



Office of the Chicago City  
Clerk



F2011-187

Office of the City Clerk

City Council Document Tracking Sheet

Meeting Date:	7/6/2011
Sponsor(s):	City Clerk Mendoza
Type:	Communication
Title:	Tax Increment Financing 119th and Halted Redevelopment Project Area
Committee(s) Assignment:	



OFFICE OF THE MAYOR  
CITY OF CHICAGO

RAHM EMANUEL  
MAYOR

June 22, 2011

RECEIVED

JUN 30 2011

BY: \_\_\_\_\_  
COMPTROLLER L.G.A.D.

Hand-delivered

June M. Canello  
TIF Administrator, Local Government  
Office of the Illinois Comptroller  
100 West Randolph – Suite 15-500  
Chicago, Illinois 60601

Re: Notice of the Designation of a City of Chicago TIF Administrator for Purposes of Filing the 2010 Tax Increment and Industrial Jobs Recovery Annual Reports for the City of Chicago (the "City")

Dear Ms. Canello:

This letter is intended to meet the requirements of your office as set forth in the "TIF Administrator Contact Information" section of your office's "Tax Increment Finance Report Instructions" for fiscal year 2010.

Please be advised that the City's Department of Housing and Economic Development (the "Department"), which is the successor department to the prior Department of Community Development, has the primary responsibility for preparing and filing the Tax Increment and Industrial Jobs Recovery annual reports with the Illinois Comptroller as required by 65 ILCS 5/11-74.4 et seq. and 65 ILCS 5/11-74.6 et seq. The administrative head of the Department, and thus the TIF Administrator for the City, is the Commissioner of the Department of Housing and Economic Development (the "Commissioner").

Andrew J. Mooney has been the Commissioner of the Department since February 9, 2011 and remains in that position to the present day. He is the TIF Administrator for the City for purposes of filing the City's 2010 Tax Increment and Industrial Jobs Recovery Annual Reports.

Sincerely,

  
Mayor

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# 2010 Annual Report

## 119<sup>th</sup> and Halsted Redevelopment Project Area



Pursuant to 65 ILCS 5/11-74.4-5(d)

*JUNE 30, 2011*

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**ANNUAL TAX INCREMENT FINANCE REPORT  
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

Name of Municipality: Chicago  
County: Cook  
Unit Code: 016/620/30

Reporting Fiscal Year: **2010**  
Fiscal Year End: 12 / 31 / **2010**

63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
69th/Ashland	11/3/2004	12/31/2028
71st and Stony Island	10/7/1998	10/7/2021
72nd and Cicero	11/17/1993	11/17/2016
73rd and Kedzie	11/17/1993	11/17/2016
73rd/University	9/13/2006	12/31/2030
79th and Cicero	6/8/2005	7/8/2021
79th Street Corridor	7/8/1998	12/31/2025
79th Street/Southwest Highway	10/3/2001	12/31/2029
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
89th and State	4/1/1998	4/1/2021
95th and Western	7/13/1995	7/13/2018
95th Street and Stony Island	5/16/1990	5/16/2013
Addison Corridor North	6/4/1997	6/4/2020
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/ Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin/Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/ Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/11/2019
Calumet Avenue/Cermak Road	7/29/1998	7/29/2021
Calumet River	3/10/210	12/31/2034
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chatham-Ridge	12/18/1986	12/31/2010 (1)
Chicago/ Kingsbury	4/12/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago Lakeside Development – Phase 1 (USX)	5/12/2010	12/31/2034
Chinatown Basin	12/18/1986	12/31/2010
Cicero/Archer	5/17/2000	12/31/2024
Clark Street and Ridge Avenue	9/29/1999	9/29/2022
Clark/Montrose	7/7/1999	7/7/2022
Commercial Avenue	11/13/2002	12/31/2026
Devon/Sheridan	3/31/2004	12/31/2028

(1) This TIF has been terminated; however, the sales tax portion continues to exist for the sole purpose of servicing outstanding obligations which may be retired early at which point the sales tax portion will also terminate.



# ANNUAL TAX INCREMENT FINANCE REPORT OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA

Name of Municipality: Chicago  
County: Cook  
Unit Code: 016/620/30

Reporting Fiscal Year: **2010**  
Fiscal Year End: 12 / 31 / **2010**

Devon/Western	11/3/1999	12/31/2023
Diversey/ Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Division/North Branch	3/15/1991	3/15/2014
Division-Hooker	7/10/1996	7/10/2019
Drexel Boulevard	7/10/2002	12/31/2026
Eastman/North Branch	10/7/1993	10/7/2016
Edgewater	12/18/1986	12/18/2009
Edgewater/ Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	11/29/2012
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-first Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	7/13/2017
Fullerton/ Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	7/7/2022
Goose Island	7/10/1996	7/10/2019
Greater Southwest Industrial Corridor (East)	3/10/1999	12/31/2023
Greater Southwest Industrial Corridor (West)	4/12/2000	12/31/2024
Harlem Industrial Park Conservation Area	3/14/2007	12/31/2031
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan/Grand Trunk	12/15/1993	12/15/2016
Homan-Arthington	2/5/1998	2/5/2021
Howard-Paulina	10/14/1988	10/14/2011
Humboldt Park Commercial	6/27/2001	12/31/2025
Irving Park/Elston	5/13/2009	12/31/2033
Irving/Cicero	6/10/1996	12/31/2020
Jefferson Park Business District	9/9/1998	9/9/2021
Jefferson/ Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	3/12/2032
Kinzie Industrial Corridor	6/10/1998	6/10/2021
Kostner Avenue	11/5/2008	11/5/2032
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
Lakeside/Clarendon	7/21/2004	12/31/2028
LaSalle Central	11/15/2006	12/31/2030
Lawrence/ Kedzie	2/16/2000	12/31/2024
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln-Belmont-Ashland	11/2/1994	11/2/2017
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031



**ANNUAL TAX INCREMENT FINANCE REPORT  
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

Name of Municipality: Chicago  
County: Cook  
Unit Code: 016/620/30

Reporting Fiscal Year: **2010**  
Fiscal Year End: 12 / 31 / **2010**

Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	9/13/2012
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2024
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	7/30/2020
Near South	11/28/1990	12/31/2014
Near West	3/23/1989	12/31/2013
North Branch (North)	7/2/1997	12/31/2021
North Branch (South)	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North-Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/2/2021
Ogden/Pulaski	4/9/2008	4/9/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2031
Peterson/ Cicero	2/16/2000	12/31/2024
Peterson/ Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Corridor	6/9/1999	6/9/2022
Randolph and Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read-Dunning	1/11/1991	12/31/2015
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Canal	3/19/1997	12/31/2021
Roosevelt/Cicero	2/5/1998	2/5/2021
Roosevelt/Racine	11/4/1998	12/31/2022
Roosevelt/Union	5/12/1999	5/12/2022
Roosevelt-Homan	12/5/1990	12/5/2013
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary Drainage and Ship Canal	7/24/1991	7/24/2014
South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2023
Stevenson/Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Industrial Commercial	3/9/1989	3/9/2012
Stockyards Southeast Quadrant Industrial	2/26/1992	2/26/2015
Stony Island Avenue Commercial and Burnside Industrial Corridors	6/10/1998	6/10/2021
Touhy/Western	9/13/2006	12/31/2030



**ANNUAL TAX INCREMENT FINANCE REPORT  
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

Name of Municipality: Chicago  
County: Cook  
Unit Code: 016/620/30

Reporting Fiscal Year: **2010**  
Fiscal Year End: 12 / 31 / **2010**

Weed/Fremont	1/8/2008	1/8/2032
West Grand	6/10/1996	6/10/2019
West Irving Park	1/12/2000	12/31/2024
West Pullman Industrial Park	3/11/1998	3/11/2021
West Ridge-Peterson Avenue	10/27/1986	12/31/2010
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue Rock Island	2/8/2006	12/31/2024
Western Avenue South	1/12/2000	12/31/2030
Western/Ogden	2/5/1998	2/5/2021
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	1/20/2022



SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

<b>Name of Redevelopment Project Area:</b> 119th and Halsted Redevelopment Project Area	
<b>Primary Use of Redevelopment Project Area*:</b> Combination/Mixed	
<b>If "Combination/Mixed" List Component Types:</b> Commercial/Industrial/Residential/Public Facilities	
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b> Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> Industrial Jobs Recovery Law <input type="checkbox"/>	

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F		X
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M		X

\* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.  
FY 2010 Section 2

**SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**  
Provide an analysis of the special tax allocation fund.

Reporting Year	Cumulative *
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Fund Balance at Beginning of Reporting Period

\$ 2,774,768

**Revenue/Cash Receipts Deposited in Fund During Reporting FY:**

			% of Total
Property Tax Increment	1,054,003	\$ 3,948,203	82%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	3,074		0%
Land/Building Sale Proceeds			0%
Note Proceeds		873,905	18%
Transfers in from Municipal Sources (Porting in)			0%
Private Sources			0%
Other (Identify source _____; if multiple other sources, attach schedule)			0%

Total Amount Deposited In Special Tax Allocation  
Fund During Reporting Period

1,057,077

Cumulative Total Revenues/Cash Receipts

\$ 4,822,108 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

318,385

Transfers out to Municipal Sources (Porting out)

Distribution of Surplus

Total Expenditures/Disbursements

318,885

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS**

738,192

**FUND BALANCE, END OF REPORTING PERIOD**

\$ 3,512,960

- if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

\* Except as set forth in the next sentence, each amount reported on the rows below, if any, is cumulative from the inception of the respective Project Area. Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either of the following: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the availability of records only from January 1, 1997 forward.



[illegible]

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects, Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households, Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 318,885

Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.\*

Name	Service	Amount
City Staff Costs <sup>1</sup>	Administration	\$14,730
Oosterbann & Sons Co.	Public Improvement	\$12,600
City Lights Ltd./ZSL Electric	Public Improvement	\$87,937
Local Initiatives Support Corporation	Financing	\$191,608

<sup>1</sup> Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.

\* This table may include payments for Projects that were undertaken prior to 11/1/1999.

**SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))**  
**Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period**  
**(66 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))**

**FUND BALANCE, END OF REPORTING PERIOD** **\$ 3,512,960**

	<b>Amount of Original Issuance</b>	<b>Amount Designated</b>
<b>1. Description of Debt Obligations</b>		
Reserved for debt service	\$ 873,905	\$ 478,042

**Total Amount Designated for Obligations** **\$ 873,905      \$ 478,042**

<b>2. Description of Project Costs to be Paid</b>		
Designated for future redevelopment project costs		\$ 3,034,918

**Total Amount Designated for Project Costs** **\$ 3,034,918**

**TOTAL AMOUNT DESIGNATED** **\$ 3,512,960**

**SURPLUS\*/(DEFICIT)** **\$ -**

**\*NOTE:** If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts.

**SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]**

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

  X   No property was acquired by the Municipality Within the Redevelopment Project Area



**SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)**  
Please include a brief description of each project.

See "General Notes" Below.

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
<b>TOTAL:</b>			
Private Investment Undertaken	\$ -	\$ -	\$ 21,713,496
Public Investment Undertaken	\$ 231,239	\$ 1,081,254	\$ 2,325,000
Ratio of Private/Public investment	0		9 19/56

<b>Project 1:</b>			
<b>Small Business Improvement Fund (SBIF) **</b>	Project is Ongoing ***		
Private Investment Undertaken			\$ 1,125,000
Public Investment Undertaken	\$ 99,010	\$ 216,997	\$ 750,000
Ratio of Private/Public Investment	0		1 1/2

<b>Project 2:</b>			
<b>Neighborhood Improvement Fund (NIF) **</b>	Project is Ongoing ***		
Private Investment Undertaken			\$ 2,000,000
Public Investment Undertaken	\$ 132,229	\$ 289,257	\$ 1,000,000
Ratio of Private/Public Investment	0		2

<b>Project 3:</b>			
<b>Hancock House Sr. Apts</b>	Project is Ongoing ***		
Private Investment Undertaken			\$ 18,588,496
Public Investment Undertaken		\$ 575,000	\$ 575,000
Ratio of Private/Public Investment	0		32 20/61

\*\* Depending on the particular goals of this type of program, the City may: i) make an advance disbursement of the entire public investment amount to the City's program administrator, ii) disburse the amounts through an escrow account, or iii) pay the funds out piecemeal to the program administrator as each ultimate grantee's rehabilitation work is approved under the program.

\*\*\* As of the last date of the reporting fiscal year, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the fiscal year in which the construction of the Project is completed and the total Private Investment figure is available.

**General Notes**

(a) Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenues. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenues that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.

(c) Each amount reported here under Public Investment Undertaken, 11/1/1999 to Date, is cumulative from the Date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999 are not reported on this table.

(d) Intergovernmental agreements, if any, are reported on Attachment M hereto.

STATE OF ILLINOIS       )  
                                  ) SS  
COUNTY OF COOK        )

**Attachment B**

**CERTIFICATION**

TO:

Judy Baar Topinka  
Comptroller of the State of Illinois  
James R. Thompson Center  
100 West Randolph Street, Suite 15-500  
Chicago, Illinois 60601  
Attention: June Canello, Director of Local  
Government

Jean-Claude Brizard  
Chief Executive Officer  
Chicago Board of Education  
125 South Clark Street, 5th Floor  
Chicago, Illinois 60603

Dolores Javier, Treasurer  
City Colleges of Chicago  
226 West Jackson Boulevard, Room 1125  
Chicago, Illinois 60606

Jacqueline Torres, Director of Finance  
Metropolitan Water Reclamation District of  
Greater Chicago  
100 East Erie Street, Room 2429  
Chicago, Illinois 60611

Herman Brewer  
Director  
Cook County Bureau of Planning & Dev.  
69 West Washington Street, Suite 2900  
Chicago, Illinois 60602

Douglas Wright  
South Cook County Mosquito Abatement  
District  
155th & Dixie Highway  
P.O. Box 1030  
Harvey, Illinois 60426

Dan Donovan, Comptroller  
Forest Preserve District of Cook County  
69 W. Washington Street, Suite 2060  
Chicago, IL 60602

Michael P. Kelly, Interim General  
Superintendent & CEO  
Chicago Park District  
541 North Fairbanks  
Chicago, Illinois 60611

I, Rahm Emanuel, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq. (the "Act") with regard to the 119th and Halsted Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

Attachment B

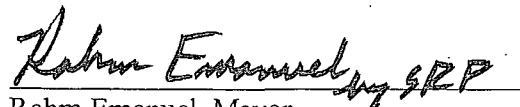
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2010, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2011.

  
Rahm Emanuel, Mayor  
City of Chicago, Illinois



DEPARTMENT OF LAW

CITY OF CHICAGO

June 30, 2011

Attachment C

Judy Baar Topinka  
Comptroller of the State of Illinois  
James R. Thompson Center  
100 West Randolph Street, Suite 15-500  
Chicago, Illinois 60601  
Attention: June Canello, Director of Local  
Government

Jean-Claude Brizard  
Chief Executive Officer  
Chicago Board of Education  
125 South Clark Street, 5th Floor  
Chicago, Illinois 60603

Dolores Javier, Treasurer  
City Colleges of Chicago  
226 West Jackson Boulevard, Room 1125  
Chicago, Illinois 60606

Jacqueline Torres, Director of Finance  
Metropolitan Water Reclamation District  
of Greater Chicago  
100 East Erie Street, Room 2429  
Chicago, Illinois 60611

Herman Brewer  
Director  
Cook County Bureau of Planning & Dev.  
69 West Washington Street, Suite 2900  
Chicago, Illinois 60602

Douglas Wright  
South Cook County Mosquito Abatement  
District  
155th & Dixie Highway  
P.O. Box 1030  
Harvey, Illinois 60426

Dan Donovan, Comptroller  
Forest Preserve District of Cook County  
69 W. Washington Street, Suite 2060  
Chicago, IL 60602

Michael P. Kelly, Interim General  
Superintendent & CEO  
Chicago Park District  
541 North Fairbanks  
Chicago, Illinois 60611

Re: 119th and Halsted  
Redevelopment Project Area (the "Redevelopment Project  
Area")

Dear Addressees:

I am the Corporation Counsel of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of the City's Law Department. In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.

Opinion of Counsel for 2010 Annual Report  
Page 2

June 30, 2011

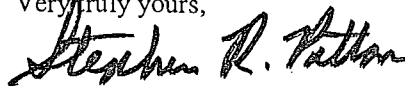
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area, and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Housing and Economic Development, Department of Finance and Office of Budget and Management (collectively, the "City Departments"), have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 1.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,



Stephen R. Patton  
Corporation Counsel

**SCHEDULE 1**

(Exception Schedule)

☒ (X) No Exceptions

☐ ( ) Note the following Exceptions:

## ATTACHMENTS D, E and F

### ATTACHMENT D

#### Activities Statement

Projects that were implemented during the preceding fiscal year, if any, are set forth below:

Name of Project
Hancock House

Redevelopment activities undertaken within this Project Area during the preceding fiscal year, if any, have been made pursuant to: (i) the Redevelopment Plan for the Project Area, and (ii) any Redevelopment Agreements affecting the Project Area, and are set forth in Section 3 herein by TIF-eligible expenditure category.

### ATTACHMENT E

#### Agreements

Agreements entered into concerning the disposition or redevelopment of property within the Project Area during the preceding fiscal year, if any, are attached hereto.

None

### ATTACHMENT F

#### Additional Information

The amounts shown elsewhere in this report, including those shown in Section 3 herein, have been used to pay for project cost within the Project Area and for debt service (if applicable), all in furtherance of the objectives of the Redevelopment Plan for the Project Area.

## ATTACHMENT D

This agreement was prepared by and  
after recording return to  
Saundra N. Fried, Esq.  
City of Chicago Law Department  
121 North LaSalle Street, Room 600  
Chicago, IL 60602

### Hancock House Senior Apartments Redevelopment Agreement

This Hancock House Senior Apartments Redevelopment Agreement (this "Agreement") is made as of this 28th day of May, 2010, by and between the City of Chicago, an Illinois municipal corporation (the "City"), through its Department of Community Development ("DCD"), Hancock House Limited Partnership, an Illinois limited partnership ("HHLP"), and Brownlow, Belton, Sullivan, Arms, NFP, an Illinois not-for-profit corporation ("BBSA" and collectively with HHLP, the "Developer").

### RECITALS

A. Constitutional Authority: As a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois (the "State"), the City has the power to regulate for the protection of the public health, safety, morals and welfare of its inhabitants, and pursuant thereto, has the power to encourage private development in order to enhance the local tax base, create employment opportunities and to enter into contractual agreements with private parties in order to achieve these goals.

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

C. City Council Authority: To induce redevelopment pursuant to the Act, the City Council of the City (the "City Council") adopted the following ordinances on February 6, 2002: (1)



"Approval of Tax Increment Redevelopment Plan for 119th and Halsted Redevelopment Project Area;" (2) "Designation of 119th and Halsted Redevelopment Area as Tax Increment Financing District;" and (3) "Adoption of Tax Increment Allocation Financing for 119th and Halsted Redevelopment Project Area" (the "TIF Adoption Ordinance"), (collectively referred to herein as the "TIF Ordinances"). The redevelopment project area referred to above (the "Redevelopment Area") is legally described in Exhibit A hereto.

D. The Project: BBSA has acquired from the City (the "Acquisition") certain property located within the Redevelopment Area as legally described on Exhibit B hereto (the "Property") which such Property BBSA will contribute to Hancock House, L.L.C., an Illinois limited liability company, who will contribute to the ultimate title holder, HHLP (of which BBSA is indirectly through Hancock House, L.L.C, a general partner), and, within the time frames set forth in Section 3.01 hereof, the Developer shall commence and complete the following activities (collectively, the "Project"): construction of a seven-story rental elevator building (the "Building") on the Property, which will consist of a rental community for seniors (age 62 or older), with 89 rental units, comprised of 80 affordable units (the "Affordable Units") and nine market-rate units (the "Market Rate Units" and, together with the Affordable Units, the "Units"), which will offer approximately 74,500 square feet of space, and no fewer than 37 parking spaces (the "Parking") free of charge on a first-come first-served basis (the Building and the Parking are collectively, the "Facility"). The Building shall have a partial green, reflective roof membrane, Energy Star H.V.A.C. systems, Energy Star appliances, grading and landscaping to promote on-site water retention, and fluorescent lighting in common areas, low VOC interior paints, low-flow plumbing fixtures, Low E. insulated windows, insulated entry doors, R-19 perimeter wall insulation and R-38 roof insulation. The following standard features will be offered at no additional fee: wall-to-wall carpeting; mini-blinds; individually controlled heating and cooling; and full kitchens. Common area amenities will include an atrium, laundry facilities and a main floor multi-purpose community room with kitchen, wellness room, computers and fitness amenities, and closed circuit security system for public areas of the Building and the Parking. 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 is located in the Redevelopment Area and will be carried out in accordance with this Agreement and the City of Chicago 119th and Halsted Tax Increment Financing Redevelopment Plan (the "Redevelopment Plan") attached hereto as Exhibit D.

