action or actions as may be reasonably necessary, in the written opinion of Bond Counsel, to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under Section 142 of the Code;

(c) The Borrower and the Issuer agree that they will not make any use of the proceeds from the sale of the Bonds in any manner which will cause the Bonds to be

"arbitrage bonds" within the meaning of the Code and the applicable regulations thereunder; and

(d) The Borrower and the Issuer agree that they will not take or permit to be taken any action in connection with the Project which would jeopardize the status of the Project as a "qualified residential rental project" within the meaning of Section 142 of the Code.

**Section 6.10 Assignment, Selling and Leasing.** This Loan Agreement may not be assigned and the Project leased or sold, as a whole or in part (other than leases for occupancy of individual units by residential tenants or leases of commercial space, if any), by the Borrower unless the Borrower satisfies each of the following conditions:

(a) An opinion of Bond Counsel is delivered to the effect that such assignment, lease or sale does not adversely affect the exclusion from gross income of the interest on the Bonds for Federal income tax purposes:

(b) The assignee, purchaser or lessee shall assume the obligations of the Borrower hereunder to the extent of the interest assigned or leased;

(c) The Borrower shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Issuer and the Trustee a true and complete copy of each assignment, assumption of obligation, contract of sale, or lease, as the case may be; and

(d) The written consent of the Interested Beneficial Holders, if any; or the holders of a majority in principal amount of the Bonds then outstanding shall be obtained, such consent not to be unreasonably withheld or delayed.

For the purposes of this Section, neither of the following in and of itself shall be deemed an assignment: (i) any foreclosure or conveyance in lieu of foreclosure by or to the Trustee pursuant to the terms of any deed to secure debt, mortgage or security agreement securing the Borrower Documents; and (ii) any other transfer to the Trustee or to a nominee or assignee of the Trustee.

**Section 6.11 Compliance with Applicable Laws.** All work performed in connection with the Project shall be performed in strict compliance with all applicable federal, state, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter applicable to the Project.

**Section 6.12 Environmental Representation and Indemnity.** Except as set forth in *Exhibit E* attached hereto:

(a) To the best of the Borrower's knowledge, after reasonable due inquiry: (i) no dangerous, toxic or hazardous pollutants, contaminants, chemicals, wastes, materials or substances, as defined in or governed by the provisions of any applicable law, statute, code, ordinance, regulation, requirement or rule relating thereto (hereinafter collectively called "Environmental Regulations"), and also including urea-formaldehyde, polychlorinated biphenyls, asbestos, asbestos-containing materials, nuclear fuel or waste, radioactive materials, explosives and carcinogens, or any other waste, material, substance, pollutant or contaminant which would subject the owner of

the Project to any damages, penalties or liabilities under any applicable Environmental Regulation (hereinafter collectively called "Hazardous Substances") are now or have ever been stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited or disposed of in, upon, under, over or from the Project; (ii) no threat exists of a discharge, release or emission of a Hazardous Substance upon or from the Project into the environment; (iii) the Project has not ever been used as or for a mine, a landfill, a dump or other disposal facility, industrial or manufacturing purposes, or a gasoline service station; (iv) no underground storage tank is now located in the Project or has previously been located therein but has been removed therefrom; (v) no violation of any Environmental Regulation now exists in, upon, under, over or from the Project, no notice of any such violation or any alleged violation thereof has been issued or given by any governmental entity or agency, and there is not now nor has there ever been any investigation or report involving the Project by any governmental entity or agency which in any way relates to Hazardous Substances; (vi) no person, party or private or governmental agency or entity has given any notice of or asserted any claim, cause of action, penalty, cost or demand for payment or compensation, whether or not involving any injury or threatened injury to human health, the environment or natural resources, resulting or allegedly resulting from any activity or event described in (i) above; (vii) there are not now, nor have there ever been, any actions, suits, proceedings or damage settlements relating in any way to Hazardous Substances, in, upon, under, over or from the Project; (viii) the Project is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites or any other list of Hazardous Substance sites maintained by any federal, state or local governmental agency; and (ix) the Project is not subject to any lien or claim for lien or threat of a lien in favor of any governmental entity or agency as a result of any release or threatened release of any Hazardous Substance.

(b) Except in accordance with applicable law and in the ordinary course of business, the Borrower shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Project, shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom, shall cause all Hazardous Substances found thereon to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations, shall not install or permit to be installed any underground storage tank therein or thereunder, and shall comply with all Environmental Regulations which are applicable to the Project. At any time and upon reasonable belief by the Borrower, the Trustee or the Issuer that a violation of this section has occurred or is occurring, if the Trustee or the Issuer so requests, the Borrower shall have an environmental review, audit, assessment and/or report relating to the Project heretofore provided by the Borrower to the Trustee and the Issuer updated, at the Borrower's sole cost and expense, by an engineer or scientist acceptable to the Trustee and the Issuer, or shall have such a review, audit, assessment and/or report prepared for the Trustee and the Issuer, if none has previously been so provided. The Borrower shall indemnify the Trustee and Issuer against, shall hold Trustee and Issuer harmless from, and shall reimburse the Trustee and the Issuer for, any and all claims, demands, judgments, penalties, liabilities, costs, damages and expenses, including court costs and attorneys' fees directly or indirectly incurred by the Trustee or the Issuer (prior to trial, at trial and on appeal) in any action or proceeding involving the Trustee or the Issuer, resulting from any breach of the foregoing covenants, from the incorrectness or

untruthfulness of any warranty or representation set forth herein, or from the discovery of any Hazardous Substance in, upon, under or over, or emanating from, the Project, whether or not the Borrower is responsible therefor, it being the intent of the Borrower and the Issuer that the Issuer and the Trustee shall have no liability or responsibility for damage or injury to human health, the environment or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, Hazardous Substances by virtue of indemnity the interest of the Issuer and the Trustee in the Project created hereby or as the result of the Issuer and the Trustee exercising any of its rights or remedies with respect thereto hereunder, including, but not limited to, becoming the owner thereof by foreclosure or conveyance in lieu of foreclosure, provided, however, that the Borrower shall not indemnify the Trustee for any claims, demands, judgments, penalties, liabilities, costs, damages and expenses which arise solely as a result of the gross negligence or willful misconduct of the Trustee. The foregoing representations, warranties and covenants in this section shall be deemed continuing covenants, representations and warranties for the benefit of the Issuer and the Trustee, and any successors and assigns of the Issuer and the Trustee, including, but not limited to, any purchaser at a foreclosure sale, any transferee of the title of the Issuer and the Trustee or any other purchaser at a foreclosure sale, and any subsequent owner of the Project, and shall survive the satisfaction or release of this mortgage, any foreclosure of this mortgage and/or any acquisition of title to the Project or any part thereof by the Issuer and the Trustee, or anyone claiming by, through or under the Issuer and the Trustee, by deed in lieu of foreclosure or otherwise. Any amounts covered by the foregoing indemnification shall bear interest from the date incurred at the prime interest rate publicly announced from time to time by the Trustee as a commercial bank plus 2% and shall be payable on demand, and shall be secured hereby.

(c) The Borrower agrees to immediately notify Issuer in the event the Borrower becomes aware of any condition on the Project which does not comply with any Environmental Regulation regarding asbestos remediation. This includes notice to the Issuer of the creation of any lien pursuant to Illinois law or any similar federal laws or regulations. At its own cost, the Borrower will take all actions which are required by law to remediate, encapsulate or remove any and all asbestos and/or asbestos containing material affecting the Project or its improvements including, but not limited to, the removal, encapsulation, containment or any other remedial action required by Issuer or any appropriate governmental authorities. In connection therewith, the Borrower hereby agrees, unconditionally and absolutely, to provide the Issuer with such indemnification as set forth in subsection (b) of this provision.

**Section 6.13 Tax Agreement.** In order to maintain the exclusion from gross income for Federal income tax purposes of interest on the Bonds and to assure compliance with the laws of the State and certain additional requirements of the Issuer, the Borrower hereby affirms that it has executed and delivered the Tax Agreement.

The Borrower shall comply with every term of the Tax Agreement, and the Borrower hereby acknowledges that in the event of a default under the Tax Agreement which is not cured for a period of 30 days after receipt by the Borrower of notice thereof, the Loan may be accelerated.

**Section 6.14 Obligation to Hire Independent Consultants.** Promptly upon the occurrence of any of the following, the Borrower shall hire an independent consultant,



approved by the Issuer, to prepare and issue, at the Borrower's expense, an appropriate report and to distribute each report to the Trustee, the Issuer and all holders of Bonds:

(a) If the Debt Service Coverage Ratio for any Bond Year is less than 1.10, the Borrower shall, at the request of the holders of a majority of the principal amount of the Bonds then outstanding, hire a consultant to recommend in a written report, appropriate steps to increase coverage, and improve the operations and the value of the Project. Such report shall be provided within 30 days after the engagement of such consultant. The Debt Service Coverage Ratio shall be tested annually, commencing on [\_\_\_\_], 2013, for the preceding Bond Year. Prior to the first 12 months of full operation, however, this test shall be pro rated based on actual months of operation; and

(b) Two and one-half months prior to the end of every fifth Fiscal Year, commencing with the Fiscal Year beginning [\_\_\_\_], 2017, the Borrower shall hire an engineer to inspect the Project and recommend what capital expenditures and repairs are necessary or appropriate to maintain the Project in the ensuing five Fiscal Years. Such engineer shall be generally recognized as having expertise in such matters.

**Section 6.15 Change of Management.** The Borrower may not retain new management for the Project without the consent of the holders of a majority of the principal amount of the Bonds then outstanding. If requested by the holders of a majority of the principal amount of the Bonds then outstanding, the Borrower shall be required to retain new licensed management for the Project if (i) management does not implement the recommendation of a consultant retained pursuant to Section 6.14(a) hereof, and (ii) the Debt Service Coverage Ratio for any Bond Year commencing not less than 12 months after delivery of the report is less than 1.00. Such new management shall be satisfactory to the holders of a majority in principal amount of the Bonds then outstanding, and shall be compensated with a management fee of not more than 5.0% of Revenues, which fee structure for the manager has been approved by the Issuer. For purposes of this Section 6.15, the term "management" shall refer exclusively to [\_\_\_\_], as "Agent" under that certain Management Agreement of even date herewith between the Borrower and [\_\_\_\_] or to any successor agent designated by the Borrower under any subsequent agreement to manage the property.

**Section 6.16 Permits and Licenses.** The Borrower covenants and agrees that in the renovation and operation of the Project it will comply with all federal, state and local statutes, laws, ordinances, building codes, regulations and rulings applicable to the Project.

**Section 6.17 Taxes and Liens.** The Borrower hereby agrees that it will promptly pay, or cause to be paid, all taxes, assessments or other governmental charges which may lawfully be levied or assessed upon the income or profits of the Borrower, or upon any property, real, personal or mixed, belonging to the Borrower or upon any part thereof, and also any lawful claims for labor, material and supplies which, if unpaid, might become a lien or charge against such property (including the Project); *provided, however,* the Borrower, shall not be required to pay any such, tax, assessment, charge, levy or claim that shall be actively contested in good faith, but shall be paid forthwith upon the commencement of any proceedings to foreclose any lien securing the same, unless a surety bond, in an amount satisfactory to the Trustee, is obtained and delivered to the Trustee.

**Section 6.18 Additional Indebtedness.** The Borrower covenants that it will not incur, assume, guarantee or otherwise become liable in respect of any Indebtedness in addition

to that outstanding on the Issuance Date other than bank debt or equipment leases in an amount not in excess of \$500,000.

Section 6.19 Covenants in Regulatory Agreement. The Borrower agrees to comply with its covenants in the Regulatory Agreement including (without limitation) those in Sections 6 and 8 of the Regulatory Agreement.

## Article VII

### DEFAULTS AND REMEDIES

Section 7.1 Events of Default. Upon the expiration of any reasonable notice and cure period any one or more of the following events shall constitute an Event of Default hereunder (an "Event of Default"):

(a) Except as specified in subsection (d) hereof, failure by the Borrower to observe and perform any covenant, condition or agreement herein or in the Note, the Mortgage, the Security Agreement, the Assignment and the SLF Agreement on its part to be observed or performed for a period of 30 days after written notice specifying such failure should have been given by the Borrower and the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the Borrower can show to the reasonable satisfaction of the Trustee that the failure stated in the notice cannot be corrected within the applicable period (but can be corrected within such longer period), and the Borrower initiates corrective action within said period, and diligently, continually, and in good faith works to effect a cure as soon as possible, the Trustee will not unreasonably withhold its consent to a reasonable extension of such time not to exceed 90 days.

(b) The entry of a decree or order for relief by a court having jurisdiction in the Project in respect of the Borrower in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Borrower or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days.

(c) The commencement by the Borrower of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by the Borrower to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Borrower or for any substantial part of the property of the Borrower or the making by it of any assignment for the benefit of creditors, or the failure of the Borrower generally to pay its debts as such debts become due, or the taking of action by the Borrower in furtherance of any of the foregoing.

(d) Any dissolution, termination, partial or complete liquidation, merger or consolidation of the Borrower or any of its general or limited partners. Notwithstanding the foregoing, however, neither the withdrawal, removal, replacement and/or addition of

any general or limited partner of the Borrower pursuant to the terms of the Borrower's Partnership Agreement, nor the withdrawal, replacement and/or addition of any of the Borrower's general or limited partners, shall constitute an Event of Default under this Loan Agreement or any of the Borrower Documents, and any such actions shall not accelerate the maturity of the Loan, *provided* that any required substitute partner is reasonably acceptable to the Issuer and is selected with reasonable promptness.

(e) An Event of Default under the Indenture or any of the Borrower Documents.

(f) Any failure to pay principal of, redemption premium, if any, or interest on the Bonds pursuant to Section 4.2(a) hereof or to pay any of the other amounts set forth in Section 4.2 hereof on the due date thereof.

(g) The making of any representation or warranty by the Borrower in a Borrower Document or certificate, disbursement request or notice delivered pursuant thereto or executed in connection therewith which is false or misleading in any material respect when made or deemed made.

(h) For any semi-annual period, measured from January 1 to June 30 and July 1 to December 31, respectively, commencing with the semi-annual period beginning [ ] 1, 20[ ] through [ ] 130/31, 20[ ] and each subsequent semi-annual period thereafter, the Revenues less Operating Expenses of the Project are less than 100% of the amounts required to be transferred to the Bond Fund pursuant to Section 5.7(b)(ii) of the Indenture during such semi-annual period.

The foregoing provisions of this Section are subject to the following limitations: if by reason of Force Majeure the Borrower is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of the Borrower contained in Section 4.2 hereof, the Borrower shall not be deemed in default under Section 7.1(a) hereof during the continuance of such inability. The term "Force Majeure" as used herein shall mean, without limitation, the following: acts of God; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or of any of their departments, agencies, or officials, or of any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions, breakage or accident to machinery, transmission pipes or canals; or any other similar cause or event not reasonably within the control of the Borrower. The Borrower agrees, however, to use its best efforts to remedy the cause or causes preventing the Borrower from carrying out its obligations hereunder.

**Section 7.2 Remedies.** Upon the occurrence of an Event of Default pursuant to Section 7.1, the Trustee shall notify all holders of Bonds and all Interested Beneficial Holders thereof promptly after the Trustee learns of such occurrence, and at any time during the continuance of such Event of Default, the Trustee may (and shall if required by Section 8.2 of the Indenture), pursue any action at law or in equity, appointing a receiver, collecting the payments then and thereafter due or enforcing performance and observance of any obligation, agreement or covenant of the Borrower thereunder, hereunder, or under any documents securing the Note.

The Equity Investor shall have the right, but not the obligation, to cure the Borrower's defaults under the Borrower Documents. The Issuer and the Trustee agree to

accept any cure performed by the Equity Investor pursuant to the same terms and conditions of the Borrower Documents as are provided to the Borrower.

If the Trustee shall have proceeded to enforce the rights of the Issuer under this Loan Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee, then the Borrower, the Issuer and the Trustee shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Borrower, the Issuer and the Trustee shall continue as though no such proceedings had taken place.

**Section 7.3 Additional Remedies.** In addition to the above remedies, if the Borrower commits a breach of this Loan Agreement the Trustee shall have the right and remedy, without posting bond or other security, to have the provisions of this Loan Agreement specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach will cause irreparable injury to the Issuer and that money damages will not provide an adequate remedy thereto.

**Section 7.4 No Remedy Exclusive.** No remedy herein conferred or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement and the Indenture now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default or Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

**Section 7.5 No Additional Waiver Implied by One Waiver.** In the event any agreement contained in this Loan Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**Section 7.6 Waiver of Extension, Appraisalment, Stay, Laws.** To the extent permitted by law, the Borrower will not during the continuance of any Event of Default hereunder insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of Article IV of this Loan Agreement; nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisalment of the Project prior to any sale or sales thereof which may be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted by the United States of America or by any state or territory, or otherwise, to redeem the Project so sold or any part thereof, and the Borrower hereby expressly waives all benefits or advantage of any such law or laws and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Issuer, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

Article VIII

MISCELLANEOUS

Section 8.1 Notice. Unless otherwise specifically provided herein, any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when the same is: (i) deposited in the United States mail and sent by first class mail, postage prepaid, or (ii) delivered, in each case to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

The Issuer: CITY OF CHICAGO  
Department of Housing and Economic Development  
121 North LaSalle Street  
Room 1000  
Chicago, Illinois 60602  
Attention: Commissioner  
Telephone: (312) 744-9476  
Facsimile: (312) 744-2271

with copies to: Department of Law  
City Hall  
Room 600  
121 North LaSalle Street  
Chicago, Illinois 60602  
Attention: Finance and Economic Development  
Division  
Telephone: (312) 744-0200  
Facsimile: (312) 744-8538

and to: CITY OF CHICAGO  
Department of Finance-Financial Policy  
33 North LaSalle Street  
Chicago, Illinois 60602  
Attention: Deputy Comptroller  
Telephone: (312) 744-7106  
Facsimile: (312) 744-4877

The Borrower: Goldblatts of Chicago Limited Partnership  
3728 N. Southport  
Chicago, IL 60613  
Attention: Patrick Kane and William Piatt  
Fax: (773) 929-7821

Section 8.2 Concerning Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the financing herein contemplated and shall continue in full force and effect so long as the obligations hereunder are outstanding and unpaid. Whenever in this Loan Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Loan Agreement shall bind its successors and assigns and inure to the benefit of the successors and assigns of the Issuer.

**Section 8.3 Governing Law.** This Loan Agreement and the Exhibits attached hereto shall be construed in accordance with and governed by the internal laws of the State.

**Section 8.4 Modifications in Writing.** Subject to provisions of the Indenture, modification or waiver of any provisions of this Loan Agreement, or consent to any departure by the Borrower therefrom, shall in no event be effective unless the same shall be in writing approved by the parties thereto and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given and so long as the interests of any Bondholders are not adversely affected and the Trustee assents thereto. Subject to provisions of the Indenture, any amendments to this Loan Agreement shall require the written consent of all of the parties hereto and may be entered into only in accordance with the terms of Article XI of the Indenture. No notice to or demand on the Borrower in any case shall entitle it to any other or further notice of demand in the same circumstances.

**Section 8.5 Further Assurances and Corrective Instruments.** The Issuer and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required and agreed upon for correcting any inadequate or incorrect description of the provisions of this Loan Agreement.

**Section 8.6 Captions.** The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Loan Agreement.

**Section 8.7 Severability.** In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof, *provided, however*, that no finding of illegality or unenforceability shall require payment by the Issuer of any funds from any source other than revenues derived hereunder.

**Section 8.8 Counterparts.** This Loan Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

**Section 8.9 Amounts Remaining in Bond Fund or Other Funds.** It is agreed by the parties hereto that any amounts remaining in the Bond Fund or other funds established under the Indenture upon expiration or sooner termination of the term hereof, as provided below, after payment in full of the Bonds (or provisions for payment thereof having been made in accordance with the provisions of the Indenture) and the fees and expenses of the Issuer, the Trustee and any Paying Agents in accordance with the Indenture, shall be paid in accordance with the Indenture.

**Section 8.10 Effective Date and Term.** This Loan Agreement shall be in full force and effect from the date hereof, and shall continue in effect until the payment in full of all principal of, premium, if any, and interest on the Bonds, or provision for the payment thereof shall have been made pursuant to Section 7.1 of the Indenture; all fees, charges, indemnities and expenses of the Issuer and the Trustee have been fully paid or provision made for such payment (the payment of which fees, charges, indemnities and expenses shall be evidenced by a written certification of the Borrower that it has fully paid or provided for all such fees, charges, indemnities and expenses); and all other amounts due hereunder and under the Note have been duly paid or provision made for such payment. All representations, certifications and

covenants by the Borrower as to the indemnification of various parties and the payment of fees and expenses of the Issuer as described in Section 6.6 hereof, and all matters affecting the tax-exempt status of the Bonds shall survive the termination of this Loan Agreement.

**Section 8.11 Default by Issuer; Limited Liability.** Notwithstanding any provision or obligation to the contrary hereinbefore set forth, no provision of this Loan Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer or to give rise to a charge upon the general credit of the Issuer; the liability of the Issuer hereunder shall be limited to its interest in the Project, this Loan Agreement, the Note, and all other related documents and collateral and the lien of any judgment shall be restricted thereto. In the performance of the agreements of the Issuer herein contained, any obligation it may incur for the payment of money shall not be a debt of the Issuer, nor shall the Issuer be liable on any obligation so incurred. The Issuer does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. The Issuer shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if a default shall occur hereunder.

**Section 8.12 Indenture Provisions.** The Indenture provisions concerning the Bonds and the other matters therein are an integral part of the terms and conditions of the Loan made by the Issuer to the Borrower pursuant to this Loan Agreement and the execution of this Loan Agreement shall constitute conclusive evidence of approval of the Indenture by the Borrower to the extent it relates to the Borrower. Additionally, the Borrower agrees that, whenever the Indenture by its terms imposes a duty or obligation upon the Borrower, such duty or obligation shall be binding upon the Borrower to the same extent as if the Borrower were an express party to the Indenture, and the Borrower hereby agrees to carry out and perform all of its obligations under the Indenture as fully as if the Borrower were a party to the Indenture.

**Section 8.13 Commercial Transaction.** TO INDUCE THE ISSUER TO ENTER INTO THE COMMERCIAL LOAN TRANSACTION EVIDENCED BY AND SECURED BY THE BORROWER DOCUMENTS, THE BORROWER ACKNOWLEDGES THAT THE TRANSACTIONS TO WHICH THIS LOAN RELATES ARE COMMERCIAL TRANSACTIONS. THE BORROWER HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ITS RIGHTS TO NOTICE AND HEARING UNDER ANY STATE OR FEDERAL LAW OR PROCEDURAL RULE WITH RESPECT TO ANY PREJUDGMENT REMEDY OR OTHER RIGHT OR REMEDY THAT THE ISSUER MAY ELECT TO USE OF WHICH IT MAY AVAIL ITSELF. THE BORROWER FURTHER WAIVES, TO THE GREATEST EXTENT PERMITTED BY LAW, THE BENEFITS OF ALL PRESENT AND FUTURE VALUATION, APPRAISEMENT, EXEMPTION, STAY, REDEMPTION AND MORATORIUM LAWS. THE BORROWER FURTHER WAIVES ANY REQUIREMENT THAT THE ISSUER OBTAIN A BOND OR OTHER SIMILAR DEVICE IN CONNECTION WITH THE EXERCISE OF ANY REMEDY OR THE ENFORCEMENT OF ANY RIGHT HEREUNDER.

THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS LOAN AGREEMENT OR UNDER ANY AGREEMENT, INSTRUMENT OR OTHER DOCUMENT CONTEMPLATED HEREBY OR RELATED HERETO AND IN ANY ACTION DIRECTLY OR INDIRECTLY RELATED TO OR CONNECTED WITH THE OBLIGATIONS OR THIS LOAN AGREEMENT, OR ANY CONDUCT RELATING TO THE ADMINISTRATION OR ENFORCEMENT OF THE OBLIGATIONS OR ARISING FROM THE DEBTOR/CREDITOR RELATIONSHIP OF THE BORROWER AND THE ISSUER. THE BORROWER ACKNOWLEDGES THAT THIS WAIVER MAY DEPRIVE IT OF AN IMPORTANT RIGHT AND THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE BY THE BORROWER.

**Section 8.14 Third Party Beneficiary.** The Issuer and the Borrower hereby agree that the Trustee is a third party beneficiary to this Loan Agreement.

**Section 8.15 Payment.** At such time as the principal of, premium, if any, and interest on all Bonds outstanding under the Indenture shall have been paid, or shall be deemed to be paid in accordance with the Indenture, and all other sums payable by the Borrower under this Loan Agreement and the Indenture shall have been paid, the Loan shall be deemed to be fully paid, and the Borrower upon request is entitled to receive acknowledgment of such payment in full from Trustee.

**Section 8.16 Counterparts.** This Loan Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same agreement, and, in making proof of this Loan Agreement, it shall not be necessary to produce or account for more than one such counterpart.

**Section 8.17 Notice of Changes in Fact.** Promptly after the Borrower becomes aware of the same, the Borrower will notify the Trustee of (a) any change in any material fact or circumstance represented or warranted by the Borrower in this Loan Agreement or in connection with the issuance of the Bonds, and (b) any default or event which, with notice or lapse of time or both, could become a default under this Loan Agreement or the Indenture, specifying in each case the nature thereof and what action the Borrower has taken, is taking and proposes to take with respect thereto.

**Section 8.18 No Agency Relationship.** The Borrower agrees that neither the Issuer nor the Trustee is the agent, representative, joint venturer or partner of the Borrower, and without limitation of the foregoing, neither this Loan Agreement nor any other related document shall make the Issuer or the Trustee liable to material suppliers, contractors, craftsmen, laborers or others for goods delivered to or services performed by them upon the Project, or for debts or claims accruing to such parties against the Borrower, and there is no contractual relationship, either expressed or implied between the Issuer or the Trustee and any material suppliers, subcontractors, craftsmen, laborers or any other person supplying any work, labor or materials for the improvement of the Project.

**Section 8.19 Services to Benefit Issuer Only.** Any inspections or other services rendered by the Issuer or on behalf of the Issuer, whether or not paid for by Borrower, shall be rendered solely for the protection and the benefit of the Issuer, as the case may be, and the Borrower or any Bondholder shall not be entitled to claim any loss or damage against the Issuer, or against any agent or employee of either, for failure properly to discharge their duties with respect to such inspections or other services. The Issuer shall not be responsible to the Borrower or any other party for failure to carry out or cause to be carried out or for negligence in carrying out or causing to be carried out, any inspection permitted or required hereunder, nor for failure to notify or protect the Borrower or any other party from any negligence or malfeasance of the Borrower or any other party, whether or not such negligence or malfeasance is (or should have been) actually discovered by any such inspection.

**Section 8.20 Supplements and Amendments to Loan Agreement.** Subject to the terms, conditions and provisions of Article XI of the Indenture the Borrower and the Issuer, with the consent of the Trustee, may from time to time enter into such supplements and amendments to this Loan Agreement. An executed copy of any of the foregoing amendments, changes or modification shall be filed with the Trustee. The Trustee may grant such waivers of



compliance by the Borrower with provisions of this Loan Agreement as to which the Trustee may deem necessary or desirable to effectuate the purposes or intent hereof and which, in the opinion of the Trustee, do not have a material adverse effect upon the interests of the Bondholders, provided that the Trustee shall file with the Issuer any and all such waivers granted by the Trustee within three business days thereof.

***[Remainder of this Page Intentionally Left Blank; Signature Page Follows]***

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement and caused it to be executed and sealed by their authorized representatives, as of the day and year first above written above.

CITY OF CHICAGO

By: \_\_\_\_\_  
Authorized Officer

GOLDBLATTS OF CHICAGO LIMITED PARTNERSHIP, an  
Illinois limited partnership

By: Goldblatts SLF of Chicago GP, Inc., an Illinois  
corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: Patrick Kane  
Title: President

**EXHIBIT A**

**PROJECT DESCRIPTION**

**Project Site**

**[To come.]**

**Project Facilities**

**[To come.]**

**Project Equipment**

**[To come.]**

EXHIBIT B

NOTE

[\$13,910,000]

[\_\_\_\_\_] , 2011

Chicago, Illinois

FOR VALUE RECEIVED, Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Borrower"), promises to pay to the order of the CITY OF CHICAGO (the "Issuer"), the principal sum of [Thirteen Million Nine Hundred Ten Thousand Dollars] (\$[13,910,000]), together with interest on so much thereof as is from time to time outstanding and unpaid, at the rate stated herein, from the date of the first advance of the principal evidenced hereby. Capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the Indenture (as defined herein).

This Note (the "Note") shall bear interest from time to time, at a rate which is equal to the interest accruing on and payable with respect to the Issuer's Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2011, in the aggregate original principal amount of \$[13,910,000] (the "Bonds"), issued under and pursuant to a Trust Indenture dated as of [\_\_\_\_\_] 1, 2011 (the "Indenture") between the Issuer and [\_\_\_\_\_] , as trustee (the "Trustee"), which Indenture and Bonds are incorporated herein by reference and made a part hereof. Said interest shall be payable each June 1 and December 1 commencing with the first December 1 occurring after the date hereof.

The principal of this Note shall be payable on December 1, 2046 or on such earlier dates and in such amounts as the principal becomes due on the Bonds pursuant to the Indenture.

This Note also evidences the obligation of the Borrower to pay the other amounts provided for in the Loan Agreement, dated as of [\_\_\_\_\_] 1, 2011, between the Borrower and the Issuer (the "Loan Agreement") and the Indenture as such amounts become due.

If the date when any of the payments required to be made hereunder is not a Business Day, then such payments may be made on the next Business Day with the same force and effect as if made on the nominal due date, and no interest shall accrue for the period after such date.

The Borrower shall have the option to make advance payments of amounts due hereunder, from time to time, which advance payments shall be deposited with the Trustee in the Bond Fund established by the Indenture and shall be applied as provided in the Loan Agreement and the Indenture.

All payments shall be made in coin or currency of the United States of America in immediately available funds at the principal corporate trust office of the Trustee, or at the principal corporate trust office of any successor Trustee.

If the Borrower fails to pay any installment of principal, redemption premium, if any, and interest when due under this Note, or upon the occurrence of any one or more of the Events of Default specified in the Loan Agreement, the Trustee then, or at any time thereafter, may under certain conditions specified in Article VIII of the Indenture and Article VII of the Loan

Agreement give notice to the Borrower declaring all unpaid amounts then outstanding hereunder or under the Loan Agreement (including all fees), to be due and payable, and thereupon, without further notice or demand, all such amounts shall become and be immediately due and payable. Failure to exercise this option shall not constitute a waiver of the right to exercise the same at any time in the event of any continuing or subsequent default.

Except as specifically set forth in the Loan Agreement, the undersigned waives demand, protest, presentment for payment and notice of nonpayment and agrees to pay all reasonable costs of collection when incurred, including reasonable attorneys' fees and expenses, and to perform and comply with each of the covenants, conditions, provisions and agreements of the undersigned contained in every instrument evidencing or securing the indebtedness evidenced hereby. No extension of the time for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability under this Note, either in whole or in part, of the undersigned if not a party to such agreement.

This Note is issued under and is subject to the terms and conditions of the Indenture and Loan Agreement. All terms, conditions, rights and provisions set forth in the Indenture and Loan Agreement are hereby incorporated herein in their entirety including without limitation the provisions of Section 2.5 of the Indenture and Section 4.5 of the Loan Agreement. This Note is secured by a Mortgage and Security Agreement, Absolute Assignment of Leases and Rents, and any ancillary documents thereto, all of which are of even date herewith.

THE BORROWER ACKNOWLEDGES THAT THE TRANSACTIONS TO WHICH THIS NOTE RELATES ARE COMMERCIAL TRANSACTIONS. THE BORROWER HEREBY VOLUNTARILY AND KNOWINGLY WAIVES ITS RIGHTS TO NOTICE AND HEARING UNDER ANY STATE OR FEDERAL LAW, IN EFFECT ON THE DATE HEREOF, OR AS OTHERWISE ALLOWED BY ANY STATE OR FEDERAL LAW OR PROCEDURAL RULE WITH RESPECT TO ANY PREJUDGMENT REMEDY OR OTHER RIGHT OR REMEDY THAT THE ISSUER MAY ELECT TO USE OF WHICH IT MAY AVAIL ITSELF. THE BORROWER FURTHER WAIVES, TO THE GREATEST EXTENT PERMITTED BY LAW, THE BENEFITS OF ALL PRESENT AND FUTURE VALUATION, APPRAISEMENT, EXEMPTION, STAY, REDEMPTION AND MORATORIUM LAWS. THE BORROWER FURTHER WAIVES ANY REQUIREMENT THAT THE ISSUER OBTAIN A BOND OR OTHER SIMILAR DEVICE IN CONNECTION WITH THE EXERCISE OF ANY REMEDY OR THE ENFORCEMENT OF ANY RIGHT HEREUNDER.

THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS LOAN AGREEMENT OR UNDER ANY AGREEMENT, INSTRUMENT OR OTHER DOCUMENT CONTEMPLATED HEREBY OR RELATED HERETO AND IN ANY ACTION DIRECTLY OR INDIRECTLY RELATED TO OR CONNECTED WITH THE OBLIGATIONS OR THIS LOAN AGREEMENT, OR ANY CONDUCT RELATING TO THE ADMINISTRATION OR ENFORCEMENT OF THE OBLIGATIONS OR ARISING FROM THE DEBTOR/CREDITOR RELATIONSHIP OF THE BORROWER AND THE ISSUER. THE BORROWER ACKNOWLEDGES THAT THIS WAIVER MAY DEPRIVE IT OF AN IMPORTANT RIGHT AND THAT SUCH WAIVER HAS BEEN KNOWINGLY AND VOLUNTARILY MADE BY THE BORROWER.

This Note and all instruments securing the same are to be construed according to the laws of the State of Illinois without the application of principles of choice of law.

**GOLDBLATTS OF CHICAGO LIMITED PARTNERSHIP, an  
Illinois limited partnership**

**By: Goldblatts SLF of Chicago GP, Inc., an Illinois**

corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: Patrick Kane  
Title: President

PAY TO THE ORDER of [ \_\_\_\_\_ ], as trustee under the within-mentioned  
Indenture, and its successors, as Trustee, without warranty or recourse.

**CITY OF CHICAGO**

By: \_\_\_\_\_  
Authorized Officer

EXHIBIT C

ACQUISITION AND REHABILITATION BUDGET

Category

Budget

TOTAL

EXHIBIT D

ACQUISITION FUND REQUISITION

To: [\_\_\_\_\_] ,  
as Trustee

From: Goldblatts of Chicago Limited Partnership

Re: [\_\_\_\_\_]

Requisition No.: \_\_\_\_\_

The undersigned, on behalf of Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Borrower"), hereby requests payment, from the Acquisition Fund for the Project identified above, the total amount shown below to the order of the payee or payees named below, as payment or reimbursement for costs incurred or expenditures made in connection with said Project. The payee(s), the purpose and the amount of the disbursement requested are as follows:

<u>Payee</u>	<u>Purpose</u>	<u>Amount</u>	<u>Line Item</u>	<u>Pre-Requisition Budgeted Amount Unexpended Per Line Item</u>
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The Borrower hereby certifies as follows:

Each obligation mentioned herein is described in the Acquisition and Rehabilitation Budget (as defined in the Loan Agreement), has been properly incurred and is a proper charge against the Acquisition Fund, and each item for which payment is requested is or was necessary in connection with the rehabilitation and repair of the Project. None of the items for which payment is requested has been reimbursed previously from the Acquisition Fund, and none of the payments herein requested will result in a breach of the representations and agreements in the Loan Agreement relating to the Project.



Dated: \_\_\_\_\_, 20\_\_

**GOLDBLATTS OF CHICAGO LIMITED PARTNERSHIP, an  
Illinois limited partnership**

By: Goldblatts SLF of Chicago GP, Inc., an Illinois  
corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: Patrick Kane  
Title: President

**EXHIBIT E**

**[NONE]**

**EXHIBIT F**

**EXCEPTIONS TO QUALIFIED RESIDENTIAL RENTAL PROJECT**

**NONE**

SCHEDULE A

FUNDS OR ACCOUNTS AS ESTABLISHED BY INDENTURE

Except as set forth herein, on or before the Issuance Date, the Borrower shall cause the following amounts to be deposited into the funds and accounts set forth below:

<u>Account</u>	<u>Amount</u>
<u>From Bond Proceeds:</u>	
Bond Fund	\$[_____]
Capitalized Interest Account	
Cost of Issuance Fund	\$[_____]
Debt Service Reserve Fund	\$[_____]
Acquisition Fund	\$[_____]
Bond Proceeds Account	
Insurance/Tax Account	\$[_____]
 <u>From Borrower Funds:</u>	
Cost of Issuance Fund	\$[_____]
Acquisition Fund	\$[_____]
Equity Account	
Insurance/Tax Account	\$[_____]

After the Issuance Date, the Borrower shall cause the following amounts to be deposited in the funds and accounts set forth below:

Medicaid Receivables Cash Flow Fund	\$[_____]
Initial Lease Up Reserve Fund	\$[_____]
Insurance/Tax Account	\$[_____]
Replacement Reserve Account	\$[_____]

**EXHIBIT G**

**COPY OF REGULATORY AGREEMENT**

Intentionally Omitted — Contained  
Elsewhere in Closing Transcript

**SCHEDULE B**

**EXCEPTIONS TO TITLE REPORT**

CH2\9605696.8

**Exhibit C**

**Indenture**

See attached.

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**TRUST INDENTURE**

from

**CITY OF CHICAGO**

to

[ \_\_\_\_\_ ],  
as Trustee

Relating to:

[\$13,910,000]  
City of Chicago  
Multi-Family Housing Revenue Bonds  
(Goldblatts Supportive Living Project), Series 2011

Dated as of [ \_\_\_\_\_ ] 1, 2011

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EXHIBIT A    Form of Bond

## TRUST INDENTURE

This TRUST INDENTURE, dated as of [ ] 1, 2011, is from the CITY OF CHICAGO, a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois (the "Constitution"), and a home rule unit of government under Section 6(a) of Article VII of the Constitution (the "Issuer"), to [ ], a [ ] having its principal corporate trust office in [ ], [ ], as trustee (the "Trustee").

### WITNESSETH:

**WHEREAS**, the Issuer is authorized under the Constitution of the State of Illinois (the "State"), to exercise any power and perform any function pertaining to its governmental affairs, including the power to issue bonds and lend the proceeds of the sale thereof to finance the acquisition, rehabilitation and equipping of a low-income housing development project located within the boundaries of the Issuer; and

**WHEREAS**, the Issuer has agreed to issue its Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2011, in the aggregate principal amount of \$[13,910,000] (the "Bonds") pursuant to this Indenture and to loan the proceeds to Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Borrower"), pursuant to a Loan Agreement (the "Loan Agreement") of even date herewith in order to finance or reimburse the Borrower for (i) certain permitted costs in connection with the acquisition, rehabilitation and equipping of a low-income housing development project consisting of real property improved with a building (the "Building") that formerly housed a Goldblatt's Department Store and comprised of a supportive living facility with approximately 101 residential dwelling units and certain attendant facilities located on all but the commercial space areas on the ground floor of the Building, located generally at 4707 S. Marshfield Avenue, and with parking on adjacent property located at 1635 W. 47th Street, within the boundaries of the Issuer, (ii) capitalized interest, if required, (iii) a deposit into a debt service reserve fund for the Bonds, if required, and (iv) the costs of issuance relating thereto (the "Project"); and

**WHEREAS**, all Bonds issued under this Indenture will be secured by a pledge and assignment of certain rights of the Issuer under the Loan Agreement; and

**WHEREAS**, the Bonds shall be payable solely from the revenues received by the Issuer from the repayment of the loan of the proceeds of the Bonds to the Borrower (the "Loan") and from other revenues derived from the Loan and the Bonds; and

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

**WHEREAS**, the execution and delivery of this Indenture has been duly authorized by the Issuer and all conditions, acts and things necessary and required by the Constitution or statutes of the State or otherwise, to exist, to have happened, or to have been performed precedent to or in the execution and delivery of this Indenture, do exist, have happened and have been performed in regular form, time and manner; and

**WHEREAS**, all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid, binding and legal obligations of the Issuer according to the import thereof, and to constitute this Indenture as a valid assignment and pledge of the amounts pledged to the payment of the principal of, redemption premium, if any, and interest on the Bonds, and to constitute this Indenture a valid assignment of certain of the rights of the Issuer under the Loan Agreement, have been done and performed, and the creation, execution and issuance of the Bonds, subject to the terms thereof, have in all respects been duly authorized.

**NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:**

**GRANTING CLAUSES**

That the Issuer, in consideration of the premises, the acceptance by the Trustee of the trusts created by this Indenture and the purchase and acceptance of the Bonds by the owners thereof, and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, in order to secure the payment of the principal of, redemption premium, if any, and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, pledges and assigns, and grants a security interest in, the following to [\_\_\_\_\_], as Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Issuer hereinafter set forth:

**GRANTING CLAUSE FIRST**

All right, title and interest of the Issuer in and to any monies held under this Indenture by the Trustee, including the proceeds of the Bonds and the interest, profits and other income derived from the investment thereof;

**GRANTING CLAUSE SECOND**

All right, title and interest of the Issuer in and to the Loan Agreement and the Note (save and except for the Unassigned Rights); and

**GRANTING CLAUSE THIRD**

All Revenues, funds, monies, property, security and any and all other rights and interests in property whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security hereunder for the Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof,

**TO HAVE AND TO HOLD**, all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in said trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trust herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Bonds from time to time issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds (except as otherwise provided herein);

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of, redemption premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made on the Bonds as required under Article II and Article III of this Indenture, or shall provide, as permitted by this Indenture, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon and shall well and truly cause to be kept, performed and observed all of its covenants and conditions pursuant to the terms of this Indenture, and shall pay or cause to be paid all sums of money due or to become due in accordance with the terms and provisions hereof, then upon the final payment thereof, this Indenture and the rights granted by this Indenture shall cease, determine and be void; otherwise this Indenture is to be and remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interests, including, without limitation, the payments due pursuant to the Loan Agreement and other amounts assigned and pledged by this Indenture are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as herein expressed, and the Issuer has agreed and covenanted, and agrees and covenants with the Trustee and with the respective owners of the Bonds as follows:

## Article I

### DEFINITIONS

In addition to the words and terms defined elsewhere herein, the following words and phrases as used in this Indenture shall have the following meanings unless the context or use indicates another or different meaning and intent:

“Acquisition Fund” means the Acquisition and Rehabilitation Fund established and created by Section 5.4 of this Indenture.

“Act of Bankruptcy” means the filing of a voluntary or involuntary petition under the Bankruptcy Code or the other commencement of bankruptcy or similar proceedings by or against the Issuer or the Borrower and/or a member of the Borrower under any applicable bankruptcy, insolvency, reorganization or similar law, as now or hereafter in effect, unless such petition or proceeding shall have been dismissed and such dismissal shall be final and not subject to appeal.

“Additional Bonds” means the issuance of additional bonds pursuant to Section 12.1 of this Indenture.

"Assignment" means the Absolute Assignment of Leases and Rents, dated even date herewith, from the Borrower to the Trustee, given to secure the payment of the Note.

"Authorized Borrower Representative" means such person or persons duly designated by the Borrower to act on behalf of the Borrower in a writing delivered to the Trustee.

"Authorized Denominations" means \$100,000 principal amount or any integral multiple of \$5,000 in excess thereof.

"Authorized Officer of the Issuer" means the Chief Financial Officer of the Issuer or the Chief Comptroller of the Issuer.

"Bankruptcy Code" means Title 11 of the United States Code, as amended.

"Bond" or "Bonds" means the Issuer's \$[13,910,000] Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2011, authorized to be issued by Article II hereof and outstanding hereunder.

"Bond Counsel" means the firm of Schiff Hardin LLP, or any designated firm of attorneys of nationally recognized expertise with respect to the tax-exempt obligations of political subdivisions, selected by the Issuer.

"Bond Documents" mean collectively, the Issuer Documents and the Borrower Documents.

"Bond Fund" means the Bond Fund established and created by Section 5.2 of this Indenture.

"Bond Proceeds Account" means the Bond Proceeds Account established in the Acquisition Fund by Section 5.4 of this Indenture.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated as of [\_\_\_\_], 2011, by and among the Issuer, the Borrower and the Underwriter, pursuant to which the Bonds will be offered for sale to the public or to a limited group of one or more institutional investors.

"Bond Registrar" means the Trustee or any successor or successors to such position under this Indenture.

"Bond Resolution" means the bond resolution adopted by the Issuer on [\_\_\_\_], 2011, authorizing and approving the issuance and sale of the Bonds and authorizing and approving the execution and delivery of the Indenture, the Loan Agreement, the Regulatory Agreement, the Bond Purchase Agreement and certain other documents, making certain appointments and determining certain details with respect to the Bonds.

"Bond Service Charges" means during any period of time, principal of and interest and any redemption premium due on the Bonds for that period or payable at that time, as the case may be.



"Bond Year" means, during the period while any of the Bonds are outstanding, the annual period commencing on December 2 in any year and ending on the next succeeding December 1; provided that the first Bond Year shall be a short year commencing on the Issuance Date and ending on December 1, 2011 unless another date is selected by the Borrower.

"Bondholder" or "Holder" or "Owner of the Bonds" or "Registered Owner" means the registered owner of any Bond.

"Borrower" means Goldblatts of Chicago Limited Partnership, an Illinois limited partnership and the general partner of which is Goldblatts SLF of Chicago GP, Inc.

"Borrower Account" means the Borrower Account in the Project Fund created and established pursuant to Section 5.1 of this Indenture.

"Borrower Documents" (1) when used with respect to the Borrower, means all documents and agreements executed and delivered by the Borrower as security for or in connection with the issuance of the Bonds including, but not limited to the Loan Agreement, the Note, the Mortgage, the Security Agreement, the Assignment, the Bond Purchase Agreement, the Regulatory Agreement, the Tax Agreement and the SLF Agreement, and (2) when used with respect to the Issuer, means any of the foregoing documents and agreements to which the Issuer is a direct party. The Borrower Documents do not include any documents or agreements to which the Borrower is not a direct party, including the Bonds or this Indenture.

"Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in the State or the State of New York, or in the city in which the principal corporate trust office of the Trustee is located, are required or authorized by law or executive order to remain closed.

"Capitalized Interest Account" means the Capitalized Interest Account established in the Bond Fund by Section 5.2 of this Indenture.

"Code" means, as applicable, the Internal Revenue Code of 1986, as amended from time to time, and with respect to a specific section of such Code, such reference shall be deemed to include the regulations promulgated under such section.

"Completion Bonds" means those bonds issued in connection with the completion of the Project as set forth in Section 12.1 of this Indenture.

"Constitution" means the 1970 Constitution of the State.

"Costs of Issuance" means (a) the fees, costs and expenses of (1) the Issuer, the Issuer's counsel and the Issuer's financial advisor, if any, (2) the Underwriter (including discounts to the Underwriter or other purchasers of the Bonds (other than original issue discount) incurred in the issuance and sale of the Bonds) and the Underwriter's counsel, (3) Bond Counsel, (4) the Trustee and the Trustee's counsel, and (5) the Borrower's counsel and the Borrower's financial advisor, if any, (b) the costs of preparing the cash flow projections, (c) costs of printing the offering documents relating to the sale of the Bonds; and (d) all other fees, costs and expenses directly associated with the authorization, issuance, sale and delivery of the

Bonds, including, without limitation, printing costs, costs of reproducing documents and tiling and recording fees. Costs of Issuance include, but are not limited to:

- (a) Underwriters' discount and fees;
- (b) financial advisor fees;
- (c) counsel fees, including bond counsel, Borrower's counsel, as well as any other specialized counsel fees;
- (d) rating agency fees;
- (e) trustee fees and trustee counsel fees;
- (f) paying agent and certifying and authenticating agent fees related to issuance of the Bonds;
- (g) accountant fees;
- (h) printing costs of the Bonds and of the preliminary and final placement memorandum or other disclosure document;
- (i) costs of engineering and feasibility studies necessary to the issuance of the Bonds;
- (j) costs incurred in connection with the required public approval process (e.g., publication costs for public notices generally and costs of the public hearing); and
- (k) Issuer fees incurred in connection with the issuance of the Bonds.

"Cost of Issuance Fund" means the Cost of Issuance Fund established and created by Section 5.3 of this Indenture.

"Debt Service Coverage Ratio" shall have the meaning set forth in the Loan Agreement.

"Debt Service Reserve Fund" means that Debt Service Reserve Fund established and created by Section 5.1 of this Indenture.

"Debt Service Reserve Fund Requirement" means on the Issuance Date the amount of \$[ ] or subsequently an amount that does not exceed the lesser of (i) the maximum annual debt service on the Bonds, (ii) 125% of the average annual debt service; or (iii) 10% of the proceeds from the sale of the Bonds.

"Department" means the Illinois Department of Health and Family Services.

"Depository" means any bank, trust company, savings and loan association or other financial institution selected by the Trustee as a depository of monies and securities held under the provisions of this Indenture, and may include the Trustee.

“**Determination of Taxability**” means either (a) the entry by a court of a judgment or order or the promulgation by the Internal Revenue Service of a ruling or decision, in either such case to the effect that the interest on the Bonds (other than interest on any Bond for any period during which such Bonds are held by a “substantial user” of any facility financed with the proceeds of the Bonds or a “related person,” as such terms are used in Section 147(a) of the Code) is includable for federal income tax purposes in the gross income of all recipients thereof subject to federal income taxes or (b) receipt by the Trustee and the Borrower of a certificate of the Issuer stating that a violation of the Tax Agreement has occurred (specifying the same) and is continuing, that not less than 60 days has elapsed since written notice has been given to the Borrower specifying such violation and demanding that it be cured, and that such violation has not been cured, accompanied by an opinion of Bond Counsel to the effect that, under the circumstances described in such certificate, it is inevitable that interest on the Bonds (other than interest on any Bond for any period during which such Bonds are held by a “substantial user” of any facility financed with the proceeds of the Bonds or a “related person,” as such terms are used in Section 147(a) of the Code) will become subject to federal income taxation. For purposes of this definition, a judgment or order of a court or a ruling or decision of the Internal Revenue Service described above shall be considered a **Determination of Taxability** regardless of whether such judgment, order, ruling or decision is final or whether any appeal or other action for judicial or administrative review is available.

“**DTC**” means The Depository Trust Company.

“**DTC Participant**” means those broker-dealers, banks and other financial institutions reflected on the books of DTC.

“**Equity Investor**” means [\_\_\_\_\_], its successors, affiliates and assigns.

“**Event of Default**” means any occurrence or event specified and defined in, or pursuant to, Section 8.1 of this Indenture.

“**Event of Default**” means any occurrence or event specified and defined in, or pursuant to, Section 8.1 of this Indenture.

“**Federal Obligations**” means (i) any direct and general obligations of, or any obligations guaranteed by, the United States of America, including but not limited to interest obligations of the Resolution Funding Corporation or any successor thereto, (ii) any obligations of any state or political subdivision of a state (collectively, “Municipal Bonds”), which Municipal Bonds are fully secured as to principal and interest by an irrevocable pledge of moneys or direct and general obligations of, or obligations guaranteed by, the United States of America, which moneys or obligations are segregated in trust and pledged for the benefit of the holders of the Municipal Bonds, and (iii) certificates of ownership of the principal or interest of direct and general obligations of, or obligations guaranteed by, the United States of America, which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System.

“**Fiduciary**” means the Trustee and any Paying Agent for the Bonds.

“**Fixed Assets**” means those fixed assets of the Borrower as set forth in Section 12.5 of this Indenture.

"Fixed Rate" means the respective fixed interest rates per annum applicable until the maturity or earlier redemption of the Bonds as provided in Section 2.3 of this Indenture.

The terms "herein", "hereunder", "hereby", "hereto", "hereof" and any similar terms refer to this Indenture; the term "heretofore" means before the date of execution of this Indenture; and the term "hereafter" means after the date of execution of this Indenture.

"Indenture" means this Trust Indenture, and any amendments hereof and supplements hereto.

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of the State who is not a full-time employee of the Issuer, the Borrower, or the Trustee.

"Initial Lease Up Reserve Deposit" means \$[\_\_\_\_\_].

"Initial Lease Up Reserve Fund" means the Initial Lease Up Reserve Fund established and created by Section 5.1 of this Indenture.

"Insurance/Tax Account" means the account established in the Project Fund under Section 5.7 of this Indenture.

"Interest Payment Date" means each June 1 and December 1, commencing with the first such December 1 occurring after the Issuance Date.

"Interested Beneficial Holder" shall mean the original institutional purchasers of the Bonds from the Underwriter and any subsequent beneficial owners owning \$1,000,000 or more in aggregate principal amount of the Bonds who have given written notice to the Trustee that they are an Interested Beneficial Holder, and have provided the Trustee with their address for notice purposes.

"Investment Agreement" means any Investment Agreement that may be entered into for the investment of moneys on deposit in the Acquisition Fund, the Bond Fund, the Debt Service Reserve Fund or the Project Fund between the Trustee and a provider providing for the investment of moneys; provided that any Investment Agreement shall be approved by 66-2/3% of all Bonds held by Interested Beneficial Holders.

"Investment Obligations" or "Permitted Investments" means any of the following which at the time are legal investments for the Issuer under applicable State laws and which are not prohibited investments under the Code, for the monies held hereunder then proposed to be invested therein:

- (a) Federal Obligations;
- (b) Obligations of, or obligations guaranteed as to principal and interest by, agencies or instrumentalities of the United States of America which are backed by the full faith and credit of the United States of America or interests in money market or mutual funds comprised solely of such obligations;

(c) Federal Funds, certificates of deposit, time deposits and bankers' acceptances (in each case having maturities of not more than 365 days) of any bank the debt obligations of which (or, in the case of the principal bank in a bank holding company, debt obligations of the bank holding company) have been rated at the time of purchase A-1+ by Standard & Poor's Corporation or MIG-1 or VMIG-1 by Moody's Investors Service, Inc.;

(d) Deposits or money market accounts which are fully insured by the Federal Deposit Insurance Corporation ("FDIC") or a fund administered by the FDIC;

(e) Investments in money market funds which are rated at the time of purchase AAAM or AAAM-G; which may be money market funds administered by the Trustee;

(f) The Investment Agreement;

(g) Interest-bearing time deposits, repurchase agreements, rate guarantee agreements or similar banking arrangements with a bank or trust company having capital and surplus aggregating at least \$50,000,000 or with a government bond dealer reporting to, trading with or recognized as a primary dealer by, the Federal Reserve Bank of New York having capital aggregating at least \$50,000,000 or with any corporation which is subject to registration with the Board of Governors of the Federal Reserve System pursuant to the requirements of the Bank Holding Act of 1956 and whose unsecured or uncollateralized long-term debt obligations are assigned a rating by Standard & Poor's or Moody's of "AA-/A3" or better for agreements of more than three years, and "AA-1/A-1+" or better for agreements of more than one year but less than three years or whose unsecured and uncollateralized short-term debt obligations are assigned a rating by Standard & Poor's or Moody's of "A-1+" or better for agreements of one year or less, provided that each interest-bearing deposit, repurchase agreement, guarantee agreement or other similar banking arrangement shall permit moneys so placed to be available for use of the time provided with respect to investment or reinvestment of such moneys;

(h) Any other investments permitted by the Illinois Statutes, provided that the Trustee may rely conclusively on the Borrower's determination that an investment is permitted by this clause (h).

"Issuance Date" means [\_\_\_\_\_], 2011, the date of the initial issuance and delivery of the Bonds.

"Issuer" means the City of Chicago, a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the Constitution and a home rule unit of government under Section 6(a) of Article VII of the Constitution.

"Issuer Documents" shall have the meaning set forth in the Loan Agreement.

"Loan" means the loan to the Borrower pursuant to the Loan Agreement.

"Loan Agreement" means the Loan Agreement dated as of the date of this Indenture with respect to the Bonds by and between the Issuer and the Borrower, as amended in accordance with the terms hereof and thereof.

"MRCFF Requirement" means at the date of issuance of the Bonds, \$[ ] and on and after completion of the Project, \$[1,428,000].

"Maturity Date" means, the dates specified in Section 2.3 of this Indenture as the maturity dates of the Bonds or any earlier redemption date.

"Medicaid Receivables Cash Flow Fund" means the Medicaid Receivables Cash Flow Fund established and created under Section 5.6 of this Indenture.

"Mortgage" means the Mortgage, Security Agreement and Fixture Financing Statement, executed by the Borrower in favor of the Trustee, encumbering the Borrower's fee interest in the Project Site under the Project and securing its obligations under the Note.

"Note" means the promissory note of the Borrower dated as of the date of this Indenture evidencing and securing its obligations under the Loan Agreement in the form attached to the Loan Agreement as **Exhibit B**.

"Notice by Mail" or "notice" of any action or condition "by Mail" (except as otherwise expressly provided herein) shall mean a written notice meeting the requirements of this Indenture mailed by first-class mail to the registered Owners at the addresses shown in the registration books maintained pursuant to this Indenture; *provided, however*, that if, because of temporary or permanent suspension of mail service, it is impossible or impracticable to mail notices in the manner herein described, then such notification in lieu thereof as shall be made with the approval of the Trustee (or, if there be no trustee hereunder, the Issuer) shall constitute a sufficient giving of such notice.

"Operating Expense Account" shall mean the Operating Expense Account in the Project Fund created and established pursuant to Section 5.1 of this Indenture.

"Operating Expenses" shall mean customary operating expenses of the Project for the relevant period on a cash basis, including, without limitation, amounts required to be deposited pursuant to subsections (ii), (v), (vi) and (vii) of Section 5.7(b) of this Indenture (but excluding for purposes of this definition the amounts required to be deposited pursuant to subsections (iv) and (viii) of Section 5.7(b) for such period.

"Outstanding" or "Bonds outstanding" means all Bonds which have been authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment of which cash or Federal Obligations shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) and which are deemed paid within the meaning of Article VII hereof; and

(c) Bonds in lieu of which others have authenticated under Sections 2.9, 2.10 or 2.11 hereof.

"**Outstanding Medicaid Receivables**" means for any date the amount based on application of generally accepted accounting principles, of accrued accounts receivable due to the Borrower for Medicaid services provided under the SLF Agreement through the last day of the preceding month. Section 2.5(b)(iii) of the Loan Agreement requires the Borrower to provide the Trustee a monthly statement of **Outstanding Medicaid Receivables**.

"**Paying Agent**" means those institutions designated as such in or pursuant to Section 13.13 hereof.

"**Principal Amount**" means [Thirteen Million Nine Hundred Ten] Dollars (\$[13,910,000]).

"**Principal Office**" means the principal corporate trust, or head or principal trust, office of the Trustee or Paying Agent.

"**Project**" means the project described in the Loan Agreement.

"**Project Fund**" means the Project Fund established and created pursuant to Section 5.7 of this Indenture, consisting of the Rebate Account, the Revenues Account, the Trustee/Issuer Expense Account, the Insurance/Tax Account, the Replacement Reserve Account, the Operating Expense Account and the Borrower Account.

"**Project Site**" means as provided in the Loan Agreement.

"**Rebate Account**" means the Rebate Account established pursuant to Article V of this Indenture.

"**Record Date**" or "**Regular Record Date**" means with respect to any Interest Payment Date the fifteenth day of the month which precedes the next succeeding Interest Payment Date, or if such date is not a Business Day, then the next Business Day.

"**Redemption Price**" shall have the meaning specified in Article III of this Indenture.

"**Refunding Bonds**" shall have the meaning specified in Section 12.1 of this Indenture.

"**Regulatory Agreement**" means the Regulatory Agreement and Declaration of Restrictive Covenants described in the Loan Agreement.

"**Replacement Reserve Account**" means the Replacement Reserve Account established and created by Section 3.4 of the Loan Agreement and Section 5.1 of this Indenture.

"**Representation Letter**" shall mean the Blanket Issuer Letter of Representations by and between the Issuer and DTC.

"Revenues" means all gross income, interest income (including interest income received by the Trustee and deposited into the Revenues Account pursuant to Section 6.5 of this Indenture) and revenue received by the Borrower from the ownership or operation of the Project including, but not limited to, all residential and commercial rents, income and SLF Payments from the Project (except deposits held as security) received in connection with leases or occupancy or services or otherwise received from or in regard to tenants of the Project, and any additional money deposited by the Borrower into the Project Fund from time to time.

"Revenues Account" means the account established under the Project Fund pursuant to Section 5.7 of this Indenture.

"Security Agreement" means the Assignment of Contract Rights and Interest in Licenses, Permits and Agreements, dated even date herewith, between the Borrower and the Trustee.

"SLF Agreement" means the Long Term Care Provider Agreement to be entered into between the Borrower and the Department upon completion and final approval of the Project.

"SLF Payments" means payments made to the Borrower by the Department pursuant to the SLF Agreement.

"Special Record Date" means the date and time established by the Trustee for determination of which registered Owners shall be entitled to receive overdue interest on the Bonds pursuant to Section 2.4(b)(iii) hereof.

"State" means the State of Illinois.

"Supplemental Indenture" and "Supplemental Loan Agreement" shall mean those documents executed in connection with the issuance of Additional Bonds pursuant to Sections 12.3 and 12.5, respectively, of this Indenture.

"Tax Agreement" means the Tax Agreement executed by the Borrower, the Issuer and the Trustee in connection with the issuance of the Bonds and dated as of the date of issuance of the Bonds, and any exhibits, schedules, amendments and supplements to the foregoing.

"Trust Estate" means the property conveyed to the Trustee pursuant to the Granting Clauses of this Indenture.

"Trustee" means [\_\_\_\_], a [\_\_\_\_], and any qualified entity at the time serving as successor trustee hereunder.

"Trustee/Issuer Expense Account" means the account established under the Project Fund pursuant to Section 5.7 of this Indenture.

"Unassigned Rights" means the Issuer's right to receive payment of certain fees and expenses under Section 4.2(b) of the Loan Agreement, its right to indemnification as provided under Section 6.6 of the Loan Agreement, and the rights of the Issuer to receive



notices, certificates, requests, requisitions, directions and other communications as provided under Section 8.1 of the Loan Agreement.

"Unconditional Guaranty" means the Unconditional Guaranty Agreement dated as of [\_\_\_\_], 2011 between [\_\_\_\_] and [\_\_\_\_] (collectively, the "Guarantors" to the Equity Investor).

"Underwriter" means William Blair & Company.

## Article II

### THE BONDS

**Section 2.1 Authorized Amount of Bonds.** No Bonds may be issued under the provisions of this Indenture except in accordance with this Article II. The total principal amount of Bonds other than Additional Bonds that may be issued is expressly limited to \$18,000,000.

**Section 2.2 Issuance of Bonds.** The Bonds shall be designated City of Chicago Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2011. The Maturity Date of the Bonds shall be as set forth in Section 2.3 below.

Each Bond shall be dated as of the date of authentication, shall be subject to prior redemption, shall be issued as fully registered bonds without coupons in Authorized Denominations, and shall be numbered consecutively from R-1 upward.

Each Bond shall bear interest as provided in Section 2.4(b) of this Indenture. If interest on the Bonds shall be in default, Additional Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the last date to which interest has been paid in full.

The principal of, redemption premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such principal, redemption premium, if any, and interest shall be payable at the Principal Office of the Paying Agent.

**Section 2.3 Interest Rate on Bonds.** The Bonds shall be issued on the Issuance Date shall bear interest until paid from the most recent date to which interest has been duly paid or provided for. The Bonds shall bear interest, until paid, at the respective rates per annum set forth below (with respect to such Bonds, the "Fixed Rate"). Interest on the Bonds shall be computed on the basis of a 360-day year, consisting of twelve 30-day months. It shall be the duty of the Trustee to calculate the amount of interest payable for any period on the Bonds and due and owing to each Holder.

The Bonds shall mature (subject to prior redemption as provided in Section 3.1) on the following date in the following principal amount and shall bear interest at the interest rate per annum set forth below:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
December 1, 2046	[\$13,910,000]	[ ]%

**Section 2.4 Manner of Paying for Bonds.**

(a) The principal or redemption price of each Bond shall be payable upon surrender of such Bond at the Principal Office of the Trustee. Payments of principal or redemption price of the Bonds shall be payable in immediately available funds in the city where the Principal Office of the Trustee is located. Such payments shall be made to the Registered Owner of the Bond so surrendered, as shown on the registration books maintained by the Registrar on the date of payment. Any Holder of the Bonds in an aggregate principal amount of \$1,000,000 or more shall also have the right to have payment of the principal of and redemption premium on its Bonds to be made by wire transfer in accordance with, and by the procedures set forth in Section 2.4(b)(iv) of this Indenture; provided that such Holder shall still be required to present and surrender its Bonds as provided in the first sentence of this Section before any payment of principal or redemption premium (whether by wire transfer or otherwise) shall be made, except that such Holder shall not be required to present and surrender its Bonds in connection with a regular, scheduled sinking fund redemption that does not represent the final maturity of the Bonds.

(b) Subject to the further provisions of this Section 2.4, each Bond shall bear interest and be payable as to interest as follows:

(i) Each Bond shall bear interest at the Fixed Rate (A) from the date of authentication, if authenticated on the Issuance Date or an Interest Payment Date to which interest has been paid or provided for, or (B) from the last preceding Interest Payment Date to which interest has been paid or provided for (or the date of original issuance of the Bonds if no interest thereon has been paid) in all other cases.

(ii) Subject to the provisions of subparagraph (iii) below, the interest due on any Bond on any Interest Payment Date shall be paid to the Registered Owner of such Bond as shown on the registration books kept by the Registrar on the Regular Record Date.

(iii) If the available funds under this Indenture are insufficient on any Interest Payment Date to pay the interest then due, the Regular Record Date shall no longer be applicable with respect to the Bonds. If sufficient funds for the payment of such overdue interest thereafter become available, the Trustee shall promptly establish a special interest payment date for the payment of the overdue interest and a Special Record Date (which shall be a Business Day) for determining the registered Owners entitled to such payments. Notice of each date so established shall be mailed by the Trustee to each Registered Owner at least 10 days prior to the Special Record Date, but not more than 30 days prior to the special interest payment date. The overdue interest shall be paid on the special interest payment date to the registered Owners, as shown on the registration books kept by the Bond Registrar as of the close of business on the Special Record Date.

(iv) All payments of interest on the Bonds shall be paid to the registered Owners entitled thereto pursuant to Section 2.4(b)(ii) or (iii) above by the Trustee on the Interest Payment Date or special interest payment date, as applicable, by check or draft mailed by first class mail on the Interest Payment Date to the registered Owners entitled thereto at such address appearing in the registration books of the Bond Registrar or at such other address as has been furnished to the Trustee in writing by such registered Owners. The foregoing notwithstanding, if a Holder of Bonds in an aggregate principal amount of \$1,000,000 or more shall have given the Trustee notice of the wire transfer address in the continental United States of such Holder at least one day prior to a Record Date, then, for all Interest Payment Dates thereafter until such notice is revoked or modified in writing given to the Trustee, payment of the interest on the Bonds of that Holder shall be made by the Trustee by wire transfer to the wire transfer address set forth in such notice.

**Section 2.5 Execution; Limited Obligation.** The Bonds shall be in substantially the form attached as **Exhibit A**, with necessary and appropriate variations, omissions and insertions as are customary, permitted or required by this Indenture. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signatures of the Mayor or the Chief Financial Officer of the Issuer, attested by the manual or facsimile signature of the City Clerk or the Deputy City Clerk of the Issuer, or the appropriately designated proxy of such persons, and shall have impressed or imprinted thereon the official seal of the Issuer. Any facsimile signatures shall have the same force and effect as if said officers had manually signed the Bonds. Any reproduction of the official seal of the Issuer on the Bonds shall have the same force and effect as if the official seal of the Issuer had been impressed on the Bonds.

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

The Bonds are limited obligations of the Issuer and the principal of, redemption premium, if any, and interest on the Bonds shall be payable solely from and secured by: (i) amounts paid by the Borrower under the Loan Agreement and the Note, (ii) an assignment to the Trustee of all the Issuer's rights (except for the Unassigned Rights); (iii) a pledge of and security interest in all moneys and investments held by the Trustee under the Indenture, including any moneys representing earnings on monies held under the Indenture; and (iv) the Mortgage. The Bonds herein authorized and all payments to be made by the Issuer, however, are not general obligations of the Issuer, but are special, limited obligations. The full faith and credit of the Issuer are not pledged to their payment. No Bondholder has the right to compel any exercise of the taxing powers of the Issuer to pay the principal of, premium, if any, or interest on the Bonds. None of the United States of America, the State, the Issuer, nor any other political subdivision or body corporate and politic, or agency, of the United States of America, the State of Illinois, or the Issuer (except to the limited extent provided herein) shall in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever of the Issuer, and neither this Bond nor any of the Issuer's agreements or obligations shall be construed to constitute an indebtedness of the United States of America, the State, the Issuer

or any other political subdivision or body corporate and politic of the United States of America, the State or the Issuer (except to the limited extent provided herein), within the meaning of any constitutional or statutory provision whatsoever.

**Section 2.6 Authentication.** No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless a certificate of authentication on such Bond, substantially in the form set forth in **Exhibit A**, shall have been duly executed by an authorized officer of the Trustee; and such executed certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been duly executed, registered, authenticated and delivered under this Indenture. It shall not be necessary that the same person sign the certificate of authentication on all of the Bonds.

**Section 2.7 Delivery of Bonds.** Prior to the release by the Trustee of the Bonds, there shall be filed with the Trustee:

(a) A request and authorization to the Trustee on behalf of the Issuer and signed by an Authorized Officer of the Issuer to authenticate and deliver such Bonds to the Underwriter upon payment to the Trustee, but for the account of the Issuer, of a sum specified in such request and authorization, in the aggregate principal amount of the Bonds;

(b) An opinion of counsel to the Issuer to the effect that, in the opinion of such counsel, the Bond Purchase Agreement, the Loan Agreement, the Regulatory Agreement, the Bonds and this Indenture and other documents to which they are a party, have been duly authorized and lawfully executed and delivered on behalf of the Issuer and, assuming the due authorization, execution and delivery by the other parties thereto, are valid and binding obligations of the Issuer and enforceable against the Issuer in accordance with the respective terms thereof, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and to the extent that the availability of the remedies of specific performance and injunction may be subject to the discretion of the court;

(c) Original duly executed counterparts of the Loan Agreement, the Note, the Regulatory Agreement, this Indenture, the Mortgage, the Security Agreement, the Assignment and all other Borrower Documents;

(d) An opinion of counsel for the Borrower stating in the opinion of such counsel, subject to the exceptions set forth therein acceptable to counsel for the Underwriter and Bond Counsel, that the Bond Purchase Agreement, the Note, the Regulatory Agreement and the Loan Agreement and any other documents to which the Borrower is a party, are valid and binding obligations of the Borrower enforceable against the Borrower in accordance with the respective terms thereof and that the Mortgage, Security Agreement and Assignment grant to Issuer a valid security interest in the Project, except as the enforcement thereof may be affected or limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting or limiting the rights of creditors generally, or general equitable principles, whether considered in a proceeding at law or in equity;

(e) An opinion of Bond Counsel substantially to the effect that the Bonds constitute legal, valid and binding special obligations of the Issuer, and that, assuming continuing compliance with the applicable provisions of the Code by the Borrower and the Issuer, the interest on the Bonds is not included in gross income for federal income tax purposes under existing law, except for interest on any Bond for a period during which such Bond is held by a "substantial user" of the Project or a "related person" as such terms are defined in Section 147(a) of the Code;

(f) Such other certificates, documents, instruments, and opinions relating to the issuance of the Bonds or the security therefor as the Issuer, the Underwriter or the Trustee may reasonably request.

(g) Evidence of insurance coverage required by the Loan Agreement.

(h) Proceeds of the Bonds (net of Underwriter's discount in the amount of \$[\_\_\_\_\_]) in the amount of \$[\_\_\_\_\_].

When the documents required above shall have been filed with the Trustee and when such Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver such Bonds at one time to or upon the order of the Underwriter, but only upon payment to the Trustee of the purchase price of such Bonds. The Trustee shall be entitled to rely upon such documents without investigation as to all matters stated therein.

**Section 2.8 Mutilated, Lost, Stolen or Destroyed Bonds.** In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and the Trustee shall authenticate a new Bond of like denomination, interest rate, series, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond or in lieu of and in substitution for such lost, stolen or destroyed Bond, upon payment by the Owner thereof of any applicable tax or governmental charge and the reasonable expenses and charges of the Issuer and the Trustee in connection therewith, and in the case of a Bond lost, stolen or destroyed, the filing with the Trustee of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and furnishing the Issuer and the Trustee with indemnity satisfactory to each of them. In the event any such Bond shall have matured, instead of issuing a duplicate Bond or Bonds the Issuer may pay the same without surrender thereof.

**Section 2.9 Registration and Exchange of Bonds Persons Treated as Owners.** The Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this Indenture to be kept by the Trustee, which is constituted and appointed the Bond Registrar of the Issuer. Bonds shall not be registered to bearer. Upon surrender for transfer of any Bond at the Principal Office of the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond for a like aggregate principal amount.

Fully registered Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of fully registered Bonds of other Authorized Denominations. The Issuer shall execute and the Trustee shall authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding. The execution by the Issuer of any fully registered Bond

in an Authorized Denomination shall constitute full and due authorization of such denomination and the Trustee shall be authorized to authenticate and deliver such registered Bond.

The Issuer or the Trustee shall not be required to issue, register, transfer or exchange any Bond during the period beginning with the Record Date and ending on the next Interest Payment Date, nor during the period beginning 15 days before the mailing of notice of redemption of Bonds and ending on the redemption date.

In each case the Trustee shall require the payment by the Bondholder requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer and any reasonable fee of the Trustee with respect to such exchange or transfer.

**Section 2.10 Temporary Bonds.** Until definitive Bonds are ready for delivery, there may be executed, and upon the request of the Issuer the Trustee shall authenticate and deliver, in lieu of definitive Bonds, temporary printed, typewritten, engraved or lithographed Bonds, in such denomination or denominations as shall be determined by the Issuer, in fully registered form, in substantially the form hereinabove set forth and with such appropriate omissions, insertions and variations as may be required. If temporary Bonds shall be issued, the Issuer shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it at its principal trust office of any temporary Bond shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive Bond or Bonds, as the case may be, of an equal aggregate principal amount, of the same maturities and bearing interest at the same rates as the temporary Bond surrendered. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder. Interest on temporary Bonds, when due and payable, if the definitive Bonds shall not be ready for exchange, shall be paid on presentation of such temporary Bonds and notation of such payment shall be endorsed thereon by the Trustee.

**Section 2.11 Book-Entry Only System.** It is intended that the Bonds be registered so as to participate in a securities depository system with DTC (the "DTC System"), as set forth herein. The Bonds shall be initially issued in the form of a separate single fully registered Bond. Upon initial issuance, the ownership of such Bond shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Issuer and the Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Representation Letter. DTC may exercise the rights of a Bondholder only in accordance with the terms hereof applicable to the exercise of such rights.

With respect to Bonds registered in the bond register in the name of Cede & Co., as nominee of DTC, the Issuer, the Trustee and the Borrower shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "DTC Participant") or to any person on behalf of whom such a DTC Participant directly or indirectly holds an interest in the Bonds (each such person being herein referred to as an "Indirect Participant"). Without limiting the immediately preceding sentence, the Issuer, the Trustee and the Borrower shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC

Participant or any Indirect Participant or any other person, other than a Bondholder or Interested Beneficial Holder, as shown in the bond register, of any notice with respect to the Bonds, including any notice of redemption, (iii) the payment to any DTC Participant or indirect participant or any other person, other than a Bondholder, as shown in the register, of any amount with respect to principal of, redemption premium, if any, or interest on, the Bonds or (iv) any consent given by DTC as registered owner. So long as certificates for the Bonds are not issued pursuant to this section, the Issuer, the Borrower and the Trustee may treat DTC or any successor securities depository as, and deem DTC or any successor securities depository to be, the absolute owner of the Bonds for all purposes whatsoever, including without limitation (i) the payment of principal and interest on the Bonds, (ii) giving notice of redemption and other matters with respect to the Bonds, (iii) registering transfers with respect to the Bonds and (iv) the selection of Bonds for redemption. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond certificate with respect to any Bond. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the Record Date applicable to any interest payment date, the name "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

**Section 2.12 Successor Securities Depository; Transfers Outside Book-Entry Only System.** In the event that (a) the Issuer or the Borrower determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason or (c) the Issuer or the Borrower determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall notify DTC of the availability through DTC of Bond certificates and the Bonds shall no longer be restricted to being registered on the bond register in the name of Cede & Co., as nominee of DTC. At that time, the Issuer may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer does not select such an alternate securities depository system then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

**Section 2.13 Payments and Notices to Cede & Co.** Notwithstanding any other provision of this Indenture to the contrary, so long as any of the Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, redemption premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

**Section 2.14 Indenture Constitutes Contract.** In consideration of the purchase and acceptance of the Bonds issued hereunder by those who shall hold them from time to time, the provisions of this Indenture shall be part of the contract of the Issuer with the Bondholders and shall be deemed to be a contract between the Issuer and the Bondholders from time to time.

Article III

REDEMPTION OF BONDS

Section 3.1 Redemption. The Bonds shall be subject to redemption prior to maturity as follows:

(a) Optional Redemption. The Bonds shall be subject to optional redemption, in whole or in part, after the required notice of redemption is given, on or after the dates set forth below, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) as shown in the following table, plus accrued interest to the redemption date.

<u>Interest Payment Date</u>	<u>Price</u>
On or after December 1, 2021 through November 30, 2022	101%
On or after December 1, 2022	100%

The Bonds are not subject to optional redemption prior to December 1, 2021.

(b) Mandatory Sinking Fund Redemption. The Bonds are subject to mandatory sinking fund redemption on the Interest Payment Dates and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date, and without redemption premium, subject to reduction, in inverse order of such principal amounts to the extent that Bonds are redeemed prior to maturity otherwise than pursuant to such scheduled mandatory redemption:

<u>Payment Date</u>	<u>Principal Amount Redeemed</u>
December 1, 2015	\$ [ ]
December 1, 2016	\$ [ ]
December 1, 2017	\$ [ ]
December 1, 2018	\$ [ ]
December 1, 2019	\$ [ ]
December 1, 2020	\$ [ ]
<u>Payment Date</u>	<u>Principal Amount Redeemed</u>
December 1, 2022	\$ [ ]
December 1, 2023	\$ [ ]
December 1, 2024	\$ [ ]



December 1, 2025	\$ [ ]
December 1, 2026	\$ [ ]
December 1, 2027	\$ [ ]
December 1, 2028	\$ [ ]
December 1, 2029	\$ [ ]
December 1, 2030	\$ [ ]
December 1, 2031	\$ [ ]
December 1, 2032	\$ [ ]
December 1, 2033	\$ [ ]
December 1, 2034	\$ [ ]
December 1, 2035	\$ [ ]
December 1, 2036	\$ [ ]
December 1, 2037	\$ [ ]
December 1, 2038	\$ [ ]
December 1, 2039	\$ [ ]
December 1, 2040	\$ [ ]
December 1, 2041	\$ [ ]
December 1, 2042	\$ [ ]
December 1, 2043	\$ [ ]
December 1, 2044	\$ [ ]
December 1, 2045	\$ [ ]
December 1, 2046*	\$ [ ]

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\*Final Maturity

(c) Mandatory Redemption Upon Determination of Taxability. The Bonds are subject to mandatory redemption in whole on the earliest date after the required notice of redemption can be given following a Determination of Taxability but not less than thirty-five days following the Trustee's receipt of notice of such occurrence at a redemption price equal to 103% of the principal amount of the Bonds so redeemed, plus accrued interest to the redemption date. Notwithstanding anything in the Indenture to the contrary, the Trustee shall give prompt written notice of the occurrence of a Determination of Taxability to the Bondholders and the Borrower. All of the Bonds outstanding on the redemption date selected shall be redeemed on that date, except that Bonds subject to Mandatory Sinking Fund Redemption prior to that date, but after the selection thereof, shall be retired on that Mandatory Sinking Fund Redemption date at the same price as if they had been called for redemption on the redemption date. No other redemption premium shall be payable in the event of a Determination of Taxability.

(d) Extraordinary Mandatory Redemption. The Bonds shall be subject to redemption in whole and not in part prior to maturity, at a redemption price of 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the date fixed for redemption, upon the receipt by the Trustee of a written certification of the Borrower fixing a redemption date (which date shall be at least 45 days but not more than 60 days after the date of the certification), and stating that one of the following events has occurred:

(i) any insurance proceeds received by the Trustee as a result of damage to the Project or defective title are applied to the prepayment of the Note;

(ii) condemnation and proceeds received by the Trustee are applied to the prepayment of the Note;

(iii) the Borrower becomes subject to the Bankruptcy Code and the trustee in bankruptcy causes or directs prepayment of the Mortgage;

(iv) upon an event of default under the Loan Agreement and an acceleration of the Note; and

(v) amounts ear-marked for redemption of Bonds by the operation of Section 5.7(f) of this Indenture are available for that purpose.

(e) Mandatory Redemption to the Extent of Excess Moneys in the Acquisition Fund. The Bonds are subject to mandatory redemption, to the extent of excess moneys in the Bond Proceeds Account of the Acquisition Fund, at a redemption price equal to [ ]% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date, in the maximum principal amount of Authorized Denominations permitted by the balance of moneys transferred to the Bond Fund as described in (ii) below and not otherwise necessary for the payment of principal of, redemption premium, if any, or interest on the Bonds within the next 12 months. Such redemption shall occur on the first date upon which proper notice of redemption can be given following (i) delivery by the Borrower of the certificate pursuant to Section 3.3(d) of the Loan Agreement and (ii) the transfer of excess moneys, if any, from the Bond Proceeds Account of the Acquisition Fund to the Bond Fund pursuant to Section 3.3(d) of the Loan Agreement.

**Section 3.2 Selection of Bonds to Be Redeemed.** A redemption of Bonds shall be a redemption of the whole or of any part of the Bonds from any funds available for that purpose in accordance with the provisions of this Indenture, provided, that there shall be no partial redemption of any Bond which would result in the unredeemed portion not being of an Authorized Denomination. If less than all the Bonds are called for redemption under any provision of this Indenture permitting such partial redemption, the particular Bonds to be redeemed shall be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with the procedures established by DTC or any other applicable book-entry depository), in the principal amount designated to the Trustee by the Borrower or otherwise as required by this Indenture; provided, however, that the portion of any Bond to be redeemed shall be in an Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any such

Bond is to be called for redemption, then upon notice of intention to redeem such portion, the Registered Owner of such Bond upon surrender of such Bond to the Trustee for payment to such Registered Owner of the redemption price of the portion called for redemption shall be entitled to receive a new Bond or Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds representing the unredeemed balance of the principal amount of such Bond shall be issued to the Registered Owner, without charge. If the Registered Owner of any such Bond of a denomination greater than the principal amount to be redeemed shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the portion of the principal amount called for redemption (and to that extent only).

### Section 3.3 Procedure for Redemption.

(a) If any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Issuer, of the redemption of such Bonds, by mailing a copy of such notice by certified mail or registered mail, postage prepaid not less than thirty (30) nor more than 60 days prior to the redemption date which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portion of the Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest, provided that funds are available for such purpose on that date, and if funds are not available on such date, the redemption shall be deferred until funds are available. Notwithstanding the foregoing, if, because of temporary or permanent suspension of mail service, it is impossible or impractical to mail notices in the manner described above, then notice of redemption to the Bondholders in lieu thereof will be given as approved by the Trustee (or the Issuer if there is no Trustee at the time) and such notice shall be considered sufficient. Such notice may set forth any additional information relating to such redemption. Such notice by mail shall be given at least 30 days and not more than 60 days prior to the date fixed for redemption to the holders of Bonds to be redeemed. No defect in any such notice shall in any manner defeat the effectiveness of the call for redemption.

(b) Any Bonds and portions of Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with Article VII of this Indenture shall cease to bear interest on the specified redemption date.

(c) Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price specified in the notice, and from and after such date (unless there is a default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Upon surrender for any partial redemption of any Bonds, there shall be issued to the Registered Owner a new Bond or Bonds in the amount of the unredeemed principal in an Authorized Denomination. All Bonds which have been redeemed shall be canceled and destroyed by the Trustee and shall not be reissued.

(d) In addition to the official notice of redemption, if the Bonds are not then held under a book-entry only system, further notice shall be given by the Trustee in the name of

the Issuer as set out below; provided, however, that neither the failure to give any such notice nor any defect in any notice so given shall affect the sufficiency or validity of any proceedings for the redemption of the Bonds. Each further notice of redemption given hereunder shall contain the information required for an official notice of redemption plus: (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption shall be sent at least 30 days before the redemption date by certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of the type comprising the Bonds (such depositories now being DTC) and to one or more national information services, chosen in the discretion of the Trustee, that disseminate notice of redemption of obligations such as the Bonds.

(e) The Trustee shall at all reasonable times make available to any interested party complete information as to Bonds which have been redeemed or called for redemption.

**Section 3.4 No Partial Redemption After Event of Default.** Anything in this Indenture to the contrary notwithstanding, if there shall have occurred and be continuing any Event of Default under this Indenture, there shall be no redemption of less than all of the Bonds at the time Outstanding.