F. City Financing: The City agrees to use, in the amounts set forth in Section 4.03(iii) hereof, Available 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. The City, as of the Closing Date, shall allocate and appropriate the amounts set forth in Section 4.03(iii) for payment of the Redevelopment Project Costs of the Project.

In addition, the City may, in its discretion, issue tax increment allocation bonds ("Bonds") secured by Incremental Taxes (as defined below) pursuant to an ordinance at a later date as described in Section 8.05 hereof, the proceeds of which may be used to pay for the costs of the TIF-Funded Improvements not previously paid for from Incremental Taxes, or in order to reimburse the City for the costs of TIF-Funded Improvements.

**G. Prior TIF Financing:** Pursuant to an ordinance adopted by the City Council on September 14, 2005, the City authorized the expenditure in the amount of \$750,000, secured by the pledge of certain Incremental Taxes for the payment of redevelopment project costs in connection with the Small Business Improvement Fund and the Neighborhood Improvement Program (the "SBIF Obligation").

Pursuant to a note ordinance adopted by the City Council on March 29, 2006, the City authorized the issuance of a note in the aggregate principal amount of \$1,000,000 to Local Initiatives Support Corporation, secured by the pledge of certain Incremental Taxes for the payment of redevelopment project costs in connection with the Neighborhood Improvement Fund and the Neighborhood Improvement Program (the "NIF Obligation").

The SBIF Obligation and the NIF Obligation are collectively referred to herein as the Prior TIF Financings. The Developer acknowledges that the Prior TIF Financings are prior liens on the 119<sup>th</sup> and Halsted TIF Fund and that the Developer has no claim on any monies except for monies which are Available Incremental Taxes.

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

#### SECTION 1. RECITALS

The foregoing recitals are hereby incorporated into this agreement by reference.

#### SECTION 2. DEFINITIONS

For purposes of this Agreement, in addition to the terms defined in the foregoing recitals, the following terms shall have the meanings set forth below:

"Act" shall have the meaning set forth in the Recitals hereof.

"Affiliate" shall mean any person or entity directly or indirectly controlling, controlled by or under common control with the Developer.

"Affordable Units" shall have the meaning set forth in the Recitals hereof.

"Annual Report" shall mean the report described in Section 8.21 hereof.

"Available Incremental Taxes" shall mean the 90% of the Incremental Taxes then on deposit in the 119th and Halsted TIF Fund as reduced to reflect the amount of the City Fee.

"Building" shall have the meaning set forth in the Recitals hereof.

"Bond(s)" shall have the meaning set forth for such term in Section 8.05 hereof.

"Certificate" shall mean the final Certificate of Completion described in Section 7.01 hereof.

**"Change Order"** shall mean any amendment or modification to the Scope Drawings, Plans and Specifications or the Project Budget as described in Section 3.03, Section 3.04 and Section 3.05, respectively.

**"City Council"** shall have the meaning set forth in the Recitals hereof.

**"City ARRA Funds"** shall mean the loan of funds by the City to the Developer in connection with the Project in the amount as set forth in Section 4.01 hereof.

**"City Fee"** shall have the meaning set forth for such term in Section 4.05(c) hereof.

**"City Funds"** shall mean the funds described in Section 4.03(b) hereof.

**"Closing Date"** shall mean May 28, 2010.

**"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.

**"Deed"** shall have the meaning set forth in Section 3.13(b) hereof.

**"DOE"** shall mean the City's Department of Environment.

**"Draft NFR Letter"** shall mean a draft comprehensive "no further remediation" letter from the IEPA for the Property, or any portion thereof, based on TACO Tier I residential remediation objectives, as amended or supplemented from time to time.

**"Employer(s)"** shall have the meaning set forth in Section 10 hereof.

**"Environmental Laws"** shall mean any and all Laws relating to public health and safety and the environment now or hereafter in force, as amended and hereafter amended, including but not limited to (i) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601 et seq.); (ii) any so-called "Superfund" or "Superlien" law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.); (iv) the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.); (v) the Clean Air Act (42 U.S.C. Section 7401 et seq.); (vi) the Clean Water Act (33 U.S.C. Section 1251 et seq.); (vii) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.); (viii) the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Section 136 et seq.); (ix) the Illinois Environmental Protection Act (415 ILCS 5/1 et seq.); and (x) the Municipal Code of Chicago, including but not limited to the Municipal Code of Chicago, Sections 7-28-390, 7-28-440, 11-4-1410, 11-4-1420, 11-4-1450, 11-4-1500, 11-4-1530, 11-4-1550, or 11-4-1560.

**"Environmental Remediation"** has the meaning set forth in Section 11.03.

**"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, with respect to each construction phase undertaken, the construction escrow agreement to be entered into by the Title Company (or an affiliate of, or an entity as an agent of, the Title Company), the General Contractor, the Developer, the Lender(s) and the City, substantially in the form of Exhibit L attached hereto, which shall govern the funding of the Equity, the Lender Financing, and the City Funds.

**"Event of Default"** shall have the meaning set forth in Section 15 hereof.

**"Facility"** shall have the meaning set forth in the Recitals hereof.

**"Final NFR Letter"** shall mean a final comprehensive "no further remediation" letter from the IEPA approving the use of the Property for the construction, development and operation of the Project.

**"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, lead-bearing substance and asbestos in any form or condition.

**"IEPA"** shall mean the Illinois Environmental Protection Agency.

**"IHDA"** shall mean the Illinois Housing Development Authority.

**"IHDA ARRA Funds"** shall mean the loan of funds by IHDA to the Developer in connection with the Project in the amount as set forth in Section 4.01 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 119th and Halsted TIF Fund established to pay Redevelopment Project Costs and obligations incurred in the payment thereof.

**"Laws"** shall mean all applicable federal, state, local or other laws (including common law), statutes, codes, ordinances, rules, regulations or other requirements, now or hereafter in effect, as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative orders, consent decrees or judgments, including, without limitation, Sections 7-28 and 11-4 of the Municipal Code of Chicago relating to waste disposal.

"**Lender**" shall mean any provider of Lender Financing.

"**Lender Financing**" shall mean funds borrowed by either one of the Developer from any lender to fund costs of, and available to pay for, the Project, in the amount set forth in **Section 4.01** hereof.

"**Losses**" shall mean any and all debts, liens, claims, actions, causes of action, suits, demands, complaints, legal or administrative proceedings, losses, damages, assessments, obligations, liabilities, executions, judgments, amounts paid in settlement, arbitration or mediation awards, interest, fines, penalties, costs, expenses, and disbursements of any kind or nature whatsoever (including, without limitation, Remediation Costs, reasonable attorneys' fees and expenses, consultants' fees and expenses and court costs).

"**Market Rate Units**" shall have the meaning set forth in the Recitals hereof.

"**MBE(s)**" shall mean a business identified in the Directory of Certified Minority Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a minority-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

"**MBE/WBE Budget**" shall mean the budget as described in **Section 10.03**.

"**Municipal Code**" shall mean the Municipal Code of the City of Chicago.

"**Non-Governmental Charges**" shall mean all non-governmental charges, liens, claims, or encumbrances relating to the Developer, the Property or the Project.

"**119th and Halsted TIF Fund**" shall mean the special tax allocation fund created by the City in connection with the Redevelopment Area into which the Incremental Taxes will be deposited.

"**Parking**" shall have the meaning set forth in the Recitals hereof.

"**Permitted Liens**" shall mean those liens and encumbrances against the Property and/or the Project set forth on **Exhibit F** hereto.

"**Plans and Specifications**" shall mean final construction documents containing a site plan and working drawings and specifications for the Project, as submitted to the City as the basis for obtaining building permits for the Project.

"**Prior Expenditure(s)**" shall have the meaning set forth in **Section 4.05(a)** hereof.

"**Prior TIF Financing**" shall have the meaning set forth in the Recitals hereof.

"**Project**" shall have the meaning set forth in the Recitals hereof.

"**Project Budget**" shall mean the budget attached hereto as **Exhibit G**, showing the total cost of the Project by line item, furnished by the Developer to DCD, in accordance with **Section 3.03** hereof.

"**Property**" shall have the meaning set forth in the Recitals hereof.

"Purchase Price" shall have the meaning set forth in Section 3.13(a).

"RACR" shall mean a Remedial Action Completion Report submitted to the IEPA in connection with a request for a Final NFR Letter.

"RAP" shall mean the Remedial Action Plan submitted to the IEPA in connection with a request for a Draft NFR Letter, as amended or supplemented from time to time.

"ROR" means the Remediation Objectives Report submitted to the IEPA in connection with a request for a Draft NFR Letter, as amended or supplemented from time to time.

"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.

"Remediation Costs" shall mean governmental or regulatory body response costs, natural resource damages, property damages, and the costs of any investigation; cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon.

"Requisition Form" shall mean the document, in the form attached hereto as Exhibit H, to be delivered by the Developer to DCD pursuant to Section 4.03 of this Agreement

"Scope Drawings" shall mean preliminary construction documents containing a site plan and preliminary drawings and specifications for the Project.

"SRP" means the IEPA's Site Remediation Program as set forth in Title XVII of the Illinois Environmental Protection Act, 415 ILCS 5/58 et seq., and the regulations promulgated thereunder.

"Surplus" shall have the meaning set forth in Section 4.03(c)(iii).

"Survey" shall mean a Class A plat of survey in the most recently revised form of ALTA/ACSM land title survey of the Property dated within six months 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).

"Term of the Agreement" shall mean the period of time commencing on the Closing Date and ending on December 31, 2025, the date on which the Redevelopment Area is no longer in effect.

"TIF Adoption Ordinance" shall have the meaning set forth in the Recitals hereof.

"TIF-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 reimburse and/or 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 First American Title Insurance Company.