**Section 3.5 Payment of Redemption Price.** Subject to other provisions of this Agreement, for the redemption of any of the Bonds, the Issuer shall cause to be deposited in the Bond Fund an amount sufficient to pay the principal of, redemption premium, if any, and interest to become due on such Bonds on the date fixed for such redemption. Any amount in the Bond Fund available on such redemption date for payment of the principal of and accrued interest and redemption premium, if any, on the Bonds to be redeemed shall be credited against any amount required to be caused to be so deposited in the Bond Fund.

**Section 3.6 Cancellation.** All Bonds which have been redeemed shall be canceled and destroyed by the Trustee as provided in Section 5.9 of this Indenture.

**Section 3.7 Bonds Redeemed in Part.** Any Bond which is to be redeemed only in part shall be surrendered (with due endorsement by, or a written instrument of transfer in form satisfactory to the Issuer and the Trustee duly executed in blank by, the Holder thereof or his attorney duly authorized in writing) and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Bond, without service charge to the Holder a new Bond or Bonds, of any Authorized Denomination or Denominations as requested by such Holder, and in an aggregate principal amount equal to the unredeemed portion of the principal of the Bonds surrendered.

**Section 3.8 Book-Entry Only System; Redemptions.** The Trustee acknowledges that references in this Article III regarding Bonds should be read, where applicable, to include beneficial interests therein and Bondholders or registered Owners should be read to include DTC Participants, but (i) all rights of ownership must be exercised through DTC and the Book-Entry Only System and (ii) all notices are to be given only to DTC (except as to Interested Beneficial Holders who shall be given all notices given to DTC), all pursuant to the terms and conditions of the Representation Letter.

## Article IV

### GENERAL COVENANTS

**Section 4.1 Payment of Principal and Interest.** The Issuer covenants that it will promptly pay or cause to be paid, but only from the sources identified herein, sufficient amounts to provide for the payment of the principal of, premium, if any, the purchase price of and interest on the Bonds at the place, on the dates and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof, provided, however, that the Bonds do not now and shall never constitute a general obligation of the Issuer or a debt or a pledge of the faith and credit of the State, and all covenants and undertakings by the Issuer hereunder and under the Loan Agreement and the Bonds to make payments are special obligations of the Issuer payable solely from the revenues and funds pledged hereunder.

**Section 4.2 Performance of Issuer Covenants.** The Issuer covenants that it will faithfully perform at all times any and all of its covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings pertaining thereto.

**Section 4.3 Instruments of Further Assurance.** The Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto, and such further acts, instruments and transfers as may be reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular its interest in the property herein described and the revenues, receipts and other amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds. Any and all interest in property hereafter acquired which is of any kind or nature herein provided to be and become subject to the lien hereof shall and without any further conveyance, assignment or act on the part of the Issuer or the Trustee, become and be subject to the lien of this Indenture as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Issuer under this Section of this Indenture. The Issuer covenants and agrees that, except as herein otherwise expressly provided, it has not and will not sell, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Trust Estate or the revenues or receipts therefrom.

**Section 4.4 Diminution of, or Encumbrance on, Trust Estate.** The Issuer covenants not to sell, transfer, assign, pledge, release, encumber or otherwise diminish or dispose of, directly or indirectly, by merger or otherwise, or cause or suffer the same to occur, or create or allow to be created or to exist any lien upon, all or any part of its interests in the Trust Estate, except as expressly permitted by this Indenture.

**Section 4.5 Recording and Filing.** In order to perfect the security interest of the Trustee in the Trust Estate and to perfect the security interest in the Note, the Issuer, to the extent permitted by law, will execute such security agreements or financing statements, naming the Trustee as assignee and pledgee of the Trust Estate assigned and pledged under this Indenture for the payment of the principal of, premium, if any, and interest on the Bonds and as otherwise provided herein, and the Trustee will cause the same to be duly filed and recorded, as the case may be, in the appropriate State and county offices as required by the provisions of the Uniform Commercial Code or other similar law as adopted in the State, as from time to time amended. To continue the security interest evidenced by such security agreements or financing

statements, the Trustee shall, at the expense of the Borrower, file and record or cause to be filed and recorded such necessary continuation statements or supplements thereto and other instruments from time to time as may be required pursuant to the provisions of the said Uniform Commercial Code or other similar law to fully preserve and protect the security interest of the Trustee in the Trust Estate and to perfect the security interest in the Note. The Issuer, to the extent permitted by law, at the expense of the Borrower, shall execute and cause to be executed any and all further instruments as shall be reasonably required by the Trustee for such protection and perfection of the interests of the Trustee, the registered owners and the Trustee, the Borrower or its agent, as the case may be, shall, at the expense of the Borrower, file and refile or cause to be filed and refiled such instruments which shall be necessary to preserve and perfect the lien of this Indenture upon the Trust Estate until the principal of, premium, if any, and interest on the Bonds issued hereunder shall have been paid or provision for their payment shall be made as herein provided.

**Section 4.6 Books, Records and Accounts.** The Trustee agrees to keep proper books for the registration of, and transfer of ownership of, each Bond, and proper books, records and accounts in which complete and correct entries shall be made of all transactions relating to the receipt, disbursement, investment, allocation and application of the proceeds received from the sale of the Bonds, the Revenues, the documents executed by the Borrower in connection therewith, the funds and accounts created pursuant to this Indenture, and all other moneys held by the Trustee hereunder. The Trustee shall, during regular business hours and upon reasonable prior notice, make such books, records and accounts available for inspection and copying by the Issuer, the Borrower and the Holders.

**Section 4.7 List of Bondholders.** The Trustee will keep on file a list of names and addresses of all registered Owners of the Bonds on the registration books of the Issuer maintained by the Trustee, together with the principal amount and numbers of such Bonds. At reasonable times and under reasonable regulations established by the bond registrar, said list may be inspected and copied by the Trustee, by the Borrower or by the Owners of the Bonds (or a designated representative thereof) of 15% or more in aggregate principal amount of Bonds then outstanding, such ownership and the authority of such designated representative to be evidenced to the satisfaction of the Trustee, or by any other person mandated by law.

**Section 4.8 Representations and Warranties of the Issuer.** The Issuer hereby represents and warrants as follows:

(i) The Issuer is a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the Constitution, and a home rule unit of government under Article VII of the Constitution.

(ii) The Issuer has all necessary power and authority to issue the Bonds and to execute and deliver this Indenture, the Loan Agreement and the other Bond Documents to which it is a party, and to perform its duties and discharge its obligations hereunder and thereunder.

(iii) The revenues and assets pledged for the repayment of the Bonds are and will be free and clear of any pledge, lien or encumbrance prior to, or equal with, the pledge created by this Indenture, and all action on the part of the Issuer to that end has been duly and validly taken.

(iv) The Bond Documents to which the Issuer is a party have been validly authorized, executed and delivered by the Issuer, and assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other laws affecting creditors' rights generally and the application of equitable principles.

#### Section 4.9 Tax Covenants.

(a) The Issuer covenants to and for the benefit of the Bondholders, that, notwithstanding any other provisions of this Indenture or of any other instrument, it will:

(i) neither make or use nor cause to be made or used any investment or other use of proceeds of the Bonds or the moneys and investments held in the funds and accounts established under this Indenture which would cause the Bonds to be arbitrage bonds under Section 148 of the Code and the regulations issued under Section 148 of the Code or which would otherwise cause the interest payable on the Bonds to be includable in gross income for federal income tax purposes, and shall maintain an agreement from the Borrower to this effect as to the investments made at the Borrower's discretion;

(ii) not take or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code and the regulations promulgated thereunder;

(iii) not take or cause to be taken any other action or actions or fail to take any action or actions which would cause the interest payable on the Bonds to be includable in gross income for federal income tax purposes; and

(iv) at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Issuer on the Bonds will be excluded from gross income, for federal income tax purposes, of the Bondholders pursuant to Section 103 of the Code, except in the event where an owner of Bonds is a substantial user of the facilities financed with the Bonds or a related person within the meaning of the Code.

(b) The Trustee acknowledges that under Section 148 of the Code, investment of the proceeds of the Bonds, including investment proceeds and moneys held in any sinking fund for the payment of the Bonds, is subject to and must comply with the provisions of Section 148 of the Code with respect to the acquisition of obligations the yield on which will be materially higher than the yield on the Bonds during the term of the Bonds. The Trustee further acknowledges that investments may be made in materially higher yield obligations during a temporary period if certain requirements set forth in the regulations under Section 148 are met and that the proceeds of the Bonds may be invested in materially higher yield acquired obligations which are part of a reasonably required reserve or replacement fund and bona fide debt service fund. The Trustee further acknowledges that, under certain circumstances, earnings on certain funds may be subject to rebate to the United States in accordance with Section 148 of the Code, and the Trustee agrees to comply with Section 148. The

Issuer agrees not to take any action inconsistent with holding and investment of moneys in funds and accounts under the terms of this Indenture.

**Section 4.10 Amendments to Mortgage, SLF Agreement and Assignment.** Without the consent of or notice to any of the Bondholders, the Issuer and the Trustee may consent to any amendment, change or modification of the Mortgage, the SLF Agreement or the Assignment (i) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Mortgage, the SLF Agreement or the Assignment, or (ii) to make other changes therein which, in the sole judgment of the Trustee, do not adversely affect the interests of the Trustee, the Borrower or the Owners of the Bonds. The Issuer and the Trustee shall not consent to any other amendment, change or modification of the Mortgage, the SLF Agreement or the Assignment unless the consent of the Owners of (i) respecting non-monetary matters, at least 66-2/3% in aggregate principal amount of Bonds at the time Outstanding or (ii) respecting monetary matters, 90% in aggregate principal amount of Bonds at the time Outstanding is procured and given in the manner set forth herein. The Trustee may rely on an opinion of Independent Counsel as conclusive evidence that requisite Bondholder consent thereto complies with the requirements of this Section 4.10.

**Section 4.11 Trustee's Covenants.** The Trustee agrees that it will invest funds held under this Indenture in accordance with the terms of this Indenture and the Tax Agreement (this covenant shall extend throughout the term of the Bonds, to all funds and accounts created under this Indenture and all money on deposit to the credit of any fund or account). The Trustee covenants to and for the benefit of the Bondholders that, notwithstanding any other provisions of this Indenture, it will not make or cause to be made any investment or other use of the money in the funds or accounts which would cause the Bonds to be classified as "arbitrage bonds" within the meaning of Sections 103(b) and 148 of the Code or would cause the interest on the Bonds to be includable in gross income for federal income tax purposes; provided that the Trustee shall be deemed to have complied with these requirements and shall have no liability to the extent it follows the written directions of the Borrower or the Issuer. The Trustee further covenants that should the Issuer or the Borrower file with the Trustee (it being understood that neither the Issuer nor the Borrower has an obligation to so file), or should the Trustee receive, an opinion of Bond Counsel to the effect that any proposed investment or other use of proceeds of the Bonds would cause the Bonds to become "arbitrage bonds," then the Trustee will comply with any written instructions of the Issuer, the Borrower or Bond Counsel regarding such investment or use so as to prevent the Bonds from becoming "arbitrage bonds," and the Trustee will bear no liability to the Issuer, the Borrower or the Holders of the Bonds for investments made in accordance with such instructions.

**Section 4.12 Rights Under Loan Agreement.** The Loan Agreement, a duly executed counterpart of which has been filed with the Trustee, sets forth the covenants and obligations of the Issuer and the Borrower, and reference is hereby made to the same for a detailed statement of said covenants and obligations of the Borrower thereunder, and the Issuer agrees that the Trustee in its name or in the name of the Issuer may enforce all rights of the Issuer (except for the Unassigned Rights) and all obligations of the Borrower under and pursuant to the Loan Agreement for and on behalf of the registered Owners of the Bonds, whether or not the Issuer is in default hereunder.



Article V

FUNDS AND APPLICATION OF REVENUES AND OTHER MATTERS

Section 5.1 Establishment of Funds and Accounts; Application of Moneys.

(a) The following special funds and accounts shall be established and maintained pursuant to the provisions of this Indenture:

Bond Fund

(a) Capitalized Interest Account

Cost of Issuance Fund

Acquisition and Rehabilitation Fund

(a) Bond Proceeds Account

(b) Equity Account

Debt Service Reserve Fund

Medicaid Receivables Cash Flow Fund

Project Fund

(a) Revenues Account

(b) Rebate Account

(c) Operating Expense Account

(d) Trustee/Issuer Expense Account

(e) Insurance/Tax Account

(f) Replacement Reserve Account

(g) Borrower Account

Initial Lease Up Reserve Fund

(b) The Trustee is authorized to receive the proceeds of the Bonds for and on behalf of the Issuer and to give receipt therefor along with certain other monies of the Borrower. The net proceeds received by the Issuer from the sale of the Bonds and the other funds deposited by the Borrower with the Trustee shall be applied as follows:

(i) The proceeds of the sale of the Bonds shall be applied as follows: \$[ ] to be deposited in the Bond Proceeds Account of the Acquisition and Rehabilitation Fund, \$[ ] to be deposited in the Capitalized Interest Account of the Bond Fund, \$[ ] to be deposited in the Cost of Issuance Fund and \$[ ] to be deposited in the Debt Service Reserve Fund.

(ii) On the Issuance Date, other monies of the Borrower shall be applied as follows: \$[ ] to the MRCFF Requirement, \$[ ] of Borrower's equity to be deposited in the Equity Account of the Acquisition and Rehabilitation Fund, \$[ ] of Borrower's equity to be deposited in the Cost of Issuance Fund, and \$[ ] of Borrower's equity to be deposited in the Insurance/Tax Account of the Project Fund.

(iii) Subsequent to the Issuance Date, other monies of the Borrower shall be applied as follows: \$[ ] of Borrower's equity to be deposited in the Medicaid Receivables Cash Flow Fund; \$[ ] of Borrower's equity to be deposited in the Initial Lease-Up Reserve Fund; \$[ ] of Borrower's equity to

be deposited in the Insurance/Tax Account of the Project Fund and \$[ ] of Borrower's equity to be deposited in the Replacement Reserve Account of the Project Fund.

## Section 5.2 Bond Fund.

(a) There is created and established a "Bond Fund", and within the Bond Fund a "Capitalized Interest Account", which shall be held by the Trustee and which shall be used for the purpose of paying the principal, redemption premium, if any, and interest on the Bonds at the times set forth in the Bonds and of retiring such Bonds at or prior to maturity at the times and in the manner provided herein. At the Issuance Date there shall be deposited in the Capitalized Interest Account of the Bond Fund the amount of \$[ ] of Bond proceeds for the purpose of paying interest on the Bonds for the period beginning on the Issuance Date and ending on [ ], 20[ ]. All monies deposited in the Bond Fund shall be disbursed and applied by the Trustee at the times and in the manner provided in this Indenture.

(b) The Trustee shall separately account for each deposit in the Bond Fund so that the Trustee may at all times ascertain the date and source of deposit of all funds (including any investment income on deposits in the Bond Fund). Except as provided in subsections (c) and (d) of this Section, neither the Issuer nor the Borrower shall have any interest in the Bond Fund or the monies and Investment Obligations therein, all of which shall be held in trust by the Trustee for the sole benefit of the Holders of the Bonds.

(c) The Bond Fund shall be drawn upon for the purpose of paying the principal, redemption premium, if any, and interest on the Bonds; provided that moneys on deposit in the Capitalized Interest Account shall be drawn upon to pay interest on the Bonds before any other moneys on deposit in the Bond Fund are applied to that purpose. Monies set aside from time to time with the Trustee and Paying Agent for the payment of such principal, redemption premium and interest shall be held in trust for the Holders of the Bonds in respect of which the same shall have been so set aside. Until so set aside for the payment of principal, redemption premium, if any, or interest as aforesaid, all monies in the Bond Fund shall be held in trust for the benefit of the Holders of all Bonds at the time outstanding equally and ratably and without any preference or distinction as between Bonds.

(d) In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been deposited in the Bond Fund, all liability of the Issuer to the owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such monies, without liability for interest thereon, for the benefit of the owner of such Bond who shall thereafter be restricted exclusively to such monies, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. Such monies shall be held in a separate and segregated fund and shall not be invested.

Any monies so deposited with and held by the Trustee not so applied to the payment of Bonds for at least five years after the date on which the same shall have become due shall then be paid by the Trustee in accordance with Section 5.9(b) of this Indenture. Thereafter, Bondholders shall be entitled to look only to the Borrower for payment; the Borrower shall not be liable for any interest thereon and shall not be regarded as a trustee of such monies, and the Trustee shall have no further responsibilities with respect to such monies. The

obligation of the Trustee under this Section to pay any such funds to the Borrower shall be subject, however, to any provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of such funds.

**Section 5.3 Cost of Issuance Fund.** There is created and established a "Cost of Issuance Fund", which shall be held by the Trustee. This Fund is to be funded at the Issuance Date in the amount of \$[ ] of Bond proceeds. All Bond proceeds in the Cost of Issuance Fund shall be expended to pay issuance costs before any other moneys in the Fund are applied to the purpose. None of the Proceeds of the Bonds, other than an amount not exceeding 2% of the sale price of Bonds either deposited into the Cost of Issuance Fund or, to the extent permitted by the Code, on deposit in the Bond Proceeds Account, may be used to pay the Costs of Issuance of the Bonds. Amounts in the Cost of Issuance Fund shall be used to pay issuance costs upon filing with the Trustee a written requisition of the Authorized Borrower Representative. Any monies remaining in the Cost of Issuance Fund three months after the Issuance Date shall be transferred to the Equity Account in the Acquisition Fund.

**Section 5.4 Acquisition Fund.**

(a) There is created and established a "Acquisition and Rehabilitation Fund", and within the Acquisition Fund a "Bond Proceeds Account" and an "Equity Account", which shall be held by the Trustee and disbursed by the Trustee at the written request of the Borrower to pay, or reimburse the Borrower for payment of, costs of the acquisition, rehabilitation and equipping of the Project and, to the extent permitted by the Code, Costs of Issuance of the Bonds in accordance with the Loan Agreement; *provided* that moneys on deposit in the Bond Proceeds Account shall be used for that purpose and exhausted before moneys on deposit in the Equity Account are used for the purpose. Moneys in the Acquisition Fund shall be withdrawn and so applied when the Borrower files with the Trustee a written requisition of the Authorized Borrower Representative in substantially the form attached to the Loan Agreement as *Exhibit D*.

(b) If an Event of Default occurs under this Indenture, and the Trustee declares the principal of all Bonds and the interest accrued thereon to be due and payable, no moneys may be paid out of the Acquisition Fund by the Trustee during the continuance of such an Event of Default, except that moneys on deposit in the Acquisition Fund may be transferred into the Bond Fund as and when necessary for the purpose of paying the Bonds as due as a result of such Event of Default; *provided*, however, that if such an Event of Default shall be waived and such declaration shall be rescinded by the Trustee or the owners of the Bonds pursuant to the terms of this Indenture, the full amount of any such moneys in the Acquisition Fund may again be disbursed by the Trustee in accordance with the provisions of the Loan Agreement.

(c) The Trustee shall keep and maintain adequate records pertaining to the Acquisition Fund and all disbursements therefrom.

(d) The Trustee's sole obligation shall be to make disbursements pursuant to properly completed requisitions. The Trustee shall have no responsibility for the Borrower's compliance with its obligations regarding the use of the proceeds of the Acquisition Fund.

(e) After the completion of the acquisition, rehabilitation and equipping of the Project, the Trustee shall transfer funds remaining on deposit in the accounts in the Acquisition Fund as provided by Section 3.3(d) of the Loan Agreement.

### Section 5.5 Debt Service Reserve Fund.

(a) There is created and established a "Debt Service Reserve Fund" in the amount of the Debt Service Reserve Fund Requirement, which shall be held by the Trustee and which shall be transferred by the Trustee to the Bond Fund on any Interest Payment Date to the extent that the funds in the Bond Fund on such Interest Payment Date are insufficient to pay the interest and principal then due on the Bonds including, without limitation, any sinking fund redemptions provided for in Section 3.1(b). At the Issuance Date, the Debt Service Reserve Requirement shall be funded from Bond proceeds.

(b) Whenever the amount held in the Debt Service Reserve Fund, together with any other funds then held under this Indenture, is sufficient to provide for the redemption in whole of all outstanding Bonds, including any interest accrued to the date of redemption and any applicable redemption premium, such amount shall be transferred to the Bond Fund and applied to such redemption. On the final maturity of the Bonds, any amount remaining in the Debt Service Reserve Fund shall be used to pay the amount, including any accrued interest, due on final maturity and any balance remaining after the Bonds are fully paid shall be disbursed in accordance with Section 5.9(b) of this Indenture.

### Section 5.6 Medicaid Receivables Cash Flow Fund.

(a) There is created and established a "Medicaid Receivables Cash Flow Fund" which will be funded in whole by [\_\_\_\_], 20[\_\_\_]. On the 20<sup>th</sup> day of each month commencing [\_\_\_\_], 20[\_\_\_], the Trustee shall calculate whether the sum of Outstanding Medicaid Receivables plus funds on deposit in the Medicaid Receivables Cash Flow Fund exceed the MRCFF Requirement and shall transfer, to the extent of any such surplus, money on deposit in the Medicaid Receivables Cash Flow Fund to the Revenues Account of the Project Fund.

(b) Whenever the amount held in the Medicaid Receivables Cash Flow Fund, together with any other funds then held under this Indenture, is sufficient to provide for the redemption in whole of all outstanding Bonds, including any interest accrued to the date of redemption and any applicable redemption premium, such amount shall be transferred to the Bond Fund and applied to such redemption. Any amount remaining in the Medicaid Receivables Cash Flow Fund after the Bonds are fully paid shall be disbursed in accordance with Section 5.9(b) of this Indenture.

### Section 5.7 Project Fund.

(a) There is established a "Project Fund" which shall be held by the Trustee and which shall have the following accounts:

- (i) Revenues Account;
- (ii) Rebate Account;
- (iii) Operating Expense Account;
- (iv) Trustee/Issuer Expense Account;
- (v) Insurance/Tax Account;
- (vi) Replacement Reserve Account; and

(vii) Borrower Account.

(b) All Revenues collected on and after the Issuance Date shall be deposited when received from the Borrower in the Revenues Account. The Trustee shall transfer or disburse funds in the Revenues Account on the 20<sup>th</sup> day of each month commencing on [\_\_\_\_], 20[ ] (except as otherwise provided below) in the following amounts and order of priority:

(i) Transfer to the Rebate Account, amounts necessary in each year so as to meet the Rebate Amount (as defined in the Tax Agreement), as set forth in writing by the Borrower to the Trustee.

(ii) Transfer to the Operating Expense Account the budgeted expenditures for the operations of the Project, as certified to the Trustee by the Borrower;

(iii) Commencing [\_\_\_\_], 20[ ], or earlier to the extent that amounts from the initial deposit of Bond proceeds are insufficient, transfer to the Bond Fund the sum of (A) one-sixth of the interest due on the next Interest Payment Date plus (B) one-twelfth of the principal amount required to redeem the Bonds scheduled for redemption during the current Bond Year pursuant to Section 3.1(b), provided, however, that the deposit made to the Bond Fund by the 20th of the month preceding an Interest Payment Date shall be an amount equal to the difference between the amount already on deposit in the Bond Fund and the Bond Service Charges payable on the Bonds on such Interest Payment Date.

(iv) In the event funds on deposit in the Debt Service Reserve Fund are less than the Debt Service Reserve Fund Requirement, transfer to the Debt Service Reserve Fund an amount equal to the shortfall between the amount on deposit in the Debt Service Reserve Fund and the Debt Service Reserve Fund Requirement divided by the number of months until the next Interest Payment Date in order to bring the balance of the Debt Service Reserve Fund up to the Debt Service Reserve Fund Requirement by the next succeeding Interest Payment Date.

(v) Commencing [\_\_\_\_], 20[ ], or earlier to the extent that amounts from the initial deposit of Bond proceeds are insufficient, transfer to the Insurance/Tax Account the sum of (A) one twelfth (or such greater amount as necessary to pay when due) of the sum of all real estate taxes and assessments to be due in the current Bond Year as certified to the Trustee by the Borrower plus (B) one-twelfth (or such greater amount as necessary to pay when due) of the amount necessary to maintain all required insurance coverage during the current Bond Year as certified to the Trustee by the Borrower.

(vi) Transfer to the Trustee/Issuer Expense Account the amount required (A) to pay any amount coming due to the Trustee or the Issuer pursuant to this Indenture prior to the fifteenth of the following month plus any unpaid amounts previously due to the Trustee and the Issuer, and (B) to pay any and all managers, consultants or experts retained pursuant to the terms of the Borrower Documents.

(vii) Commencing [\_\_\_\_], 20[\_\_\_\_], transfer to the Replacement Reserve Account a monthly amount equal to \$[\_\_\_\_] or such other higher amount as may be established from time to time pursuant to Section 3.4 of the Loan Agreement.

(viii) Commencing [\_\_\_\_], 20[\_\_\_\_] if the sum of Outstanding Medicaid Receivables and funds on deposit in the Medicaid Receivables Cash Flow Fund is less than the MRCFF Requirement, transfer to the Medicaid Receivables Cash Flow Fund an amount equal to the shortfall between (a) the sum of Outstanding Medicaid Receivables plus funds on deposit in the Medicaid Receivables Cash Flow Fund and (b) the MRCFF Requirement.

(ix) Transfer the balance, if any, to the Borrower Account.

To the extent that the amount available in the Revenues Account is insufficient during any month to transfer the amounts for such month required pursuant to (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii) above, except for any amounts required to be transferred to the Bond Fund pursuant to (ii) above which are instead transferred to the Bond Fund from the Debt Service Reserve Fund pursuant to Section 5.5(a), such amounts shall first be transferred from the Borrower Account.

(c) The Trustee shall apply monies on deposit in the Trustee/Issuer Expense Account to pay the fees of the Trustee and of the Issuer pursuant to the Loan Agreement as such fees are due, and to pay any and all managers, consultants or experts retained pursuant to the terms of the Borrower Documents. Any deficiency shall be paid by the Borrower upon notice and demand pursuant to the Loan Agreement.

(d) The Trustee shall apply monies on deposit in the Insurance/Tax Account to pay real estate taxes and insurance premiums in regard to the Project as such amounts become due, provided that the Trustee receives all information necessary to determine the amount due, the due dates, the payee and the applicable address for payment. Any deficiency shall be paid by the Borrower upon notice and demand from the Trustee.

(e) The Trustee shall apply monies in the Replacement Reserve Account to pay amounts requisitioned by the Borrower pursuant to the Loan Agreement to pay for repairs and restoration of the Project in accordance with the Loan Agreement. At such time as no Bonds are outstanding, the balance of the Replacement Reserve Account shall be disbursed by the Trustee in accordance with Section 5.9(b) of this Indenture.

(f) Beginning on or after December 1, 2013, the Trustee shall distribute, on an annual basis, funds in the Borrower Account to the Borrower provided that (i) the Debt Service Coverage Ratio for the period from December 1, 2012 through December 1, 2013 and for each one year period thereafter equals or exceeds 1.10, (ii) the funds in the Debt Service Reserve Fund are equal to the Debt Service Reserve Fund Requirement, and (iii) the sum of Outstanding Medicaid Receivables plus funds on deposit in the Medicaid Receivables Cash Flow Fund is equal to the MRCFF Requirement. If the Debt Service Coverage Ratio is less than [\_\_\_\_] for [\_\_\_\_] consecutive annual periods, amounts accumulated in the Borrower Account will be used to redeem the Bonds, in accordance with Section 3.3, on the first Interest Payment Date for which notice can be given but only with the prior written consent of the Holders of a majority in aggregate principal amount of the Bonds then outstanding. For purposes of this

subsection, the Trustee may rely conclusively on a certificate from the Borrower that the conditions of this subsection have been met.

(g) The Trustee shall cause all amounts to be deposited into the Rebate Account and all amounts on deposit in the Rebate Account to be paid to the United States Department of the Treasury at the times and in the amounts required by written directions provided to the Trustee pursuant to the Tax Agreement.

**Section 5.8 Initial Lease Up Reserve Fund.** Monies<sup>a</sup> in the Initial Lease Up Reserve Fund shall be held by the Trustee and transferred by the Trustee to the Revenues Account of the Project Fund on any date and to the extent that the funds in the Revenues Account are insufficient to make deposits as provided for in Section 5.7(b)(i) through (vii). The Borrower is expected to deposit \$[ ] of Borrower's equity to the Initial Lease Up Reserve Fund prior to [ ], 2011.

Any monies remaining on deposit in the Initial Lease Up Reserve Fund after the date which the Project has operated at a 1.10x Debt Coverage Ratio for four consecutive calendar quarters shall be transferred to the Borrower Account.

**Section 5.9 Disposition of Bonds Upon Payment; Final Disposition of Bond Proceeds.**

(a) All Bonds paid and redeemed by the Trustee under the provisions of this Indenture, either at or before maturity, shall be canceled when such payment or redemption is made, and such Bonds, unless then held by the Trustee, shall be delivered to the Trustee. All canceled Bonds shall from time to time be cremated or otherwise destroyed by the Trustee.

(b) All amounts on deposit in any funds and accounts established under this Indenture (i) consisting of Excess Bond Proceeds (as defined below) shall be disbursed by the Trustee upon receipt of a written direction signed by an Authorized Officer of the Issuer provided in a manner consistent with the Issuer's covenants in Section 4.9 of this Indenture, and (ii) funded with amounts originally deposited by the Borrower from sources other than Bond proceeds, after application for the purposes specifically provided herein, shall be disbursed by the Trustee to the Borrower. "Excess Bond Proceeds" shall mean any Bond proceeds remaining after application of such proceeds for the purposes specifically provided herein, including without limitation the payment of Project costs and debt service on the Bonds.

**Section 5.10 Accounting Records.** The Trustee shall maintain accurate books and records for all funds and accounts established hereunder.

## Article VI

### INVESTMENT OF FUNDS

**Section 6.1 Investment of Funds and Accounts Held by the Trustee.** All monies held in the funds provided for in Section 5.1 shall be invested by the Trustee at the written direction of the Borrower in Investment Obligations; provided that monies deposited in

the Bond Fund to pay interest or principal on an Interest Payment Date must be invested in Investment Obligations maturing on or before the relevant Interest Payment Date. In the event the Trustee does not receive such written instruction from the Borrower, monies shall be invested in money market accounts as set forth in (e) of the definition of "Investment Obligations." The Trustee may make any and all investments through itself or any bank or trustee company under common control with the Trustee.

**Section 6.2 Valuation.** In computing the amount in any fund or account held by the Trustee under the provisions of this Indenture, obligations purchased as an investment of monies therein shall be valued at the cost or market price thereof, whichever is lower, exclusive of accrued interest.

**Section 6.3 Sale of Investments.** The Trustee shall sell at the best price reasonably obtainable, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide monies to meet any payment or transfer from the fund or account for which such investment was made. The Trustee shall provide the Borrower with a written statement, as of the last day of each calendar quarter, listing all of the Investment Obligations, if any, held for the credit of each fund or account in its custody under the provisions of this Indenture and supplements hereto as of the end of the preceding quarter.

**Section 6.4 Liability of the Trustee and Issuer for Investments.** The Borrower shall authorize, direct and confirm in writing all investments by the Trustee. The Trustee shall not be liable or responsible for the making of, or failure to make, any investment authorized by the provisions of this Article, in the manner provided in this Article, or for any loss resulting from any such investment so made, nor shall the Issuer have any liability in connection therewith.

**Section 6.5 Earnings on Investments.** Earnings on the investments of all accounts and funds (other than the Bond Proceeds Account of the Acquisition Fund and the Rebate Account) invested by the Trustee shall be deposited in the Revenues Account; provided that earnings on the investments of the Debt Service Reserve Fund and the Capitalized Interest Account of the Bond Fund shall be deposited in the Bond Proceeds Account of the Acquisition Fund until [\_\_\_\_], 20[\_\_\_]. Earnings on the investment of amounts in the Bond Proceeds Account of the Acquisition Fund shall be retained in the Bond Proceeds Account and used as other moneys in that Account are used. Earnings on the investment of amounts in the Rebate Account shall be retained in that account and applied as other moneys in that account are applied.

**Section 6.6 Arbitrage.** No investment shall be made which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and the Trustee shall be entitled to obtain, at the expense of the Borrower, an opinion from Bond Counsel that the making of any investment will not have such results. The Trustee shall not, however, be liable or responsible for failure to request such an opinion or for any investment the results thereof cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, whether or not the Trustee has requested such an opinion.



## Article VII

### DISCHARGE OF LIEN

**Section 7.1 Defeasance.** If the Issuer shall pay or cause to be paid, or there shall otherwise be paid or provision for payment made, to the owners of the Bonds, the principal and interest due or to become due thereon at the times and in the manner stipulated therein, and if the Issuer shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof, then the estate and rights granted by this Indenture shall cease, determine and be void, whereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Issuer such instruments in writing as shall be requisite to release such lien, and reconvey, release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any and all rights or property conveyed, assigned or pledged to the Trustee by this Indenture or otherwise subject to the lien of this Indenture, except cash or Federal Obligations held by the Trustee for the payment of the principal of, and redemption premium, if any, and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of this Article and for all purposes of this Indenture when (a) payment of the principal of and redemption premium, if any, on such Bond, plus interest thereon to the due date thereof, either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for by irrevocably depositing with the Trustee, or held by a Depository on behalf of the Trustee pursuant to an investment agreement, in trust and irrevocably set aside exclusively for such payment, (1) funds in regard to which an opinion of nationally recognized counsel, selected by the Borrower and reasonably acceptable to the Trustee, experienced in federal bankruptcy matters has been obtained to the effect that payment of Bond Service Charges with such funds will not constitute a voidable preference under section 547 of the Bankruptcy Code in a case commenced by or against the Borrower or the Issuer or any insider of the Borrower or Issuer sufficient to make such payment without investment and/or (2) Federal Obligations, not subject to redemption prior to maturity, purchased with funds in regard to which an opinion of nationally recognized counsel, selected by the Borrower and reasonably acceptable to the Trustee, experienced in federal bankruptcy matters has been obtained to the effect that payment of Bond Service Charges with such funds will not constitute a voidable preference under section 547 of the Bankruptcy Code in a case commenced by or against the Borrower or the Issuer or any insider of the Borrower or Issuer, which Federal Obligations, maturing in such amount and at such times as will ensure the availability of sufficient monies to make such payment to the owners of the Bonds, without reinvestment, and (b) all necessary and proper fees, compensation, expenses and indemnities of the Trustee and the Issuer pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Indenture and the supplements hereto, except for the purposes of any such payment from such monies or Federal Obligations. The Issuer covenants that it will make no deposit hereunder and make no use of any such deposit which would cause the Bonds to be treated as arbitrage bonds within the meaning of the Code.

Notwithstanding any provision of any other Article of this Indenture which may be contrary to the provisions of this Article, all monies or Federal Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including

interest thereon) with respect to which such monies and Federal Obligations have been so set aside in trust.

The above notwithstanding, prior to any defeasance becoming effective under this Article, there shall have been delivered to the Issuer and to the Trustee (i) an opinion of Bond Counsel, addressed to the Issuer and the Trustee, to the effect that (A) interest on any Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and (B) payments of principal of, and interest on, the Bonds from the proceeds of any such deposit to effectuate defeasance shall not constitute voidable preferences under Section 547 of the Bankruptcy Code in a case commenced under the Bankruptcy Code by or against the Issuer, the Borrower or any member of the Borrower, and (ii) an opinion, report or certification from a nationally recognized firm of certified public accountants stating that any deposit made pursuant to this Section is sufficient to defease the Bonds in accordance with the terms hereof.

## Article VIII

### REMEDIES OF TRUSTEE AND BONDHOLDERS UPON EVENT OF DEFAULT

**Section 8.1 Events of Default.** Each of the following events is defined as and shall constitute an "Event of Default" with respect to the Bonds issued under this Indenture:

- (a) Default in the due and punctual payment of the interest on any of the Bonds;
- (b) Default in the due and punctual payment of the principal of or redemption premium on any of the Bonds, whether at maturity or otherwise;
- (c) Default in the performance or observance of any other of the covenants, promises, stipulations, agreements or conditions on the part of the Issuer contained in this Indenture for the benefit of the Bonds after the expiration of any applicable notice and cure period;
- (d) The Trustee shall have received notice from the Department that the Borrower is in default under the SLF Agreement; and
- (e) The occurrence of an Event of Default under the Loan Agreement, the Mortgage, the Security Agreement, the Assignment, the Note or any Bond Documents.

If an Event of Default with respect to any of the Bonds at the time outstanding occurs and is continuing, then and in each and every such case, unless the principal of all the Bonds shall have already become due and payable, either the Trustee or the Holders of more than 50% in aggregate principal amount of the Bonds then outstanding hereunder, by notice in writing to the Issuer and the Borrower (and to the Trustee and the Issuer and the Borrower if given by Holders), shall declare, the principal amount of all the Bonds to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture, a supplemental indenture or in the Bonds contained to the contrary notwithstanding. Anything to the contrary herein notwithstanding without the prior consent of any other party, the Trustee shall immediately declare the principal amount of

all the Bonds to be due and payable if the Event of Default occurs under (a) or (b) above. The foregoing provisions are, however, subject to the condition that if, at any time after the principal amount of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered as hereinafter provided, the Issuer shall pay or shall deposit or cause to be paid or deposited with the Trustee, but only from the sources herein described, a sum sufficient to pay all matured installments of interest upon the Bonds and the principal of and redemption premium, if any, on any and all Bonds which shall have become due otherwise than by acceleration (with interest on overdue installments of interest, to the extent that payment of such interest is enforceable under applicable law, and on such principal and redemption premium, if any, at the rate of interest borne by the Bonds, to the date of such payment or deposit) and the reasonable expenses of the Trustee (including reasonable attorneys' fees), and any and all Events of Default under this Indenture or the appropriate supplemental indenture, other than the nonpayment of principal of or redemption premium, if any, or accrued interest on Bonds which shall have become due by acceleration, shall have been remedied, then and in every such case the Holders of a majority in aggregate principal amount of the Bonds then outstanding, by written notice to the Issuer and to the Trustee, may waive all Events of Default with respect to the Bonds and rescind and annul such declaration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent Event of Default, or shall impair any right consequent thereon.

**Section 8.2 Enforcement of Remedies.** Upon the happening and continuance of any Event of Default with respect to the Bonds, the Trustee, in its own name and as trustee of an express trust, on behalf of and for the benefit and protection of the Holders of all Bonds, may proceed with indemnification satisfactory to it to protect and enforce its rights and any rights of Issuer by such suits, actions or proceedings in equity or at law, either for the specific performance of any covenant or contract contained herein or in the Loan Agreement or in aid or execution of any power herein granted or for the foreclosure on the security held for the benefit of the Bonds under this Indenture, or for any proper, legal or equitable remedy as the Trustee shall deem most effectual to protect and enforce the rights aforesaid.

If an Event of Default shall have occurred with respect to the Bonds, and if requested in writing so to do by the Holders of more than 50% in aggregate principal amount of Bonds then outstanding, the Trustee, subject to Section 9.1(j), shall be obligated to exercise one or more of the rights and powers conferred by this Article, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Holders of the Bonds.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Holders of the Bonds) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Holders of the Bonds hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Holders of the Bonds to which such Event of Default relates shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

**Section 8.3 Right of Bondholders to Direct Proceedings.** Anything in this Indenture to the contrary notwithstanding, the holders of a majority in aggregate principal amount of the Bonds then outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, together with indemnity satisfactory to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture with respect to an Event of Default, or for the appointment of a receiver or any other proceedings hereunder, provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

**Section 8.4 Priority of Payments.** All monies received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall be applied by the Trustee after payment of the costs and expenses of the proceedings resulting in the collection of such monies (including reasonable attorneys' fees) and of the charges, expenses and liabilities incurred and advances made by the Trustee, if any, as follows:

(a) Unless the principal of all the Bonds shall have become or been declared due and payable:

FIRST: To the payment of any and all amounts owed to the Issuer pursuant to the terms of the Borrower Documents.

SECOND: To the payment of the persons entitled thereto of all installments of interest then due on the Bonds in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

THIRD: To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds matured for the payment of which monies are held pursuant to the provisions of this Indenture), and in the order of their due dates, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, then to the payment thereof ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege;

FOURTH: To be held for the payment to the persons entitled thereto as the same shall become due of the principal of and interest on the Bonds which may thereafter become due at maturity and, if the amount available shall not be sufficient to pay in full such Bonds due on any particular date, together with interest then due and owing thereon, payment on such Bonds shall be made ratably according to the amount of principal due on such date to the persons entitled thereto without any discrimination or privilege;

FIFTH: Any balance remaining, to the Borrower.

(b) If the principal of all the Bonds shall have become or been declared due and payable then to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment, or if any such Bond over any other such Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference, and with any balance remaining to the Borrower.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declarations shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of (a) above, in the event that the principal of all the Bonds shall later become due or be declared due and payable, the monies shall be applied in accordance with the provisions of (b) above.

Whenever monies are to be applied pursuant to the provisions of this Section, such monies shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such monies available for application and the likelihood of additional monies becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such monies and of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

**Section 8.5 Remedies Vested in the Trustee.** All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as the Trustee without the necessity of joining as plaintiffs or defendants any owner of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Holders of the outstanding Bonds.

**Section 8.6 Rights and Remedies of Bondholders.** No owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (i) an Event of Default with respect to the Bonds held by such owner has occurred of which the Trustee has been notified as provided in Section 9.1(h) hereof, or of which by said subsection it is deemed to have notice, (ii) the owners of not less than fifty percent in aggregate principal amount of Bonds then outstanding shall have made written notice to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in their own name or names, (iii) such owners of Bonds have offered to the Trustee indemnity as provided in Section 9.1(1) hereof, and (iv) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name, and such notification, request and offer of indemnity are declared in every case, at the option of the Trustee, to be a condition precedent to the execution of the powers under this Indenture or for any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended

that no one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the owners of all Bonds then outstanding. However, nothing contained in this Indenture shall affect or impair the right of any Bondholders to enforce the payment of the principal of and interest on each of the Bonds issued hereunder to the respective owners thereof at the time and place, from the source and in the manner expressed in the Bonds.

**Section 8.7 Termination of Proceedings.** In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer, the Trustee and the Holders of the Bonds to which such proceeding related shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

**Section 8.8 Waivers of Events of Default.** The Trustee may at its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the owners of (i) more than two-thirds in aggregate principal amount of all the Bonds then outstanding in respect to which default in the payment of principal or interest, or both, exists, or (ii) more than 50% in aggregate principal amount of all the Bonds then outstanding in the case of any other Event of Default, *provided, however*, that there shall not be waived (i) any Event of Default in the payment of the principal of any outstanding Bonds at the date of maturity, or (ii) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission, all arrears of interest or all arrears of payments of principal or both, when due, as the case may be, with interest on overdue principal at the rate borne by the Bonds, and all expenses of the Trustee in connection with such default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, and the owners of the Bonds shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

## Article IX

### TRUSTEE

**Section 9.1 Acceptance of the Trusts.** The Trustee has a combined capital and surplus of at least \$50,000,000 or, alternatively, a liability policy having the type of coverage and in an amount acceptable to the Issuer and the Borrower. The Trustee has an operations group of at least 4 experienced trust officers, with primary responsibility for municipal bond issues. The Trustee administers at least 25 municipal bond indentures aggregating at least \$25,000,000 under its administration.

The Trustee accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after all Events of Default which may have occurred have been cured, undertakes to perform such duties and only such duties as are expressly set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived), subject to subsection (1) hereof, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees but shall not be answerable for the conduct of the same, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may consult with counsel and may act and rely without investigation upon the opinion or advice of any attorneys (who may be the attorney or attorneys for the Issuer or the Borrower), approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or nonaction in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein, or in the Bonds, or for the validity of the execution by the Issuer of the Bonds or this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured by this Indenture and by indentures supplemental hereto.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds secured by this Indenture with the same rights which it would have if not the Trustee.

(e) The Trustee shall be protected in acting upon and may rely upon without independent investigation any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it in good faith to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon without investigation a certificate signed by an Authorized Officer of the Issuer or Authorized Borrower Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in subsection (h) of this section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any

particular dealing, transaction or action is necessary or expedient. A certificate of the Issuer to the effect that a resolution in the form therein set forth has been adopted by Issuer is conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence, gross negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except failure by the Issuer to cause to be made any of the payments to the Trustee required to be made by Article IV hereof for payment when due of principal, redemption premium or interest on any Bond, unless the Trustee shall be specifically notified in writing of such Event of Default by the Issuer or by the owners of at least twenty-five percent in aggregate principal amount of the Bonds then outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right fully to inspect any and all of the property herein or in indentures supplemental hereto conveyed, including all books, papers and records of Issuer pertaining to the revenues and receipts under the Loan Agreement and the Note, any arrangements for the servicing of the Loan and the Bonds, and to take such memoranda from and make copies thereof and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee. No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights of powers.

(l) Before taking the action referred to in Section 8.2 hereof or any action following an Event of Default, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful default by reason of any action so taken.



(m) All monies received by the Trustee or any Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required herein or by law. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any monies received hereunder except such as may be agreed upon.

(n) The Trustee shall have the right and power to disclaim any interest which, in the Trustee's sole discretion, will or may cause the Trustee to be considered an "owner" or "operator" of property held subject to this Indenture, under the provisions of any environmental law as amended from time to time, or which shall otherwise cause the Trustee to incur liability under any environmental law, or any other federal, State or local law, rule or regulation. In the event of an Event of Default, the Trustee may, in its reasonable discretion, after being indemnified by the Bondholders, inspect, review and monitor, or require the inspection, review and monitoring of any and all property subject to this Indenture for the purpose of determining compliance with any law, rule or regulation affecting such property. All expenses of such inspection, review and monitoring shall be paid by the Bondholders.

(o) In the event the Trustee shall receive inconsistent or conflicting requests and indemnity from two or more groups of Owners of the Bonds, each representing less than majority of the aggregate principal amount of the Bonds then Outstanding, the Trustee, in its sole discretion and with advice of counsel, may determine what action, if any, shall be taken.

**Section 9.2 Fees, Charges, Expenses and Indemnification of the Trustee.** The Trustee shall be entitled to its reasonable fees, charges and expenses for serving hereunder including those of its agents, counsel, servicer, Paying Agent and co-trustee. Such fees, charges and expenses shall be paid in accordance with this Indenture and the Loan Agreement. The Issuer shall indemnify and save the Trustee, its agents, officers, employees and counsel harmless against any claims, whether threatened or made, expenses and liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its gross negligence or willful misconduct. None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financing liability in the performance of any of its duties or in the exercise of any of its rights or powers. The obligations of the Issuer under this Section to compensate the Trustee, to pay or reimburse the Trustee for expenses, disbursements, charges and counsel fees and to indemnify and hold harmless the Trustee shall survive the satisfaction and discharge of this Indenture, *provided* that the Issuer shall only be required to pay obligations pursuant to this Section from monies received from the Borrower. If the monies from the Borrower are not adequate to pay such obligations, the Trustee may, upon written notice to the Issuer, reimburse itself from any moneys in its possession under the provisions of this Indenture (other than any irrevocable trust or escrow fund established with respect to defeased Bonds) and shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of and interest on any Bond upon the Trust Estate (other than monies held pursuant to Section 7.1 hereof) for the charges and expenses incurred by it as described in Section 8.4 hereof.

Following the occurrence of an Event of Default, the Trustee shall be entitled to payment or reimbursement for all advances, counsel fees and other expenses reasonably made

or incurred by the Trustee in and about the execution of the trusts created by this Indenture in connection with the Event of Default and in and about the exercise and performance of the powers and duties of the Trustee hereunder in connection with the Event of Default and for the reasonable and necessary costs and expenses incurred in defending any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the negligence or willful misconduct of the Trustee) in connection with the Event of Default. In this regard the Issuer has made provisions in the Loan Agreement for the payment of said fees, advances, counsel fees, costs and expenses, and reference is made to the Loan Agreement for the provisions so made; and the Issuer shall not otherwise be liable for the payment of such sums.

The compensation of the Trustee shall not be limited by any provision of law which limits the compensation of a trustee of an express trust.

**Section 9.3 Notice to Bondholders if Event of Default Occurs.** If an Event of Default occurs of which the Trustee is by Section 9.1(h) hereof required to take notice or if notice of an Event of Default be given as in Section 9.1(h) hereof provided, then the Trustee shall immediately give written notice thereof by registered or certified mail to the Borrower and Equity Investor, pursuant to Section 13.4 hereof, and by first-class mail to the owners of all Bonds then outstanding, shown by the list required by Section 4.7 hereof to be kept at the Principal Office of the Trustee, and to Interested Beneficial Holders.

**Section 9.4 Intervention by the Trustee.** In any judicial proceeding concerning the issuance or the payment of the Bonds to which the Issuer or the Borrower is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of the Bonds, the Trustee may, to the extent permitted by the court, intervene on behalf of owners of the Bonds and shall do so, to the extent permitted by the court, if provided with indemnity satisfactory to the Trustee and requested in writing by the owners of at least twenty-five percent of the aggregate principal amount of the Bonds then outstanding.

**Section 9.5 Successor to the Trustee.** Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto shall be and become successor to the Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretion, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding. Any such successor trustee shall give notice thereof to the Issuer and the Borrower.

**Section 9.6 Resignation by the Trustee.** The Trustee and any successor Trustee may at any time resign from the trusts created by this Indenture by giving thirty days' written notice by registered or certified mail to the Issuer and the Borrower and by first-class mail (postage prepaid) to the owner of each Bond shown by the list required by the terms of Section 4.7 hereof to be kept at the office of the Trustee, and such resignation shall not take effect until the appointment of a successor Trustee by the Borrower, the owners of the Bonds or by the Issuer as provided in Section 9.8.

**Section 9.7 Removal of the Trustee.** The Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Trustee, the Issuer, and the Borrower, and signed by the owners of a majority in aggregate principal amount of the Bonds then outstanding. The Issuer or Borrower may remove the Trustee at any time with the consent of the owners of a majority in aggregate principal amount of the Bonds then outstanding, except as set forth under the provisions herein, for such cause as shall be determined in the sole discretion of the Borrower by filing with the Trustee and the Issuer an instrument signed by an Authorized Borrower Representative. Any removal shall not take effect until the appointment of a successor Trustee by the Borrower, the owners of the Bonds or by the Issuer as provided in Section 9.8 hereof.

**Section 9.8 Appointment of Successor Trustee by the Bondholders; Temporary Trustee.** In the event that the Trustee or Bond Registrar hereunder shall give notice of resignation or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public office or offices, or of a receiver appointed by a court, a successor may with the prior written consent of the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Loan Agreement) be appointed by the owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their duly authorized attorneys in fact, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the Issuer, retiring Trustee, successor Trustee, Bond Registrar or successor Bond Registrar and Borrower. Pending such appointment by the Bondholders, the Issuer may, with the consent of the Borrower (to the extent that no "Event of Default" shall have occurred and be continuing under the Agreement) appoint a temporary successor Trustee or Bond Registrar by an instrument in writing signed by an Authorized Officer of the Issuer; a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the retiring Trustee, successor Trustee, Bond Registrar or successor Bond Registrar and Borrower. If the registered owners and the Issuer fail to so appoint a successor Trustee or Bond Registrar hereunder within 45 days after the Trustee or Bond Registrar has given notice of its resignation, has been removed, has been dissolved, has otherwise become incapable of acting hereunder or has been taken under control by a public officer or receiver, the Trustee or Bond Registrar shall have the right to petition a court of competent jurisdiction to appoint a successor hereunder. Every such Trustee or Bond Registrar appointed pursuant to the provisions of this Section 9.8 shall be a trust company or bank organized and in good standing under the laws of Illinois or any State or the District of Columbia and have a combined capital and surplus of not less than \$50,000,000 as set forth in its most recent published annual report of condition.

**Section 9.9 Concerning Any Successor Trustee.** Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its or his predecessor and also to the Issuer and the Borrower an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyances shall become fully vested with all the estate, properties, rights, powers, trusts, duties and obligations of its predecessor, but such predecessor shall, nevertheless, execute and deliver an instrument transferring to such successor Trustee all the estate, properties, rights, powers and trusts of such predecessor hereunder, except any rights to payment due or indemnification rights, and every predecessor Trustee shall deliver all securities and monies held by it as the Trustee hereunder to its successor upon payment of all amounts due to the predecessor Trustee. Should any instrument in writing from Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties vested or intended

to be vested by this Indenture in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor Trustee in each recording office where this Indenture shall have been filed or recorded.

**Section 9.10 Designation and Succession of Paying Agents.** Amalgamated Bank of Chicago is appointed as Paying Agent hereunder. Any bank or trust company with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Indenture. If the position of Paying Agent shall become vacant for any reason, the Borrower shall with the consent of Issuer, within thirty days thereafter, appoint a bank or trust company located in the same city as such Paying Agent to fill such vacancy, *provided, however,* that if the Borrower shall fail to appoint such Paying Agent within said period, the Trustee shall make such appointment. The Paying Agent may resign upon notice to the Trustee and the Issuer and the Borrower. Other Paying Agents or fiscal agents may be appointed pursuant to Article IX hereof by the Borrower or the Issuer and approved by the Trustee if in its discretion additional Paying Agents or fiscal agents are deemed advisable. The Trustee covenants and agrees to cause the necessary arrangements to be made for the making available of funds hereunder by the Trustee or the Paying Agent for the payment of the Bonds from the Bond Fund.

The Paying Agent shall enjoy the same protective provisions in the performance of its duties hereunder as are specified in Section 9.1 hereof with respect to the Trustee insofar as such provisions may be applicable.

Notice of the appointment of additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 9.8 hereof with respect to the appointment of a successor Trustee.

**Section 9.11 Appointment of Co-Trustee.** It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as the Trustee in such jurisdiction. It is recognized that, in case of litigation under this Indenture, the Loan Agreement, and, in particular, in case of the enforcement thereof on an Event of Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties in trust as herein or in indentures supplemental hereto granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or Co-Trustee. The following provisions of this Section are adapted to these ends. The Trustee may appoint a separate or Co-Trustee only if one of the aforesaid reasons exists. In each case, each separate or Co-Trustee must be approved by the Issuer and the Borrower.

In the event that the Trustee appoints an additional institution as a separate or Co-Trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or Co-Trustee but only to the extent necessary to enable such separate or Co-

Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or Co-Trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the Issuer be required by the separate or Co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any separate or Co-Trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such separate or Co-Trustee.

**Section 9.12 Representations, Warranties and Covenants of the Trustee.** All Federal, State and local governmental, public, and regulatory authority approvals, consents, notices, authorizations, registrations, licenses, exemptions, and filings that are required to have been obtained or made by the Trustee with respect to the authorization, execution, delivery, and performance by, or the enforcement against or by, the Trustee of this Indenture have been obtained and are in full force and effect and all conditions of such approvals, consents, notices, authorizations, registrations, licenses, exemptions, and filings have been fully complied with. The Trustee has a combined capital and surplus of at least \$50,000,000 or, alternatively, a liability policy having the type of coverage and in an amount acceptable to the Issuer and the Borrower. The Trustee has an operations group of at least 4 experienced trust officers, with primary responsibility for municipal bond issues. The Trustee administers at least 25 municipal bond indentures aggregating at least \$25,000,000 under its administration.

## Article X

### SUPPLEMENTAL INDENTURES

**Section 10.1 Supplemental Indentures.** Subject to the terms and provisions contained in this Section and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer, and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that nothing in this Section shall permit, or be construed as permitting, without the consent of the owners of all outstanding Bonds, (i) a reduction in the principal amount of any Bond or the rate of interest thereon, or (ii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (iii) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indentures, or (iv) the creation of any lien ranking prior to or on a parity with the lien of the Indenture on the Trust Estate or any part thereof, or (v) deprivation of the owner of any Bond then outstanding of the lien created on the Trust Estate, or (vi) an extension of the maturity of the Bonds.

If at any time the Issuer shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given at least 60 days prior to the execution of the supplemental indenture by first-class mail to the owner of each Bond affected shown by the lists required by the terms of Section 4.6 hereof to be kept at the office of the Trustee. Such notices shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Issuer following such notices, the owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Prior to executing any supplemental indentures, Trustee shall be entitled to receive and may rely upon an opinion of counsel to the effect that such supplemental indenture is authorized or permitted in accordance with the terms of this Indenture.

Anything in this Indenture or in any supplemental indenture to the contrary notwithstanding, so long as the Borrower is not in default under the Loan Agreement, a supplemental indenture under this Article shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution of any such supplemental indenture together with a copy of the proposed supplemental indenture to be mailed by certified or registered mail to the Borrower at least 15 days prior to the proposed date of execution and delivery of any such supplemental indenture. The Borrower shall be deemed to have consented to the execution and delivery of any such supplemental indenture if the Trustee does not receive a letter of protest or objection thereto signed by or on behalf of the Borrower on or before 4:30 p.m., local time, on the fifteenth day after the mailing of said notice.

## Article XI

### AMENDMENT OF DOCUMENTS

**Section 11.1 Amendments, Etc., Requiring Bondholder Consent.** None of the Issuer, the Borrower or the Trustee shall consent to any amendment, change or modification of the Loan Agreement or Borrower Documents without mailing of notice to all bondholders at least 60 days prior to and the written approval or consent of the owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding given as in this Section; provided, however, that if such amendment, change, or modification shall be to reduce the amount due from the Borrower, such consent shall be given by not less than one hundred percent of the Holders of Bonds. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Loan

Agreement or Borrower Documents, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 10.1 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by all registered Owners of Bonds affected by such amendment, change or modification.

**Section 11.2 Amendments Without Bondholders' Consent; Waivers.** Subject to the terms and provisions of Section 11.1 of this Indenture, the Issuer and the Borrower may, with the prior written consent of the Trustee, amend or modify the Loan Agreement or the Borrower Documents, or any provision thereof, or may consent to the amendment or modification thereof, in any manner not inconsistent with the terms and provisions of this Indenture, for any one or more of the following purposes: (a) to cure any ambiguity or formal defect in the Loan Agreement or the Borrower Documents; (b) to grant to or confer upon the Issuer or Trustee, for the benefit of the Bond Owners, any additional rights, remedies, powers or authorities that lawfully may be granted to or conferred upon the Issuer or the Trustee; (c) to amend or modify the Loan Agreement or the Borrower Documents, or any part thereof, in any manner specifically required or permitted by the terms thereof, including, without limitation, as may be necessary to maintain the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds; (d) to provide that the Bonds may be secured by a credit facility or other additional security not otherwise provided for in this Indenture or the Loan Agreement; (e) to modify, amend or supplement the Loan Agreement or the Borrower Documents, or any part thereof, or any supplement thereto, in such manner as the Trustee and the Borrower deem necessary in order to comply with any statute, regulation, judicial decision or other law relating to secondary market disclosure requirements with respect to tax-exempt obligations of the type that includes the Bonds; (f) to provide for the appointment of a successor securities depository; (g) to provide for the availability of certificated Bonds; (h) to provide for changes in the components of the Project, to the extent permitted by this Indenture and the Loan Agreement; and (i) to make any other change which does not, in the opinion of the Trustee, have a material adverse effect upon the interests of the Bondholders. In addition, subject to the terms and provisions contained in Section 11.1 hereof, the Trustee, may grant such waivers of compliance by the Borrower with the provisions of the Loan Agreement or the Borrower Documents as to which the Trustee may deem necessary or desirable to effectuate the purposes of the intent of the Loan Agreement or the Borrower Documents and which, in the opinion of the Trustee, do not have a material adverse effect upon the interests of the Bondholders, *provided* that the Trustee shall file with the Issuer any and all such waivers granted by the Trustee within three (3) business thereof.

**Section 11.3 Opinion of Counsel.** Prior to executing or consenting to any amendment, change or modification of the Loan Agreement, the Borrower Documents or this Indenture, the Trustee shall be entitled to receive and may rely upon an opinion of counsel to the effect that the same is authorized or permitted by this Indenture.

## Article XII

### ADDITIONAL BONDS

**Section 12.1 Authorization of Additional Bonds.** In addition to the Bonds initially issued, the Issuer may issue Additional Bonds on a parity with all Outstanding Bonds and secured by an equal charge and lien on and payable equally from the Revenues (i) to provide funds for any funds or accounts held under the Indenture; (ii) to provide for completion of the Project ("Completion Bonds"); and (iii) to refund in whole or in part a previously issued series of Bonds ("Refunding Bonds"). The principal amount of such Additional Bonds may include an amount allocated to pay the cost of issuance of such Additional Bonds as well as amounts required to be deposited in certain funds and accounts established pursuant to this Indenture.

**Section 12.2 Provisions for Issuance of Additional Bonds.** Additional Bonds shall be dated, shall bear interest until their payment at such rate or rates payable on such date or dates and shall mature on such date or dates and shall have such other terms and conditions not inconsistent with the provisions of this Indenture as shall be provided for such series in any Supplemental Indenture authorizing the issuance thereof. The Additional Bonds may be issued in one or more series and the Additional Bonds of each series shall each be designated "City of Chicago Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2011."

**Section 12.3 Supplemental Indentures.** Each Supplemental Indenture executed in connection with the issuance of Additional Bonds shall specify:

- (a) the authorized principal amount of such Additional Bonds;
- (b) The purposes for which such Additional Bonds are being issued;
- (c) the date, maturity dates and amounts of each maturity and the first and subsequent Interest Payment Dates of such Additional Bonds or the manner of determining such items;
- (d) the interest rate or rates of such Additional Bonds, or the manner of determining such rate or rates;
- (e) the denomination or denominations of and the manner of numbering and lettering of such Additional Bonds or the manner of determining such items;
- (f) the form in which such Additional Bonds shall be initially issued;
- (g) the Redemption Price or Redemption Prices, if any, and, subject to Article III, the redemption terms, if any, for such Additional Bonds;
- (h) provisions for the sale of such Additional Bonds;
- (i) provisions with respect to funds and accounts, and revenues and application thereof, as provided in Article V;



(j) directions for the application and disbursement of the proceeds of the Additional Bonds; and

(k) any other provisions deemed advisable by the Issuer, in lieu of or in substitution for the provisions of this Indenture to the extent such action is permitted to be taken under this Indenture without the consent of the Bondholders.

**Section 12.4 Subordinated Bonds.** The Issuer may also issue revenue bonds secured by a charge and lien on, and payable from, the Revenues which is junior, inferior and subordinate in all respects to the lien of the Revenues which secures the Bonds. Subordinated bonds may be issued pursuant to and in accordance with the provisions of a resolution of the Issuer authorizing such bonds or otherwise as determined by the Issuer and shall be issued pursuant to an instrument other than this Indenture, but only upon there being filed with the Trustee the consent of the holders of a majority of the principal amount of the Bonds then outstanding.

**Section 12.5 Requirements for Additional Bonds.** Prior to the delivery of any Additional Bonds on a parity with the Bonds, there shall be filed with the Trustee: (i) a Supplemental Loan Agreement or a supplement or modification to the Mortgage, or both, which shall require payments by the Borrower at such times and in such manner as shall be necessary to provide for full payment of the debt service on such Additional Bonds as such debt service becomes due; (ii) an Opinion of Bond Counsel to the effect that such Supplemental Loan Agreement is a valid, binding and legal instrument of the Issuer, except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally; (iii) an Opinion of Counsel to the Borrower addressed to the Issuer and the Trustee and in form and substance satisfactory to the Issuer and the Trustee to the effect that the Supplemental Loan Agreement or a supplement or modification to the Mortgage, or both, is valid and binding upon the Borrower in accordance with its terms subject to the typical qualifications as to enforceability, and (iv) consent of the holders of a majority of the principal amount of the Bonds then outstanding, which consent shall not be required in the event if the Bonds are refunded as a whole.

Notwithstanding anything herein to the contrary, no Additional Bonds shall be issued if a default exists under the Loan Agreement or this Indenture at the time of the Issuance of such Additional Bonds.

Unless such Additional Bonds are Refunding Bonds, no Additional Bonds shall be delivered by the Issuer and the Paying Agent unless there shall have been filed with the Trustee a certificate of an architect or engineer acceptable to the Issuer setting forth: (i) the estimated cost of capital additions or repairs to be financed with the proceeds of the Additional Bonds; (ii) the estimated amounts which will be required from month to month for paying such cost; (iii) the estimated date of completion; and (iv) that in his/her opinion the proceeds of such Additional Bonds together with other available moneys are not less than the amount of the cost of such capital additions or repairs to the extent that such plans and specifications for such capital additions or repairs have been prepared by such architect or engineer. In the event that the Issuer so determines or in the event that the principal amount of such Additional Bonds does not exceed five percent (5%) of the Borrower's Fixed Assets (exclusive of construction in progress, but after deduction of depreciation) as shown in the most recent audited financial statements of the Borrower, an Authorized Borrower Representative may submit a certificate

setting forth the same information required from the architect or engineer in lieu of the architect's or engineer's certificate.

## Article XIII

### MISCELLANEOUS

**Section 13.1 Consents, Etc., of Registered Owners.** Any consent, request, direction, approval, waiver, objection, appointment or other instrument required by this Indenture to be signed and executed by the Bondholders may be signed and executed in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken under such instrument, namely:

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

(b) the ownership of registered Bonds shall be proved by the bond register;  
and

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

**Section 13.2 Limitation of Rights.** With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Borrower and the Holders of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions hereof.

**Section 13.3 Severability.** Notwithstanding anything provided herein, or in any of the documents referred to herein, in the event that any contracts or other documents executed by the Borrower or any other arrangements agreed to by the Borrower in order to finance or refinance the Project with the proceeds of the Bonds, the interest on which is excluded from gross income for federal income tax purposes under Section 103(a) of the Code are inconsistent with the Borrower Documents, then the Borrower Documents shall be controlling in all respects. If any provision of this Indenture shall be held or deemed to be, or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, rule of law or public policy, or for any other

reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

**Section 13.4 Notices.** Any provision of this Indenture relating to the mailing of notice or other communication to Bondholders shall be deemed fully complied with if such notice or other communication is mailed, by first class mail, postage prepaid, to each registered Owner of any Bonds then Outstanding at the address of such registered Owner as it appears on the bond register. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Any notice, request, complaint, demand, communication or other paper required or permitted to be delivered to the Issuer, the Trustee, the Borrower or the Equity Investor shall be sufficiently given and shall be deemed given (unless another form of notice shall be specifically set forth herein) on the Business Day following the date on which such notice or other communication shall have been delivered to a national overnight delivery service (receipt of which to be evidenced by a signed receipt from such overnight delivery service) addressed to the appropriate party at the addresses set forth below. The Issuer, the Trustee, the Borrower or the Equity Investor may, by notice given as provided in this paragraph, designate any further or different address to which subsequent notices or other communication shall be sent.

The Issuer: CITY OF CHICAGO  
Department of Housing and Economic Development  
121 North LaSalle Street  
Room 1000  
Chicago, Illinois 60602  
Attention: Commissioner  
Telephone: (312) 744-9476  
Facsimile: (312) 744-2271

with copies to: Department of Law  
City Hall  
Room 600  
121 North LaSalle Street  
Chicago, Illinois 60602  
Attention: Finance and Economic Development  
Division  
Telephone: (312) 744-0200  
Facsimile: (312) 744-8538

and to: CITY OF CHICAGO  
Department of Finance-Financial Policy  
33 North LaSalle Street  
Chicago, Illinois 60602  
Attention: Deputy Comptroller  
Telephone: (312) 744-7106  
Facsimile: (312) 744-4877

The Trustee: [ ]  
[ ]  
[ ]  
Attention: [ ]  
Telephone: [ ]  
Facsimile: [ ]

The Borrower: Goldblatts of Chicago Limited Partnership  
3728 N. Southport  
Chicago, IL 60613  
Attention: Patrick Kane and William Piatt  
Fax: (773) 929-7821

The Equity Investor: [ ]  
[ ]  
[ ]  
Attention: [ ]  
Telephone: [ ]  
Facsimile: [ ]

Notices to Interested Beneficial Holders shall be sent to the address specified by the Interested Beneficial Holder in its notice to the Trustee. The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Indenture, provided, however, that subsequent to such facsimile transmission of written instructions, the originally executed instructions and/or directions shall be provided to the Trustee in a timely manner.

**Section 13.5 Payments Due on Saturdays; Sundays and Holidays.** In any case where a date of payment with respect to any Bonds shall be a day other than a Business Day, then such payment need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such date, and interest shall accrue for the period after such date providing that payment is made on such next succeeding Business Day.

**Section 13.6 Counterparts.** This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 13.7 Applicable Provisions of Law.** The effect and meanings of this Indenture and the rights of all parties hereunder shall be governed by, and construed according to, the laws of the State without regard to conflicts of laws principles.

**Section 13.8 Rules of Interpretation.** Unless expressly indicated otherwise, references to Sections or Articles are to be construed as references to Sections or Articles of this instrument as originally executed. Use of the words "herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to the Indenture and not solely to the particular portion in which any such word is used.

**Section 13.9 Captions.** The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Indenture.

**Section 13.10 Consent and Directions in Writing; Authorized Representatives.** Any consent, certification, request or direction by or from the Borrower or the Issuer shall be in writing and in each case shall be executed by an Authorized Borrower Representative or Authorized Officer, respectively.

**Section 13.11 No Recourse.** No recourse under or upon any obligation, covenant or agreement contained in this Indenture or in any Bond shall be had against any official, officer, commissioner or employee (past, present or future) of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Holder of any Bond issued hereunder, or otherwise, of any sum that may be due and unpaid by the Issuer or its governing body upon any such Bond. Any and all personal liability of every nature whether at common law or in equity or by statute or by constitution or otherwise of any such official, officer, commissioner or employee, as such, to respond by reason of any act of omission on his/her part or otherwise, for the payment for or to the Holder of any Bond issued hereunder or otherwise of any sum that may remain due and unpaid upon any Bond hereby secured is, by the acceptance hereof, expressly waived and released as a condition of and in consideration for the execution of this Indenture and the issuance of the Bonds.

**Section 13.12 Successors and Assigns.** All the covenants and representations contained in this Indenture by or on behalf of the parties hereto shall bind and inure to the benefit of their successors and assigns, whether so expressed or not.

**Section 13.13 Trustee as Paying Agent and Bond Registrar.** The Trustee is hereby designated and agrees to act as Paying Agent and Bond Registrar for and in respect to the Bonds.

**Section 13.14 Rights and Duties of the Issuer.**

(a) Notwithstanding any contrary provision in this Indenture, the Issuer shall have the right to take any action not prohibited by law or make any decision not prohibited by law with respect to proceedings for indemnity against the liability of the Issuer and its officers, employees and agents and for collection or reimbursement of moneys due to it under this Indenture for its own account. The Issuer may enforce its rights under this Indenture which have not been assigned to the Trustee by legal proceedings for the specific performance of any obligation contained herein or for the enforcement of any other legal or equitable remedy, and may recover damages caused by any breach by the Borrower of its obligations to the Issuer under this Indenture, including court costs, attorney's fees and other costs and expenses incurred in enforcing such obligations.

(b) Without limiting the generality of Section 13.13(c), the Issuer shall not be required to monitor the financial condition of the Borrower and shall not have any responsibility or other obligation with respect to reports, notices, certificates or other documents filed with it hereunder.

(c) The Issuer shall be entitled to the advice of counsel (who may be counsel for any party) and shall not be liable for any action taken or omitted to be taken in good faith in reliance on such advice. Each such person may rely conclusively on any communication or other document furnished to it under this Indenture and reasonably believed by it to be genuine. No such person shall be liable for any action (i) taken by it in good faith and reasonably believed by it to be within the discretion or powers conferred upon it, or (ii) in good faith omitted to be taken by it because reasonably believed to be beyond the discretion or powers conferred upon it, (iii) taken by it pursuant to any direction or instruction by which it is governed under this Indenture or (iv) omitted to be taken by it by reason of the lack of direction or instruction required for such action, nor shall it be responsible for the consequences of any error of judgment reasonably made by it. The Issuer shall in no event be liable for the application or misapplication of funds, or for other acts or defaults by any person. When any consent or other action by the Issuer is called for by this Indenture, the Issuer may defer such action pending such investigation or inquiry or receipt of such evidence, if any, as it may require in support thereof. It shall not be required to take any remedial action (other than the giving of notice) unless indemnity acceptable to the Issuer in its sole discretion is provided for any expense or liability to be incurred thereby. It shall be entitled to reimbursement for expenses reasonably incurred or advances reasonably made, with interest at the "prime rate" of the Trustee, as announced from time to time (or, if none, the nearest equivalent), in the exercise of its rights or the performance of its obligations hereunder, to the extent that it acts without previously obtaining indemnity. No permissive right or power to act shall be construed as a requirement to act; and no delay in the exercise of any such right or power shall affect the subsequent exercise of that right or power. The Issuer shall not be required to take notice of any breach or default by the Borrower under this Indenture except when given notice thereof by the Trustee. No recourse shall be had by the Borrower, the Trustee or any Owner of the Bonds for any claim based on this Indenture, the Bonds or any agreement securing the same against the Issuer alleging personal liability on the part of such person unless such claim is based upon the willful dishonesty of or intentional violation of law by such person. No covenant, stipulation, obligation or agreement of the Issuer contained in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future employee, official, officer or agent of the Issuer in his or her individual capacity, and no person executing a Bond shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

(d) Nothing contained in this Indenture is intended to impose any pecuniary liability on the Issuer nor shall it in any way obligate the Issuer to pay any debt or meet any financial obligations to any person at any time in relation to the Project except from moneys received under the provisions of this Indenture or from the exercise of the Issuer's rights hereunder other than moneys received for its own purposes.

***[Signature Page Follows]***

**IN WITNESS WHEREOF**, the City of Chicago has caused this Indenture to be executed by its Mayor, attested by its City Clerk or its Deputy City Clerk and its corporate seal to be affixed to this Indenture; and the Trustee has caused this Indenture to be executed by one of its Authorized Officers, all as of the day and year first above written.

CITY OF CHICAGO

\_\_\_\_\_

Mayor

[Seal]

Attest:

\_\_\_\_\_

City Clerk

\_\_\_\_\_,

as Trustee

\_\_\_\_\_

Title:

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA  
CITY OF CHICAGO  
MULTI-FAMILY HOUSING REVENUE BONDS  
(GOLDBLATT'S SUPPORTIVE LIVING PROJECT), SERIES 2011

NO. R-[ ]

[\$13,910,000]

NOTICE: Unless this bond certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owners hereof, Cede & Co., has an interest herein.

INTEREST RATE: [ ]%  
MATURITY DATE: December 1, 2046  
DATED DATE: [ ], 2011  
REOFFERING DATE: [ ], 2011  
CUSIP NO.: [ ]  
REGISTERED OWNER: CEDE & CO.  
PRINCIPAL AMOUNT: [THIRTEEN MILLION NINE HUNDRED TEN THOUSAND AND NO/100] DOLLARS

THIS BOND DOES NOT CONSTITUTE A GENERAL OBLIGATION OF THE CITY OF CHICAGO OR A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF ILLINOIS OR THE CITY OF CHICAGO; THE PRINCIPAL OF AND INTEREST AND PREMIUM, IF ANY, ON THIS BOND ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THEIR PAYMENT IN ACCORDANCE WITH THE INDENTURE.

The CITY OF CHICAGO, a duly constituted and existing municipality and home rule unit of government of the State of Illinois ("Issuer"), acknowledges itself indebted and for value received promises to pay to CEDE & CO. or registered assigns, the principal sum of [Thirteen Million Nine Hundred Ten] and no/100 Dollars (\$[13,910,000]), on the Maturity Date stated above or on the date fixed for prior redemption, as the case may be, together with interest on such principal sum from the Dated Date of this Bond until the Issuer's obligation with respect to the payment of such principal sum shall be discharged, at the Interest Rate Per Annum stated above payable on [ ], 2011, and thereafter on each June 1 and December 1 until maturity or earlier redemption. This Bond, as to principal and redemption



premium, if any, when due, will be payable at the corporate trust office of [\_\_\_\_], [\_\_\_\_], [\_\_\_\_], or its successors as trustee under the Indenture mentioned below (the "Trustee"). Interest on this Bond will be payable by check or bank draft and will be mailed to the registered owner who shall appear on the registration books of the Issuer which shall be kept and maintained by the Registrar hereinafter mentioned, as determined on the 15th day of May and November (the "Record Date") (or, in the case of any proposed redemption of the bond, the day next preceding the date of the first publication of notice of such redemption); provided, that at the written request of a Registered Owner of \$1,000,000 or more of bonds, such interest shall be paid by wire transfer of funds to a bank account located in the United States as designated by such Registered Owner. Payment of the principal of, redemption premium, if any, and interest on this bond shall be made in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is the duly authorized issue of revenue bonds, designated as Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project), Series 2011 (the "Bonds") of the Issuer, limited to the aggregate principal amount of \$[13,910,000], and authorized and issued under and pursuant to: (i) a resolution of the Issuer duly adopted on [\_\_\_\_], 2011 (the "Resolution"); and (iii) a Trust Indenture from the Issuer to the Trustee dated as of [\_\_\_\_], 2011 (the "Indenture"). Copies of the Indenture are on file in the office of the Issuer in Chicago, Illinois and at the principal corporate trust office of the Trustee. All capitalized terms used but not defined in this Bond shall have the respective meanings assigned to such terms in the Indenture.

Pursuant to the Loan Agreement dated as of [\_\_\_\_], 2011 (the "Loan Agreement"), between the Issuer and Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Borrower"), the Borrower is obligated to make payments to the Trustee in the amounts and at the times corresponding to the payments of principal of, redemption premium, if any, and interest on the Bonds (the "Bond Service Charges") when due. The obligations of the Borrower under the Loan Agreement are evidenced by a Promissory Note of the Borrower (the "Note") of even date with the Loan Agreement which is secured by the Mortgage described below. By the Indenture, the Issuer has assigned its right, title and interest in and to the Loan Agreement (except for the Issuer's "Unassigned Rights" as defined in the Indenture) to the Trustee as security for the payment of the Bond Service Charges.

The Bonds are limited obligations of the Issuer and the principal of, redemption premium, if any, and interest on the Bonds shall be payable solely from and secured by: (i) amounts paid by the Borrower under the Loan Agreement and the Note, (ii) an assignment to the Trustee of all the Issuer's rights (except for the Unassigned Rights under the Loan Agreement and the Note); (iii) a pledge of and security interest in all moneys and investments held by the Trustee under the Indenture, including any moneys representing earnings on monies held under the Indenture; and (iv) a mortgage on the Borrower's leasehold interest in the property located at [\_\_\_\_] (the "Mortgage"). None of the State of Illinois (the "State"), the Issuer, nor any other political subdivision or body corporate and politic, or agency, of the State or the Issuer (except to the limited extent provided herein) shall in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever of the Issuer, and neither this Bond nor any of the Issuer's agreements or obligations shall be construed to constitute an indebtedness of the State, the Issuer, or any other political subdivision or body corporate and politic of the State or the Issuer (except to the limited extent provided herein), within the meaning of any constitutional or statutory provision whatsoever.

This Bond is transferable, as provided in the Indenture, only upon the registration books of the Issuer which are kept for that purpose at the corporate trust office of the Trustee in Chicago, Illinois, as registrar under the Indenture (the "Registrar"), or its successor as Registrar, upon surrender of this Bond together with a written instrument of transfer which is satisfactory to the Registrar and which is duly executed by the registered owner or by such duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Bond or Bonds, of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered Bond as provided in the Indenture, upon payment of the charges therein prescribed. The Issuer, the Trustee, the Registrar and any Paying Agent of the Issuer may treat and consider the person in whose name this Bond is registered as the holder and absolute owner of this Bond for the purpose of receiving payment of the principal of, redemption premium, if any, and interest due on the Bond and for all other purposes.

The Bonds shall be subject to optional redemption, in whole or in part, after the required notice of redemption is given, on or after the dates set forth below, at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) as shown in the following table, plus accrued interest to the redemption date.

<u>Interest Payment Date</u>	<u>Price</u>
On or after December 1, 2021 through November 30, 2022	101%
On or after December 1, 2022	100%

The Bonds are not subject to optional redemption prior to December 1, 2021.

The Bonds are subject to mandatory sinking fund redemption on the Interest Payment Dates and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date, and without redemption premium, subject to reduction, in inverse order of such principal amounts to the extent that Bonds are redeemed prior to maturity otherwise than pursuant to such scheduled mandatory redemption:

<u>Payment Date</u>	<u>Principal Amount Redeemed</u>
December 1, 2015	\$ [ ]
December 1, 2016	\$ [ ]
December 1, 2017	\$ [ ]
December 1, 2018	\$ [ ]
December 1, 2019	\$ [ ]
December 1, 2020	\$ [ ]
December 1, 2021	\$ [ ]
December 1, 2022	\$ [ ]
December 1, 2023	\$ [ ]
December 1, 2024	\$ [ ]
December 1, 2025	\$ [ ]
December 1, 2026	\$ [ ]
December 1, 2027	\$ [ ]
December 1, 2028	\$ [ ]

<u>Payment Date</u>	<u>Principal Amount Redeemed</u>
December 1, 2029	\$ [ ]
December 1, 2030	\$ [ ]
December 1, 2031	\$ [ ]
December 1, 2032	\$ [ ]
December 1, 2033	\$ [ ]
December 1, 2034	\$ [ ]
December 1, 2035	\$ [ ]
December 1, 2036	\$ [ ]
December 1, 2037	\$ [ ]
December 1, 2038	\$ [ ]
December 1, 2039	\$ [ ]
December 1, 2040	\$ [ ]
December 1, 2041	\$ [ ]
December 1, 2042	\$ [ ]
December 1, 2043	\$ [ ]
December 1, 2044	\$ [ ]
December 1, 2045	\$ [ ]
December 1, 2046*	\$ [ ]

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\*Final Maturity

The Bonds are subject to mandatory redemption in whole on the earliest date after the required notice of redemption can be given following a Determination of Taxability but not less than 35 days following the Trustee's receipt of notice of such occurrence at a redemption price equal to 103% of the principal amount of the Bonds so redeemed, plus accrued interest to the redemption date. Notwithstanding anything in the Indenture to the contrary, the Trustee shall give prompt written notice of the occurrence of a Determination of Taxability to the Bondholders and the Borrower. All of the Bonds outstanding on the redemption date selected shall be redeemed on that date, except that Bonds subject to Mandatory Sinking Fund Redemption prior to that date, but after the selection thereof, shall be retired on that Mandatory Sinking Fund Redemption date at the same price as if they had been called for redemption on the redemption date. No other redemption premium shall be payable in the event of a Determination of Taxability.

The Bonds shall be subject to redemption in whole and not in part prior to maturity, at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date fixed for redemption, upon the receipt by the Trustee of a written certification of the Borrower fixing a redemption date (which date shall be at least 45 days but not more than 60 days after the date of the certification), and stating that one of the following events has occurred: any insurance proceeds received by the Trustee as a result of damage to the Project or defective title are applied to the prepayment of the Note; condemnation and proceeds received by the Trustee are applied to the prepayment of the Note; the Borrower becomes subject to the Bankruptcy Code and the trustee in bankruptcy causes or directs prepayment of the Mortgage; or upon an event of default under the Loan Agreement and an acceleration of the Note.

The Bonds are subject to mandatory redemption, to the extent of excess moneys in the Bond Proceeds Account of the Acquisition Fund, at a redemption price equal to [ ]% of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date, without redemption premium in the maximum principal amount of Authorized Denominations permitted by the balance of moneys transferred to the Bond Fund as described in (ii) below and not otherwise necessary for the payment of principal of, redemption premium, if any, or interest on the Bonds within the next 12 months. Such redemption shall occur on the first Interest Payment Date upon which proper notice of redemption can be given following (i) delivery by the Borrower of the certificate pursuant to Section 3.3(d) of the Loan Agreement evidencing completion of the Project and (ii) the transfer of excess moneys, if any, from the Bond Proceeds Account of the Acquisition Fund to the Bond Fund pursuant to Section 3.3(d) of the Loan Agreement.

A redemption of Bonds shall be a redemption of the whole or of any part of the Bonds from any funds available for that purpose in accordance with the provisions of the Indenture, provided, that there shall be no partial redemption of any Bond which would result in the unredeemed portion not being of an Authorized Denomination. If less than all the Bonds are called for redemption under any provision of the Indenture permitting such partial redemption, the particular Bonds to be redeemed shall be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with the procedures established by DTC or any other applicable book-entry depository), in the principal amount designated to the Trustee by the Borrower or otherwise as required by this Indenture; provided, that the portion of any Bond to be redeemed shall be in an Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any such Bond is to be called for redemption, then upon notice of intention to redeem such portion, the Registered Owner of such Bond upon surrender of such Bond to the Trustee for payment to such Registered Owner of the redemption price of the portion called for redemption shall be entitled to receive a new Bond or Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds representing the unredeemed balance of the principal amount of such Bond shall be issued to the Registered Owner without charge. If the Registered Owner of any such Bond of a denomination greater than the principal amount to be redeemed shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the portion of the principal amount called for redemption (and to that extent only).

If any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Issuer, of the redemption of such Bonds, by mailing a copy of such notice by certified mail or registered mail, postage prepaid not less than 30 nor more than 60 days prior to the redemption date which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portion of the Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest, provided that funds are available for such purpose on that date, and if funds are not available on such date, the redemption shall be deferred until funds are available. Such notice may set forth any additional information relating to such redemption. Such notice by mail shall be given at least 30 days and not more than 60 days prior to the date fixed for redemption

to the holders of Bonds to be redeemed. No defect in any such notice shall in any manner defeat the effectiveness of the call for redemption.