"Title Policy" shall mean a title insurance policy in the most recently revised ALTA or equivalent form, showing the Developer as the insured, noting the recording of this Agreement as an encumbrance against the Property, and a subordination agreement in favor of the City with respect to previously recorded liens against the Property related to Lender Financing, if any, issued by the Title Company.

"Units" shall have the meaning set forth in the Recitals hereof.

"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 April 1, 2010; and (ii) complete construction no later than December 31, 2011.

**3.02 Scope Drawings and Plans and Specifications.** The Developer has delivered the Scope Drawings and Plans and Specifications to DCD and DCD has approved same. After such initial approval, subsequent proposed changes to the Scope Drawings or Plans and Specifications shall be submitted to DCD as a Change Order pursuant to Section 3.04 hereof. The Scope Drawings and Plans and Specifications shall at all times conform to the Redevelopment Plan as in effect on the date of this Agreement and all applicable Laws. 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 DCD, and DCD has approved, a Project Budget showing total costs for the Project in an amount not less than Nineteen Million One Hundred Sixty-Three Thousand Four Hundred Ninety-Six Dollars and 00/100 (\$19,163,496). The Developer hereby certifies to the City that (a) the Lender Financing and Equity described in Section 4.01 hereof, shall be sufficient to complete the Project; and (b) the Project Budget is true, correct and complete in all material respects. The Developer shall promptly deliver to DCD certified copies

of any Change Orders with respect to the Project Budget for approval pursuant to Section 3.04 hereof.

**3.04 Change Orders.** All Change Orders (and documentation substantiating the need and identifying the source of funding therefor) that individually or in the aggregate (a) reduce the square footage of the Building or the Parking, (b) result in a delay of completion of the Project in excess of 90 days, (c) changes the basic use of the Project, or (d) permanently increase or decrease any line item in the Project Budget must be submitted by the Developer to DCD for DCD's prior written approval. The Developer shall not authorize or permit the performance of any work relating to any Change Order described in (a), (b), (c) or (d) above, or the furnishing of materials in connection therewith, prior to the receipt by the Developer of DCD'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 DCD Approval.** Any approval granted by DCD 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 DCD pursuant to this Agreement constitute approval of the quality, structural soundness or safety of the Property or the Project.

**3.06 Other Approvals.** Any DCD 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 DCD'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 DCD with written quarterly progress reports detailing the status of the Project, including a revised completion date, if necessary (with any change in completion date reflecting a delay in excess of 90 days being considered a Change Order, requiring DCD's written approval pursuant to Section 3.04). The Developer shall provide three (3) copies of an updated Survey to DCD upon the request of DCD or any Lender, 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 DCD 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 DCD, prior to requests for disbursement for costs related to the Project. With the written consent of DCD, the inspecting architect may be the inspecting architect engaged by or on behalf of any Lender, provided that said architect is an independent architect licensed by the State of Illinois, or an inspecting agent of DCD.

**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.



DCD retains the right to approve the maintenance, appearance, color scheme, painting, nature, type, content and design of all barricades.

**3.10 Signs and Public Relations.** The Developer shall erect a sign of size and style approved by the City in a conspicuous location on the Property during the Project, indicating that financing has been provided by the City. The City reserves the right to include the name, photograph, artistic rendering of the Project and other pertinent information regarding the Developer, the Property and the Project in the City's promotional literature and communications.

**3.11 Utility Connections.** The Developer may connect all on-site water, sanitary, storm and sewer lines constructed on the Property to City utility lines existing on or near the perimeter of the Property, provided the Developer first complies with all City requirements governing such connections, including the payment of customary fees and costs related thereto.

**3.12 Permit Fees.** In connection with the Project and subject to waivers authorized by City Council, the Developer shall be obligated to pay only those building, permit, engineering, tap on and inspection fees that are assessed on a uniform basis throughout the City of Chicago and are of general applicability to other property within the City of Chicago.

**3.13 Conveyance of Property.** The following provisions shall govern the City's conveyance of the Property to the Developer:

(a) **Purchase Price.** The City hereby agrees to sell, and BBSA hereby agrees to purchase, upon and subject to the terms and conditions of this Agreement, the Property, for One Dollar (\$1.00) (the "Purchase Price"), which is to be paid to the City on the Closing Date in cash or by certified or cashier's check or wire transfer of immediately available funds. BBSA shall pay all escrow fees and other title insurance fees, premiums and closing costs. The Developer acknowledges and agrees that (a) the Purchase Price based on an appraisal prepared in 2007 is approximately \$310,000 less than the appraised fair market value of the Property, (b) the Purchase Price based on an appraisal prepared in 2009 is approximately \$450,000 less than the appraised fair market value of the Property, and (c) the City has only agreed to sell the Property to BBSA for the Purchase Price because the Developer has agreed to execute this Agreement and comply with its terms and conditions.

(b) **Form of Deed.** The City shall convey the Property to BBSA by quitclaim deed (the "Deed"), subject to the terms of this Agreement and, without limiting the quitclaim nature of the deed, the following:

- (i) the **Redevelopment Plan**;
- (ii) the standard exceptions in an ALTA title insurance policy;
- (iii) all general real estate taxes and any special assessments or other taxes;
- (iv) all easements, encroachments, covenants and restrictions of record and not shown of record;
- (v) such other title defects as may exist; and
- (vi) any and all exceptions caused by the acts of the Developer or its agents.

(c) Title. BBSA acknowledges that it has obtained title insurance commitments for the Property, showing the City in title to the Property. The Developer shall be solely responsible for and shall pay all costs associated with updating such title commitments (including all search, continuation and later-date fees), and obtaining the Title Policy. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate tax liens attributable to taxes due and payable prior to the Closing Date with respect to the Property, the City shall submit to the County a tax abatement letter and/or file a motion to vacate a tax sale in the Circuit Court of Cook County, seeking the exemption or waiver of such pre-closing tax liabilities, but shall have no further duties with respect to any such taxes.

(d) The Land Closing. The conveyance of the Property shall take place on the Closing Date at the downtown offices of the Title Company or such other place as the parties may mutually agree upon in writing; provided, however, in no event shall the closing of the land sale occur unless the Developer has satisfied all conditions precedent set forth in this Agreement, unless DCD, in its sole discretion, waives such conditions. On or before the Closing Date, the City shall deliver to the Title Company the Deed, all necessary state, county and municipal real estate transfer tax declarations, and an ALTA statement. The City will not provide a gap undertaking.

(e) Recording Costs. The Developer shall pay to record the Deed, this Agreement, and any other documents incident to the conveyance of the Property to BBSA.

#### SECTION 4. FINANCING

**4.01 Total Project Cost and Sources of Funds.** The cost of the Project is estimated to be \$19,163,496, to be applied in the manner set forth in the Project Budget. Such costs shall be funded from the following sources:

Lender Financing	
Senior Loan	\$ 750,000
IHDA ARRA Funds	\$ 7,051,607
City ARRA Funds	\$ 9,350,889
TIF	\$ 575,000
Equity (subject to <u>Sections 4.03(b) and 4.06</u> )	\$ 1,436,000
<b>ESTIMATED TOTAL</b>	<b>\$19,163,496</b>

**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 to reimburse BBSA 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 reimbursed from City Funds for each line item therein (subject to Sections 4.03(b) and 4.07(d)), contingent upon receipt by the City of documentation satisfactory in form and substance to DCD evidencing such cost and its eligibility as a Redevelopment Project Cost.

#### (b) Payment of City Funds.

- i. Subject to the terms and conditions of this Agreement, including but not limited to this Section 4.03 and Section 5 hereof, the City hereby agrees to provide City funds (the "City Funds") from Available Incremental Taxes to pay for and/or reimburse BBSA for the costs of the TIF-Funded Improvements in the amounts determined under Section 4.03(c). To the extent Available Incremental Taxes are determined to be insufficient to meet the payment schedule set forth in Section 4.03(c), the City shall make such deposit(s) as such Available Incremental Taxes become available. Payment of City Funds from Available Incremental Taxes are subject to the Prior TIF Financings. The City retains the right to fund other projects within the Redevelopment Area using Available Incremental Taxes so long as such funding would not, based upon the City's projections and uses of Available Incremental Taxes at the time the City agrees to provide such funding, result in the amount of Available Incremental Taxes being insufficient to fund the City's obligations under this Agreement.
- ii. Subject to the terms and conditions of this Agreement, payment shall be made to BBSA (the "Installment") in accordance with the terms of the Escrow Agreement and upon BBSA's submission of a draw request (the "Requisition Form") in accordance with Section 4.03(c). Such Installment shall be in the amount set for in Section 4.03(c); provided, however, that the total amount of City Funds expended for TIF-Funded Improvements shall be an amount not to exceed Five Hundred Seventy-Five Thousand Dollars and 00/100 (\$575,000).
- iii. City Funds derived from Incremental Taxes and available to pay such costs and allocated for such purposes shall be paid in accordance with the terms of this Agreement and the Escrow Agreement only so long as no Event of Default or condition for which the giving of notice or the passage of time, or both, would constitute an Event of Default exists under this Agreement or the Escrow Agreement.

The Developer acknowledges and agrees that the City's obligation to pay any City Funds is contingent upon the conditions set forth in parts (i), (ii) and (iii) above, as well as the Developer's satisfaction of all other applicable terms and conditions of this Agreement, including, without limitation, compliance with the covenants in Section 8.20. In the event that such conditions are not fulfilled, the amount of Lender Financing and/or Equity to be contributed by the Developer pursuant to Section 4.01 hereof shall be increased, as necessary, to complete the Project.

(c) Payment Amount. (i) The Installment, to be paid pursuant to a draw request in accordance with the Escrow Agreement and upon submission of a Requisition Form, shall be as follows:

<u>Installment</u>	<u>Payment Trigger</u>	<u>Payment Amount</u>
One	The later of (a) Developer completion of 75% of the Project, or (b) March 1, 2011	\$575,000

(ii) Any delay in the construction completion date greater than six (6) months from the date set forth in Section 3.01(ii) shall result in the City no longer being obligated to reserve Available Increment in anticipation of paying the Installment in accordance with Section 4.03(c)(i).

(iii) To the extent that the actual Project costs are less than the budgeted Project costs as set forth in Project Budget (such amount being a "Surplus"), the Installment can be reduced or reimbursed to the City (as the case may be) by the amount of the Surplus, in accordance with the terms of the Escrow Agreement.