Any Bonds and portions of Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with Article VII of the Indenture shall cease to bear interest on the specified redemption date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price specified in the notice, and from and after such date (unless there is a default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Upon surrender for any partial redemption of any Bonds, there shall be issued to the Registered Owner a new Bond or Bonds in the amount of the unredeemed principal in an Authorized Denomination. All Bonds which have been redeemed shall be canceled and destroyed by the Trustee and shall not be reissued.

In addition to the official notice of redemption, if the Bonds are not then held under a book-entry only system, further notice shall be given by the Trustee in the name of the Issuer as set out below; provided, that neither the failure to give any such notice nor any defect in any notice so given shall affect the sufficiency or validity of any proceedings for the redemption of the Bonds. Each further notice of redemption shall contain the information required for an official notice of redemption plus: (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed. Each further notice of redemption shall be sent at least 30 days before the redemption date by certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of the type comprising the Bonds and to one or more national information services, chosen in the discretion of the Trustee, that disseminate notice of redemption of obligations such as the Bonds.

The Trustee shall at all reasonable times make available to any interested party complete information as to Bonds which have been redeemed or called for redemption.

It is certified, recited and declared that (a) all conditions, acts and things which are required by the Constitution or by the statutes of the State or by the Resolution or Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed, and (b) the Bonds, together with all other indebtedness of the Issuer, are within every debt and other limit prescribed by said Constitution or statutes.

This Bond shall not be entitled to any security or benefit under the terms of the Indenture or be valid or obligatory for any purpose unless the certificate of authentication has been duly executed by the Trustee upon original issuance and thereafter by the Registrar.

*[Signature Page follows]*

**IN WITNESS WHEREOF**, the City of Chicago has caused the seal of the City to be impressed or reproduced on this Bond and this Bond to be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk or the Deputy City Clerk.

**CITY OF CHICAGO**

\_\_\_\_\_  
(manual or facsimile signature)

Mayor

[Seal]

Attest:

\_\_\_\_\_  
(manual or facsimile signature)

City Clerk

Dated: \_\_\_\_\_

**CERTIFICATE OF AUTHENTICATION**

This is to certify that this Bond is one of the Bonds described in the within-mentioned Indenture.

[\_\_\_\_\_] ,  
as Trustee

By: \_\_\_\_\_  
Authorized Officer

Date: \_\_\_\_\_

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common  
UNIF GIFT MIN ACT - -----Custodian-----  
(cust) (minor)  
Under Uniform Gifts to Minors Act of \_\_\_\_\_  
\_\_\_\_\_

TEN ENT - as tenants by the entireties  
JT TEN - as joint tenants with right of survivorship and not  
as tenants in common

Additional abbreviations may also be used though not in the above list.

For value received the undersigned sells, assigns and transfers unto \_\_\_\_\_ the within Bond and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guarantee:

Signature:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchanges or a commercial bank, trust company, national association or other banking institution incorporated under the laws of the United States or a state of the United States.

NOTICE: The signature on this Assignment must correspond with a name that appears upon the face of the within Bond in particular, without alteration, enlargement or any change whatever.

The Trustee and Bond Registrar will be required to register a Bond in the name of a transferee only if provided with the information requested below. The transferee (or his or her designated representative) should provide as much of the information requested below as is applicable to him or her prior to submitting this Bond transfer.

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Social Security or Employee Identification Number: \_\_\_\_\_



If a Trust, Name and Address of Trustee: \_\_\_\_\_

CH29588773.9

**Exhibit D**

**Regulatory Agreement**

See attached.

**Recording Requested By and  
When Recorded Send to:  
Schiff Hardin LLP  
233 S. Wacker Drive  
Suite 6600  
Chicago, Illinois 60606**

**Attention: Bruce P. Weisenthal**

**REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS**

**by and among**

**Goldblatts of Chicago Limited Partnership,  
an Illinois limited partnership,**

**City of Chicago,  
a municipality and home rule unit of government duly organized  
and validly existing under the Constitution and the laws  
of the State of Illinois**

**and**

**[\_\_\_\_\_],  
as Trustee under the Indenture for the following Bonds:**

**Dated as of [\_\_\_\_\_] 1, 2011**

**City of Chicago, Cook County, Illinois**

**[\$13,910,000] Multi-Family Housing Revenue Bonds  
(Goldblatts Supportive Living Project), Series 2011**

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**REGULATORY AGREEMENT AND  
DECLARATION OF RESTRICTIVE COVENANTS**

This Regulatory Agreement and Declaration of Restrictive Covenants, dated as of [\_\_\_\_\_], 2011 (this "Agreement"), is entered into by and among Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Borrower"), the City of Chicago, a municipality and home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois (the "Issuer"), and [\_\_\_\_\_], as Trustee (the "Trustee") under the Indenture, as defined in this Agreement, under the circumstances summarized in the following recitals.

**W I T N E S S E T H:**

**WHEREAS**, the Issuer has authorized the issuance of its **Multi-Family Housing Revenue Bonds** (Goldblatts Supportive Living Project), Series 2011 (the "Bonds"), in order to finance a portion of the costs of acquiring and rehabilitating the Development (as defined below) and to pay capitalized interest, if required, a deposit into a debt service reserve fund for the Bonds, if required, and certain costs of issuing the Bonds;

**WHEREAS**, pursuant to a Loan Agreement, dated as of [\_\_\_\_\_], 2011, between the Issuer and the Borrower, (the "Loan Agreement") the proceeds of the Bonds will be used to make a loan (the "Loan") to the Borrower to finance a portion of the costs of acquiring, rehabilitating and equipping a low-income housing development project consisting of real property improved with a building (the "Building") that formerly housed a Goldblatt's Department Store and comprised of a supportive living facility with approximately 101 residential dwelling units and certain attendant facilities located on all but the commercial space areas on the ground floor of the Building, located on the real estate legally described on **Exhibit A** to this Agreement (the "Real Estate") (the Real Estate and the improvements on it related to the low-income housing development are referred to in this Agreement as the "Development"); and

**WHEREAS**, the Loan is evidenced by a Note (together, the "Note"), from the Borrower to the Issuer; and

**WHEREAS**, the Note relating to the Loan and corresponding Bonds is assigned and pledged by the Issuer to the Trustee under the Indenture; and

**WHEREAS**, in connection with the Loan, the Borrower has agreed to rent or lease at least 40% of the dwelling units in the Development to families or individuals whose income is 60% or less of area median gross income, all for the public purpose of assisting persons of low and moderate income to afford the costs of decent, safe and sanitary housing; and

**WHEREAS**, the Code and the Regulations (as those terms are defined below) prescribe that the use and operation of the Development be restricted in certain respects in order to assure the continuing tax-exempt status of the Bonds, and in order to ensure that the Development will be acquired, constructed, used and operated in accordance with such requirements of the Code and the Regulations, the Issuer, the Trustee and the Borrower have

determined to enter into this Agreement in order to set forth certain terms and conditions relating to the acquisition, rehabilitation, occupancy, use and operation of the Development.

NOW, THEREFORE, in consideration of the Loan and the mutual covenants and undertakings set forth in this Regulatory Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto covenant, agree and declare as follows:

**Section 1. Definitions and Interpretations.** Except as otherwise defined in this Agreement, the terms used in this Agreement, including its preambles and recitals, shall for all purposes have the meanings specified in the preceding language of this Agreement or Article I of the Indenture of Trust dated as of [\_\_\_\_], 2011, from the Issuer to the Trustee, securing the Bonds (the "Indenture") or Article I of the Loan Agreement for the Bonds, unless the context clearly requires otherwise. In addition, unless the context clearly requires otherwise, the following terms used in this Agreement shall have the following meanings:

"Borrower" means Goldblatts of Chicago Limited Partnership, an Illinois partnership, or the Person or Persons who shall succeed to the ownership of all or any part of the Development in accordance with the provisions of the Loan Agreement.

"Certificate of Continuing Program Compliance" means the certificate from the Borrower in substantially the form and covering the matters set forth in Exhibit C to this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Low and Moderate Income Tenants" means and includes individuals or families with adjusted income, calculated in the manner prescribed in Regulation Section 1.167(k)-3(b)(3) as it shall be in effect on the date when the first of the Bonds is issued, which does not exceed sixty percent (60%) of the median gross income for the area in which the Development is located, determined in a manner consistent with determinations of median gross income made under the leased housing program established under Section 8 of the United States Housing Act of 1937, as amended, or if that program is terminated, under that program as in effect immediately before termination. That determination shall include adjustments for family size. In no event, however, will the occupants of a unit of the Development be considered to be Low and Moderate Income Tenants if all the occupants are students, no one of whom is entitled to file a joint return for federal income tax purposes.

"Person" means natural persons, firms, partnerships, associations, corporations, trusts and public bodies.

"Qualified Development Period" means the period beginning on the date on which ten percent (10%) of the units in the Development were first occupied and ending on the latest of the date (a) which is fifteen (15) years after the date on which at least fifty percent (50%) of the residential units in the Development are occupied, (b) which is the first date on which no tax-exempt private activity bond issued with respect to the Development is outstanding or (c) on which any assistance presently provided with respect to the Development under Section 8 of the United States Housing Act of 1937, as amended, terminates.

“Regulations” means the United States Treasury Regulations promulgated with respect to the Code.

“Tenant Income Certificate” means a sworn and notarized certificate in substantially the form and covering the matters set forth in Exhibit B to this Regulatory Agreement.

The rules of interpretation set forth in Section 13.8 of the Indenture shall apply equally to this Agreement. This Agreement and all of its terms and provisions shall be construed to effectuate the purposes set forth in and to sustain the validity of this Agreement.

**Section 2. The Development to be Residential Rental Property.** The Borrower represents, agrees, covenants and warrants as follows:

a) The Development is being acquired and rehabilitated for the purpose of providing a “qualified residential rental project,” within the meaning of the Code. The Borrower shall own, manage and operate the Development as a “residential rental project” comprised of residential units and facilities functionally related and subordinate to them, in accordance with Section 142(d) of the Code and Section 1.103-8(b)(4) of the Regulations, as the same may be amended from time to time to the extent applicable to the Bonds. Upon the completion of the rehabilitation, the Development will consist of approximately 101 residential units located in one building. The Development is on a two tracts of land which are wholly owned by the Borrower. The Development will consist of one building containing residential units and functionally related and subordinate facilities, as provided in the Regulations. Acquisition and rehabilitation of the residential units and the functionally related and subordinate facilities are being funded in part by the Bonds. The Building is a discrete edifice or other person-made construction with (i) an independent foundation, (ii) independent outer walls, and (iii) independent roof, containing one (1) or more similarly constructed units; provided, however, that the commercial space areas on the ground floor of the Building are not part of the Development.

b) Each residential unit in the Development does and shall contain separate and complete facilities for living, sleeping, eating, cooking and sanitation.

c) None of the residential units in the Development is or shall at any time be used on a transient basis and no portion of the Development shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

d) The Borrower shall not give preference in renting residential units in the Development to any particular class or group of persons, other than Low and Moderate Income Tenants as provided in this Regulatory Agreement or as otherwise required by law.

e) At no time shall the Borrower occupy a residential unit in the Development, provided that a person employed by the Borrower to assist in the management of the Development who has no ownership or other interest in the Borrower may occupy a residential unit.

f) Any functionally related and subordinate facilities (e.g., parking garages or other areas, swimming pools, tennis courts, etc.) which are to be included as part of the Development will be made available to all tenants on an equal basis. Fees will only be charged



with respect to the use of those facilities if the charging of fees is customary for the use of such facilities and in any event, any fees charged will not be discriminatory or exclusionary as to the Low and Moderate Income Tenants.

### **Section 3. Continuous Rental.**

a) The Borrower represents, covenants, agrees and warrants that at all times during the Qualified Development Period, each unit in the Development shall be rented or available for rental to members of the general public on a continuous basis, except as allowed by Section 2(d) above, and that it shall not grant any commercial leases or permit commercial uses for any space in the Development, except upon receipt by the Trustee and the Issuer of an opinion of any designated firm of attorneys of nationally recognized expertise with respect to the tax-exempt obligations of political subdivisions, selected by the Issuer ("Bond Counsel"), which opinion is acceptable to the Trustee, that the lease or use will not adversely affect the exclusion of interest on any of the Bonds from gross income of their holders for federal income tax purposes.

b) The Borrower shall not make any change in use of any portion of the Development except upon approval of the Issuer or upon receipt by the Trustee of an opinion of Bond Counsel, acceptable to the Trustee, that the change will not adversely affect the exclusion of interest on any of the Bonds from gross income of their holders for federal income tax purposes.

**Section 4. Low and Moderate Income Tenants.** To the end of satisfying the requirements of Section 142(d)(2)(B) of the Code relating to individuals of low and moderate income during the Qualified Development Period, and related Regulations, the Borrower represents, covenants, agrees and warrants as follows:

a) At all times during the Qualified Development Period, at least forty percent (40%) of the completed residential units shall be occupied by Low and Moderate Income Tenants. For purposes of satisfying that requirement, a unit occupied by an individual or family who at the commencement of occupancy is a Low and Moderate Income Tenant shall be treated as occupied by such an individual or family during their tenancy in such unit, even though that individual or family subsequently ceases to be a Low and Moderate Income Tenant. The preceding sentence shall, however, cease to apply to any resident whose income as of the most recent determination exceeds one hundred forty percent (140%) of the sixty percent (60%) income limitation amount if, after such determination, but before the next determination, any residential unit of comparable or similar size in the Development is occupied by a new resident whose income exceeds that sixty percent (60%) limitation. A unit treated as occupied by a Low and Moderate Income Tenant shall be treated as occupied after it is vacated until reoccupied (other than for a temporary period (not to exceed 31 days)), at which time the character of the unit shall be redetermined.

b) If necessary, the Borrower shall refrain from renting residential units to persons other than Low and Moderate Income Tenants in order to avoid violating the requirement that at all times during the Qualified Development Period at least forty percent (40%) of the occupied residential units in the Development shall be occupied by Low and Moderate Income Tenants.

c) The Borrower shall determine annually the current income of each tenant treated as a Low and Moderate Income Tenant.

d) The Borrower shall obtain a Tenant Income Certificate with respect to each occupant in the Development who is intended to be a Low or Moderate Income Tenant signed by the tenant or tenants (*i.e.*, the person or persons whose names appear on the lease). The Borrower shall obtain such a Tenant Income Certificate prior to such tenant or tenants signing a lease with respect to a unit and commencing occupancy in it and also shall obtain such a Tenant Income Certificate for each subsequent year the tenant lives in the Development, signed by such person or persons and obtained at such time or times, all as may be required by applicable rules, rulings, procedures, official statements, regulations or policies now or later promulgated or proposed by the Department of the Treasury or the Internal Revenue Service with respect to obligations issued under Section 142(d) of the Code. The Borrower shall maintain on file all Tenant Income Certificates and upon obtaining each such Certificate shall promptly deliver a copy of it to the Trustee.

e) The Borrower shall prepare and submit to the Trustee and the Issuer on or before the first day of each March, June, September and December of each year during the Qualified Development Period, a Certificate of Continuing Program Compliance in substantially the form attached to this Agreement as Exhibit C executed by Borrower's representative.

f) The Borrower shall submit to the Secretary of the Treasury an annual certification as to whether the Development continues to meet the low and moderate income occupancy requirements set forth in the Code. Failure to comply with the requirements set forth in the preceding sentence shall not constitute a default under this Agreement, but may subject the Borrower to penalty as provided in Section 6652(j) of the Code.

Section 5. Tenants and Tenant Leases. In addition to the requirements contained in other Sections of this Agreement, the Borrower represents, covenants, agrees and warrants as follows:

a) All tenant lists, applications, certificates and waiting lists relating to the Development shall at all times be kept separate and identifiable from any other business of the Borrower which is unrelated to the Development and shall be maintained, as required by the Issuer or the Trustee from time to time, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Trustee. Failure to keep such lists and applications or to make them available to the Issuer or the Trustee shall be a default under this Agreement.

b) Each tenant lease for a Low and Moderate Income Tenant shall require the tenant to submit annual Tenant Income Certificates and to provide further information as the Borrower may reasonably require concerning such a Tenant Income Certificate, and that a failure to comply with these requirements or the filing of a false Tenant Income Certificate shall be a violation of a substantial obligation of his tenancy. The provisions of this Section 5 shall apply throughout the Qualified Development Period.

Section 6. Transfer Restrictions. During the Qualified Development Period, the Borrower shall not do any of the following: sell, transfer, assign, convey, change title to or otherwise dispose of the Development or any interest in it (a "Transfer"), in whole or in part, unless (1) the purchaser or assignee shall execute any necessary or appropriate document

reasonably requested by the Trustee with respect to assuming its obligations under this Agreement and the Loan Agreement (the "Assumption Agreement"), which document shall be recorded in the Cook County Recorder's Office; (2) the Trustee and the Issuer shall have received an opinion of Bond Counsel, which opinion is acceptable to the Trustee, to the effect that such transfer will not adversely affect the exclusion from gross income of interest on any of the Bonds from gross income of their holders for purposes of federal income taxation; (3) the Borrower shall deliver to the Trustee and the Issuer an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Borrower under this Agreement and that such obligations and this Agreement are binding on the transferee; (4) the Issuer should have consented in writing to such Transfer; and (5) such other conditions are met as are set forth in or referred to in the Loan Agreement or as the Trustee or the Issuer may reasonably impose (upon advice of Bond Counsel) as part of the Assumption Agreement to protect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

**Section 7. Tax-Exempt Status of the Bonds.** The Borrower, the Issuer and the Trustee each represent, agree and warrant that to the best of their ability and knowledge:

a) It will not take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the exclusion of the interest on the Bonds from the gross income of their holders for federal income tax purposes and, in particular, the Borrower will not permit any person to obtain an ownership interest in the Borrower unless, upon advice of Bond Counsel, the Trustee or the Issuer concludes that the exclusion of the interest on the Bonds from gross income for federal income tax purposes is not adversely affected by such person obtaining such ownership interest. If it should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omissions promptly upon obtaining knowledge of them.

b) It will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the Trustee and the Issuer, to comply fully with all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations the exemption of interest on which depends upon continuing compliance with Section 142(d) of the Code and the Regulations under that Section.

c) It will file or record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Trustee and the Issuer, in order to ensure that the requirements and restrictions of this Agreement will be binding upon all owners of the Development.

**Section 8. Notice of Noncompliance; Corrective Action.** As soon as is reasonably possible, the Borrower shall notify the Trustee and the Issuer of the existence of any situation or the occurrence of any event of which the Borrower has knowledge, the existence or occurrence of which would violate any of the provisions of this Agreement or cause the interest on the Bonds to become includable in gross income of their holders for federal income tax purposes unless promptly corrected. The Trustee shall promptly notify the Issuer of such event or situation upon receipt of notice from the Borrower. The Borrower covenants to commence appropriate corrective action within a reasonable period of time, but in no event later than sixty (60) days after such noncompliance is first discovered or should have been discovered by the exercise of reasonable diligence.

**Section 9. Reliance; Compliance.** The Borrower recognizes and agrees that the representations, warranties, agreements and covenants set forth in this Agreement may be relied upon by all persons interested in the legality and validity of the Bonds and in the exclusion of the interest on the Bonds from gross income of their holders for federal income tax purposes. In performing its duties and obligations under this Agreement, the Trustee and the Issuer may rely upon statements and certificates of the Borrower and tenants, and upon audits of the books and records of the Borrower pertaining to the Development. In addition, the Trustee may consult with counsel, and the written opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee under this Agreement in good faith and in conformity with such opinion.

**Section 10. Non-discrimination.** The Borrower shall not, in the selection of tenants, in employment, in the provision of services or in any other manner, discriminate against any person on the ground of race, color, national origin, religion, creed, sex, handicap, family status or marital status.

**Section 11. Term.** This Agreement shall become effective upon its execution and delivery. Unless the Trustee and the Issuer shall have received a written opinion of Bond Counsel addressed to it to effect that early termination of this Agreement will not adversely affect the exclusion of the interest on all of the Bonds from gross income of their holders for federal income tax purposes, and this Agreement shall remain in full force and effect for a term equal to the Qualified Development Period, it being expressly agreed and understood that the provisions of this Agreement are intended to survive the retirement of the Bonds and expiration of the Indenture, the Loan Agreement and the Note. Notwithstanding the immediately preceding sentence, this Agreement, and all and several of the terms of it, shall terminate and be of no further force and effect in the event of (x) involuntary noncompliance with the provisions of this Agreement caused by fire, seizure, requisition, foreclosure or delivery of a deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the date of this Agreement which prevents the Trustee or the Issuer from enforcing the requirements of this Agreement, condemnation or other similar event and (y) the payment in full and retirement of the Bonds within a reasonable period after that event. However, the preceding sentence shall cease to apply and the restrictions contained in this Section shall be automatically reinstated if, at any time subsequent to the foreclosure or the delivery of a deed in lieu of closure or similar event, the Borrower or any related person (within the meaning of Section 1.03-10(e) of the Regulations) obtains an ownership interest in the Development for federal income tax purposes. Upon the termination of all and several of the terms of this Agreement, the parties agree to execute, deliver and record appropriate instruments of release and discharge of the terms of this Agreement. However, the execution and delivery of such instruments shall not be a necessary prerequisite to the termination of this Agreement in accordance with its terms.

**Section 12. Covenants to Run With the Land.** The Borrower subjects the Development to the covenants, reservations and restrictions set forth in this Agreement. The Borrower declares its express intent that the covenants, reservations and restrictions set forth in this Agreement shall be deemed covenants running with the land to the extent permitted by law and shall pass to and be binding upon the successors in title to the Development throughout the term of this Agreement. Each and every contract, deed, mortgage or other instrument executed covering or conveying the Development or any portion of it shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

**Section 13. Enforcement.** If the Borrower defaults in the performance or observation of any covenant, agreement or obligation of the Borrower set forth in this Agreement, and if such default remains uncured for a period of thirty (30) days after written notice of the default shall have been given to the Borrower by the Issuer or the Trustee, then the Trustee, acting on behalf of the Bondholders or on behalf of the Issuer, shall declare an "Event of Default" to have occurred, and, at its option, may take any one or more of the following steps:

a) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants under this Agreement or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee under this Agreement;

b) have access to and inspect, examine and make copies of all the books and records of the Borrower pertaining to the Development; or

c) take such other action at law or in equity as may appear necessary or desirable to specifically enforce, or prohibit violations of, the obligations, covenants and agreements of the Borrower under this Agreement.

The Trustee shall have the right, in accordance with this Section and the provisions of the Indenture, without the consent, approval or knowledge of the Issuer or any person to exercise any or all of the rights or remedies under this Agreement. All reasonable fees, costs and expenses of the Trustee incurred in taking any action pursuant to this Section shall be the sole responsibility of the Borrower.

Notwithstanding the preceding paragraph, if the failure stated in the written notice cannot be corrected within such thirty (30) day period, the Trustee may consent in writing to an extension of such time period, which consent shall not be unreasonably withheld, if corrective action is instituted within such thirty (30) day period and diligently pursued to completion and if such extension does not, in the Trustee's judgment, adversely affect the interests of the holders of the Bonds.

**Section 14. Bankruptcy.** Neither the Borrower nor any permitted successor owner of the Development shall file any petition in bankruptcy, or for the appointment of a receiver, or for insolvency, or for reorganization or composition, or make any assignment for the benefit of creditors or to a trustee for creditors, or permit an adjudication in bankruptcy, the taking of possession of the Development or any part of the Development under judicial process pursuant to any power of sale. However, in the case of an involuntary petition, action or proceeding for an adjudication in bankruptcy, or for the appointment of a receiver or trustee of the property of the Borrower or any other owner of the Development, not initiated by the Borrower or any other owner of the Development, the Borrower or such other owner of the Development shall have ninety (90) days after the service of such petition or the commencement of such action or proceeding, as the case may be, within which to obtain a dismissal of such petition, action or proceeding.

**Section 15. Recording and Filing.** The Borrower shall cause this Agreement and all amendments and supplements to it to be recorded and filed in the conveyance and real property records of Cook County, Illinois. The Borrower shall pay all fees charges incurred in connection with any such recording.

**Section 16. Indemnification.** The Borrower shall be required and agrees to pay, indemnify and hold the Trustee, the Issuer and their respective officers, officials and employees (except for claims arising out of acts or omissions of the Trustee resulting from its gross negligence or willful misconduct) harmless from, any and all loss, damage, cost, expense, suit, judgment, action, injury or liability which they, or any of them, may suffer or incur (including, without limitation, any costs, fees and expenses, including reasonable attorneys' fees, costs and expenses) by reason of any violation of the restrictions or provisions of this Agreement.

**Section 17. Agent of the Trustee.** The Trustee shall have the right to appoint an agent or administrator to carry out any of its duties and obligations under this Agreement, and shall inform the other parties to this Agreement of any such agency appointment by written notice.

**Section 18. No Conflict With Other Documents.** The Borrower warrants that it has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions of this Agreement, and that, in any event and except to the extent expressly provided in this Agreement, the requirements of this Agreement are paramount and controlling as to the rights and obligations in this Agreement set forth and supersede any other requirements in conflict with this Agreement.

**Section 19. Interpretation.** Any terms not defined in this Agreement, or defined as provided in this Agreement, shall have the same meaning as terms defined for purposes of Section 142(d) of the 1986 Code and in the Regulations.

**Section 20. Amendments.** This Agreement shall be amended only by a written instrument executed by the parties to it or their successors in title, and duly recorded in the real property records of Cook County, Illinois, the county in which the Development is located. The Borrower shall pay all fees and charges incurred in connection with any such recording.

No amendment to this Agreement concerning matters governed by the Code or the Regulations shall be effective unless there shall have been tiled with the Issuer a written opinion of Bond Counsel to the effect that (a) such amendment will not cause or result in interest on the Bonds becoming includable in gross income of their holders for federal income tax purposes, and (b) compliance with the terms and provisions of the Agreement, as so amended, will be sufficient to ensure full compliance with the requirements of Section 142(d) of the Code and all then-applicable rules, rulings, policies, procedures, portions of the Regulations, or other statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations the exclusion of interest from gross income on which depends on continuing compliance with that Section 142(d).

**Section 21. Notices.** Any notice, demand or other communication required or permitted under this Agreement shall be in writing and shall be deemed to have been given if and when personally delivered and receipted for, or, if sent by private courier service or sent by overnight mail service, shall be deemed to have been given if and when received (unless the addressee refuses to accept delivery, in which case it shall be deemed to have been given when first presented to the addressee for acceptance), or on the first day after being sent by telegram, or on the third day after being deposited in United States registered or certified mail, return receipt requested, postage prepaid. Any such notice, demand or other communication shall be addressed to a party at its address set forth below or to such other address as the party

to receive such notice may have designated to all other parties by notice in accordance with this Agreement:

The Issuer: City of Chicago  
Department of Housing and Economic Development  
121 North LaSalle Street  
Room 1000  
Chicago, Illinois 60602  
Attention: Commissioner  
Telephone: (312) 744-9476  
Facsimile: (312) 744-2271

with copies to: Department of Law  
City Hall  
Room 600  
121 North LaSalle Street  
Chicago, Illinois 60602  
Attention: Finance and Economic Development  
Division  
Telephone: (312) 744-0200  
Facsimile: (312) 744-8538

and to: CITY OF CHICAGO  
Department of Finance-Financial Policy  
33 North LaSalle Street  
Chicago, Illinois 60602  
Attention: Deputy Comptroller  
Telephone: (312) 744-7106  
Facsimile: (312) 744-4877

The Trustee: [ ]  
[ ]  
[ ]  
Attention: [ ]  
Telephone: [ ]  
Facsimile: [ ]

The Borrower: Goldblatts of Chicago Limited Partnership  
3728 N. Southport  
Chicago, IL 60613  
Attention: Patrick Kane and William Piatt  
Fax: (773) 929-7821

Section 22. Binding Successors. This Agreement shall bind, and the benefits shall inure to, the respective parties to this Agreement, their legal representatives, executors, administrators, successors in office or interest, and assigns, provided that Borrower may not assign this Agreement or any of its obligations under it without the prior written approval of the Issuer.

**Section 23. Captions.** The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of this Agreement.

**Section 24. Severability.** If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

**Section 25. Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois, other than the choice of law rules of the State of Illinois and, where applicable, the laws of the United States of America.

**Section 26. Limited Recourse.** Notwithstanding any provisions of this Agreement to the contrary, enforcement of the provisions of this Agreement shall not result in any claim against the Developer, Loan or Loan proceeds, or the rents or other income from the Development. Notwithstanding any other provisions of this Agreement, any monetary obligation created under this Agreement shall not be enforceable personally against the Borrower or any partner of the Borrower, their successors and assigns, or against the assets of the Borrower or its successors or assigns.

***[the remainder of this page intentionally left blank]***



IN WITNESS WHEREOF, the Issuer, the Trustee and the Borrower have caused this Regulatory Agreement and Declaration of Restrictive Covenants to be duly executed and attested in their respective names by their duly authorized representatives, all as of the day and year first above written.

CITY OF CHICAGO

(SEAL)

By: \_\_\_\_\_

Attest:

\_\_\_\_\_  
City Clerk

GOLDBLATTS OF CHICAGO LIMITED PARTNERSHIP, an Illinois limited partnership

By: Goldblatts SLF of Chicago GP, Inc., an Illinois corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: Patrick Kane  
Title: President

[\_\_\_\_\_] ,  
as Trustee

By: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF ILLINOIS )  
   ) SS.  
COUNTY OF COOK  )

I, \_\_\_\_\_, a Notary Public in and for the County and State aforesaid, CERTIFY that \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of the City of Chicago and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he or she signed and delivered the foregoing instrument as his or her own free and voluntary act and as the free and voluntary act of the City of Chicago for the uses and purposes set forth in such instrument.

GIVEN under my hand and Notarial Seal this \_\_\_\_ day of \_\_\_\_\_, 2011.

---

Notary Public  
in and for Cook County, Illinois

(SEAL)

My Commission Expires:  
  
\_\_\_\_\_

STATE OF ILLINOIS )  
  ) SS.  
COUNTY OF COOK )

I, \_\_\_\_\_, a Notary Public in and for the County and State aforesaid, CERTIFY that Patrick Kane, personally known to me to be the President of Goldblatts SLF of Chicago GP, Inc., an Illinois corporation and the general partner of Goldblatts of Chicago Limited Partnership, an Illinois limited partnership, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the foregoing instrument as his own free and voluntary act and as the free and voluntary act of the partnership for the uses and purposes set forth in such instrument.

GIVEN under my hand and Notarial Seal this \_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Notary Public  
in and for Cook County, Illinois

(SEAL)

My Commission Expires:  
  
\_\_\_\_\_

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, \_\_\_\_\_, a Notary Public in and for the County and State aforesaid, CERTIFY that \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of \_\_\_\_\_, as Trustee, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he or she signed and delivered the foregoing instrument as his or her own free and voluntary act and as the free and voluntary act of said Bank for the uses and purposes set forth in such instrument.

GIVEN under my hand and Notarial Seal this \_\_\_ day of \_\_\_\_\_, 2011.

---

Notary Public  
in and for Cook County, Illinois

(SEAL)

My Commission Expires:  
  
\_\_\_\_\_

**EXHIBIT A**

**Legal Description**

See attached.

**EXHIBIT B**

**FORM OF TENANT INCOME CERTIFICATE**

**ANNUAL INCOME CERTIFICATION/RECERTIFICATION  
(TO BE COMPLETED BY OWNER/MANAGEMENT)**

**TENANT INCOME CERTIFICATION**

Initial Certification  
 Other \_\_\_\_\_

Recertification

Effective Date: \_\_\_\_\_

Move-in Date: \_\_\_\_\_

(MM/DD/YYYY)

**PART I - DEVELOPMENT DATA**

Property Name: \_\_\_\_\_ TC #: \_\_\_\_\_

BIN #: \_\_\_\_\_ County : \_\_\_\_\_ Unit  
Number: \_\_\_\_\_ # Bedrooms: \_\_\_\_\_

**PART II. HOUSEHOLD COMPOSITION**

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YY YY)	F/T Student (Y or N)	Social Security or Alien Reg. No.
1			HEAD			
2						
3						
4						
5						
6						
7						

**PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)**

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income

<b>TOTALS</b>	\$	\$	\$	\$

Add totals from (A) through (D), above      **TOTAL INCOME (E):** \$

<b>PART IV. INCOME FROM ASSETS</b>				
Hshk Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
<b>TOTALS:</b>			\$	\$
Enter Column (H) Total		Passbook Rate		
If over \$5000 \$ _____		X	2.00% =	(J)
Imputed Income				\$
Enter the greater of the total of column I, or J: imputed income				<b>TOTAL</b>
<b>INCOME FROM ASSETS (K)</b>				\$
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$

<b>PART V. DETERMINATION OF INCOME ELIGIBILITY</b>		
<b>TOTAL ANNUAL OLD INCOME FROM ALL SOURCES:</b> From item (L) on page 1 \$ _____	Household Meets Income Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> Other _____%	<b>RECERTIFICATION ONLY:</b> Current Income Limit x 140%: \$ _____ Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No
Current Income Limit per Family Size: \$ _____		
Household Income At Move-in: \$ _____	Household Size at Move-in: _____	

**PART VI. RENT**

Tenant Paid Rent \$ \_\_\_\_\_

Utility Allowance \$ \_\_\_\_\_

Rent Assistance:

\$ \_\_\_\_\_

Other non-optional charges:

\$ \_\_\_\_\_

ENT FOR UNIT:  
rent plus Utility  
Allowance &  
other non-optional charges)

Unit Meets Rent Restriction at:

60%    50%    40%    30%    \_\_\_%

Maximum Rent Limit for this unit:  
(as of recertification effective date) \$ \_\_\_\_\_



**PART VII. STATUS**

ARE ALL OCCUPANTS FULL TIME STUDENTS?

yes       no

If yes, Enter student explanation\* (also attach documentation)

\*Student Explanation:  
 1 TANF assistance  
 2 Job Training Program  
 3 Single parent/dependent child  
 4 Married/joint return

Enter 1-4

**PART VIII. PROGRAM TYPE**

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/ recertification.

a. Tax Credit <input type="checkbox"/>  See Part V above.	b. HOME <input type="checkbox"/>  <i>Income Status</i> <input type="checkbox"/> ≤ 50% AMGI <input type="checkbox"/> ≤ 60% AMGI <input type="checkbox"/> ≤ 80% AMGI <input type="checkbox"/> OI**	c. Tax Exempt <input type="checkbox"/>  <i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 60% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	d. AHDP <input type="checkbox"/>  <i>Income Status</i> <input type="checkbox"/> 50% AMGI <input type="checkbox"/> 80% AMGI <input type="checkbox"/> OI**	e. Other <input type="checkbox"/> _____ (Name of Program)  <i>Income Status</i> <input type="checkbox"/> _____ <input type="checkbox"/> _____ <input type="checkbox"/> OI**
---	--	--	---	--

\*\* Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

**HOUSEHOLD CERTIFICATION & SIGNATURES**

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

\_\_\_\_\_  
Signature (Date)

\_\_\_\_\_  
Signature (Date)

\_\_\_\_\_  
Signature (Date)

\_\_\_\_\_  
Signature (Date)

**SIGNATURE OF OWNER/REPRESENTATIVE**

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Development.

\_\_\_\_\_

**SIGNATURE OF OWNER/REPRESENTATIVE**

**DATE**

EXHIBIT C

FORM OF CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The undersigned, as \_\_\_\_\_ of Goldblatts of Chicago Limited Partnership, an Illinois limited partnership, has read and is thoroughly familiar with the provisions of the various Loan Documents associated with the Borrower's participation in the financing by the City of Chicago of the acquisition, rehabilitation and equipping of a low-income housing development project consisting of real property improved with a building (the "Building") that formerly housed a Goldblatt's Department Store and comprised of a supportive living facility with approximately 101 residential dwelling units and certain attendant facilities located on all but the commercial space areas on the ground floor of the Building, located generally at 4707 S. Marshfield Avenue, and with parking on adjacent property located at 1635 W. 47th Street, within the boundaries of the City, such documents including:

1. the Regulatory Agreement and Declaration of Restrictive Covenants dated as of [\_\_\_\_\_] 1, 2011, by and among the Issuer, the Borrower and the Trustee; and
2. the Loan Agreement, dated as of [\_\_\_\_\_] 1, 2011, between the City and the Borrower.

As of the date of this certificate, the following number of residential units in the Development (i) are occupied by Low and Moderate Income Tenants (as such term is defined in the Regulatory Agreement) or (ii) were previously occupied by Low and Moderate Income Tenants and have been vacant and not reoccupied except for a temporary period of no more than 31 days, as indicated:

Number of units occupied by Low and Moderate Income Tenants	_____
Number of units previously occupied by Low and Moderate income tenants (vacated and not reoccupied except for a temporary period of no more than 31 days)	_____
Total Number of Low and Moderate Income Units	_____
The total number of occupied residential units in the Development is	_____

---

\* The number of Low and Moderate Income Tenants shown above is \_\_\_% of the total number of occupied units.

The undersigned certifies that the Borrower is not in default under any of the terms and provisions of the above documents.

Dated: \_\_\_\_\_, 20\_\_

**GOLDBLATTS OF CHICAGO LIMITED PARTNERSHIP, an  
Illinois limited partnership**

By: Goldblatts SLF of Chicago GP, Inc., an Illinois  
corporation  
Its: General Partner

By: \_\_\_\_\_  
Name: Patrick Kane  
Title: President

CH219618288.7

**Exhibit E**

**Redevelopment Agreement**

See attached.

CH29580833.9

**GOLDBLATTS OF CHICAGO LIMITED PARTNERSHIP REDEVELOPMENT AGREEMENT**

**BY AND BETWEEN**

**THE CITY OF CHICAGO**

**AND**

**GOLDBLATTS OF CHICAGO LIMITED PARTNERSHIP**

**This agreement was prepared by  
and after recording return to:  
Randall Johnson, Esq.  
City of Chicago Law Department  
121 North LaSalle Street, Room 600  
Chicago, IL 60602**

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Exhibit B	*Property
Exhibit C	*TIF-Funded Improvements
Exhibit D	Redevelopment Plan
Exhibit E	Construction Contract
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Exhibit G	*Permitted Liens
Exhibit H-1	*Project Budget
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Exhibit I	Approved Prior Expenditures
Exhibit J	Opinion of Developer's Counsel
Exhibit K	*Preliminary TIF Projection – Real Estate Taxes
Exhibit L	Requisition Form
Exhibit M	*NOT APPLICABLE—INTENTIONALLY LEFT BLANK
[Exhibit N	*NOT APPLICABLE—INTENTIONALLY LEFT BLANK
Exhibit O	Form of Subordination Agreement
Exhibit P	Form of Payment Bond

(An asterisk (\*) indicates which exhibits are to be recorded.)

[leave blank 3" x 5" space for recorder's office]

This agreement was prepared by and  
after recording return to:  
Randall L. Johnson, Esq.,  
City of Chicago Law Department  
121 North LaSalle Street, Room 600  
Chicago, IL 60602

**GOLDBLATTS OF CHICAGO LIMITED PARTNERSHIP REDEVELOPMENT AGREEMENT**

This Goldblatts of Chicago Limited Partnership Redevelopment Agreement (this "agreement") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2011, by and between the City of Chicago, an Illinois municipal corporation (the "city"), through its Department of Housing and Economic Development ("HED"), Goldblatts of Chicago Limited Partnership, an Illinois limited partnership (the "Goldblatts LP") and AHC Ashland LLC, an Illinois limited liability company ("AHC"; together with Goldblatts LP collectively known as "Developer").

**RECITALS**

A. **Constitutional Authority:** As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "state"), the City has the power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

B. **Statutory Authority:** The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time (the "act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects.

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "city Council") adopted the following ordinances on March 27, 2002: (1) "an Ordinance of the City of Chicago, Illinois Authorizing Approval of the Tax Increment Financing Redevelopment Plan for the 47<sup>th</sup>/Ashland Redevelopment Project Area", which ordinance was amended pursuant to ordinances adopted April 13, 2011 and [June \_\_,] 2011 (the "TIF Plan Ordinance"); (2) "an Ordinance of the City of Chicago, Illinois Authorizing the Designation of the 47<sup>th</sup>/Ashland Redevelopment Project Area as a Tax Increment Financing District and Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act" (the "TIF Designation Ordinance"); and (3) "an Ordinance of the City of Chicago, Illinois Authorizing Adoption of Tax Increment Allocation Financing for the 47<sup>th</sup>/Ashland Redevelopment Project Area" (the "TIF Adoption Ordinance") (items(1)-(3) collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: AHC will acquire an interest in certain real property located within the Redevelopment Area at 4707 South Marshfield Avenue, Chicago, IL 60609 (the "Property"), which is improved with a building containing approximately [ ] square feet of interior space divided among [ ] floors (the "Building"); the Building is individually listed on the National Register of Historic Places, has been subdivided pursuant to a plat of vertical subdivision (the "Vertical Plat") along with a reciprocal easement agreement (the "VPR Easement"), and all but the ground floor of the Building containing approximately [ ] square feet of interior space and other attendant interests in the Property pursuant to the VPR Easement will be sold to Goldblatts LP (such sale to Goldblatts LP being the "Acquisition"). Goldblatts LP will also acquire real property (the "Parking Property") known as 1635 West 47<sup>th</sup> Street, Chicago, IL 60609 which shall be used as an attendant parking lot (the "Parking Lot"). Both the Property and the Parking Property are legally described on Exhibit B. Within the time frames set forth in Section 3.01 hereof, Developer shall commence and complete rehabilitation of the Project Condominium Unit and the attendant real property (including the Parking Property) into an approximately [ ] square foot supportive living facility with approximately 101 residential dwelling units and certain attendant facilities (the "Facility") thereon. The Facility and related improvements (including but not limited to those TIF-Funded Improvements as defined below and set forth on Exhibit C) are collectively referred to herein as the "Project." The completion of the Project would not reasonably be anticipated without the financing contemplated in this Agreement.

E. Redevelopment Plan: The Project will be carried out in accordance with this Agreement and the City of Chicago "47<sup>th</sup>/Ashland Tax Increment Financing Redevelopment Plan and Project Revision Number 1" as further and finally revised by the TIF Plan Ordinance (the "redevelopment Plan") and attached hereto as Exhibit D.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03 hereof, Incremental Taxes (as defined below), to pay for or reimburse the Developer for the costs of TIF-Funded Improvements pursuant to the terms and conditions of this Agreement.

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

## SECTION 1. RECITALS

The foregoing recitals are hereby incorporated into this agreement by reference.

## SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the meanings set forth below:

"47th/Ashland Redevelopment Project Area Special Tax Allocation Fund" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

"Act" shall have the meaning set forth in the Recitals hereof.

"Actual Residents of the City" shall mean persons domiciled within the City.

"Acquisition" shall have the meaning set forth in the Recitals hereof.

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with the Developer.

"Annual Compliance Report" shall mean a signed report from the Developer to the City (a) itemizing each of the Developer's obligations under the RDA during the preceding calendar year, (b) certifying the Developer's compliance or noncompliance with such obligations, (c) attaching evidence (whether or not previously submitted to the City) of such compliance or noncompliance and (d) certifying that the Developer is not in default with respect to any provision of the RDA, the agreements evidencing the Lender Financing, if any, or any related agreements; provided, that the obligations to be covered by the Annual Compliance Report shall include the following: (1) compliance with the Operating Covenant (Section 8.06); (2) compliance with the Jobs Covenant (Section 8.06); (3) delivery of Financial Statements and unaudited financial statements (Section 8.13); (4) delivery of updated insurance certificates, if applicable (Section 8.14); (5) delivery of evidence of payment of Non-Governmental Charges, if applicable (Section 8.15); and (6) compliance with all other executory provisions of the RDA.

"Available Project Funds" shall have the meaning set forth for such term in Section 4.07 hereof.

"Bond(s)" shall have the meaning set forth for such term in Section 8.05 hereof.

"Bond Ordinance" shall mean the City ordinance authorizing the issuance of Bonds.

"Business Relationship" shall have the meaning set forth for such term in Section 2-156-080 of the Municipal Code of Chicago.

"Certificate" shall mean the Certificate of Completion of Rehabilitation described in Section 7.01 hereof.

"Change Order" shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

"City Contract" shall have the meaning set forth in Section 8.01(l) hereof.

"City Council" shall have the meaning set forth in the Recitals hereof.

"City Funds" shall mean the funds described in Section 4.03(b) hereof.

"Closing Date" shall mean the date of execution and delivery of this Agreement by all parties hereto, which shall be deemed to be the date appearing in the first paragraph of this Agreement.

"Contract" shall have the meaning set forth in Section 10.03 hereof.

"Contractor" shall have the meaning set forth in Section 10.03 hereof.

"Construction Contract" shall mean that certain contract, substantially in the form attached hereto as Exhibit E, to be entered into between the Developer and the General Contractor providing for construction of the Project.

"Corporation Counsel" shall mean the City's Office of Corporation Counsel.

"Employer(s)" shall have the meaning set forth in Section 10 hereof.

"Environmental Laws" shall mean any and all federal, state or local statutes, laws, regulations, ordinances, codes, rules, orders, licenses, judgments, decrees or requirements relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "superfund" or "superien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1802 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6902 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago.

"Equity" shall mean funds of the Developer (other than funds derived from Lender Financing) irrevocably available for the Project, in the amount set forth in Section 4.01 hereof, which amount may be increased pursuant to Section 4.06 (Cost Overruns) or Section 4.03(b).

"Escrow" shall mean the construction escrow established pursuant to the Escrow Agreement.

"Escrow Agreement" shall mean the Escrow Agreement establishing a construction escrow, to be entered into as of the date hereof by the City, the Title Company (or an affiliate of the Title Company), the Developer, and the Developer's lender(s), substantially in the form of Exhibit F attached hereto.

"Event of Default" shall have the meaning set forth in Section 15 hereof.

"Facility" shall have the meaning set forth in the Recitals hereof.

"Financial Statements" shall mean complete audited financial statements of the Developer prepared by a certified public accountant in accordance with generally accepted accounting principles and practices consistently applied throughout the appropriate periods.

"General Contractor" shall mean the general contractor(s) hired by the Developer pursuant to Section 6.01.

"Hazardous Materials" shall mean any toxic substance, hazardous substance, hazardous material, hazardous chemical or hazardous, toxic or dangerous waste defined or qualifying as such in (or for the purposes of) any Environmental Law, or any pollutant or contaminant, and shall include, but not be limited to, petroleum (including crude oil), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

"Human Rights Ordinance" shall have the meaning set forth in Section 10 hereof.

"In Balance" shall have the meaning set forth in Section 4.07 hereof.

"Incremental Taxes" shall mean such ad valorem taxes which, pursuant to the TIF Adoption Ordinance and Section 5/11-74.4-8(b) of the Act, are allocated to and when collected are paid to the Treasurer of the City of Chicago for deposit by the Treasurer into the 47<sup>th</sup>/Ashland Redevelopment Project Area Special Tax Allocation Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

"Indemnitee" and "Indemnitees" shall have the meanings set forth in Section 13.01 hereof.

"Landmark Ordinance" shall mean the most recent section of the City of Chicago Municipal Code dealing with the [historically sensitive properties and the designation of properties as historically significant and/or landmarks] which is currently set forth in Section [.....] of the City of Chicago Municipal Code.

"Lender Financing" shall mean funds borrowed by the Developer from lenders and irrevocably available to pay for Costs of the Project, in the amount set forth in Section 4.01 hereof.

"MBE(s)" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

"MBE/WBE Program" shall have the meaning set forth in Section 10.03 hereof.

"Municipal Code" shall mean the Municipal Code of the City of Chicago.

"New Mortgage" shall have the meaning set forth in Article 16 hereof.

"Non-Governmental Charges" shall mean all non-governmental charges, liens, claims, or encumbrances relating to the Developer, the Property or the Project.



"Permitted Liens" shall mean those liens and encumbrances against the Property and/or the Project set forth on Exhibit G hereto.

"Permitted Mortgage" shall have the meaning set forth in Article 16 hereof.

"Plans and Specifications" shall mean [final] [initial] construction documents containing a site plan and working drawings and specifications for the Project, as submitted to the City as the basis for obtaining building permits for the Project.

"Prior Expenditure(s)" shall have the meaning set forth in Section 4.05(a) hereof.

"Project" shall have the meaning set forth in the Recitals hereof.

"Project Budget" shall mean the budget attached hereto as Exhibit H-1, showing the total cost of the Project by line item, furnished by the Developer to HED, in accordance with Section 3.03 hereof.

"Property" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Area" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Plan" shall have the meaning set forth in the Recitals hereof.

"Redevelopment Project Costs" shall mean redevelopment project costs as defined in Section 5/11-74.4-3(q) of the Act that are included in the budget set forth in the Redevelopment Plan or otherwise referenced in the Redevelopment Plan.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit L, to be delivered by the Developer to HED pursuant to Section 4.04 of this Agreement.

"Scope Drawings" shall mean preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM [land title] [urban] survey of the Property dated within 45 days prior to the Closing Date, acceptable in form and content to the City and the Title Company, prepared by a surveyor registered in the State of Illinois, certified to the City and the Title Company, and indicating whether the Property is in a flood hazard area as identified by the United States Federal Emergency Management Agency (and updates thereof to reflect improvements to the Property in connection with the construction of the Facility and related improvements as required by the City or lender(s) providing Lender Financing).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on the later of (a) [any date to which HED and the Developer have agreed] or (b) the date on which the Redevelopment Area is no longer in effect (through and including [[March 27, 2025 or December 31, 2026]]).

"TIF Adoption Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF-Funded improvements" shall mean those improvements of the Project which (i) qualify as Redevelopment Project Costs, (ii) are eligible costs under the Redevelopment Plan and (iii) the City has agreed to pay for out of the City Funds, subject to the terms of this Agreement. Exhibit C lists the TIF-Funded Improvements for the Project.

"TIF Ordinances" shall have the meaning set forth in the Recitals hereof.

"Title Company" shall mean [TO BE PROVIDED BY DEVELOPER].

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

"WARN Act" shall mean the Worker Adjustment and Retraining Notification Act (29 U.S.C. Section 2101 et seq.).

"WBE(s)" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

### SECTION 3. THE PROJECT

3.01 The Project. With respect to the Facility, the Developer shall, pursuant to the Plans and Specifications and subject to the provisions of Section 18.17 hereof, (i) commence construction no later than July [ ], 2011; and (ii) complete construction and conduct business operations therein no later than June 30, 2012.

3.02 Scope Drawings and Plans and Specifications. The Developer will deliver the Scope Drawings and Plans and Specifications to HED and the same shall be approved by HED including, without limitation, the Construction Division of HED and the Historic Preservation Division of HED Bureau of Planning and Zoning. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to D as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan and all applicable federal, state and local laws, ordinances and regulations. The Developer shall submit all necessary documents to the City's Building Department, Department of Transportation and such other City departments or governmental authorities as may be necessary to acquire building permits and other required approvals for the Project.

3.03 Project Budget. The Developer has furnished to HED, and HED has approved, a Project Budget showing total costs for the Project in an amount not less than Twenty-Eight Million Three Hundred Ten Thousand Fourteen Dollars (\$28,310,114). The Developer hereby certifies to the City that (a) the City Funds, together with Lender Financing and Equity described in Section 4.02 hereof, shall be sufficient to complete the Project [where the City will reimburse from [Available] Incremental Taxes only; The Developer hereby certifies to the City that (a) it has Lender Financing and Equity in an amount sufficient to pay for all Project costs]; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to D

certified copies of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

3.04 Change Orders. Except as provided below, all Change Orders (and documentation substantiating the need and identifying the source of funding therefore) must be submitted by the Developer to HED for HED's prior written approval. The Developer shall not authorize or permit the performance of any work relating to such Change Order or the furnishing of materials in connection therewith prior to the receipt by the Developer of HED's written approval. The Construction Contract, and each contract between the General Contractor and any subcontractor, shall contain a provision to this effect. An approved Change Order shall not be deemed to imply any obligation on the part of the City to increase the amount of City Funds which the City has pledged pursuant to this Agreement or provide any other additional assistance to the Developer.

3.05 D Approval. Any approval granted by HED of the Scope Drawings, Plans and Specifications and the Change Orders is for the purposes of this Agreement only and does not affect or constitute any approval required by any other City department or pursuant to any City ordinance, code, regulation or any other governmental approval, nor does any approval by HED pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

3.06 Other Approvals. Any HED approval under this Agreement shall have no effect upon, nor shall it operate as a waiver of, the Developer's obligations to comply with the provisions of Section 5.03 (Other Governmental Approvals) hereof. The Developer shall not commence construction of the Project until the Developer has obtained all necessary permits and approvals (including but not limited to HED's approval of the Scope Drawings and Plans and Specifications) and proof of the General Contractor's and each subcontractor's bonding as required hereunder.

3.07 Progress Reports and Survey Updates. The Developer shall provide HED with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date being considered a Change Order, requiring HED's written approval pursuant to Section 3.04). The Developer shall provide three (3) copies of an updated Survey to HED upon the request of HED or any lender providing Lender Financing, reflecting improvements made to the Property.

3.08 inspecting Agent or Architect. An independent agent or architect (other than the Developer's architect) approved by HED shall be selected to act as the inspecting agent or architect, at the Developer's expense, for the Project. The inspecting agent or architect shall perform periodic inspections with respect to the Project, providing certifications with respect thereto to HED, prior to requests for disbursement for costs related to the Project hereunder and pursuant to the Escrow Agreement.

3.09 Barricades. Prior to commencing any construction requiring barricades, the Developer shall install a construction barricade of a type and appearance satisfactory to the City and constructed in compliance with all applicable federal, state or City laws, ordinances and regulations. HED retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades.

3.10 Signs and Public Relations. The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name,

photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications.

3.11 Utility Connections. The Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided the Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

3.12 Permit Fees. In connection with the Project, the Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

[[3.13 Superiority of DCD Loan and Tax Credit Requirements. As part of the financing for the Project, Developer shall receive, among other sources, (i) Equity from the sale of federal low-income housing tax credits, (ii) Lender Financing from the City acting through HED, and (iii) a loan (the "Bond Loan") from the City of the proceeds from the issuance of the City's Multi-Family Housing Revenue Bonds (Goldblatts Supportive Living Project). These sources of financing are subject to federal, state and City statutory (ordinance) and regulatory requirements as the following aspects of monitoring the Project set forth in this Agreement: Change Orders (Section 3.04), Construction Contract (Section 6.02), Insurance (Sections 8.14 and 12), Payment and Performance Bond (Section 6.03), MBE/WBE Participation, Permit Fees (Section 3.12), Affordable Housing (Section 8.20) and Prevailing Wage (Section 8.09). DPD hereby acknowledges the superiority of any federal requirements related to the financing in the areas set forth above in this Section 3.13 and hereby acknowledges that if the monitoring division of DCD establishes that if the monitoring division of DCD establishes that DCD policy has been satisfied in connection with any Lender Financing from DCD or federal requirements have been satisfied in connection with other Lender Financing, then the corresponding requirement set forth above in this Section 3.13 herein shall be deemed to be satisfied. DCD, in its discretion, shall reserve the option to allow other obligations, duties and responsibilities of the Developer to be similarly satisfied.]]

SECTION 4. FINANCING

4.01. Total Project Cost and Sources of Funds. The cost of the Project is estimated to be \$28,310,114, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Equity (subject to <u>Sections 4.03(b) and 4.06</u> )		\$ 5,634,229
Low-Income Housing Tax Credit Equity	\$ 4,334,433	
Donation Tax Credit Equity	\$ 1,299,696	
General Partner Equity	\$ .....100	
Lender Financing		\$14,910,000
Bond Loan (Tax Exempt Bond Proceeds)	\$13,910,000	
HOME LOAN (through the City)	\$ 1,000,000	
Estimated City Funds (subject to <u>Section 4.03</u> )		\$ 2,900,000
Other Sources		\$ 4,865,885

Seller Financing—Property Sale	\$ 3,058,108
Deferred Developer Fee	\$ 1,788,712
Arbitrage (From Bonds)	\$ 19,065

ESTIMATED TOTAL \$28,310,114

4.02 Developer Funds. Equity and/or Lender Financing may be used to pay any Project cost, including but not limited to Redevelopment Project Costs.

4.03 City Funds.

(a) Uses of City Funds. City Funds may only be used to pay directly or reimburse the Developer for costs of TIF-Funded Improvements that constitute Redevelopment Project Costs. Exhibit C sets forth, by line item, the TIF-Funded Improvements for the Project, and the maximum amount of costs that may be paid by or reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.05(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to HED evidencing such cost and its eligibility as a Redevelopment Project Cost. **[[AHC intends to cause the City Funds to be loaned to Goldblatts LP (or an affiliate thereof other than AHC) on terms currently expected to be as follows: (a) for a term not to exceed 42 years, (b) at an interest rate not to exceed 8% per annum, (c) non-recourse, and (d) secured by a third or fourth mortgage on the Project.]]**

(b) Sources of City Funds. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide City funds from the sources and in the amounts described directly below (the "city Funds") to pay for or reimburse the Developer for the costs of the TIF-Funded Improvements:

<u>Source of City Funds</u>	<u>Maximum Amount</u>
Incremental Taxes and/or TIF Bond Proceeds	\$2,900,000

provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed the lesser of Two Million Nine Hundred Thousand Dollars (\$2,900,000) or 10 and 24/100 percent (10.24%) of the actual total Project costs; and provided further, that the \$2,900,000 to be derived from Incremental Taxes and/or TIF Bond proceeds, if any shall be available to pay costs related to TIF-Funded Improvements and allocated by the City for that purpose only so long as:

(i) The amount of the Incremental Taxes deposited into the 47<sup>th</sup>/Ashland Redevelopment Project Area Special Tax Allocation Fund shall be sufficient to pay for such costs; and

(ii) The City has been reimbursed from Incremental Taxes for the amount previously disbursed by the City, if any, for TIF-Funded Improvements.

The Developer acknowledges and agrees that the City's obligation to pay for TIF-Funded Improvements up to a maximum of \$2,900,000 is contingent upon the fulfillment of the conditions set forth in parts (i), and (ii) above. In the event that such conditions are not fulfilled, the amount of

Equity to be contributed by the Developer pursuant to Section 4.01 hereof shall increase proportionately.

(c) TIF Bonds. [Intentionally Left Blank.]

(d) Retainage. [Intentionally Left Blank.]

4.04 Construction Escrow; Requisition Form. (a) The City and the Developer hereby agree to enter into the Escrow Agreement. All disbursements of Project funds shall be made through the funding of draw requests with respect thereto pursuant to the Escrow Agreement and this Agreement. In case of any conflict between the terms of this Agreement and the Escrow Agreement, the terms of this Agreement shall control. The City must receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement.

(b) No City funds shall be disbursed at Closing. The disbursement of City Funds shall be made upon each of the completion of each 25% of the Project by Developer (as each such completion point shall be determined by the Inspection Architect) with the final disbursement of City Funds to occur upon issuance of the Certificate as set forth in Section 7.01. Each disbursement of City Funds into the Escrow shall be made after Developer presents a Requisition Form to HED along with all supporting documentation as HED shall reasonably require and the determination by HED after examining such materials whether the costs for which disbursement is claimed are Project costs and Redevelopment Project Costs. Each disbursement of City Funds shall be made through the Escrow.

#### 4.05 Treatment of Prior Expenditures and Subsequent Disbursements.

(a) Prior Expenditures. Only those expenditures made by the Developer with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to HED and approved by HED as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). HED shall have the right, in its sole discretion, to disallow any such expenditure as a Prior Expenditure. Exhibit I hereto sets forth the prior expenditures approved by HED [as of the date hereof] as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be reimbursed to the Developer, but shall reduce the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to Section 4.01 hereof.

(b) Purchase of Property. [Intentionally Left Blank.]

(c) City Fee. [Intentionally Left Blank.]

(d) Allocation Among Line Items. Disbursements for expenditures related to TIF-Funded Improvements may be allocated to and charged against the appropriate line only, with transfers of costs and expenses from one line item to another, without the prior written consent of HED, being prohibited; provided, however, that such transfers among line items, in an amount not to exceed \$25,000 or \$100,000 in the aggregate, may be made without the prior written consent of HED.

4.06 Cost Overruns. If the aggregate cost of the TIF-Funded Improvements exceeds City Funds available pursuant to Section 4.03 hereof, or if the cost of completing the Project exceeds the Project Budget, the Developer shall be solely responsible for such excess cost, and shall hold the

City harmless from any and all costs and expenses of completing the TIF-Funded Improvements in excess of City Funds and of completing the Project.

**4.07 Preconditions of Disbursement**. Prior to each disbursement of City Funds hereunder, the Developer shall submit documentation regarding the applicable expenditures to HED, which shall be satisfactory to HED in its sole discretion. Delivery by the Developer to HED of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification to the City, as of the date of such request for disbursement, that:

(a) The total amount of the disbursement request represents the actual cost of the Acquisition or the actual amount payable to (or paid to) the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees;

(b) All amounts shown as previous payments on the current disbursement request have been paid to the parties entitled to such payment;

(c) The Developer has approved all work and materials for the current disbursement request, and such work and materials conform to the Plans and Specifications;

(d) The representations and warranties contained in this Redevelopment Agreement are true and correct and the Developer is in compliance with all covenants contained herein;

(e) The Developer has received no notice and has no knowledge of any liens or claim of lien either filed or threatened against the Property except for the Permitted Liens;

(f) No Event of Default or condition precedent which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred; and

(g) The Project is In Balance. The Project shall be deemed to be in balance ("in Balance") only if the total of the available Project funds equals or exceeds the aggregate of the amount necessary to pay all unpaid Project costs incurred or to be incurred in the completion of the Project. "available Project Funds" as used herein shall mean: (i) the undisbursed City Funds; (ii) the undisbursed Lender Financing, if any; (iii) the undisbursed Equity and (iv) any other amounts deposited by the Developer pursuant to this Agreement. The Developer hereby agrees that, if the Project is not In Balance, the Developer shall, within 10 days after a written request by the City, deposit with the escrow agent or will make available (in a manner acceptable to the City), cash in an amount that will place the Project In Balance, which deposit shall first be exhausted before any further disbursement of the City Funds shall be made.

The City shall have the right, in its discretion, to require the Developer to submit further documentation as the City may require in order to verify that the matters certified to above are true and correct, and any disbursement by the City shall be subject to the City's review and approval of such documentation and its satisfaction that such certifications are true and correct; provided, however, that nothing in this sentence shall be deemed to prevent the City from relying on such certifications by the Developer. In addition, the Developer shall have satisfied all other preconditions of disbursement of City Funds for each disbursement, including but not limited to requirements set forth in the Bond Ordinance, if any, TIF Bond Ordinance, if any, the Bonds, if any, the TIF Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

4.08. Conditional Grant. The City Funds being provided hereunder are being granted on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The City Funds are subject to being reimbursed [as follows:--insert if needed as directed by HED]

## SECTION 5. CONDITIONS PRECEDENT

The following conditions have been complied with to the City's satisfaction on or prior to the Closing Date:

5.01 Project Budget. The Developer has submitted to HED, and HED has approved, a Project Budget in accordance with the provisions of Section 3.03 hereof.

5.02 Scope Drawings and Plans and Specifications. The Developer has submitted to HED, and HED has approved, the Scope Drawings and Plans and Specifications accordance with the provisions of Section 3.02 hereof.

5.03 Other Governmental Approvals. The Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation, including without limitation, approvals of the Illinois Historic Preservation Agency and the Commission on Chicago Landmarks, and has submitted evidence thereof to HED.

5.04 Financing. The Developer has furnis proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a pbrtion of such funds consists of Lender Financing, the Developer has furnis proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with other sources set forth in Section 4.01) to complete the Project. Any liens against the Property in existence at the Closing Date have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expese of the Developer, with the Office of the Recorder of Deeds of Cook County.

5.05 Acquisition and Title. Oh the Closing Date, the Developer has furnished the City with a copy of the Title Policy for the Property, certified by the Title Company, showing the Developer as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit G hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.18 hereof. The Title Policy also contains such endorsements as shall be required by Corporation Counsel, including but not limited to an owner's comprehensive endorsement and satisfactory endorsements regarding zoning (3.1 with parking), contiguity, location, access and survey. The Developer has provided to HED, on or prior to the Closing Date, documentation related to the purchase of the Property and certified copies of all easements and encumbrances of record with respect to the Property not addressed, to HED's satisfaction, by the Title Policy and any endorsements thereto.

5.06. Evidence of Clean Title. The Developer, at its own expense, has provided the City with searches under each of the Developer's name (and the following trade names of the Developer: Affordable Housing Continuum and Goldblatts of Chicago GP, Inc.) as follows:

Secretary of State  
Secretary of State

UCC search  
Federal tax search



Cook County Recorder	UCG search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax search
Cook County Recorder	State tax search
Cook County Recorder	Memoranda of judgments search
U.S. District Court	Pending suits and judgments
Clerk of Circuit Court, Pending suits and judgments	
Cook County	

showing no liens against the Developer, the Property or any fixtures now or hereafter affixed thereto, except for the Permitted Liens.

5.07 Surveys. The Developer has furnished the City with three (3) copies of the Survey.

5.08 Insurance. The Developer, at its own expense, has insured the Property in accordance with Section 12 hereof, and has delivered certificates required pursuant to Section 12 hereof evidencing the required coverages to HED.

5.09 Opinion of the Developer's Counsel. On the Closing Date, the Developer has furnished the City with an opinion of counsel, substantially in the form attached hereto as Exhibit J, with such changes as required by or acceptable to Corporation Counsel. If the Developer has engaged special counsel in connection with the Project, and such special counsel is unwilling or unable to give some of the opinions set forth in Exhibit J hereto, such opinions were obtained by the Developer from its general corporate counsel.

5.10 Evidence of Prior Expenditures. The Developer has provided evidence satisfactory to HED in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05(a) hereof.

5.11 Financial Statements. The Developer has provided Financial Statements to HED for its most recent fiscal year, and audited or unaudited interim financial statements.

5.12 Documentation. The Developer has provided documentation to HED, satisfactory in form and substance to HED, with respect to current employment matters.

5.13 Environmental. The Developer has provided HED with copies of that certain phase I environmental audit completed with respect to the Property and any phase II environmental audit with respect to the Property required by the City. The Developer has provided the City with a letter from the environmental engineer(s) who completed such audit(s), authorizing the City to rely on such audits.

5.14 Corporate Documents; Economic Disclosure Statement. The Developer, the sole member of AHC and the General Partner have each provided a copy of its Articles or Certificate of Incorporation, Articles of Organization and Certificate of Limited Partnership (as applicable) containing the original certification of the Secretary of State of its state of incorporation or organization; certificates of good standing from the Secretary of State of its state of incorporation and/or organization and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws of each corporation; operating agreements of each limited liability company, partnership agreement of each limited partnership (each certified by the appropriate corporate officer or other organizational

official) and such other corporate documentation as the City has requested. Each of the Developer(s), the sole member of AHC and the General Partner has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

5.15 Litigation. The Developer has provided to Corporation Counsel and HED, a description of all pending or threatened litigation or administrative proceedings involving the Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

5.16 Landmark Designation. The Developer shall have provided written consent to the designation by the City of the Building as a CITY OF CHICAGO Landmark under the City's Landmark Ordinance in a form reasonably acceptable to HED. The significant historical and architectural features of the designation shall be identified as all exterior elevations, including rooflines, of the Building.

## SECTION 6. AGREEMENTS WITH CONTRACTORS

6.01 Bid Requirement for General Contractor and Subcontractors. (a) Except as set forth in Section 6.01(b) below, prior to entering into an agreement with a General Contractor or any subcontractor for construction of the Project, the Developer shall solicit, or shall cause the General Contractor to solicit, bids from qualified contractors eligible to do business with, and having an office located in, the City of Chicago, and shall submit all bids received to HED for its inspection and written approval. (i) For the TIF-Funded Improvements, the Developer shall select the General Contractor (or shall cause the General Contractor to select the subcontractor) submitting the lowest responsible bid who can complete the Project in a timely manner. If the Developer selects a General Contractor (or the General Contractor selects any subcontractor) submitting other than the lowest responsible bid for the TIF-Funded Improvements, the difference between the lowest responsible bid and the bid selected may not be paid out of City Funds. (ii) For Project work other than the TIF-Funded Improvements, if the Developer selects a General Contractor (or the General Contractor selects any subcontractor) who has not submitted the lowest responsible bid, the difference between the lowest responsible bid and the higher bid selected shall be subtracted from the actual total Project costs for purposes of the calculation of the amount of City Funds to be contributed to the Project pursuant to Section 4.03(b) hereof. The Developer shall submit copies of the Construction Contract to HED in accordance with Section 6.02 below. Photocopies of all subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to HED within five (5) business days of the execution thereof. The Developer shall ensure that the General Contractor shall not (and shall cause the General Contractor to ensure that the subcontractors shall not) begin work on the Project until the Plans and Specifications have been approved by HED and all requisite permits have been obtained.

(b) If, prior to entering into an agreement with a General Contractor for construction of the Project, the Developer does not solicit bids pursuant to Section 6.01(a) hereof, then the fee of the General Contractor proposed to be paid out of City Funds shall not exceed [ ?? ]% of the total amount of the Construction Contract. Except as explicitly stated in this paragraph, all other provisions of Section 6.01(a) shall apply, including but not limited to the requirement that the General Contractor shall solicit competitive bids from all subcontractors.

6.02 Construction Contract. Prior to the execution thereof, the Developer shall deliver to HED a copy of the proposed Construction Contract with the General Contractor selected to handle

the Project in accordance with Section 6.01 above, for HED's prior written approval, which shall be granted or denied within ten (10) business days after delivery thereof. Within ten (10) business days after execution of such contract by the Developer, the General Contractor and any other parties thereto, the Developer shall deliver to HED and Corporation Counsel a certified copy of such contract together with any modifications, amendments or supplements thereto.

6.03 Performance and Payment Bonds. Prior to the commencement of any portion of the Project which includes work on the public way, the Developer shall require that the General Contractor be bonded for its payment by sureties having an AA rating or better using a bond in the form attached as Exhibit P hereto. The City shall be named as obligee or co-obligee on any such bonds.

6.04 Employment Opportunity. The Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10 hereof.

6.05 Other Provisions. In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.09 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to HED within five (5) business days of the execution thereof.

## SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

7.01 Certificate of Completion of Construction or Rehabilitation. Upon (a) issuance of a Certificate of Occupancy by the City for the Project, (b) HED receiving written notification from Developer that the Project (as defined herein) has been completed, (c) confirmation by HED that there are no existing Events of Default or conditions which, with the passage of time, would become Events of Default, (d) written determination to HED from the City Monitoring and Compliance Division that Developer is in complete compliance with the provisions of Sections 8.09, 10.01 and 10.02 of this Agreement, (e) completion of the rehabilitation of the Project in accordance with the terms of this Agreement and the final disbursement from the Escrow, (f) the Developer's written request, and (g) verification by the Historic Preservation Division of HED that the Project conforms with the approvals of the Illinois Historic Preservation Agency and the Commission on Chicago, as applicable; HED shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement. HED shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

7.02 Effect of Issuance of Certificate; Continuing Obligations. The Certificate relates only to the rehabilitation of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following

paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.02, 8.06, 8.19 and 8.20 as covenants that run with the land are the only covenants in this Agreement intended to be binding upon any transferee of the Property (including an assignee as described in the following sentence) throughout the Term of the Agreement notwithstanding the issuance of a Certificate; provided, that upon the issuance of a Certificate, the covenants set forth in Section 8.02 shall be deemed to have been fulfilled. The other executory terms of this Agreement that remain after the issuance of a Certificate shall be binding only upon the Developer or a permitted assignee of the Developer who, pursuant to Section 18.15 of this Agreement, has contracted to take an assignment of the Developer's rights under this Agreement and assume the Developer's liabilities hereunder.

**7.03 Failure to Complete.** If the Developer fails to complete the Project in accordance with the terms of this Agreement, then the City has, but shall not be limited to, any of the following rights and remedies:

(a) the right to terminate this Agreement and cease all disbursement of City Funds not yet disbursed pursuant hereto;

(b) the right (but not the obligation) to complete those TIF-Funded Improvements that are public improvements and to pay for the costs of TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing the TIF-Funded Improvements exceeds the amount of City Funds available pursuant to Section 4.01, the Developer shall reimburse the City for all reasonable costs and expenses incurred by the City in completing such TIF-Funded Improvements in excess of the available City Funds; and

(c) the right to seek reimbursement of the City Funds from the Developer, provided that the City is entitled to rely on an opinion of counsel that such reimbursement will not jeopardize the tax-exempt status of the Bonds, if any.

**7.04 Notice of Expiration of Term of Agreement.** Upon the expiration of the Term of the Agreement, HED shall provide the Developer, at the Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

## SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER.

**8.01 General.** Each of the Developer(s) represents, warrants and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, that:

(a) Goldblatts LP is an Illinois limited partnership duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required, and AHC is an Illinois limited liability company duly organized, validly existing, qualified to do business in Illinois, and licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) each of the Developer(s) has the right, power and authority to enter into, execute, deliver and perform this Agreement;

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary corporate and partnership action, and does not and will not violate the AHC Articles of Organization or the Goldblatts LP partnership agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any agreement, instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the Developer shall acquire and shall maintain good, indefeasible and merchantable fee simple title to the Property (and all improvements thereon) free and clear of all liens (except for the Permitted Liens; Lender Financing as disclosed in the Project Budget and non-governmental charges that the Developer is contesting in good faith pursuant to Section 8.15 hereof);

(e) the Developer is now and for the Term of the Agreement shall remain solvent and able to pay its debts as they mature;

(f) there are no actions or proceedings by or before any court, governmental commission, board, bureau or any other administrative agency pending, threatened or affecting the Developer which would impair its ability to perform under this Agreement;

(g) the Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct, complete and operate the Project,

(h) the Developer is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement or instrument related to the borrowing of money to which the Developer is a party or by which the Developer is bound;

(i) the Financial Statements are, and when hereafter required to be submitted will be, complete, correct in all material respects and accurately present the assets, liabilities, results of operations and financial condition of the Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of the Developer since the date of the Developer's most recent Financial Statements;

(j) prior to the issuance of a Certificate, the Developer shall not do any of the following without the prior written consent of HED: (1) be a party to any merger, liquidation or consolidation; (2) enter into any transaction outside the ordinary course of the Developer's business; (3) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (4) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) the Developer has not incurred, and, prior to the issuance of a Certificate, shall not, without the prior written consent of the Commissioner of HED, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget; and

(l) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the

City to enter into the Agreement or any City Contract with the Developer in violation of Chapter 2-156-120 of the Municipal Code of the City; and

(m) neither the Developer nor any affiliate of the Developer is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Bureau of Industry and Security of the U.S. Department of Commerce or their successors, or on any other list of persons or entities with which the City may not do business under any applicable law, rule, regulation, order or judgment: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List. For purposes of this subparagraph (m) only, the term "affiliate," when used to indicate a relationship with a specified person or entity, means a person or entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified person or entity, and a person or entity shall be deemed to be controlled by another person or entity, if controlled in any manner whatsoever that results in control in fact by that other person or entity (or that other person or entity and any persons or entities with whom that other person or entity is acting jointly or in concert), whether directly or indirectly and whether through share ownership, a trust, a contract or otherwise; and

(n) at no time during the term of this Agreement shall the Developer sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets or any portion of the Property (including but not limited to any fixtures or equipment now or hereafter attached thereto) except in the ordinary course of business without the prior written consent of HED.

8.02 Covenant to Redevelop. Upon HED's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Bond Ordinance (if any), the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all federal, state and local laws, ordinances, rules, regulations, executive orders and codes applicable to the Project, the Property and/or the Developer. The covenants set forth in this Section shall run with the land and be binding upon any transferee, but shall be deemed satisfied upon issuance by the City of a Certificate with respect thereto.

8.03 Redevelopment Plan. The Developer represents that the Project is and shall be in compliance with all of the terms of the Redevelopment Plan.

8.04 Use of City Funds. City Funds disbursed to the Developer shall be used by the Developer solely to pay for (or to reimburse the Developer for its payment for) the TIF-Funded Improvements as provided in this Agreement.

8.05 Other Bonds. The Developer shall, at the request of the City, agree to any reasonable amendments to this Agreement that are necessary or desirable in order for the City to issue (in its sole discretion) any bonds in connection with the Redevelopment Area, the proceeds of which may be used to reimburse the City for expenditures made in connection with, or provide a source of funds for the payment for, the TIF-Funded Improvements (the "bonds"); provided, however, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

8.06 Covenant to Remain in the City. The Developer hereby covenants and agrees to maintain its operations within the City of Chicago at the Facility through the Term of the Agreement. The covenants set forth in this Section shall run with the land and be binding upon any transferee.

8.07 Employment Opportunity; Progress Reports. The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City monthly written progress reports detailing compliance with the requirements of Sections 8.09, 10.02 and 10.03 of this Agreement. Each monthly report immediately following when the Project is 25%, 50%, 75% completed and immediately prior to 100% completed (based on the amount of expenditures incurred in relation to the Project Budget) shall also include progress reports on the status of the Project as required in Section 3.07 of this Agreement. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to HED which shall outline, to HED's satisfaction, the manner in which the Developer shall correct any shortfall.

8.08 Employment Profile. The Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to HED, from time to time, statements of its employment profile upon HED's request.

8.09 Prevailing Wage. The Developer covenants and agrees to pay, and to contractually obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Section 8.09.

8.10 Arms-Length Transactions. Unless HED has given its prior written consent with respect thereto, no Affiliate of the Developer may receive any portion of City Funds, directly or indirectly, in payment for work done, services provided or materials supplied in connection with any TIF-Funded Improvement. The Developer shall provide information with respect to any entity to receive City Funds directly or indirectly (whether through payment to the Affiliate by the Developer and reimbursement to the Developer for such costs using City Funds, or otherwise), upon HED's request, prior to any such disbursement.

8.11 Conflict of Interest. Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City or the Developer with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area.

8.12 Disclosure of Interest. The Developer's counsel has no direct or indirect financial ownership interest in the Developer, the Property or any other aspect of the Project.

8.13 Financial Statements. The Developer shall obtain and provide to HED Financial Statements for the Developer's fiscal year ended 2011 and each year thereafter for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as

reasonably practical following the close of each fiscal year and for such other periods as HED may request.

8.14 Insurance. The Developer, at its own expense, shall comply with all provisions of Section 12 hereof

8.15 Non-Governmental Charges. (a) Payment of Non-Governmental Charges: Except for the Permitted Liens, the Developer agrees to pay or cause to be paid when due any Non-Governmental Charge assessed or imposed upon the Project, the Property or any fixtures that are or may become attached thereto, which creates, may create, or appears to create a lien upon all or any portion of the Property or Project; provided however, that if such Non-Governmental Charge may be paid in installments, the Developer may pay the same together with any accrued interest thereon in installments as they become due and before any fine, penalty, interest, or cost may be added thereto for nonpayment. The Developer shall furnish to HED, within thirty (30) days of HED's request, official receipts from the appropriate entity, or other proof satisfactory to HED, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. The Developer has the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.15); or

(ii) at HED's sole option, to furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

8.16 Developer's Liabilities. The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify HED of any and all events or actions which may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

8.17 Compliance with Laws. To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable federal, state and local laws, statutes, ordinances, rules, regulations, executive orders and codes pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

8.18 Recording and Filing. The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the



county in which the Project is located. [This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing.] [Note: If this Agreement is not recorded first, a subordination agreement will have to be prepared and executed.] The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

#### 8.19 Real Estate Provisions.

##### (a) Governmental Charges.

(i) Payment of Governmental Charges. The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, may create, or appear to create a lien upon the Developer or all or any portion of the Property or the Project. "governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook County, and municipalities other than the City) relating to the Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. The Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. The Developer's right to challenge real estate taxes applicable to the Property is limited as provided for in Section 8.19 below, provided, that such real estate taxes must be paid in full when due and may be disputed only after such payment is made. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to HED of the Developer's intent to contest or object to a Governmental Charge and, unless, at HED's sole option.

(iii) Effect of Right to Contest. The Developer shall demonstrate to HED's satisfaction that legal proceedings instituted by the Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or forfeiture of, all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings; and/or

(iv) Bond/Security for Right to Contest. The Developer shall furnish a good and sufficient bond or other security satisfactory to HED in such form and amounts as HED shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property during the pendency of such contest, adequate to pay fully any such contested Governmental Charge and all interest and penalties upon the adverse determination of such contest.

(b) Developer's Failure To Pay Or Discharge Lien. If the Developer fails to pay any Governmental Charge or to obtain discharge of the same, the Developer shall advise HED thereof in

writing, at which time HED may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in HED's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which HED deems advisable. All sums so paid by HED, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to HED by the Developer. Notwithstanding anything contained herein to the contrary, this paragraph shall not be construed to obligate the City to pay any such Governmental Charge. Additionally, if the Developer fails to pay any Governmental Charge, the City, in its sole discretion, may require the Developer to submit to the City audited Financial Statements at the Developer's own expense.

(c) Real Estate Taxes.

(i) Acknowledgment of Real Estate Taxes. The Developer agrees that (A) for the purpose of this Agreement, the [total projected] minimum assessed value of the Property ("minimum Assessed Value") is shown on Exhibit K attached hereto and incorporated herein by reference for the years noted on Exhibit K; (B) Exhibit K sets forth the specific portions of the Property (e.g. the Project Condominium Unit) which will generate the fair market values, assessments, equalized assessed values and taxes shown thereon; and (C) the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project for the years shown are fairly and accurately indicated in Exhibit K.

(ii) Real Estate Tax Exemption. With respect to the Property or the Project, neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970)) for any year that the Redevelopment Plan is in effect.

(iii) No Reduction in Real Estate Taxes. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer shall, during the Term of this Agreement, directly or indirectly, initiate, seek or apply for proceedings in order to lower the assessed value of all or any portion of the Property or the Project below the amount of the Minimum Assessed Value as shown in Exhibit K for the applicable year.

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property up to (but not above) the Minimum Assessed Value as shown in Exhibit K.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.19 are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof, provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees

that any sale, lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.19 to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.19.

**8.20 Affordable Housing Covenant.** The Developer agrees and covenants to the City that, prior to any foreclosure of the Property by a lender providing Lender Financing, the provisions of that certain Regulatory Agreement executed by the Developer and HED as of the date hereof shall govern the terms of the Developer's obligation to provide affordable housing. Following foreclosure, if any, and from the date of such foreclosure through the Term of the Agreement, the following provisions shall govern the terms of the obligation to provide affordable housing under this Agreement:

(a) The Facility shall be operated and maintained solely as residential rental housing for senior citizens;

(b) Ninety-one (91) of the units in the Facility shall be available for occupancy and be occupied solely by one or more senior citizens qualifying as Low Income Families (as defined below) upon initial occupancy; and

Ninety-one (91) of the units in the Facility have monthly rents not in excess of thirty percent (30%) of the maximum allowable income for a Low Income Family (with the applicable Family size for such units determined in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended); provided, however, that for any unit occupied by a Family (as defined below) that no longer qualifies as a Low Income Family due to an increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.

(d) As used in this Section 8.20, the following terms has the following meanings:

(i) "family" shall mean one or more individuals, whether or not related by blood or marriage; and

(ii) "low Income Families" shall mean Families whose annual income does not exceed eighty percent (80%) of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition.

(e) The covenants set forth in this Section 8.20 shall run with the land and be binding upon any transferee.

(f) The City and the Developer may enter into a separate agreement to implement the provisions of this Section 8.20.

**8.21 Public Benefits Program.** INTENTIONALLY LEFT BLANK

## 8.22 Job Readiness Program. INTENTIONALLY LEFT BLANK

8.23 Survival of Covenants. All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement.

8.24 Annual Compliance Report. Beginning with the issuance of the Certificate and continuing throughout the Term of the Agreement, the Developer shall submit to HED the Annual Compliance Report within 30 days after the end of the calendar year to which the Annual Compliance Report relates.

## SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY

9.01 General Covenants. The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder.

9.02 Survival of Covenants. All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

## SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS

10.01 Employment Opportunity. The Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (collectively, with the Developer, the "employers" and individually an "employer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS-5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 shall be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof.

**10.02 City Resident Construction Worker Employment Requirement.** The Developer agrees for itself and its successors and assigns, and shall contractually obligate its General Contractor and shall cause the General Contractor to contractually obligate its subcontractors, as applicable, to agree that during the construction of the Project they shall comply with the minimum percentage of total worker hours performed by actual residents of the City as specified in Section 2-92-330 of the Municipal Code of Chicago (at least 50 percent of the total worker hours worked by persons on the site of the Project shall be performed by actual residents of the City); provided, however, that in addition to complying with this percentage, the Developer, its General Contractor and each subcontractor shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

The Developer may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures developed by the Chief Procurement Officer of the City.

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

The Developer, the General Contractor and each subcontractor shall provide for the maintenance of adequate employee residency records to show that actual Chicago residents are employed on the Project. Each Employer shall maintain copies of personal documents supportive of every Chicago employee's actual record of residence.

Weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) shall be submitted to the Commissioner of HED in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's

name appears on a payroll, the date that the Employer hired the employee should be written in after the employee's name.