**4.04 Construction Escrow.** The City, the Developer, the Title Company, the General Contractor and Lenders shall enter into an Escrow Agreement. All disbursements of City 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 with respect to the payment of City Funds hereunder, the terms of this Agreement shall control. The City shall receive copies of any draw requests and related documents submitted to the Title Company for disbursements under the Escrow Agreement and shall be approved, subject to compliance with Section 8.20(a) hereof, in accordance with the Escrow Agreement.

**4.05 Treatment of Prior Expenditures and Subsequent Disbursements.**

(a) **Prior Expenditures.** Only those expenditures made by BBSA with respect to the Project prior to the Closing Date, evidenced by documentation satisfactory to DCD and approved by DCD as satisfying costs covered in the Project Budget, shall be considered previously contributed Equity or Lender Financing hereunder (the "Prior Expenditures"). DCD 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 DCD as of the date hereof as Prior Expenditures. Prior Expenditures made for items other than TIF-Funded Improvements shall not be paid to BBSA but shall increase the amount of Equity and/or Lender Financing required to be contributed by the Developer pursuant to Section 4.01 hereof.

(b) **Subsequent Disbursements.** Disbursements of City Funds 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 DCD, being prohibited, subject to the terms of Section 3.04. DCD shall not unreasonably withhold its consent to such transfers so long as the Corporation Counsel has advised DCD that an expenditure qualifies as an eligible cost under the Act.

(c) **City Fee.** Annually, the City may allocate an amount not to exceed ten percent (10%) of the Incremental Taxes for payment of costs incurred by the City for the administration and monitoring of the Redevelopment Area, including the Project (the "City Fee"). Such fee shall be in addition to and shall not be deducted from or considered a part of the City Funds, and the City shall have the right to receive such funds prior to any payment of City Funds hereunder.

**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.** As a condition to the disbursement of City Funds hereunder, BBSA shall submit the Requisition Form in accordance with Section 4.03(c) and supporting documentation regarding the applicable expenditures to DCD, which shall be satisfactory

to DCD in its sole discretion. Delivery by BBSA to DCD of any request for disbursement of City Funds hereunder shall, in addition to the items therein expressly set forth, constitute a certification by the Developer to the City, as of the date of such request for disbursement, that:

(a) the actual amount paid to the General Contractor and/or subcontractors who have performed work on the Project, and/or their payees is equal to or greater than the total amount of the disbursement request;

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

(c) the Developer has approved all work and materials for the current Requisition Form, and such work and materials conform to the Plans and Specifications;

(d) the representations and warranties contained in this 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 and/or liens bonded by the Developer or insured by the Title Company; and

(f) no Event of Default or condition or event which, with the giving of notice or passage of time or both, would constitute an Event of Default exists or has occurred.

The City 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, any ordinance pursuant to which Bonds, if any, are issued, the City Housing Loan documents, the Bonds, if any, the TIF Ordinances, this Agreement and/or the Escrow Agreement.

**4.08 Conditional Payment of City Funds.** The City Funds being provided hereunder are being provided to BBSA on a conditional basis, subject to the Developer's compliance with the provisions of this Agreement. The payment of City Funds is subject to being terminated and/or reimbursed, as provided for in Section 15, for noncompliance with Section 8.20 hereof.

## SECTION 5. CONDITIONS PRECEDENT

The following conditions have been complied with to the City's satisfaction on or prior to the Closing Date:

**5.01 Project Budget.** The Developer has submitted to DCD, and DCD 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 DCD, and DCD has approved, the Scope Drawings and Plans and Specifications accordance with the provisions of Section 3.02 hereof.

**5.03 Other Governmental Approvals.** The Developer has secured all other necessary approvals and permits required by any state, federal, or local statute, ordinance or regulation and has submitted evidence thereof to DCD. Such approvals shall include, without limitation, all building permits necessary for the Project.

**5.04 Financing.** The Developer has furnished proof reasonably acceptable to the City that the Developer has Equity and Lender Financing in the amounts set forth in Section 4.01 hereof to complete the Project and satisfy its obligations under this Agreement. If a portion of such funds consists of Lender Financing, the Developer has furnished proof as of the Closing Date that the proceeds thereof are available to be drawn upon by the Developer as needed and are sufficient (along with other sources set forth in Section 4.01) to complete the Project. The Developer has delivered to the City a copy of the Escrow Agreement. Any liens against the Property in existence at the Closing Date and recorded prior to this Agreement have been subordinated to certain encumbrances of the City set forth herein pursuant to a Subordination Agreement, in a form acceptable to the City, executed on or prior to the Closing Date, which is to be recorded, at the expense of the Developer, with the Office of the Recorder of Deeds of Cook County.

**5.05 Acquisition and Title.** On the Closing Date, the Developer has furnished the City with a pro forma copy of the Title Policy for the Property, certified by the Title Company, showing HHLP as the named insured. The Title Policy is dated as of the Closing Date and contains only those title exceptions listed as Permitted Liens on Exhibit F hereto and evidences the recording of this Agreement pursuant to the provisions of Section 8.17 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 (as applicable), location, access and survey. The Developer has provided to DCD, 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 DCD'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 (a) the Developer's name, (b) Hancock House, L.L.C. and Source Works Development, LLC (collectively, the "Related Entities") as follows:

Secretary of State	UCC search
Secretary of State	Federal tax search
Cook County Recorder	UCC search
Cook County Recorder	Fixtures search
Cook County Recorder	Federal tax search
Cook County Recorder	State tax search
Cook County Recorder	Memoranda of judgments search
U.S. District Court	Pending suits and judgments (including bankruptcy)
Clerk of Circuit Court, Cook County	Pending suits and judgments

showing no liens against the Developer, the Property, the Related Entities or any fixtures now or hereafter affixed thereto, except for the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company.

**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 DCD.

**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.

**5.10 Evidence of Prior Expenditures.** The Developer has provided evidence satisfactory to DCD in its sole discretion of the Prior Expenditures in accordance with the provisions of Section 4.05 hereof.

**5.11 Financial Statements.** The Developer has provided Financial Statements to DCD for its most recently completed fiscal year, and audited, if any, or unaudited interim financial statements for the period after the end of the most recently completed fiscal year.

**5.12 Documentation.** The Developer, as applicable, has provided documentation to DCD, satisfactory in form and substance to DCD, with respect to current employment matters.

**5.13 Environmental.** The Developer has provided DOE with copies of all environmental reports completed with respect to the Property. The Developer has provided the City with a letter from the environmental engineer(s) who completed such report(s), authorizing the City to rely on such reports. If required under Section 11.03, the Developer has taken all necessary and proper steps to enroll the Property in the SRP. The City agrees to reasonably cooperate with the Developer in Developer's efforts to satisfy this condition, at no cost to the City.

**5.14 Organizational Documents; Economic Disclosure Statement.** The Developer has provided, as applicable, a copy of its Articles or Certificate of Incorporation or Certificate of Limited Partnership containing the original certification of the Secretary of State of its state of organization; certificates of good standing from the Secretary of State of its state of organization and all other states in which the Developer is qualified to do business; a secretary's certificate in such form and substance as the Corporation Counsel may require; by-laws of the corporation or limited partnership agreement; and such other organizational documentation as the City has requested. The Developer has provided to the City an Economic Disclosure Statement, in the City's then current form, dated as of the Closing Date.

**5.15 Litigation.** The Developer has provided to Corporation Counsel and DCD, a description of all pending or threatened litigation or administrative proceedings involving the Developer, specifying, in each case, the amount of each claim, an estimate of probable liability, the amount of any reserves taken in connection therewith and whether (and to what extent) such potential liability is covered by insurance.

## SECTION 6. AGREEMENTS WITH CONTRACTORS

**6.01 Bid Requirement for General Contractor and Subcontractors.** The City has approved the Developer's selection of Joseph J. Duffy Co., Inc., an Illinois corporation, as the General Contractor. The Developer shall submit copies of the Construction Contract to DCD 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 DCD 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 DCD and all requisite permits have been obtained.

**6.02 Construction Contract.** Prior to the execution thereof, the Developer shall deliver to DCD a copy of the proposed Construction Contract with the General Contractor selected to handle the Project in accordance with Section 6.01 above, for DCD'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 DCD 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 (American Institute of Architect's Form No. A311 or its equivalent) or a letter of credit. The City shall be named as obligee or co-obligee on any such bonds.

**6.04 Employment Opportunity.** The Developer shall contractually obligate and cause the General Contractor and each subcontractor to agree to the provisions of Section 10 hereof.

**6.05 Other Provisions.** In addition to the requirements of this Section 6, the Construction Contract and each contract with any subcontractor shall contain provisions required pursuant to Section 3.04 (Change Orders), Section 8.07 (Employment Profile), Section 8.08 (Prevailing Wage), Section 10.01(e) (Employment Opportunity), Section 10.02 (City Resident Employment Requirement), Section 10.03 (MBE/WBE Requirements, as applicable), Section 12 (Insurance) and Section 14.01 (Books and Records) hereof. Photocopies of all contracts or subcontracts entered or to be entered into in connection with the TIF-Funded Improvements shall be provided to DCD within five (5) business days of the execution thereof.

## SECTION 7. COMPLETION OF CONSTRUCTION OR REHABILITATION

### **7.01 Certificate of Completion.**

(a) In accordance with the provisions of Section 8.20 hereof, upon (i) satisfaction of the conditions set forth in Section 7.01(d) hereof, and (ii) upon Developer's written request (at the time of satisfaction of the conditions set forth Section 7.01(c) hereof), DCD shall issue to the Developer a Certificate in recordable form certifying that the Developer has fulfilled its obligation to complete the Project in accordance with the terms of this Agreement.



(b) DCD shall respond to the Developer's written request for a Certificate within forty-five (45) days by issuing either a Certificate or a written statement detailing the ways in which the Project does not conform to this Agreement or has not been satisfactorily completed, and the measures which must be taken by the Developer in order to obtain the Certificate. The Developer may resubmit a written request for a Certificate upon completion of such measures.