The Developer, the General Contractor and each subcontractor shall provide full access to their employment records to the Chief Procurement Officer, the Commissioner of HED, the Superintendent of the Chicago Police Department, the Inspector General or any duly authorized representative of any of them. The Developer, the General Contractor and each subcontractor shall maintain all relevant personnel data and records for a period of at least three (3) years after final acceptance of the work constituting the Project.

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

Good faith efforts on the part of the Developer, the General Contractor and each subcontractor to provide utilization of actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the Chief Procurement Officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section concerning the worker hours performed by actual Chicago residents.

When work at the Project is completed, in the event that the City has determined that the Developer has failed to ensure the fulfillment of the requirement of this Section concerning the worker hours performed by actual Chicago residents or failed to report in the manner as indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section. Therefore, in such a case of non-compliance, it is agreed that 1/20 of 1 percent (0.0005) of the aggregate hard construction costs set forth in the Project budget (the product of .0005 x such aggregate hard construction costs) (as the same shall be evidenced by approved contract value for the actual contracts) shall be surrendered by the Developer to the City in payment for each percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject the Developer, the General Contractor and/or the subcontractors to prosecution. Any retainage to cover contract performance that may become due to the Developer pursuant to Section 2-92-250 of the Municipal Code of Chicago may be withheld by the City pending the Chief Procurement Officer's determination as to whether the Developer must surrender damages as provided in this paragraph.

Nothing herein provided shall be construed to be a limitation upon the "notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246 " and "standard Federal Equal Employment Opportunity, Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement or related documents.

The Developer shall cause or require the provisions of this Section 10.02 to be included in all construction contracts and subcontracts related to the Project.

**10.03. MBE/WBE Commitment.** The Developer agrees for itself and its successors and assigns, and, if necessary to meet the requirements set forth herein, shall contractually obligate the General Contractor to agree that during the Project:

(a) Consistent with the findings which support, as applicable, (i) the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "construction Program," and collectively with the Procurement Program, the "MBE/WBE Program"), and in reliance upon the provisions of the MBE/WBE Program to the extent contained in, [and as qualified by, the provisions of this Section 10.03, during the course of the Project, at least the following percentages of the MBE/WBE Budget (as set forth in Exhibit H-2 hereto) shall be expended for contract participation by MBEs and by WBEs:

- (1) At least 24 percent by MBEs.
- (2) At least four percent by WBEs.

(b) For purposes of this Section 10.03 only, the Developer (and any party to whom a contract is let by the Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by the Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Developer's MBE/WBE commitment may be achieved in part by the Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by the Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of: (i) the MBE or WBE participation in such joint venture or (ii) the amount of any actual work performed on the Project by the MBE or WBE), by the Developer utilizing a MBE or a WBE as the General Contractor (but only to the extent of any actual work performed on the Project by the General Contractor), by subcontracting or causing the General Contractor to subcontract a portion of the Project to one or more MBEs or WBEs, or by the purchase of materials or services used in the Project from one or more MBEs or WBEs, or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to the Developer's MBE/WBE commitment as described in this Section 10.03. In accordance with Section 2-92-730, Municipal Code of Chicago, the Developer shall not substitute any MBE or WBE General Contractor or subcontractor without the prior written approval of HED.

(d) The Developer shall deliver quarterly reports to the City's monitoring staff during the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by the Developer or the General Contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining the Developer's compliance with this MBE/WBE commitment. The Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Project for at least five years after completion of the Project, and the City's monitoring staff shall have access to all such records maintained by the Developer, on five Business Days' notice, to allow the City to review the Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Project.

(e) Upon the disqualification of any MBE or WBE General Contractor or subcontractor, if such status was misrepresented by the disqualified party, the Developer shall be obligated to discharge or cause to be discharged the disqualified General Contractor or subcontractor, and, if

possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

(f) Any reduction or waiver of the Developer's MBE/WBE commitment as described in this Section 10.03 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

(g) Prior to the commencement of the Project, the Developer shall be required to meet with the City's monitoring staff with regard to the Developer's compliance with its obligations under this Section 10.03. The General Contractor and all major subcontractors shall be required to attend this pre-construction meeting. During said meeting, the Developer shall demonstrate to the City's monitoring staff its plan to achieve its obligations under this Section 10.03, the sufficiency of which shall be approved by the City's monitoring staff. During the Project, the Developer shall submit the documentation required by this Section 10.03 to the City's monitoring staff, including the following: (i) subcontractor's activity report; (ii) contractor's certification concerning labor standards and prevailing wage requirements; (iii) contractor letter of understanding; (iv) monthly utilization report; (v) authorization for payroll agent; (vi) certified payroll; (vii) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (viii) evidence of compliance with job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that the Developer is not complying with its obligations under this Section 10.03, shall, upon the delivery of written notice to the Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (1) issue a written demand to the Developer to halt the Project, (2) withhold any further payment of any City Funds to the Developer or the General Contractor, or (3) seek any other remedies against the Developer available at law or in equity.

## SECTION 11. ENVIRONMENTAL MATTERS

The Developer hereby represents and warrants to the City that the Developer has conducted environmental studies sufficient to conclude that the Project may be constructed, completed and operated in accordance with all Environmental Laws and this Agreement and all Exhibits attached hereto, the Scope Drawings, Plans and Specifications and all amendments thereto, [the Bond Ordinance] and the Redevelopment Plan.

Without limiting any other provisions hereof, the Developer agrees to indemnify, defend and hold the City harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Laws incurred, suffered by or asserted against the City as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of the Developer: (i) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, emission, discharge or release of any Hazardous Material from (A) all or any portion of the Property or (B) any other real property in which the Developer, or any person directly or indirectly controlling, controlled by or under common control with the Developer, holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by the Developer), or (ii) any liens against the Property permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligation of the City or the Developer or any of its Affiliates under any Environmental Laws relating to the Property.



## SECTION 12. INSURANCE

The Developer must provide and maintain, at Developer's own expense, or cause to be provided and maintained during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

(a) Prior to execution and delivery of this Agreement.

(i) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident, illness or disease.

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) All Risk Property

All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(b) Construction. Prior to the construction of any portion of the Project, Developer will cause its architects, contractors, subcontractors, project managers and other parties constructing the Project to procure and maintain the following kinds and amounts of insurance:

(i) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than \$500,000 each accident, illness or disease.

(ii) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations (for a minimum of two (2) years following project completion), explosion, collapse, underground, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

(iii) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Automobile Liability Insurance with limits of not less than \$2,000,000 per occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

(iv) Railroad Protective Liability

When any work is to be done adjacent to or on railroad or transit property, Developer must provide cause to be provided with respect to the operations that Contractors perform, Railroad Protective Liability Insurance in the name of railroad or transit entity. The policy must have limits of not less than \$2,000,000 per occurrence and \$6,000,000 in the aggregate for losses arising out of injuries to or death of all persons, and for damage to or destruction of property, including the loss of use thereof.

(v) All Risk /Builders Risk

When Developer undertakes any construction, including improvements, betterments, and/or repairs, the Developer must provide or cause to be provided All Risk Builders Risk Insurance at replacement cost for materials, supplies, equipment, machinery and fixtures that are or will be part of the project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

(vi) Professional Liability

When any architects, engineers, construction managers or other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$ 1,000,000. Coverage must include contractual liability. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Contract. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

(vii) Valuable Papers

When any plans, designs, drawings, specifications and documents are produced or used under this Agreement, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the re-creation and reconstruction of such records.

(viii) Contractors Pollution Liability

When any remediation work is performed which may cause a pollution exposure, the Developer must cause remediation contractor to provide Contractor Pollution Liability covering bodily injury, property damage and other losses caused by pollution conditions that arise from the contract scope of work with limits of not less than \$1,000,000 per occurrence. Coverage must include completed operations, contractual liability, defense, excavation, environmental cleanup, remediation and disposal. When policies are renewed or replaced, the policy retroactive date must coincide with or precede, start of work on the Agreement. A claims-made policy which is not renewed or replaced must have an extended reporting period of two (2) years. The City of Chicago is to be named as an additional insured.

(c) Post Construction:

(i) All Risk Property Insurance at replacement value of the property to protect against loss of, damage to, or destruction of the building/facility. The City is to be named as an additional insured and loss payee/mortgagee if applicable.

(d) Other Requirements:

The Developer must furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified coverages. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractors.

The Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Developer in no way limit the Developer's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Developer under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

The Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors.

All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

If Developer, any Contractor or subcontractor desires additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

### SECTION 13. INDEMNIFICATION

**13.01 General Indemnity.** Developer agrees to indemnify, pay, defend and hold the City, and its elected and appointed officials, employees, agents and affiliates (individually an "indemnitee," and collectively the "indemnitees") harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (and including without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitees shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of:

(i) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

(ii) the Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or

(iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or information statement or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by the Developer or any Affiliate Developer or any agents, employees, contractors or persons acting under the control or at the request of the Developer or any Affiliate of Developer; or

(iv) the Developer's failure to cure any misrepresentation in this Agreement or any other agreement relating hereto;

provided, however, that Developer shall have no obligation to an Indemnitee arising from the wanton or willful misconduct of that Indemnitee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer shall contribute the maximum portion that it is permitted to pay and satisfy under the applicable law, to the payment and satisfaction of all indemnified liabilities incurred by the Indemnitees or any of them. The provisions of the undertakings and indemnification set out in this Section 13.01 shall survive the termination of this Agreement.

## SECTION 14. MAINTAINING RECORDS/RIGHT TO INSPECT

14.01 Books and Records. The Developer shall keep and maintain separate, complete, accurate and detailed books and records necessary to reflect and fully disclose the total actual cost of the Project and the disposition of all funds from whatever source allocated thereto, and to monitor the Project. All such books, records and other documents, including but not limited to the Developer's loan statements, if any, General Contractors' and contractors' sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices, shall be available at the Developer's offices for inspection, copying, audit and examination by an authorized representative of the City, at the Developer's expense. The Developer shall incorporate this right to inspect, copy, audit and examine all books and records into all contracts entered into by the Developer with respect to the Project.

14.02 Inspection Rights. Upon three (3) business days' notice, any authorized representative of the City has access to all portions of the Project and the Property during normal business hours for the Term of the Agreement.

## SECTION 15. DEFAULT AND REMEDIES

15.01 Events of Default. The occurrence of any one or more of the following events, subject to the provisions of Section 15.03, shall constitute an "Event of Default" by the Developer hereunder:

(a) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under this Agreement or any related agreement;

(b) the failure of the Developer to perform, keep or observe any of the covenants, conditions, promises, agreements or obligations of the Developer under any other agreement with any person or entity if such failure may have a material adverse effect on the Developer's business, property, assets, operations or condition, financial or otherwise;

(c) the making or furnishing by the Developer to the City of any representation, warranty, certificate, schedule, report or other communication within or in connection with this Agreement or any related agreement which is untrue or misleading in any material respect;

(d) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon the Property, including any fixtures now or hereafter attached thereto, other than the Permitted Liens, or the making or any attempt to make any levy, seizure or attachment thereof;

(e) the commencement of any proceedings in bankruptcy by or against the Developer or for the liquidation or reorganization of the Developer, or alleging that the Developer is insolvent or unable to pay its debts as they mature, or for the readjustment or arrangement of the Developer's debts, whether under the United States Bankruptcy Code or under any other state or federal law, now or hereafter existing for the relief of debtors, or the commencement of any analogous statutory or non-statutory proceedings involving the Developer; provided, however, that if such commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such proceedings are not dismissed within sixty (60) days after the commencement of such proceedings;

(f) the appointment of a receiver or trustee for the Developer, for any substantial part of the Developer's assets or the institution of any proceedings for the dissolution, or the full or partial liquidation, or the merger or consolidation, of the Developer; provided, however, that if such appointment or commencement of proceedings is involuntary, such action shall not constitute an Event of Default unless such appointment is not revoked or such proceedings are not dismissed within sixty (60) days after the commencement thereof;

(g) the entry of any judgment or order against the Developer which remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution;

(h) the occurrence of an event of default under the Lender Financing, which default is not cured within any applicable cure period;

(i) the dissolution of the Developer or the death of any natural person who owns a material interest in the Developer; **[[Note: HED to decide whether the death of key individuals is a default.]]**

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer or any natural person who owns a material interest in the Developer, which is not dismissed within thirty (30) days, or the indictment of the Developer or any natural person who owns a material interest in the Developer, for any crime (other than a misdemeanor); or

(k) prior to the **[[issuance of the Certificate]]** **[[expiration of the Term of the Agreement]]** **[[some other time period agreed to by Developer and City]]**, the sale or transfer of **[[all]]** **[[a majority]]** **[[some other percentage agreed to by Developer and City]]** of the ownership interests of the Developer without the prior written consent of the City, except (1) as permitted under the documents setting forth the terms and conditions of that portion of Lender Financing provided by the HOME Loan from the City (the "HED HOME Loan Documents"), or (2) to the extent that the purchaser of federal low-income housing tax credits may acquire or sell a limited partner interest in the Partnership, provided that the sale is to an affiliate of such purchaser.

For purposes of Sections 15.01(i) and 15.01(i) hereof, a person with a material interest in the Developer shall be one owning in excess of **[[ten (10%)]]** of the Developer's partnership interests.

**15.02 Remedies.** Upon the occurrence of an Event of Default, the City may terminate this Agreement and any other agreements to which the City and the Developer are or shall be parties, suspend disbursement of City Funds, place a lien on the Project in the amount of City Funds paid, **[and/or]** seek reimbursement of any City Funds paid **[and/or]** draw down up to the entire balance of the Letter of Credit as set forth in this Section 15.02 below]. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to damages, injunctive relief or the specific performance of the agreements contained herein. Upon the occurrence of an Event of Default under Section 8.06, the Developer shall be obligated to repay to the City all previously disbursed City Funds.

**15.03 Curative Period.** In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to perform such monetary covenant within ten (10) days of its receipt of a written notice from the City specifying that it has failed to perform such monetary

covenant. In the event the Developer shall fail to perform a non-monetary covenant which the Developer is required to perform under this Agreement, notwithstanding any other provision of this Agreement to the contrary, an Event of Default shall not be deemed to have occurred unless the Developer has failed to cure such default within thirty (30) days of its receipt of a written notice from the City specifying the nature of the default; provided, however, with respect to those non-monetary defaults which are not capable of being cured within such thirty (30) day period, the Developer shall not be deemed to have committed an Event of Default under this Agreement if it has commenced to cure the alleged default within such thirty (30) day period and thereafter diligently and continuously prosecutes the cure of such default until the same has been cured; provided, further, that notwithstanding anything to the contrary contained herein, the City hereby agrees that any cure of and default made or tendered by one of Developer's limited partners or by any lender of Lender Financing shall be deemed to be a cure by the Developer and shall be accepted or rejected on the same basis as if made or tendered by Developer.

[Note::check to remove cumulative cure periods from above prior to closing]

## SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit G hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "existing Mortgages." Any mortgage or deed of trust that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "new Mortgage." Any New Mortgage that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "permitted Mortgage." It is hereby agreed by and between the City and the Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing

Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance by the City to the Developer of a Certificate pursuant to Section 7 hereof, no New Mortgage shall be executed with respect to the Property or any portion thereof without the prior written consent of the Commissioner of HED.

#### SECTION 17. NOTICE

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

If to the City:

City of Chicago  
Department of Housing and Economic Development  
121 North LaSalle Street, Room 1000  
Chicago, Illinois 60602  
Attention: Commissioner

With Copies To:

City of Chicago  
Department of Law  
121 North LaSalle Street, Room 600  
Chicago, Illinois 60602  
Attention: Finance and Economic Development Division

If to the Developer:

Goldblatts of Chicago Limited Partnership  
3728 N. Southport  
Chicago, Illinois 60613

---AND---

AHC Ashland LLC  
c/o Affordable Housing Continuum  
233 E. Wacker Drive  
Suite 4202  
Chicago, IL 60601

---AND---

Great Lakes or Other Lmtd. Partner LIHTC Tax Crdt Invstr  
[\_\_\_\_\_] Street [\_\_\_\_\_] Suite [\_\_\_\_\_] Chicago, IL 606[\_\_\_\_\_]

With Copies To:

Schain Burney Banks & Kenny, Ltd.  
70 W. Madison St.,



Suite 4500  
Attn: Kevin J. Wolfberg  
Chicago, IL 60602

---AND---

Applegate & Thorne-Thomsen, P.C.  
322 S. Green St.  
Suite 400  
Attn: Matthew C. Brett  
Chicago, IL 60607

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

#### SECTION 18. MISCELLANEOUS

18.01 Amendment. This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement Exhibit D hereto without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by the Developer by more than [ninety (90)] days.

18.02 Entire Agreement. This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

18.03 Limitation of Liability. No member, official or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Developer from the City or any successor in interest or on any obligation under the terms of this Agreement.

18.04 Further Assurances. The Developer agrees to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may become necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

18.05 Waiver. Waiver by the City or the Developer with respect to any breach of this Agreement shall not be considered or treated as a waiver of the rights of the respective party with respect to any other default or with respect to any particular default, except to the extent specifically waived by the City or the Developer in writing. No delay or omission on the part of a party in

exercising any right shall operate as a waiver of such right or any other right unless pursuant to the specific terms hereof. A waiver by a party of a provision of this Agreement shall not prejudice or constitute a waiver of such party's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by a party, nor any course of dealing between the parties hereto, shall constitute a waiver of any such parties' rights or of any obligations of any other party hereto as to any future transactions.

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

18.07 Disclaimer. Nothing contained in this Agreement nor any act of the City shall be deemed or construed by any of the parties, or by any third person, to create or imply any relationship of third-party beneficiary, principal or agent, limited or general partnership or joint venture, or to create or imply any association or relationship involving the City.

18.08 Headings. The paragraph and section headings contained herein are for convenience only and are not intended to limit, vary, define or expand the content thereof.

18.09 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

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

18.11 Conflict. In the event of a conflict between any provisions of this Agreement and the provisions of the TIF Ordinances and/or the [the Bond Ordinance, if any,] such ordinance(s) shall prevail and control.

18.12 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its conflicts of law principles.

18.13 Form of Documents. All documents required by this Agreement to be submitted, delivered or furnished to the City shall be in form and content satisfactory to the City.

18.14 Approval. Wherever this Agreement provides for the approval or consent of the City, HED or the Commissioner, or any matter is to be to the City's, HED's or the Commissioner's satisfaction, unless specifically stated to the contrary, such approval, consent or satisfaction shall be made, given or determined by the City, HED or the Commissioner in writing and in the reasonable discretion thereof. The Commissioner or other person designated by the Mayor of the City shall act for the City or HED in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

18.15 Assignment. The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to [Sections 8.19 [Real Estate Provisions] and 8.23] (Survival of Covenants) hereof, for the Term of the Agreement. The

Developer consents to the City's sale, transfer, assignment or other disposal of this Agreement at any time in whole or in part.

18.16 Binding Effect. This Agreement shall be binding upon the Developer, the City and their respective successors and permitted assigns (as provided herein) and shall inure to the benefit of the Developer, the City and their respective successors and permitted assigns (as provided herein). Except as otherwise provided herein, this Agreement shall not run to the benefit of, or be enforceable by, any person or entity other than a party to this Agreement and its successors and permitted assigns. This Agreement should not be deemed to confer upon third parties any remedy, claim, right of reimbursement or other right.

18.17 Force Majeure. Neither the City nor the Developer nor any successor in interest to either of them shall be considered in breach of or in default of its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of material, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or for an abnormal duration, tornadoes or cyclones, and other events or conditions beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its obligations hereunder. The individual or entity relying on this section with respect to any such delay shall, upon the occurrence of the event causing such delay, immediately give written notice to the other parties to this Agreement. The individual or entity relying on this section with respect to any such delay may rely on this section only to the extent of the actual number of days of delay effected by any such events described above.

18.18 Exhibits. All of the exhibits attached hereto are incorporated herein by reference.

18.19 Business Economic Support Act. Pursuant to the Business Economic Support Act (30 ILCS 760/1 et seq.), if the Developer is required to provide notice under the WARN Act, the Developer shall, in addition to the notice required under the WARN Act, provide at the same time a copy of the WARN Act notice to the Governor of the State, the Speaker and Minority Leader of the House of Representatives of the State, the President and minority Leader of the Senate of State, and the Mayor of each municipality where the Developer has locations in the State. Failure by the Developer to provide such notice as described above may result in the termination of all or a part of the payment or reimbursement obligations of the City set forth herein.

18.20 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each party may hereto agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

18.21 Costs and Expenses. In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including attorney's fees, incurred in connection with the enforcement of the provisions of this Agreement. This includes, subject to any limits under applicable law, attorney's fees and legal expenses, whether or not there is a lawsuit, including attorney's fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services. Developer also will pay any court costs, in addition to all other sums provided by law.

18.22 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that Developer has read such provision and understands that pursuant to such Section 2-156-030 (b), it is illegal for any elected official of

the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected City official or employee has a "business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving any person with whom the elected City official or employee has a "business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship, and (C) that a violation of Section 2-156-030 (b) by an elected official, or any person acting at the direction of such official, with respect to any transaction contemplated by this Agreement shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have caused this Redevelopment Agreement to be executed on or as of the day and year first above written.

GOLDBLATTS OF CHICAGO LIMITED PARTNERSHIP, an Illinois limited partnership

By: Goldblatts SLF of Chicago GP, Inc., an Illinois corp., its general partner

By: \_\_\_\_\_

Its: \_\_\_\_\_

AHC ASHLAND LLC, an Illinois limited liability company

By: Affordable Housing Continuum, an Illinois not-for-profit corporation, its sole member

By: \_\_\_\_\_

Its: \_\_\_\_\_

CITY OF CHICAGO

By: \_\_\_\_\_

\_\_\_\_\_  
Commissioner  
Department of Housing and Economic Development

STATE OF ILLINOIS )  
                                  ) SS  
COUNTY OF COOK )

I, \_\_\_\_\_, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of Goldblatts SLF of Chicago GP, Inc., an Illinois corporation and the general partner of Goldblatts of Chicago Limited partnership, an Illinois limited partnership (a “developer”), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the [Board of Directors] of the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires \_\_\_\_\_

(SEAL)

STATE OF ILLINOIS )  
                                  ) SS  
COUNTY OF COOK )

I, \_\_\_\_\_, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of Affordable Housing Continuum, an Illinois not-for-profit corporation, and the sole member of AHC Ashland LLC, an Illinois limited liability company, an Illinois limited liability company (a "developer"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument, pursuant to the authority given to him/her by the [Board of Directors] of the Developer, as his/her free and voluntary act and as the free and voluntary act of the Developer, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

---

Notary Public

My Commission Expires \_\_\_\_\_

(SEAL)

STATE OF ILLINOIS )  
                                  ) SS  
COUNTY OF COOK   )

I, \_\_\_\_\_, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ Commissioner of the Housing and Economic Development of the City of Chicago (the "City"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed, and delivered said instrument pursuant to the authority given to him/her by the City, as his/her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this \_\_\_\_\_th day of \_\_\_\_\_, \_\_\_\_\_.

---

Notary Public

My Commission Expires \_\_\_\_\_



**EXHIBIT A**

**REDEVELOPMENT AREA**

(see Ex. [ ] of the Redevelopment Plan – Ex. D to the Agreement)

**EXHIBIT B:**

**PROPERTY**

**[Subject to Survey and Title Insurance]**



**EXHIBIT D**  
**REDEVELOPMENT PLAN**

EXHIBIT E

CONSTRUCTION CONTRACT

**EXHIBIT F**  
**ESCROW AGREEMENT**

**EXHIBIT G**  
**PERMITTED LIENS**

**1. Liens or encumbrances against the Property:**

Those matters set forth as Schedule B title exceptions in the owner's title insurance policy issued by the Title Company as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

**2. Liens or encumbrances against the Developer or the Project, other than liens against the Property, if any:**

[To be completed by Developer's counsel, subject to City approval.]

## PROJECT BUDGET

Land	700,000
Building Cost	10,930,000
<b>Acquisition Costs Subtotal</b>	<b>11,630,000</b>
Net Construction Costs	5,366,223
General Conditions	334,093
Overhead	111,364
Profit	334,093
<b>Construction Costs Subtotal</b>	<b>6,145,773</b>
Furniture, Fixtures, & Equip't	504,000
Building Permits	60,000
Bond Premium/ LOC Fees	79,347
Landscaping	17,000
Parking Pads	25,000
Contingency	634,777
<b>Other Construction Subtotal</b>	<b>1,320,124</b>
Streets	40,000
Electrical & Gas	120,000
Contingency	30,000
<b>Infrastructure Subtotal</b>	<b>190,000</b>
Architect - Design	200,000
Engineering Fees	50,000
Accountant - General	35,000
Legal - Organizational	350,000
Legal - Syndication	40,000
Consultant - Financial	168,000
Appraisal & Market Study	17,000
Phase I Environ. Report	2,950
Title & Recording Fees	35,000
Tax Credit Issuer Fees	48,000
Application Fees	1,500
Construction Points	4,000
Perm Loan Points	4,000
Lender Legal Fees	10,000
Bond - Underwriter	500,000
Construction Interest	1,379,700
Other Lender Fees	3,000
<b>Lender Fees Subtotal</b>	<b>1,950,200</b>
Liability Insurance	10,000
Real Estate Taxes	30,000
<b>Construction Period Subtotal</b>	<b>40,000</b>
<b>Marketing &amp; Leasing Subtotal</b>	<b>135,000</b>
Developer Fee	704,039
Deferred Developer Fee	1,788,712
<b>Developer Fee Subtotal</b>	<b>2,492,751</b>
Lease-Up Reserve	556,075
Insurance Reserve	24,000
Property Tax Reserve	323,000
Operating Reserve	1,434,018



Replacement Reserve	60,600
Other Reserves	1,110,623
<b>Reserves Subtotal</b>	<b>3,508,316</b>
<b>Total Dev Costs</b>	<b>28,310,114</b>

**EXHIBIT H-2**

**MBE/WBE BUDGET**

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**EXHIBIT I**

**APPROVED PRIOR EXPENDITURES**

EXHIBIT J

OPINION OF DEVELOPER'S COUNSEL

[To be retyped on the Developer's Counsel's letterhead]

City of Chicago  
121 North LaSalle Street  
Chicago, IL 60602

ATTENTION: Corporation Counsel

Ladies and Gentlemen:

We have acted as counsel to \_\_\_\_\_, an [Illinois] \_\_\_\_\_ (the "Developer"), in connection with the purchase of certain land and the construction of certain facilities thereon located in the \_\_\_\_\_ Redevelopment Project Area (the "Project"). In that capacity, we have examined, among other things, the following agreements, instruments and documents of even date herewith, hereinafter referred to as the "Documents":

- (a) \_\_\_\_\_ Redevelopment Agreement (the "Agreement") of even date herewith, executed by the Developer and the City of Chicago (the "City");
- [(b) the Escrow Agreement of even date herewith executed by the Developer and the City;]
- (c) [insert other documents including but not limited to documents related to purchase and financing of the Property and all lender financing related to the Project]; and
- (d) all other agreements, instruments and documents executed in connection with the foregoing.

In addition to the foregoing, we have examined

- (a) the original or certified, conformed or photostatic copies of the Developer's (i) Articles of Incorporation, as amended to date, (ii) qualifications to do business and certificates of good standing in all states in which the Developer is qualified to do business, (iii) By-Laws, as amended to date, and (iv) records of all corporate proceedings relating to the Project [revise if the Developer is not a corporation]; and
- (b) such other documents, records and legal matters as we have deemed necessary or relevant for purposes of issuing the opinions hereinafter expressed.

In all such examinations, we have assumed the genuineness of all signatures (other than those of the Developer), the authenticity of documents submitted to us as originals and conformity to the originals of all documents submitted to us as certified, conformed or photostatic copies.

Based on the foregoing, it is our opinion that:

1. The Developer is a corporation duly organized, validly existing and in good standing under the laws of its state of [incorporation] [organization], has full power and authority to own and lease its properties and to carry on its business as presently conducted, and is in good standing and duly qualified to do business as a foreign [corporation] [entity] under the laws of every state in which the conduct of its affairs or the ownership of its assets requires such qualification, except for those states in which its failure to qualify to do business would not have a material adverse effect on it or its business.

2. The Developer has full right, power and authority to execute and deliver the Documents to which it is a party and to perform its obligations thereunder. Such execution, delivery and performance will not conflict with, or result in a breach of, the Developer's [Articles of Incorporation or By-Laws] [describe any formation documents if the Developer is not a corporation] or result in a breach or other violation of any of the terms, conditions or provisions of any law or regulation, order, writ, injunction or decree of any court, government or regulatory authority, or, to the best of our knowledge after diligent inquiry, any of the terms, conditions or provisions of any agreement, instrument or document to which the Developer is a party or by which the Developer or its properties is bound. To the best of our knowledge after diligent inquiry, such execution, delivery and performance will not constitute grounds for acceleration of the maturity of any agreement, indenture, undertaking or other instrument to which the Developer is a party or by which it or any of its property may be bound, or result in the creation or imposition of (or the obligation to create or impose) any lien, charge or encumbrance on, or security interest in, any of its property pursuant to the provisions of any of the foregoing, other than liens or security interests in favor of the lender providing Lender Financing (as defined in the Agreement).

3. The execution and delivery of each Document and the performance of the transactions contemplated thereby have been duly authorized and approved by all requisite action on the part of the Developer.

4. Each of the Documents to which the Developer is a party has been duly executed and delivered by a duly authorized officer of the Developer, and each such Document constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5. Exhibit A attached hereto (a) identifies each class of capital stock of the Developer, (b) sets forth the number of issued and authorized shares of each such class, and (c) identifies the record owners of shares of each class of capital stock of the Developer and the number of shares held of record by each such holder. To the best of our knowledge after diligent inquiry, except as set forth on Exhibit A, there are no warrants, options, rights or commitments of purchase, conversion, call or exchange or other rights or restrictions with respect to any of the capital stock of the Developer. Each outstanding share of the capital stock of the Developer is duly authorized, validly issued, fully paid and nonassessable.

6. To the best of our knowledge after diligent inquiry, no judgments are outstanding against the Developer, nor is there now pending or threatened, any litigation, contested claim or governmental proceeding by or against the Developer or affecting the Developer or its property, or seeking to restrain or enjoin the performance by the Developer of the Agreement or the transactions contemplated by the Agreement, or contesting the validity thereof. To the best of our knowledge after diligent inquiry, the Developer is not in default with respect to any order, writ,

injunction or decree of any court, government or regulatory authority or in default in any respect under any law, order, regulation or demand of any governmental agency or instrumentality, a default under which would have a material adverse effect on the Developer or its business.

7. To the best of our knowledge after diligent inquiry, there is no default by the Developer or any other party under any material contract, lease, agreement, instrument or commitment to which the Developer is a party or by which the company or its properties is bound.

8. To the best of our knowledge after diligent inquiry, all of the assets of the Developer are free and clear of mortgages, liens, pledges, security interests and encumbrances except for those specifically set forth in the Documents.

9. The execution, delivery and performance of the Documents by the Developer have not and will not require the consent of any person or the giving of notice to, any exemption by, any registration, declaration or filing with or any taking of any other actions in respect of, any person, including without limitation any court, government or regulatory authority.

10. To the best of our knowledge after diligent inquiry, the Developer owns or possesses or is licensed or otherwise has the right to use all licenses, permits and other governmental approvals and authorizations, operating authorities, certificates of public convenience, goods carriers permits, authorizations and other rights that are necessary for the operation of its business.

11. A federal or state court sitting in the State of Illinois and applying the choice of law provisions of the State of Illinois would enforce the choice of law contained in the Documents and apply the law of the State of Illinois to the transactions evidenced thereby.

We are attorneys admitted to practice in the State of Illinois and we express no opinion as to any laws other than federal laws of the United States of America and the laws of the State of Illinois.

[Note: include a reference to the laws of the state of incorporation/organization of the Developer, if other than Illinois.]

This opinion is issued at the Developer's request for the benefit of the City and its counsel, and may not be disclosed to or relied upon by any other person.

Very truly yours,

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

**EXHIBIT K**

**PRELIMINARY TIF PROJECTION -- REAL ESTATE TAXES**





[Developer]

By: \_\_\_\_\_

Name

Title: \_\_\_\_\_

Subscribed and sworn before me this \_\_\_\_ day of \_\_\_\_\_  
\_\_\_\_\_.

\_\_\_\_\_  
My commission expires: \_\_\_\_\_

Agreed and accepted:

\_\_\_\_\_  
Name  
Title: \_\_\_\_\_  
City of Chicago  
Department of Community Development

**EXHIBIT M**

**FORM OF NOTE**

**NOT APPLICABLE—INTENTIONALLY LEFT BLANK**

**EXHIBIT N**

**PUBLIC BENEFITS PROGRAM**

**NOT APPLICABLE—INTENTIONALLY LEFT BLANK**

EXHIBIT O

FORM OF SUBORDINATION AGREEMENT

This document prepared by and after recording return to:

, Esq.  
Assistant Corporation Counsel  
Department of Law  
121 North LaSalle Street, Room 600  
Chicago, IL 60602

SUBORDINATION AGREEMENT

This Subordination Agreement ("Agreement") is made and entered into as of the day of \_\_\_\_\_, \_\_\_\_\_ between the City of Chicago by and through its Department of Community Development (the "City"), [Name Lender], a [national banking association] (the "Lender").

WITNESSETH:

WHEREAS, [Describe Project - use language from Recitals of Redevelopment agreement - see example below] the \_\_\_\_\_ an Illinois limited liability company (the "Developer"), has purchased certain property located within the Central Loop Redevelopment Project Area at 134 North LaSalle Street and 171 West Randolph Street, Chicago, Illinois 60602 and legally described on Exhibit A hereto (the "Property"), in order to redevelop the building (the "Building") located on the Property through the following activities: (i) the renovation of the Bismarck Hotel; (ii) the renovation of the Palace Theater, including the renovation of the auditorium and related public spaces; (iii) the renovation of the Metropolitan Office Building to meet the requirements of the Americans with Disabilities Act and to refinish certain common areas; (iv) the upgrade of the centralized mechanical, electrical and plumbing ("MEP") systems of the Building, including life safety and fire protection as well as MEP improvements to specific Building use components; and (v) sidewalk vault and Building facade improvements (the "Public Improvements") (the redevelopment of the Building and the Property as described above and the related Public Improvements are collectively referred to herein as the "Project."); and

WHEREAS, [describe financing and security documents - leave blanks as necessary if you do not have financing documents - see example below] as part of obtaining financing for the

Project, the Developer and American National Bank and Trust Company of Chicago, as trustee under Trust Agreement dated November 19, 1996 and known as Trust No. 122332-01 (the "Land Trustee") (the Developer and the Land Trustee collectively referred to herein as the "Borrower"), have entered into a certain Construction Loan Agreement dated as of December 29, 1997 with the Lender pursuant to which the Lender has agreed to make a loan to the Borrower in an amount not to exceed \$44,000,000 (the "Loan"), which Loan is evidenced by a Mortgage Note and executed by the Borrower in favor of the Lender (the "Note"), and the repayment of the Loan is secured by, among other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the following: (i) Mortgage dated December 29, 1997 and recorded January 2, 1998 as document number 98001840 made by the Borrower to the Lender; and (ii) Assignment of Leases and Rents recorded January 2, 1998 as document number 98001841 made by the Borrower to the Lender (all such agreements referred to above and otherwise relating to the Loan referred to herein collectively as the "Loan Documents");

WHEREAS, the Developer desires to enter into a certain Redevelopment Agreement dated the date hereof with the City in order to obtain additional financing for the Project (the "Redevelopment Agreement," referred to herein along with various other agreements and documents related thereto as the "City Agreements");

WHEREAS, pursuant to the Redevelopment Agreement, the Developer will agree to be bound by certain covenants expressly running with the Property, as set forth in Sections [8.02, 8.06 and 8.19] [Note" Refer to Section 7.02 of the Agreement to confirm which covenants to list] of the Redevelopment Agreement (the "City Encumbrances");

WHEREAS, the City has agreed to enter into the Redevelopment Agreement with the Developer as of the date hereof, subject, among other things, to (a) the execution by the Developer of the Redevelopment Agreement and the recording thereof as an encumbrance against the Property; and (b) the agreement by the Lender to subordinate their respective liens under the Loan Documents to the City Encumbrances; and

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

1. Subordination. All rights, interests and claims of the Lender in the Property pursuant to the Loan Documents are and shall be subject and subordinate to the City Encumbrances. In all other respects, the Redevelopment Agreement shall be subject and subordinate to the Loan Documents. Nothing herein, however, shall be deemed to limit the Lender's right to receive, and the Developer's ability to make, payments and prepayments of principal and interest on the Note, or to exercise its rights pursuant to the Loan Documents except as provided herein.

2. Notice of Default. The Lender shall use reasonable efforts to give to the City, and the City shall use reasonable efforts to give to the Lender, (a) copies of any notices of default which it may give to the Developer with respect to the Project pursuant to the Loan Documents or the City Agreements, respectively, and (b) copies of waivers, if any, of the Developer's default in connection therewith. Under no circumstances shall the Developer or any third party be entitled to rely upon the agreement provided for herein.

3. Waivers. No waiver shall be deemed to be made by the City or the Lender of any of their respective rights hereunder, unless the same shall be in writing, and each waiver, if any,

shall be a waiver only with respect to the specific instance involved and shall in no way impair the rights of the City or the Lender in any other respect at any other time.

4. Governing Law; Binding Effect This Agreement shall be interpreted, and the rights and liabilities of the parties hereto determined, in accordance with the internal laws and decisions of the State of Illinois, without regard to its conflict of laws principles, and shall be binding upon and inure to the benefit of the respective successors and assigns of the City and the Lender.

5. Section Titles; Plurals. The section titles contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto. The singular form of any word used in this Agreement shall include the plural form.

6. Notices. Any notice required hereunder shall be in writing and addressed to the party to be notified as follows:

If to the City: City of Chicago Department of Community Development  
121 North LaSalle Street, Room 1000  
Chicago, Illinois 60602  
Attention: Commissioner

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

If to the Lender: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

With a copy to: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

or to such other address as either party may designate for itself by notice. Notice shall be deemed to have been duly given (i) if delivered personally or otherwise actually received, (ii) if sent by overnight delivery service, (iii) if mailed by first class United States mail, postage prepaid, registered or certified, with return receipt requested, or (iv) if sent by facsimile with facsimile confirmation of receipt (with duplicate notice sent by United States mail as provided above). Notice mailed as provided in clause (iii) above shall be effective upon the expiration of three (3) business days after its deposit in the United States mail. Notice given in any other manner described in this paragraph shall be effective upon receipt by the addressee thereof; provided, however, that if any notice is tendered to an addressee and delivery thereof is refused by such addressee, such notice shall be effective upon such tender.

7. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one instrument.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

[LENDER], [a national banking association]

By:

Its: \_\_\_\_\_

CITY OF CHICAGO

By:

Its: \_\_\_\_\_ Commissioner,  
Department of Community Development

ACKNOWLEDGED AND AGREED TO THIS  
\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_

[Developer], a \_\_\_\_\_

By:

Its:



STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF COOK         )

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ Commissioner of the Department of Community Oevelopment of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such \_\_\_\_\_ Commissioner, (s)he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

(SEAL)

STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF COOK            )

I, \_\_\_\_\_, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT \_\_\_\_\_, personally known to me to be the \_\_\_\_\_ of [Lender], a \_\_\_\_\_, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he/she signed, sealed and delivered said instrument, pursuant to the authority given to him/her by Lender, as his/her free and voluntary act and as the free and voluntary act of the Lender, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

My Commission Expires

(SEAL)

## EXHIBIT A - LEGAL DESCRIPTION

**EXHIBIT P**  
**FORM OF PAYMENT BOND**

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION 1 -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

GOLDBLATT'S of CHICAGO LIMITED PARTNERSHIP

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant  
OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: \_\_\_\_\_  
OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 3728 N. SOUTHPORT  
CHICAGO IL 60613

C. Telephone: 773 929 7820 Fax: 773 929 7821 Email: bplatt@accessgroupchicago.com

D. Name of contact person: William PLATT

E. Federal Employer Identification No. (if you have one): \_\_\_\_\_

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

MULTI-FAMILY HOUSING REVENUE BONDS SERIES 2011 GOLDBLATT'S SUPPORTIVE LIVING PROJECTS, FUNDS AND HOME LOAN

O. Which City agency or department is requesting this EDS? DEPT. OF HOUSING ECONOMIC DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

SECTION II - DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

- |   |  |
|---|--|
| <input type="checkbox"/> Person                                   | <input type="checkbox"/> Limited liability company       |
| <input type="checkbox"/> Publicly registered business corporation | <input type="checkbox"/> Limited liability partnership   |
| <input type="checkbox"/> Privately held business corporation      | <input type="checkbox"/> Joint venture                   |
| <input type="checkbox"/> Sole proprietorship                      | <input type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership                      | (Is the not-for-profit corporation also a 501(c)(3))?    |
| <input checked="" type="checkbox"/> Limited partnership           | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust                                    | <input type="checkbox"/> Other (please specify)          |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILL.

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
<u>GORDONIS SLF OF CHICAGO EP, INC</u>	<u>GENERAL PARTNER</u>

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
to be formed entity	320 N. MICHIGAN ST	99.99% *
affiliated with Great Lakes	Suite 516	
CAPITAL FUND	INDIANAPOLIS, IN 46204	
COLONY ARTS DEALER	3728 N. SOUTHPORT	.01%
W.D. INC.	CHICAGO IL 60613	

**SECTION III - BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes  No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

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**SECTION IV - DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

\* A limited partner to be formed and made part of the entity prior to closing.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
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SEE ATTACHMENT

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrears on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article 1 ("Article 1") (which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article 1 is a continuing requirement for doing business with the City. NOTE: If Article 1 applies to the Applicant, the permanent compliance timeframe in Article 1 supersedes some five-year compliance timeframes in certifications 2 and 3 below.



2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this BDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with; obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this BDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION**

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes  No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise pennitted, no City elected official or employee shall have a financial interest in his or ber own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the Citys eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

#### E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment Id this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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**SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS**

**NOTE:** If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

**A. CERTIFICATION REGARDING LOBBYING**

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

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(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for this or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

**B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY**

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

DISCLOSING PARTY DOES NOT HAVE ENOUGH EMPLOYEES FOR THIS TO BE REQUIRED.

**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this BDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available online at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St, Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1 The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

GOLDBLATT of CHICAGO LIMITED Partnership  
(Print or type name of Disclosing Party)  
By: GOLDBLATT SIF of CHICAGO GP, INC. General Partner  
By: [Signature]  
(Sign here)

William Platt  
(Print or type name of person signing)  
PRESIDENT of the GENERAL Partner  
(Print or type title of person signing)

Signed and sworn to before me on (date) 4/28/2011  
at Cook County, Ill (state).  
Sheri A. Winiarski Notary Public.

Commission expires: 6/12/2012





**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-018, the Disclosing Party must disclose whether each Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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Name (indicate whether retained or anticipated to be retained.)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) Note: "hourly rate" or "f.b.d." is not an acceptable response
Haylock Design, Inc. Anticipated to be retained	1800 Nations Drive, Suite 201 Gurnee, Illinois 60031	Subcontractor (Architect)	\$600,000
Spero Consulting, Inc. Retained	706 Buell Ave Joliet, IL 60640	Subcontractor (Consultant)	\$160,000
Royal Care, Inc. Retained	21925 Wolter Lane Kildeer, IL 60047	Subcontractor (Consultant)	\$75,000
Schain, Burney, Banks & Kenny, Ltd. Retained	70 W. Madison Street, Suite 4500 Chicago, Illinois 60613	Attorney	\$200,000
Applegate & Thome-Thomsen, P.C. Retained	322 S. Green St. Suite 400 Chicago, IL 60606	Attorney	\$125,000

CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT

SECTION I - GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a if applicable:

GOLDBLATT'S SLE OF CHICAGO GP, INC.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: Goldblatts of Chicago

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party:

3728 N. Southport  
Chicago, IL 60613

C. Telephone: 773 929 7720 Fax: 773 929 7821 Email: goldblatts@essgroup

Chicago, IL

D. Name of contact person: William Platt

E. Federal Employer Identification No. (if you have one): \_\_\_\_\_

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Matter: Family Housing Revenue Bonds Series 2011 Goldblatts Supportive Living Project, YIF FUNDS and HOME LOAN

G. Which City agency or department is requesting this EDS? DEPT OF HOUSING & ECONOMIC DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

SECTION II - DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

- |   |  |
|---|--|
| <input type="checkbox"/> Person   | <input type="checkbox"/> Limited liability company       |
| <input type="checkbox"/> Publicly registered business corporation       | <input type="checkbox"/> Limited liability partnership   |
| <input checked="" type="checkbox"/> Privately held business corporation | <input type="checkbox"/> Joint venture                   |
| <input type="checkbox"/> Sole proprietorship                            | <input type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership                            | (Is this not-for-profit corporation also a 501(c)(3))?   |
| <input type="checkbox"/> Limited partnership                            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust  | <input type="checkbox"/> Other (please specify)          |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized by the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

Yes  No  N/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity.

NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
<u>WILLIAM PLATT</u>	<u>PRESIDENT</u>
<u>PATRICIA KANE</u>	<u>VICE-PRESIDENT</u>

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Patrice Kane	3778 N. Southport; Chicago, IL 60613	24.5%
William Pfatt	3728 N. Southport; Chicago, IL 60613	24.5%
Britt Booker	425 W North Ave; Chicago, IL 60610	20.5%
Michael Niemezyk	706 Buell Ave.; Joliet, IL 60435	20.5%
AHC Ashland LLC	233 E Wacker Dr.; Chicago, IL 60601	10%

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

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**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
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(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33B-3; (2) bid-rotating in violation of 720 ILCS 5/33B-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION**

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 3-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes  No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes                       No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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**SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS**

**NOTE:** If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

**A. CERTIFICATION REGARDING LOBBYING**

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

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(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

**B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY**

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes

No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes

No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes

No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes

No

If you checked "No" to question 1. or 2. above, please provide an explanation:

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**SECTION VII – ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available online at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Solm 500, Cbleago, IL 60610, (312) 744-9660. The Disclosing Party mast comply fidly with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any opntract or other agnement in connection with which it is submitted may be reacinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including tending the Disclosing Party's participation to the Matter and/or declining to allow the Disolving Party to participate in ether transactions with the City. Remedies at law for a false stalsmeat of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy m make this documem available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments m this EDS may be made available to the public on the Internet, in response to a Freedom of Informadon Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Dep nment of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTB: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (nposing PERMANENT INELIGIBILITY for certsin specified offenses), the information provided hereb regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Mmicipal Code.

The Disclosing Party represents end warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax edministered by the Illinois Department of Revenue, nor are the Disclosing Pany or its Affiliated Entities delinquent in paying any fine, fee, lax or other charge owed to the City. This includes, but is not limited to, ell water charges, sewer charges, license fees, paridog tickets, property taxes or sales taxes.

F.2 If the Disclpsing Party is the Applicoot, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors m use, any facility listed by the U.S. B.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. Gencrel Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disolving Party will obtain from any contactois/subcontractors hired or to be hired in connection with the Matter certifications equal in form sad substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contraactor/subcontraactor that does not provide such certifiScations or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

GOLDBLATS SLF of CHICAGO GP, INC.  
(Print or type name of Disclosing Party)

By: [Signature]  
(Sign here)

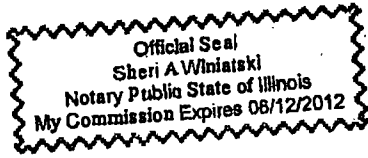
William PLATT  
(Print or type name of person signing)

PRESIDENT  
(Print or type title of person signing)

Signed, and sworn to before me on (date) 3/29/11  
at Cook County, IL (state).

[Signature] Notary Public.

Commission expires: 6/12/2012.



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepmother or stepsister or half brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

AHC ASHLAND LLC

Check **ONE** of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: GOLDBLATS OF CHICAGO LP

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party:

233 E. WACKER DR #4202

CHICAGO, IL 60601

C. Telephone: 312-819-0996 Fax: 312-819-1479 Email: AHC-SC@SBCGLOBAL.NET

D. Name of contact person: SUSAN LENCIONI

E. Federal Employer Identification No. (if you have one): APPLIED FOR

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

MULTI-FAMILY HOUSING REVENUE BONDS, SERIES 2011 (GOLDBLATS SUPPORTIVE LIVING PROJECT) TIF FUNDS AND HOME LOAN

G. Which City agency or department is requesting this EDS? DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_



**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- Person
- Limited liability company
- Publicly registered business corporation
- Limited liability partnership
- Privately held business corporation
- Joint venture
- Sole proprietorship
- Not-for-profit corporation
- General partnership
- (Is the not-for-profit corporation also a 501(c)(3))?
- Limited partnership
- Yes  No
- Trust
- Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name

Title

SUSAN LENCIONI

PRESIDENT SOLE MEMBER

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party	<i>INTEREST</i>
<i>AFFORDABLE HOOSING CONTINUUM,</i>	<i>233 E. WACKER DR #4202, CHICAGO,</i>	<i>60601</i>	<i>100%</i>

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

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**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
<i>NONE</i>			

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION**

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes  No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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## SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

**NOTE:** If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

### A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

None

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.



## B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes

No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes

No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes

No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes

No

If you checked "No" to question 1. or 2. above, please provide an explanation:

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## SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available online at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2. If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3. If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

AHC ASHLAND, LLC  
(Print or type name of Disclosing Party)

By: Susan Lencioni  
(Sign here) Hand

SUSAN LENCIONI  
(Print or type name of person signing)

PRESIDENT  
(Print or type title of person signing)

Signed and sworn to before me on (date) April 1, 2011  
at Cook County, Illinois (state).

Miroslav Shchurevich Notary Public.

Commission expires: June 25, 2014



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SEAWAY BANK AND TRDST COMPANY

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: \_\_\_\_\_

OR

3.  a legal entity with a right of control (see Section 11.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 645 EAST 87TH STREET

CHICAGO, IL 60619

C. Telephone: (773) 602-4108 Fax: (773) 487-0452 Email: rsa@seawaybank.us

D. Name of contact person: RICHARD S. ABRAMS

E. Federal Employer Identification No. (if you have one): ██████████

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

MDLTI-FAMILY HOUSING REVENUE BONDS, SERIES 2011 (GOLDBLATTS SUPPORTIVE LIVING PROJECT)  
TIF FUNDS, AND HOME LOAN

G. Which City agency or department is requesting this EDS? DEPARTMENT OF HOUSING AND ECONOMIC  
DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- Person
  - Publicly registered business corporation
  - Privately held business corporation
  - Sole proprietorship
  - General partnership
  - Limited partnership
  - Trust
  - Limited liability company
  - Limited liability partnership
  - Joint venture
  - Not-for-profit corporation
- (Is the not-for-profit corporation also a 501(c)(3))?  
 Yes                       No
- Other (please specify) \_\_\_\_\_

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes                       No                       N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
JACOBY DICKENS	CHAIRMAN OF THE BOARD
WALTER E. GRADY	PRESIDENT AND CHIEF EXECUTIVE OFFICER
RICHARD S. ABRAMS	EXECUTIVE VICE PRESIDENT & CHIEF OPERATING OFFICER
WILLIAM BATES, JR.	EXECUTIVE VICE PRESIDENT & GENERAL COUNSEL

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
SEAWAY BANCSHARES, INC		100%
645 EAST 87TH STREET		
CHICAGO, IL 60619		

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

EDWARD BURKE OF THE LAW FIRM KLAFTER AND BDRKE, REGARDING REAL ESTATE TAXES.

**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
NEAL & LEROY, LLC -	203 N. LASALLE STREET	COUNSEL	\$3,000.00 (ESTIMATED)
CHICAGO, ILLINOIS 60601			

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.



2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION**

1. The Disclosing Party certifies that the Disclosing Party (check one)

is                     is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                     No

NOTE: If you checked "Yes" to hem D.L, proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.L, provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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**SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS**

**NOTE:** If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

**A. CERTIFICATION REGARDING LOBBYING**

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

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(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

**B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY**

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

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**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2. If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3. If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.


**NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.**

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this BDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SEAWAY BANK AND TRUST COMPANY

(Print or type name of Disclosing Party)

By:   
(Sign here)

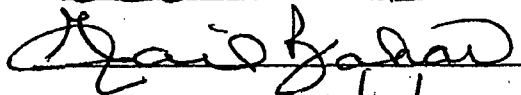
RICHARD S. AERAMS

(Print or type name of person signing)

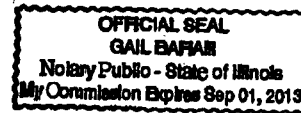
EXECUTIVE VICE PRESIDENT & CHIEF OPERATING OFFICER

(Print or type title of person signing)

Signed and sworn to before me on (date) 4/26/2011  
at Cook County, IL (state).

 Notary Public.

Commission expires: 9/1/2013.





**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section 11.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

AFFORDABLE HOUSING CONTINUUM

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

- 1.  the Applicant  
OR
- 2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: GOLDBLATS OF CHICAGO LP  
OR
- 3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 233 E. WACKER #4202  
CHICAGO, IL 60601

C. Telephone: 312.819.0996 Fax: 312.819.1479 Email: AHC-SL@SBCGLOBAL.NET

D. Name of contact person: SUSAN LENCIONI

E. Federal Employer Identification No. (if you have one): [REDACTED]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):  
MULTI-FAMILY HOUSING REVENUE BONDS, SERIES 2011 (GOLDBLATS SUPPORTIVE LIVING PROJECT) TIF FUNDS AND HOME LOAN

G. Which City agency or department is requesting this EDS? DEPARTMENT OF HOUSING & ECONOMIC DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |   |
|---|---|
| <input type="checkbox"/> Person                                   | <input type="checkbox"/> Limited liability company                  |
| <input type="checkbox"/> Publicly registered business corporation | <input type="checkbox"/> Limited liability partnership              |
| <input type="checkbox"/> Privately held business corporation      | <input type="checkbox"/> Joint venture                              |
| <input type="checkbox"/> Sole proprietorship                      | <input checked="" type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership                      | (Is the not-for-profit corporation also a 501(c)(3))?               |
| <input type="checkbox"/> Limited partnership                      | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust                                    | <input type="checkbox"/> Other (please specify)                     |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
<u>AFFORDABLE HOUSING CONTINUUM</u>	
<u>SUSAN LENCIONI</u>	<u>PRESIDENT</u>
<u>LYDIA MORRIS</u>	<u>SECRETARY</u>
<u>SUSAN WEED</u>	<u>BOARD MEMBER</u>
<u>DIANE WATRY</u>	<u>BOARD MEMBER</u>
<u>SUE KESSELL</u>	<u>BOARD MEMBER</u>

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
<i>NONE</i>		

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

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**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
<i>NONE</i>			

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Lying Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION**

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes  No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.



2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.L, provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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## SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

**NOTE:** If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

### A. CERTIFICATION REGARDING LOBBYING

I. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

*NONE*

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

## B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes

No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes

No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes

No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes

No

If you checked "No" to question 1. or 2. above, please provide an explanation:

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## SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2. If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3. If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

AFFORDABLE HOUSING CONTINUUM

(Print or type name of Disclosing Party)

By: Susan Leucioni  
(Sign here)

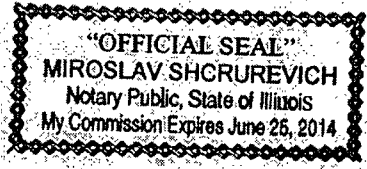
SUSAN LEUCIONI  
(Print or type name of person signing)

PRESIDENT  
(Print or type title of person signing)

Signed and sworn to before me on (date) April 1, 2011  
at Cook County, Illinois (state).

[Signature] Notary Public.

Commission expires: June 25, 2011.



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

SEAWAY BANCSHARES, INC.

Check **ONE** of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

**OR**

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: SEAWAY BANK AND TRUST COMPANY

**OR**


3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 645 EAST 87TH STREET

CHICAGO, IL 60619

C. Telephone: (773) 602-4108 Fax: (773) 487-0452 Email: rsa@seawaybank.us

D. Name of contact person: RICHARD S. ABRAMS

E. Federal Employer Identification No. (if you have one): 

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

MULTI-FAMILY HOUSING REVENUE BONDS, SERIES 2011 (GOLDBLATTS SUPPORTIVE LIVING PROJECT)  
TIF FUNDS, AND HOME LOAN

G. Which City agency or department is requesting this EDS? DEPARTMENT OF HOUSING AND ECONOMIC  
DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |  |
|---|--|
| <input type="checkbox"/> Person   | <input type="checkbox"/> Limited liability company       |
| <input type="checkbox"/> Publicly registered business corporation       | <input type="checkbox"/> Limited liability partnership   |
| <input checked="" type="checkbox"/> Privately held business corporation | <input type="checkbox"/> Joint venture                   |
| <input type="checkbox"/> Sole proprietorship                            | <input type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership                            | (Is the not-for-profit corporation also a 501(c)(3))?    |
| <input type="checkbox"/> Limited partnership                            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust  | <input type="checkbox"/> Other (please specify)          |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

ILLINOIS

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
JACOBY DICKENS	CHAIRMAN OF THE BOARD
WALTER E. GRADY	PRESIDENT AND CHIEF EXECUTIVE OFFICER
RICHARD S. ABRAMS	EXECUTIVE VICE PRESIDENT & CHIEF OPERATING OFFICER
WILLIAM BATES, JR.	EXECUTIVE VICE PRESIDENT & GENERAL COUNSEL

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,



interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
JACOBY DICKENS	645 EAST 87TH STREET	43.773%
WALTER E. GRADY	645 EAST 87TH STREET	11.679%
PAUL J. MONIES	9220 S. MICHIGAN AVE	22.984%

### SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

EDWARD BURKE OF THE LAW FIRM KLAFTER & BURKE REGARDING REAL ESTATE TAXES.

### SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
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(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes:" has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article 1 ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article 1 is a continuing requirement for doing business with the City. NOTE: If Article 1 applies to the Applicant, the permanent compliance timeframe in Article 1 supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

is                       is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                       No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

#### E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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## SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

**NOTE:** If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

### A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

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(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that **NO** persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

**B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY**

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

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**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available online at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.



Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2. If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3. If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

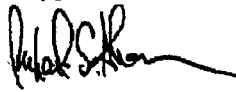
**NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.**

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

SEAWAY BANCSHARES, INC.

(Print or type name of Disclosing Party)

By:   
(Sign here)

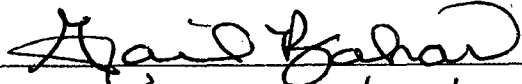
RICHARD S. ABRAMS

(Print or type name of person signing)

EXECUTIVE VICE PRESIDENT & CHIEF OPERATING OFFICER

(Print or type title of person signing)

Signed and sworn to before me on (date) 4/26/2011  
at Cook County, IL (state).

 Notary Public.

Commission expires: 09/01/2013



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code, Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Schiff Hardin LLP  
\_\_\_\_\_

Check **ONE** of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

**OR**

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: \_\_\_\_\_

**OR**

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_


B. Business address of the Disclosing Party:

233 S. Wacker Drive, Suite 6600  
\_\_\_\_\_

Chicago, Illinois 60606  
\_\_\_\_\_

C. Telephone: 312-258-5560 Fax: 312-258-5600 Email: bweisenthal@schiffhardin.com  
\_\_\_\_\_

D. Name of contact person: Bruce P. Weisenthal  
\_\_\_\_\_

E. Federal Employer Identification No. (if you have one):  \_\_\_\_\_

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Multi-Family Housing Revenue Bonds, Series 2011 (Goldblatts Supportive Living Project), TIF funds, and Home Loan  
\_\_\_\_\_

G. Which City agency or department is requesting this EDS? <sup>Department of Housing and Economic Development</sup> \_\_\_\_\_

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |   |
|---|---|
| <input type="checkbox"/> Person                                   | <input type="checkbox"/> Limited liability company                |
| <input type="checkbox"/> Publicly registered business corporation | <input checked="" type="checkbox"/> Limited liability partnership |
| <input type="checkbox"/> Privately held business corporation      | <input type="checkbox"/> Joint venture                            |
| <input type="checkbox"/> Sole proprietorship                      | <input type="checkbox"/> Not-for-profit corporation               |
| <input type="checkbox"/> General partnership                      | (Is the not-for-profit corporation also a 501(c)(3))?             |
| <input type="checkbox"/> Limited partnership                      | <input type="checkbox"/> Yes <input type="checkbox"/> No          |
| <input type="checkbox"/> Trust                                    | <input type="checkbox"/> Other (please specify)                   |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
Ronald Safer	Managing Partner
Robert Riley Bruce P. Weisenthal	Chairman Executive Committee Member
Peter L. Rossiter Steve Hankins	Executive Committee Member Executive Committee Member
Marci Eisenstein Ken Roberts	Executive Committee Member Executive Committee Member

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
None		

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

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**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
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(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section 11.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").



Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION**

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes  No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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**SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS.**

**NOTE:** If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

**A. CERTIFICATION REGARDING LOBBYING**

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

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(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

**B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY**

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

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**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Schiff Hardin LLP  
(Print or type name of Disclosing Party)

By: *Bruce P. Weisenthal*  
(Sign here)

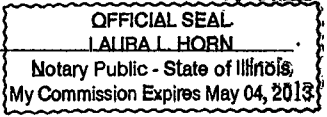
Bruce P. Weisenthal  
(Print or type name of person signing)

Equity Partner, Executive Committee Member  
(Print or type title of person signing)

Signed and sworn to before me on (date) April 20, 2011,  
at Cook County, Illinois (state).

*Laura L. Horn* Notary Public.

Commission expires: \_\_\_\_\_



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Greena and Letts

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant  
OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: \_\_\_\_\_  
OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party:

111 W. Washington St., Ste. 1650

Chicago, IL 60602

C. Telephone: 312-346-1100 Fax: 312-346-4571 Email: apwalker@greeneandletts.com

D. Name of contact person: Allen P. Walker

E. Federal Employer Identification No. (if you have one): [REDACTED]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Multifaally Housing Revenue Bonds, Series 2011 (Goldblatts Supportive Living Project),  
TIF Funds and Home Loan

Department of Housing and

G. Which City agency or department is requesting this EDS? Economic Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |  |
|---|--|
| <input type="checkbox"/> Person                                   | <input type="checkbox"/> Limited liability company       |
| <input type="checkbox"/> Publicly registered business corporation | <input type="checkbox"/> Limited liability partnership   |
| <input type="checkbox"/> Privately held business corporation      | <input type="checkbox"/> Joint venture                   |
| <input type="checkbox"/> Sole proprietorship                      | <input type="checkbox"/> Not-for-profit corporation      |
| <input checked="" type="checkbox"/> General partnership           | (Is the not-for-profit corporation also a 501(c)(3))?    |
| <input type="checkbox"/> Limited partnership                      | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust                                    | <input type="checkbox"/> Other (please specify)          |
- 

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

**Illinois**

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3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
<b>Martin P. Greene</b>	<b>Partner</b>
<b>Eileen M. Letts</b>	<b>Partner</b>

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Martin P. Greene	111 W. Washington St., Chicago, IL 60602	50%
Eileen M. Letts	111 W. Washington St., Chicago, IL 60602	50%

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
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(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

N/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION**

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

N/A

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes  No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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**SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS**

**NOTE:** If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

**A. CERTIFICATION REGARDING LOBBYING**

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

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(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

**B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY**

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

Greene and Letts does not have 50 or more employees (41 CFR 60-2-1(b)(1))  
and is therefore exempt.

**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.**

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Greene and Letts

(Print or type name of Disclosing Party)

By: *[Signature]*  
(Sign here)

Martin P. Greene

(Print or type name of person signing)

Partner

(Print or type title of person signing)

Signed and sworn to before me on (date) 21<sup>st</sup> April, 2011  
at Cook County, IL (state).

*[Signature]* Notary Public.

Commission expires: \_\_\_\_\_



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Duncan-Williams, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: \_\_\_\_\_

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party:

203 N. LaSalle Street, Suite 2100

Chicago, IL 60601

C. Telephone: 312-327-7968 Fax: 312-346-9603 Email: carlos.desmaras@duncanw.com

D. Name of contact person: Carlos Desmaras

E. Federal Employer Identification No. (if you have one): [REDACTED]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Multi-Family Housing Revenue Bonds, Series 2011 (Goldblatts Supportive Living Project), TIF Funds and Home Loan

G. Which City agency or department is requesting this EDS? Department of Housing and Economic Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |  |
|---|--|
| <input type="checkbox"/> Person   | <input type="checkbox"/> Limited liability company       |
| <input type="checkbox"/> Publicly registered business corporation       | <input type="checkbox"/> Limited liability partnership   |
| <input checked="" type="checkbox"/> Privately held business corporation | <input type="checkbox"/> Joint venture                   |
| <input type="checkbox"/> Sole proprietorship                            | <input type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership                            | (Is the not-for-profit corporation also a 501(c)(3))?    |
| <input type="checkbox"/> Limited partnership                            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust  | <input type="checkbox"/> Other (please specify)          |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Tennessee

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf. \* See Attachment for complete

Name	Title	<i>list of officers</i>
Duncan F. Williams	President/CEO	
Carolyn Williams	Co-Chairman	
Donald Malmo	Co-Chairman	
Donald Clanton	Chief Operating Officer	
Frank Raid	Chief Financial Officer	
Demetri Patikas	Special Assistant to the President	
James Pauline	EVP of Operations	
Brad Ziemba	Chief Compliance Officer	

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Carlyn Williams	6750 Poplar Ave., Ste 300, Memphis, TN 38138	51.10% - common stock
Duncan Williams	6750 Poplar Ave., Ste 300, Memphis, TN 38138	38.80% - common stock
Carolyn Williams	6750 Poplar Ave., Ste 300, Memphis, TN 38138	24.94% - voting stock
Abigail Williams	6750 Poplar Ave., Ste 300, Memphis, TN 38138	24.10% - voting stock
Duncan Williams	6750 Poplar Ave., Ste 300, Memphis, TN 38138	19.20% - voting stock
Don Malmo	6750 Poplar Ave., Ste 300, Memphis, TN 38138	15.30% - voting stock
Debra Smith	6750 Poplar Ave., Ste 300, Memphis, TN 38138	8.80% - voting stock
Frank Reid	6750 Poplar Ave., Ste 300, Memphis, TN 38138	7.65% - voting stock

### SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes  No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

### SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.



Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.h.d." is not an acceptable response.
Allen P. Walker Greene & Letts	111 W Washington St., # 1650 Chicago, IL 60602	Underwriters Counsel	\$55,000 - estimated

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

## SECTION V -- CERTIFICATIONS

### A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

### B. FURTHER CERTIFICATIONS

I. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I") (which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section 11.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

NA

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

### C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

is                       is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here. (attach additional pages if necessary):

NA

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

### D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes                       No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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**SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS**

**NOTE:** If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

**A. CERTIFICATION REGARDING LOBBYING**

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

NA

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(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

**B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY**

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

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**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2. If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3. If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.



**NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2., or F.3. above, an explanatory statement must be attached to this EDS.**

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Duncan-Williams, Inc.

(Print or type name of Disclosing Party)

By: Carlos Desmaras  
(Sign here)

Carlos Desmaras

(Print or type name of person signing)

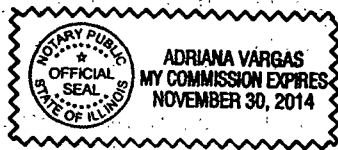
Managing Director - Public Finance

(Print or type title of person signing)

Signed and sworn to before me on (date) April 20, 2011,  
at Cook County, Illinois (state).

Adriana Vargas Notary Public.

Commission expires: Nov. 30, 2014



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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**LIST OF OFFICERS AND DIRECTORS**

<b>OFFICER</b>	<b>TITLE</b>
Duncan F. Williams	President/CEO
Carolyn Williams	Co-Chairman
Donald Malmo	Co-Chairman
Donald Clanton	Chief Operating Officer
Frank Reid	Chief Financial Officer
Demetri Patikas	Special Assistant to the President
James Pauline	EVP of Operations
Brad Ziemba	Chief Compliance Officer
Wayne Breunig	Managing Director, Head of Public Finance
Carlos Desmaras	Managing Director, Northeast Region
Buddy Carihfield	Managing Director, Southeast Region
Dominick Setari	Director, Northeast Region
E.J. Gregory	Director, Southeast Region

CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT

SECTION I -- GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a if applicable:

WOLFE LAYES CAPITAL FUND

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: \_\_\_\_\_

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party:

370 N MERIDIAN ST SUITE 516  
INDIANAPOLIS IN 46204

C. Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

D. Name of contact person:

TACK BRUNNERTT

E. Federal Employer Identification No. (if you have one): \_\_\_\_\_

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

MULTI-FAMILY HOUSING REVENUE BONDS SERIES 2011 (GALDRINTS  
SUPERFINE LENDING (PDS) THE FUNDS AND HOME LOAN

G. Which City agency or department is requesting this EDS? DEPT of HOUSING & ECONOMIC DEVELOPMENT

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |   |
|---|---|
| <input type="checkbox"/> Person                                   | <input type="checkbox"/> Limited liability company                  |
| <input type="checkbox"/> Publicly registered business corporation | <input type="checkbox"/> Limited liability partnership              |
| <input type="checkbox"/> Privately held business corporation      | <input type="checkbox"/> Joint venture                              |
| <input type="checkbox"/> Sole proprietorship                      | <input checked="" type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership                      | (Is the not-for-profit corporation also a 501(c)(3))?               |
| <input type="checkbox"/> Limited partnership                      | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust                                    | <input type="checkbox"/> Other (please specify)                     |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Michigan

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name: <u>See Attached List of Officers</u>	
	Title
<u>Wendell Johns</u>	<u>Board Chair</u>
<u>Marsha Krausker</u>	<u>Board Vice Chair</u>
<u>Michael Taylor</u>	<u>Secretary / Treasurer</u>
<u>James Bernicki</u>	<u>Director</u>
<u>Tom Tracy</u>	<u>Director</u>
<u>William Parkins</u>	<u>Director</u>

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture.

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

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**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
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(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrears on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I") (which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly, controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").



Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed; or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe; or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

### C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one):

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

### D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code, Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes  No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

#### E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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## SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

**NOTE:** If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

### A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets, if necessary):

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---

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(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

**B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY**

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes

No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes

No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes

No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes

No

If you checked "No" to question 1. or 2. above, please provide an explanation:

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**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610; (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2. If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U.S. General Services Administration.

F.3. If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

GREAT LAKES CAPITAL FUND  
(Print or type name of Disclosing Party)

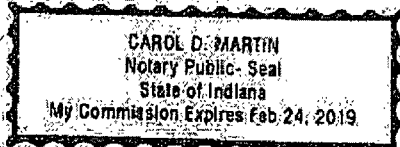
By Jack Brummett  
(Sign here)

Jack Brummett  
(Print or type name of person signing)  
Senior Vice President  
(Print or type title of person signing)

Signed and sworn to before me on (date) 7/29/11  
at Marion County, IN (state)

Carol D. Martin Notary Public

Commission expires: 2/24/19



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, steplather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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Attachment to Page 2 of City of Chicago EDS

Great Lakes Capital Fund Officers

Mark McDaniel	President & CEO
Jim Logue	Chief Operating Officer
Chris Cox	Chief Financial Officer
Rick Laber	Executive Vice President
Jennifer Everhart	Executive Vice President
Jack Brummet	Senior Vice President
Tom Ediniston	Senior Vice President
Jeromo Sullivan	Senior Vice President
Dennis Quinn	Senior Vice President

\*Senior Vice Presidents are not corporate officers but are authorized to sign the EDS

**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

Spero Consulting, Inc.

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant  
OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: \_\_\_\_\_  
OR

3.  a legal entity with a right of control (see Section 11.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 706 Buell Ave.  
Joliet, IL 60435

C. Telephone: 773 944 9001 Fax: \_\_\_\_\_ Email: miniemczyk@uvalumn  
.com

D. Name of contact person: Michael Niemczyk

E. Federal Employer Identification No. (if you have one): [REDACTED]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):  
Multi-family Housing Revenue Bonds, Series 2011 (Goldblatts Supportive Living Project) TIF funds and Home Loan

G. Which City agency or department is requesting this EDS? Housing and Economic Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |  |
|---|--|
| <input type="checkbox"/> Person   | <input type="checkbox"/> Limited liability company       |
| <input type="checkbox"/> Publicly registered business corporation       | <input type="checkbox"/> Limited liability partnership   |
| <input checked="" type="checkbox"/> Privately held business corporation | <input type="checkbox"/> Joint venture                   |
| <input type="checkbox"/> Sole proprietorship                            | <input type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership                            | (Is the not-for-profit corporation also a 501(c)(3))?    |
| <input type="checkbox"/> Limited partnership                            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust  | <input type="checkbox"/> Other (please specify)          |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

Illinois

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
<u>Michael Niemczyk</u>	<u>President</u>

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
Michael Niemczyk	706 Buell Ave, Joliet, IL 60435	100%

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes  No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

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**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
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N/A

(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section 11.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION**

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

\_\_\_\_\_  
N/A  
\_\_\_\_\_

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes  No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.



2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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**SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS**

**NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.**

**A. CERTIFICATION REGARDING LOBBYING**

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

N/A

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

**B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY**

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

Disclosing Party does not have any employees N/A

**SECTION VII – ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

Spero Consulting, Inc.  
(Print or type name of Disclosing Party)

By: *Michael Niemczyk*  
(Sign here)

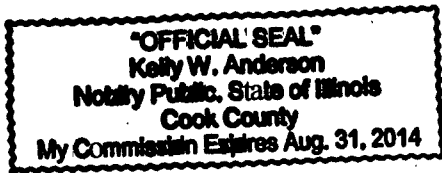
Michael Niemczyk  
(Print or type name of person signing)

President  
(Print or type title of person signing)

Signed and sworn to before me on (date) 4/21/11,  
at Chase Bank County, Cook, IL (state).

*Kelly W. Anderson* Notary Public.

Commission expires: Aug. 31, 2014.



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

William Blair & Company, L.L.C.

Check **ONE** of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: \_\_\_\_\_

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party:

222 West Adams Street

Chicago, Illinois 60606

C. Telephone: 312-364-8539

Fax: 312-236-0174

Email: cfreeburg@williambair.com

D. Name of contact person: Charles W. Freeburg

E. Federal Employer Identification No. (if you have one): ██████████

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Multi-Family Housing Revenue Bonds, Series 2011 (Goldblatts Supportive Living Project), TIF Funds, and Home Loan

G. Which City agency or department is requesting this EDS? Department of Housing and Economic Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |   |
|---|---|
| <input type="checkbox"/> Person                                   | <input checked="" type="checkbox"/> Limited liability company |
| <input type="checkbox"/> Publicly registered business corporation | <input type="checkbox"/> Limited liability partnership        |
| <input type="checkbox"/> Privately held business corporation      | <input type="checkbox"/> Joint venture                        |
| <input type="checkbox"/> Sole proprietorship                      | <input type="checkbox"/> Not-for-profit corporation           |
| <input type="checkbox"/> General partnership                      | (Is the not-for-profit corporation also a 501(c)(3))?         |
| <input type="checkbox"/> Limited partnership                      | <input type="checkbox"/> Yes <input type="checkbox"/> No      |
| <input type="checkbox"/> Trust                                    | <input type="checkbox"/> Other (please specify)               |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

State of Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
John Ettelson	President and Chief Executive Officer
Edgar D. Jannotta	Chairman
Dave Coolidge	Vice Chairman
Timothy Burke	Chief Financial Officer
Arthur Simon	General Counsel

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,



interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
WBC Holdings, L.P.	222 West Adams Street	WBC Holdings has 100% ownership interest
	Chicago, Illinois 60606	in William Blair & Company, L.L.C.

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

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**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
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(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section 11.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes  No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

#### E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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**SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS**

**NOTE:** If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

**A. CERTIFICATION REGARDING LOBBYING**

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

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(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that **NO** persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

## B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes

No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes

No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes

No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes

No

If you checked "No" to question 1. or 2. above, please provide an explanation:

William Blair & Company, L.L.C. is an equal opportunity employer. It complies with all laws and regulations that prohibit discrimination in employment practice because of race, color, religion, creed, ancestry, marital status, gender, age, national origin, sexual orientation, unfavorable discharge from the military service, or on the basis of a physical or mental disability that is unrelated to the employee's ability to perform the duties of the job applied for.

## SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.



Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2. If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3. If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

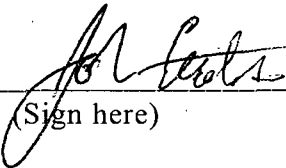
NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

William Blair & Company, L.L.C.

(Print or type name of Disclosing Party)

By:   
(Sign here)

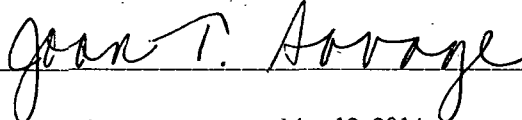
John R. Ettelson

(Print or type name of person signing)

President and Chief Executive Officer

(Print or type title of person signing)

Signed and sworn to before me on (date) April 21, 2011,  
at Cook County, Illinois (state).

 Notary Public

Commission expires: May 12, 2014



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise name of such familial relationship.

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**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

WBC Holdings, L.P.

Check **ONE** of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

**OR**

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: William Blair & Company, L.L.C.

**OR**

3.  a legal entity with a right of control (see Section 11.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: \_\_\_\_\_

B. Business address of the Disclosing Party: 222 West Adams Street

Chicago, Illinois 60606

C. Telephone: 312-364-8539 Fax: 312-236-0174 Email: cfreeburg@williamblair.com

D. Name of contact person: Charles W. Freeburg

E. Federal Employer Identification No. (if you have one): ██████████

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Multi-Family Housing Revenue Bonds, Series 2011 (Goldblatts Supportive Living Project), TIF Funds, and Home Loan

G. Which City agency or department is requesting this EDS? Department of Housing and Economic Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |  |
|---|--|
| <input type="checkbox"/> Person                                   | <input type="checkbox"/> Limited liability company       |
| <input type="checkbox"/> Publicly registered business corporation | <input type="checkbox"/> Limited liability partnership   |
| <input type="checkbox"/> Privately held business corporation      | <input type="checkbox"/> Joint venture                   |
| <input type="checkbox"/> Sole proprietorship                      | <input type="checkbox"/> Not-for-profit corporation      |
| <input type="checkbox"/> General partnership                      | (Is the not-for-profit corporation also a 501(c)(3))?    |
| <input checked="" type="checkbox"/> Limited partnership           | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Trust                                    | <input type="checkbox"/> Other (please specify)          |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

State of Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party.

**NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
WBCGP, L.L.C.	General Partner of WBC Holdings, L.P.
John Ettelson	President and CEO
Edgar Jannotta	Chairman
Dave Coolidge	Vice Chairman
Tim Burke	Chief Financial Officer
Arthur Simon	General Counsel

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
George Greig	222 West Adams Street Chicago, Illinois 60606	12.5%

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

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**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
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(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes             No             No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes             No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article 1 applies to the Applicant, the permanent compliance timeframe in Article 1 supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City; using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").



Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes  No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

**E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS**

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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**SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS**

**NOTE:** If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

**A. CERTIFICATION REGARDING LOBBYING**

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

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(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

**B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY**

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

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**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing **PERMANENT INELIGIBILITY** for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

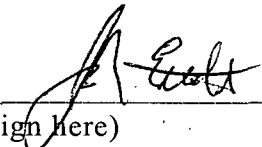
NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

WBC Holdings, LP

\_\_\_\_\_  
(Print or type name of Disclosing Party)

By:   
(Sign here)

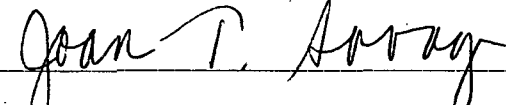
John R. Ettelson

\_\_\_\_\_  
(Print or type name of person signing)

President and Chief Executive Officer

\_\_\_\_\_  
(Print or type title of person signing)

Signed and sworn to before me on (date) April 21, 2011,  
at Cook County, Illinois (state).

 Notary Public.

Commission expires: May 12, 2014



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT  
AND AFFIDAVIT**

**SECTION I -- GENERAL INFORMATION**

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

WBC GP, LLC

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1.  the Applicant

OR

2.  a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: \_\_\_\_\_

OR

3.  a legal entity with a right of control (see Section II.B.1.) State the legal name of the entity in which the Disclosing Party holds a right of control: WBC Holdings, L.P.

B. Business address of the Disclosing Party: 222 West Adams Street

Chicago, Illinois 60606

C. Telephone: 312-364-8539 Fax: 312-236-0174 Email: cfreeburg@williamblair.com

D. Name of contact person: Charles W. Freeburg

E. Federal Employer Identification No. (if you have one): [REDACTED]

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

Multi-Family Housing Revenue Bonds, Series 2011 (Goldblatts Supportive Living Project), TIF Funds, and Home Loan

G. Which City agency or department is requesting this EDS? Department of Housing and Economic Development

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification # \_\_\_\_\_ and Contract # \_\_\_\_\_

**SECTION II -- DISCLOSURE OF OWNERSHIP INTERESTS**

**A. NATURE OF THE DISCLOSING PARTY**

1. Indicate the nature of the Disclosing Party:

- |   |   |
|---|---|
| <input type="checkbox"/> Person                                   | <input checked="" type="checkbox"/> Limited liability company |
| <input type="checkbox"/> Publicly registered business corporation | <input type="checkbox"/> Limited liability partnership        |
| <input type="checkbox"/> Privately held business corporation      | <input type="checkbox"/> Joint venture                        |
| <input type="checkbox"/> Sole proprietorship                      | <input type="checkbox"/> Not-for-profit corporation           |
| <input type="checkbox"/> General partnership                      | (Is the not-for-profit corporation also a 501(c)(3))?         |
| <input type="checkbox"/> Limited partnership                      | <input type="checkbox"/> Yes <input type="checkbox"/> No      |
| <input type="checkbox"/> Trust                                    | <input type="checkbox"/> Other (please specify)               |

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

State of Delaware

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

- Yes  No  N/A

**B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:**

1. List below the full names and titles of all executive officers and all directors of the entity.

**NOTE:** For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. **NOTE:** Each legal entity listed below must submit an EDS on its own behalf.

Name	Title
John Ettelson	President and Chief Executive Officer
Edgar Jannotta	Chairman
Dave Coolidge	Vice Chairman
Timothy Burke	Chief Financial Officer
Arthur Simon	General Counsel

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." **NOTE:** Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name	Business Address	Percentage Interest in the Disclosing Party
NONE		

**SECTION III -- BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS**

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

Yes                       No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

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**SECTION IV -- DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES**

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

Name (indicate whether retained or anticipated to be retained)	Business Address	Relationship to Disclosing Party (subcontractor, attorney, lobbyist, etc.)	Fees (indicate whether paid or estimated.) NOTE: "hourly rate" or "t.b.d." is not an acceptable response.
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(Add sheets if necessary)

Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities.

**SECTION V -- CERTIFICATIONS**

**A. COURT-ORDERED CHILD SUPPORT COMPLIANCE**

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

Yes       No       No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

Yes       No

**B. FURTHER CERTIFICATIONS**

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article 1 is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.1. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

- a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;
- b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or
- c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or
- d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-156 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION**

1. The Disclosing Party certifies that the Disclosing Party (check one)

is  is not

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

**D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS**

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

Yes  No

NOTE: If you checked "Yes" to Item D.1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

Yes

No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name

Business Address

Nature of Interest

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4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

#### E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

1. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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**SECTION VI -- CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS**

**NOTE:** If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

**A. CERTIFICATION REGARDING LOBBYING**

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

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(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

**B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY**

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

Yes                       No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

Yes                       No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

Yes                       No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

Yes                       No

If you checked "No" to question 1. or 2. above, please provide an explanation:

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**SECTION VII -- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE**

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at [www.cityofchicago.org/Ethics](http://www.cityofchicago.org/Ethics), and may also be obtained from the City's Board of Ethics, 740 N.

Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. **NOTE:** With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

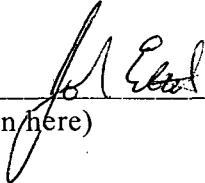
F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F.1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

NOTE: If the Disclosing Party cannot certify as to any of the items in F.1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

**CERTIFICATION**

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

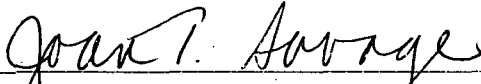
~~WBCGP, L.L.C.~~ WBC GP, LLC  
(Print or type name of Disclosing Party)

By:   
(Sign here)

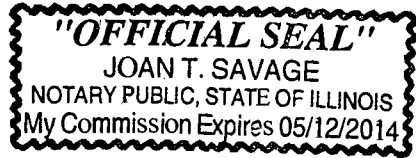
John R. Ettelson  
(Print or type name of person signing)

President and Chief Executive Officer  
(Print or type title of person signing)

Signed and sworn to before me on (date) April 21, 2011,  
at Cook County, Illinois (state).

 Notary Public.

Commission expires: May 12, 2014



**CITY OF CHICAGO  
ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT  
APPENDIX A**

**FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS**

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

Yes

No

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

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APPROVED

*Stephen R. Pether*

CORPORATION COUNSEL

APPROVED

*Ramon Emmanuel*

Mayor *RE*