(c) The following conditions must be met in order for the Developer to request the Certificate from DCD:

- (i) the Developer has given the City written notification that the Project, including all of the TIF-Funded Improvements, has been completed;
- (ii) the Developer has provided DCD with evidence acceptable to DCD showing that Developer has completed the Project in compliance with building permit requirements;
- (iii) the Developer is in compliance with all requirements of Section 8.08 (Prevailing Wage) and Section 10 (Developer's Employment Obligations) as documented from the most recent report issued by the City's monitoring unit, which written report shall be dated within thirty (30) days of the date of the Developer's written Certificate request;

(d) The Developer acknowledges that no Certificate will be issued unless and until:

- i) the Developer has given the City written notification that the Project, including all of the TIF-Funded Improvements, has been completed;
- (ii) the Developer has provided DCD with evidence acceptable to DCD showing that Developer has completed the Project in compliance with building permit requirements;
- (iii) the City's monitoring unit has determined in writing that the Developer is in complete compliance with all requirements of Section 8.08 (Prevailing Wage) and Section 10 (Developer's Employment Obligations).

(d) Developer acknowledges that the City will not issue a Certificate if there exists an Event of Default under Section 15.01 which has not been cured pursuant to Section 15.03 or Section 15.04.

**7.02 Effect of Issuance of Certificate; Continuing Obligations.** The Certificate relates only to the construction of the Project, and upon its issuance, the City will certify that the terms of the Agreement specifically related to the Developer's obligation to complete such activities have been satisfied. After the issuance of a Certificate, however, all executory terms and conditions of this Agreement and all representations and covenants contained herein will continue to remain in full force and effect throughout the Term of the Agreement as to the parties described in the following paragraph, and the issuance of the Certificate shall not be construed as a waiver by the City of any of its rights and remedies pursuant to such executory terms.

Those covenants specifically described at Sections 8.02, 8.18, 8.19, 8.20, 8.21 and 11.04 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 Sections 8.02 and 8.20(a) 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.** Notwithstanding any other provision to the contrary contained in this Agreement, 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 such TIF-Funded Improvements (including interest costs) out of City Funds or other City monies. In the event that the aggregate cost of completing such 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, DCD shall provide the Developer, at the Developer's written request, with a written notice in recordable form stating that the Term of the Agreement has expired.

## **SECTION 8. COVENANTS/REPRESENTATIONS/WARRANTIES OF THE DEVELOPER.**

**8.01 General.** The Developer represents, warrants and covenants, as of the date of this Agreement and as of the date of each disbursement of City Funds hereunder, that:

(a) HHLP is an Illinois limited partnership and BBSA is an Illinois not-for-profit corporation, each duly organized, validly existing, qualified to do business in Illinois, and each licensed to do business in any other state where, due to the nature of its activities or properties, such qualification or license is required;

(b) each of HHLP and BBSA has the right, power and authority to enter into, execute, deliver and perform this Agreement, as applicable hereto;

(c) the execution, delivery and performance by the Developer of this Agreement has been duly authorized by all necessary action, and does not and will not violate (as applicable) its Articles of Incorporation, by-laws or partnership agreement as amended and supplemented, any applicable provision of law, or constitute a breach of, default under or require any consent under any

agreement; instrument or document to which the Developer is now a party or by which the Developer is now or may become bound;

(d) unless otherwise permitted or not prohibited pursuant to or under the terms of this Agreement, the HHLP 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 and/or liens bonded by the Developer or insured by the Title Company, 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 the Certificate pursuant to Section 7.01, the Developer shall not do any of the following without the prior written consent of DCD, which consent shall be in DCD's sole discretion: (1) be a party to any merger, liquidation or consolidation; (2) sell (including, without limitation, any sale and leaseback), transfer, convey, lease (except the lease of the Facility to tenants in accordance with Section 8.19 herein) 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); (3) enter into any transaction outside the ordinary course of the Developer's business; (4) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (5) enter into any transaction that would cause a material and detrimental change to the Developer's financial condition;

(k) the Developer has not incurred, and, prior to the issuance of the Certificate pursuant to Section 7.01, shall not, without the prior written consent of the Commissioner of DCD, allow the existence of any liens against the Property (or improvements thereon) other than the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company; or incur any indebtedness, secured or to be secured by the Property (or improvements thereon) or any fixtures now or hereafter attached thereto, except Lender Financing disclosed in the Project Budget;

(l) has not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Agreement or any contract paid from the City treasury or

pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with the Developer in violation of Chapter 2-156-120 of the Municipal Code of the City;

(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;

(n) Each of BBSA and HHLF, with respect to itself, its limited partner and each member of the limited partner, represents and warrants that it is not a "building code scofflaw" within the meaning of Chapter 2-29-416 of the Municipal Code of the City or otherwise prohibited from doing business with the City; and

(o) Developer agrees that Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Developer's contractors (i.e., any person or entity in direct contractual privity with Developer regarding the subject matter of this Agreement) ("Contractors"), any person or entity who directly or indirectly has an ownership or beneficial interest in any Contractor of more than 7.5 percent ("Sub-owners") and spouses and domestic partners of such Sub-owners (Developer and all the other preceding classes of persons and entities are together, the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City of Chicago (the "Mayor") or to his political fundraising committee (i) after execution of this Agreement by Developer, (ii) while this Agreement or any Other Contract (as defined below) is executory, (iii) during the term of this Agreement or any Other Contract between Developer and the City, or (iv) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated.

Developer represents and warrants that from the later of (i) February 10, 2005, or (ii) the date the City approached the Developer or the date the Developer approached the City, as applicable, regarding the formulation of this Agreement, no Identified Parties have made a contribution of any amount to the Mayor or to his political fundraising committee.

Developer agrees that it shall not: (a) coerce, compel or intimidate its employees to make a contribution of any amount to the Mayor or to the Mayor's political fundraising committee; (b) reimburse its employees for a contribution of any amount made to the Mayor or to the Mayor's political fundraising committee; or (c) bundle or solicit others to bundle contributions to the Mayor or to his political fundraising committee.

Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 05-1 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this provision or violation of Mayoral Executive Order No. 05-1 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted unless the City, in its sole discretion, elects to grant such an opportunity to cure. Such breach and default entitles the City to all remedies (including without limitation termination for default) under this Agreement, under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

If Developer intentionally violates this provision or Mayoral Executive Order No. 05-1 prior to the closing of this Agreement, the City may elect to decline to close the transaction contemplated by this Agreement.

For purposes of this provision:

"Bundle" means to collect contributions from more than one source which are then delivered by one person to the Mayor or to his political fundraising committee.

"Contribution" means a "political contribution" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

Individuals are "Domestic Partners" if they satisfy the following criteria:

- (A) they are each other's sole domestic partner, responsible for each other's common welfare; and
- (B) neither party is married; and
- (C) the partners are not related by blood closer than would bar marriage in the State of Illinois; and
- (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and
- (E) two of the following four conditions exist for the partners:
  - 1. The partners have been residing together for at least 12 months.
  - 2. The partners have common or joint ownership of a residence.
  - 3. The partners have at least two of the following arrangements:
    - a. joint ownership of a motor vehicle;
    - b. a joint credit account;
    - c. a joint checking account;
    - d. a lease for a residence identifying both domestic partners as tenants.
  - 4. Each partner identifies the other partner as a primary beneficiary in a will.

"Other Contract" means any other agreement with the City of Chicago to which Developer is a party that is (i) formed under the authority of chapter 2-92 of the Municipal Code of Chicago; (ii) entered into for the purchase or lease of real or personal property; or (iii) for materials,

supplies, equipment or services which are approved or authorized by the City Council of the City of Chicago.

"Political fundraising committee" means a "political fundraising committee" as defined in Chapter 2-156 of the Municipal Code of Chicago, as amended.

**8.02 Covenant to Redevelop.** Upon DCD's approval of the Project Budget, the Scope Drawings and Plans and Specifications as provided in Sections 3.02 and 3.03 hereof, and the Developer's receipt of all required building permits and governmental approvals, the Developer shall redevelop the Property in accordance with this Agreement and all Exhibits attached hereto, the TIF Ordinances, the Scope Drawings, Plans and Specifications, Project Budget and all amendments thereto, and all Laws applicable to the Project, the Property and/or the Developer, including, without limitation, all Environmental Laws. 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 the 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 BBSA shall be used by the BBSA solely to pay for (or to reimburse the BBSA 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 the proceeds of bonds issued on a tax-exempt basis cannot be used as a source of City Funds or to repay the City Funds, and provided, further, that any such amendments shall not have a material adverse effect on the Developer or the Project. The Developer shall, at the Developer's expense, cooperate and provide reasonable assistance in connection with the marketing of any such Bonds, including but not limited to providing written descriptions of the Project, making representations, providing information regarding its financial condition and assisting the City in preparing an offering statement with respect thereto.

**8.06 Employment Opportunity; Progress Reports.** The Developer covenants and agrees to abide by, and contractually obligate and use reasonable efforts to cause the General Contractor and each subcontractor to abide by the terms set forth in Section 10 hereof. The Developer shall deliver to the City written progress reports detailing compliance with the requirements of Sections 8.08, 10.02 and 10.03 of this Agreement. Such reports shall be delivered to the City monthly. If any such reports indicate a shortfall in compliance, the Developer shall also deliver a plan to DCD which shall outline, to DCD's satisfaction, the manner in which the Developer shall correct any shortfall.

**8.07 Employment Profile.** The Developer shall submit, and contractually obligate and cause the General Contractor or any subcontractor to submit, to DCD, from time to time, statements of its employment profile upon DCD's request.

**8.08 Prevailing Wage.** Unless required to pay federal "Davis-Bacon" wages pursuant to the terms of the City Housing Loan, the Developer covenants and agrees to pay, and to contractually

obligate and cause the General Contractor and each subcontractor to pay, the prevailing wage rate as ascertained by the Illinois Department of Labor (the "Department"), to all Project employees. All such contracts shall list the specified rates to be paid to all laborers, workers and mechanics for each craft or type of worker or mechanic employed pursuant to such contract. If the Department revises such prevailing wage rates, the revised rates shall apply to all such contracts. Upon the City's request, the Developer shall provide the City with copies of all such contracts entered into by the Developer or the General Contractor to evidence compliance with this Section 8.08.

**8.09 Arms-Length Transactions.** Unless the City 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 DCD's request, prior to any such disbursement.

**8.10 Conflict of Interest.** Pursuant to Section 5/11-74.4-4(n) of the Act, the Developer represents, warrants and covenants that, to the best of its knowledge, no member, official, or employee of the City, or of any commission or committee exercising authority over the Project, the Redevelopment Area or the Redevelopment Plan, or any consultant hired by the City with respect thereto, owns or controls, has owned or controlled or will own or control any interest, and no such person shall represent any person, as agent or otherwise, who owns or controls, has owned or controlled, or will own or control any interest, direct or indirect, in the Developer's business, the Property or any other property in the Redevelopment Area.

**8.11 Disclosure of Interest.** The Developer's counsel has no direct or indirect financial ownership interest in the Developer, the Property or any other aspect of the Project.

**8.12 Financial Statements.** The Developer shall obtain and provide to DCD Financial Statements for the Developer's fiscal year ended December 31, 2008 and for each year thereafter within 90 days after the end of such fiscal year for the Term of the Agreement. In addition, the Developer shall submit unaudited financial statements as soon as reasonably practical following the close of each fiscal year and for such other periods as DCD may request.

**8.13 Insurance.** The Developer, at its own expense, shall comply with all provisions of Section 12 hereof.

**8.14 Non-Governmental Charges.** (a) Payment of Non-Governmental Charges. Except for the Permitted Liens and/or liens bonded by the Developer or insured by the Title Company, 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 DCD, within thirty (30) days of DCD's request, official receipts from the appropriate entity, or other proof satisfactory to DCD, evidencing payment of the Non-Governmental Charge in question.

(b) Right to Contest. The Developer has the right, before any delinquency occurs:

(i) to contest or object in good faith to the amount or validity of any Non-Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted, in such manner as shall stay the collection of the contested Non-Governmental Charge, prevent the imposition of a lien or remove such lien, or prevent the sale or forfeiture of the Property (so long as no such contest or objection shall be deemed or construed to relieve, modify or extend the Developer's covenants to pay any such Non-Governmental Charge at the time and in the manner provided in this Section 8.14); or

(ii) at DCD's sole option, to furnish a good and sufficient bond or other security satisfactory to DCD in such form and amounts as DCD shall require, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the Property or any portion thereof or any fixtures that are or may be attached thereto, during the pendency of such contest, adequate to pay fully any such contested Non-Governmental Charge and all interest and penalties upon the adverse determination of such contest.

**8.15 Developer's Liabilities.** The Developer shall not enter into any transaction that would materially and adversely affect its ability to perform its obligations hereunder or to repay any material liabilities or perform any material obligations of the Developer to any other person or entity. The Developer shall immediately notify DCD of any and all events or actions which may materially affect the Developer's ability to carry on its business operations or perform its obligations under this Agreement or any other documents and agreements.

**8.16 Compliance with Laws.** To the best of the Developer's knowledge, after diligent inquiry, the Property and the Project are and shall be in compliance with all applicable Laws pertaining to or affecting the Project and the Property. Upon the City's request, the Developer shall provide evidence satisfactory to the City of such compliance.

**8.17 Recording and Filing.** The Developer shall cause this Agreement, certain exhibits (as specified by Corporation Counsel), all amendments and supplements hereto to be recorded and filed against the Property on the date hereof in the conveyance and real property records of the county in which the Project is located. This Agreement shall be recorded prior to any mortgage made in connection with Lender Financing. The Developer shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Developer shall immediately transmit to the City an executed original of this Agreement showing the date and recording number of record.

**8.18 Real Estate Provisions.**

**(a) Governmental Charges.**

(i) **Payment of Governmental Charges.** The Developer agrees to pay or cause to be paid when due all Governmental Charges (as defined below) which are assessed or imposed upon the Developer, the Property or the Project, or become due and payable, and which create, a lien upon the Developer or all or any portion of the Property or the Project. "Governmental Charge" shall mean all federal, State, county, the City, or other governmental (or any instrumentality, division, agency, body, or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances (except for those assessed by foreign nations, states other than the State of Illinois, counties of the State other than Cook



County, and municipalities other than the City) relating to the Developer, the Property or the Project including but not limited to real estate taxes.

(ii) Right to Contest. The Developer has the right before any delinquency occurs to contest or object in good faith to the amount or validity of any Governmental Charge by appropriate legal proceedings properly and diligently instituted and prosecuted in such manner as shall stay the collection of the contested Governmental Charge and prevent the imposition of a lien or the sale or forfeiture of the Property. No such contest or objection shall be deemed or construed in any way as relieving, modifying or extending the Developer's covenants to pay any such Governmental Charge at the time and in the manner provided in this Agreement unless the Developer has given prior written notice to DCD of the Developer's intent to contest or object to a Governmental Charge and, unless, at DCD's sole option,

(i) the Developer shall demonstrate to DCD's satisfaction that legal proceedings instituted by the Developer contesting or objecting to a Governmental Charge shall conclusively operate to prevent or remove a lien against, or the sale or forfeiture of, all or any part of the Property to satisfy such Governmental Charge prior to final determination of such proceedings; and/or

(ii) the Developer shall furnish a good and sufficient bond or other security satisfactory to DCD in such form and amounts as DCD 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 DCD thereof in writing, at which time DCD may, but shall not be obligated to, and without waiving or releasing any obligation or liability of the Developer under this Agreement, in DCD's sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which DCD deems advisable. All sums so paid by DCD, if any, and any expenses, if any, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be promptly disbursed to DCD 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 for the purpose of this Agreement, the minimum assessed value of the Property ("Minimum Assessed Value") is shown on Exhibit K attached hereto and incorporated herein by reference.

(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 (except IHDA) 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; provided, however, nothing contained in this provision shall preclude Developer from applying for and receiving any reduction in the amount of real estate taxes payable for the Project or the Property, subject to the provisions of clause (iii) below.

(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; provided, however, the Developer is permitted to apply for a Class 9 designation from Cook County even if such designation with respect to the Property would result in a Minimum Assessed Value below that shown in Exhibit K.

(iv) No Objections. Neither the Developer nor any agent, representative, lessee, tenant, assignee, transferee or successor in interest to the Developer, shall object to or in any way seek to interfere with, on procedural or any other grounds, the filing of any Underassessment Complaint or subsequent proceedings related thereto with the Cook County Assessor or with the Cook County Board of Appeals, by either the City or any taxpayer. The term "Underassessment Complaint" as used in this Agreement shall mean any complaint seeking to increase the assessed value of the Property up to (but not above) the Minimum Assessed Value as shown in Exhibit K.

(v) Covenants Running with the Land. The parties agree that the restrictions contained in this Section 8.18(c) are covenants running with the land and this Agreement shall be recorded by the Developer as a memorandum thereof, at the Developer's expense, with the Cook County Recorder of Deeds on the Closing Date. These restrictions shall be binding upon the Developer and its agents, representatives, lessees, successors, assigns and transferees from and after the date hereof; provided however, that the covenants shall be released when the Redevelopment Area is no longer in effect. The Developer agrees that any sale (including, without limitation, any sale and leaseback), lease, conveyance, or transfer of title to all or any portion of the Property or Redevelopment Area from and after the date hereof shall be made explicitly subject to such covenants and restrictions. Notwithstanding anything contained in this Section 8.18(c) to the contrary, the City, in its sole discretion and by its sole action, without the joinder or concurrence of the Developer, its successors or assigns, may waive and terminate the Developer's covenants and agreements set forth in this Section 8.18(c).

**8.19 Affordable Housing Covenant**. The Developer agrees and covenants to the City that, prior to any foreclosure of the Property by a Lender, the provisions of that certain TCAP Written Agreement and that certain Regulatory Agreement executed by and among IHDA, the Developer and DCD as of the date hereof shall govern the terms of the Developer's obligation to provide affordable housing. Following foreclosure, if any, and from the date of such foreclosure through the Term of the Agreement, the following provisions shall govern the terms of the obligation to provide affordable housing under this Agreement:

(a) The Facility shall be operated and maintained solely as residential rental housing;

(b) All of the Affordable Units in the Facility shall be available for occupancy to and be occupied solely by one or more persons qualifying as Low Income Families (as defined below) upon initial occupancy; and

(c) All of the Affordable Units in the Facility have monthly rents, payable by the respective tenant, at or below 60% of the Chicago-area median income in accordance with the rules specified in Section 42(g)(2) of the Internal Revenue Code of 1986, as amended; provided, however, that for any unit occupied by a Family (as defined below) that no longer qualifies as a Low Income Family due to an Increase in such Family's income since the date of its initial occupancy of such unit, the maximum monthly rent for such unit shall not exceed thirty percent (30%) of such Family's monthly income.

(d) As used in this Section 8.19, the following terms has the following meanings:

(i) "Family" shall mean one or more individuals, whether or not related by blood or marriage; and

(ii) "Low Income Families" shall mean Families whose annual income does not exceed sixty percent (60%) of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by the United States Department of Housing and Urban Development, and thereafter such income limits shall apply to this definition.

(e) The covenants set forth in this Section 8.19 shall run with the land and be binding upon any transferee.

(f) The City and the Developer may enter into a separate agreement to implement the provisions of this Section 8.19.

#### **8.20 Occupancy; Permitted Uses.**

(a) Developer shall request the Issuance of the Certificate pursuant to Section 7.01 hereof no later than the 30<sup>th</sup> day after Issuance of the certificate(s) of occupancy for one hundred percent (100%) of the Units.

(b) The number of Affordable Units and Market Rate Units, as set forth in the recitals hereto, shall not be changed without the prior written consent of the Commissioner of DCD.

The covenants contained in this Section 8.20 shall run with the land and be binding upon any transferee for the term of this Agreement.

**8.21 Annual Report.** Developer shall provide to DCD an Annual Report consisting of (a) a letter from the Developer itemizing all ongoing requirements including references to all the relevant Sections of this Agreement, (b) sufficient documentation and certifications to evidence that all ongoing requirements have been satisfied during the preceding reporting period. The Annual Report shall be submitted each year, for ten (10) years, on the yearly anniversary of the issuance of the Certificate of Completion (each such year being a "reporting period"). Failure by the Developer to submit the Annual Report shall constitute an Event of Default under Section 15.01 hereof, without notice or opportunity to cure pursuant to Section 15.03 hereof. The covenants contained in

this Section 8.21 shall run with the land and be binding upon any transferee for the term of this Agreement.

**8.22 Survival of Covenants.** All warranties, representations, covenants and agreements of the Developer contained in this Section 8 and elsewhere in this Agreement shall be true, accurate and complete at the time of the Developer's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and (except as provided in Section 7 hereof upon the issuance of a Certificate) shall be in effect throughout the Term of the Agreement.

## **SECTION 9. COVENANTS/REPRESENTATIONS/WARRANTIES OF CITY**

**9.01 General Covenants.** The City represents that it has the authority as a home rule unit of local government to execute and deliver this Agreement and to perform its obligations hereunder.

**9.02 Survival of Covenants.** All warranties, representations, and covenants of the City contained in this Section 9 or elsewhere in this Agreement shall be true, accurate, and complete at the time of the City's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto and be in effect throughout the Term of the Agreement.

## **SECTION 10. DEVELOPER'S EMPLOYMENT OBLIGATIONS**

**10.01 Employment Opportunity.** The Developer, on behalf of itself and its successors and assigns, hereby agrees, and shall contractually obligate its or their various contractors, subcontractors or any Affiliate of the Developer operating on the Property (collectively, with the Developer, the "Employers" and individually an "Employer") to agree, that for the Term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project or occupation of the Property:

(a) No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a non-discriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

(b) To the greatest extent feasible, each Employer is required to present opportunities for training and employment of low- and moderate-income residents of the City and preferably of the Redevelopment Area; and to provide that contracts for work in connection with the construction of the Project be awarded to business concerns that are located in, or owned in substantial part by persons residing in, the City and preferably in the Redevelopment Area.

(c) Each Employer shall comply with all federal, state and local equal employment and affirmative action statutes, rules and regulations, including but not limited to the City's Human Rights Ordinance and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. (1993), and any subsequent amendments and regulations promulgated thereto.

(d) Each Employer, in order to demonstrate compliance with the terms of this Section, shall cooperate with and promptly and accurately respond to inquiries by the City, which has the responsibility to observe and report compliance with equal employment opportunity regulations of federal, state and municipal agencies.

(e) Each Employer shall include the foregoing provisions of subparagraphs (a) through (d) in every contract entered into in connection with the Project, and shall require inclusion of these provisions in every subcontract entered into by any subcontractors, and every agreement with any Affiliate operating on the Property, so that each such provision shall be binding upon each contractor, subcontractor or Affiliate, as the case may be.

(f) Failure to comply with the employment obligations described in this Section 10.01 shall be a basis for the City to pursue remedies under the provisions of Section 15.02 hereof.

**10.02 City Resident Construction Worker Employment Requirement.** The Developer agrees for itself and its successors and assigns, and pursuant to any City rider to the Construction Contract, 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 DCD 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 DCD, 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 DCD, 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 costs of construction as set forth in the construction contract approved by DCD (the "MBE/WBE Budget") shall be expended for contract participation by MBEs and by WBEs:

- (1) At least twenty-four percent (24%) by MBEs.
- (2) At least four percent (4%) 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 with a non MBE/WBE General Contractor or subcontractor without the prior written approval of DCD.

(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 whose contracts have been let prior to the date of such meeting 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

**11.01 "AS IS" SALE.** THE DEVELOPER ACKNOWLEDGES THAT IT HAS HAD ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE PROPERTY AND ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE PROPERTY. THE DEVELOPER AGREES TO ACCEPT THE PROPERTY IN ITS "AS IS," "WHERE IS" AND "WITH ALL FAULTS" CONDITION AT CLOSING WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE PROPERTY OR THE SUITABILITY OF THE PROPERTY FOR ANY PURPOSE WHATSOEVER. THE DEVELOPER ACKNOWLEDGES THAT IT IS RELYING SOLELY UPON ITS OWN INSPECTION AND OTHER DUE DILIGENCE ACTIVITIES AND NOT UPON ANY INFORMATION (INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL STUDIES OR REPORTS OF ANY KIND) PROVIDED BY OR ON BEHALF OF THE CITY OR ITS AGENTS OR EMPLOYEES WITH RESPECT THERETO. THE



DEVELOPER AGREES THAT IT IS THE DEVELOPER'S SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM ANY ENVIRONMENTAL REMEDIATION WORK AND TAKE SUCH OTHER ACTION AS IS NECESSARY TO PUT THE PROPERTY IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

**11.02** The Developer hereby represents and warrants to the City that the Developer has performed a Phase I environmental site assessment of the Property in accordance with the requirements of the ASTM E1527-05 standard ("Phase I") and other 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, if any, and the Redevelopment Plan. The Developer agrees to deliver to the City a copy of each report prepared by or for the Developer regarding the environmental condition of the Property.

**11.03 Environmental Remediation.** Notwithstanding the foregoing or any other provision to the contrary contained in this Agreement, DOE shall have the right to review and approve the Phase I and any other reports prepared for the Property. Upon DOE's request, the Developer shall perform additional studies and tests for the purpose of determining whether any environmental or health risks would be associated with the development of the Project, including, without limitation, updating or expanding the Phase I and performing initial or additional Phase II testing. If the environmental reports for the Property disclose the presence of contaminants exceeding TACO Tier I residential remediation objectives on or under the Property, the Developer shall enroll the Property in the IEPA's SRP Program and take all necessary steps to obtain a Draft NFR Letter. Unless DOE determines that it is not necessary to enroll the Property in the SRP, the Developer acknowledges and agrees that it may not commence construction on the Property until the IEPA issues, and DOE approves, a Draft NFR Letter. After DOE approves the Draft NFR Letter, the Developer covenants and agrees to complete all investigation, sampling, monitoring, testing, removal, response, disposal, storage, remediation, treatment and other activities necessary to obtain a Final NFR Letter for the Property in accordance with the requirements of the IEPA and all applicable Laws, including, without limitation, all applicable Environmental Laws ("Environmental Remediation"). If Environmental Remediation is required on the Property, the Developer acknowledges and agrees that the City will not issue a Certificate until the IEPA has issued, and the City has approved, a Final NFR Letter for the Property, which approval shall not be unreasonably withheld. The City shall have the right to approve the ROR, RAP and RACR for the Property and any changes or modifications thereto, which approval shall not be unreasonably withheld. The Developer shall bear sole responsibility for all aspects of the Environmental Remediation and any other investigative and cleanup costs associated with the Property and any improvements, facilities or operations located or formerly located thereon, including, without limitation, the removal and disposal of all Hazardous Materials, debris and other materials excavated during the performance of the Environmental Remediation. The Developer shall promptly transmit to the City copies of any written communications received from the IEPA or other regulatory agencies with respect to the Environmental Remediation.

**11.04 Release and Indemnification.** The Developer, on behalf of itself and anyone claiming by, through or under it, hereby releases, relinquishes and forever discharges the City, its officers, agents and employees, from and against any and all Losses which the Developer ever had, now have, or hereafter may have, whether grounded in tort or contract or otherwise, in any and all courts or other forums, of whatever kind or nature, whether known or unknown, arising out of or in any way connected with, directly or indirectly (a) any environmental contamination, pollution or hazards associated with the Property or any improvements, facilities or operations located or formerly located thereon, including, without limitation, any release, emission, discharge, generation, transportation, treatment, storage or disposal of Hazardous Materials, or threatened release,

emission or discharge of Hazardous Materials; (b) the structural, physical or environmental condition of the Property, including, without limitation, the presence or suspected presence of Hazardous Materials in, on, under or about the Property or the migration of Hazardous Materials from or to other property; (c) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any Losses arising under CERCLA, and (d) any investigation, cleanup, monitoring, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision or other third party in connection or associated with the Property or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). Furthermore, the Developer shall defend, indemnify, and hold the City harmless from and against any and all Losses which may be made or asserted by any third parties arising out of or in any way connected with, directly or indirectly, any of the Released Claims.

**11.05 Release Runs with the Land.** The covenant of release in Section 11.04 shall run with the Property, and shall be binding upon all successors and assigns of the Developer with respect to the Property, including, without limitation, each and every person, firm, corporation, limited liability company, trust or other entity owning, leasing, occupying, using or possessing any portion of the Property under or through the Developer following the date of the Deed. The Developer acknowledges and agrees that the foregoing covenant of release constitutes a material inducement to the City to enter into this Agreement, and that, but for such release, the City would not have agreed to convey the Property to the Developer. It is expressly agreed and understood by and between the Developer and the City that, should any future obligation of the Developer, or any of the Developer, arise or be alleged to arise in connection with any environmental, soil or other condition of the Property, neither the Developer, nor any of its current or former officers, directors, employees, agents, predecessors, successors or assigns, will assert that those obligations must be satisfied in whole or in part by the City because Section 11.04 contains a full, complete and final release of all such claims.

**11.06 Survival.** This Section 11 shall survive the Closing or any termination of this Agreement (regardless of the reason for such termination).

## 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 or cause to be provided with respect to the operations that such Contractor performs, 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 Community Development, Development Support Services, City Hall, Room 1000, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. The Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the

Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for the Developer to obtain and maintain the specified coverages. The Developer shall advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate agreement until proper evidence of insurance is provided.

The insurance must provide for 60 days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractor(s).

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 Indemnities shall be designated a party thereto), that may be imposed on, suffered, incurred by or asserted against the Indemnitees in any manner relating or arising out of:

(i) the Developer's failure to comply with any of the terms, covenants and conditions contained within this Agreement; or

(ii) the Developer's or any contractor's failure to pay General Contractors, subcontractors or materialmen in connection with the TIF-Funded Improvements or any other Project improvement; or

(iii) the existence of any material misrepresentation or omission in this Agreement, any offering memorandum or information statement or the Redevelopment Plan or any other document related to this Agreement that is the result of information supplied or omitted by the Developer or any Affiliate of 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 Indemnatee arising from the wanton or willful misconduct of that Indemnatee. To the extent that the preceding sentence may be unenforceable because it is violative of any law or public policy, Developer 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 (after any applicable notice and cure period) 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 and/or liens bonded by the Developer or insured by the Title Company, 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, including but not limited to the City Housing Agreement, which default is not cured within any applicable cure period;

(i) the dissolution of the Developer or the death of any natural person who owns a material interest in the Developer;

(j) the institution in any court of a criminal proceeding (other than a misdemeanor) against the Developer or any natural person who owns a material interest in the Developer, which is not dismissed within thirty (30) days, or the indictment of the Developer or any natural person who owns a material interest in the Developer, for any crime (other than a misdemeanor); or

(k) the sale or transfer of a majority of the ownership interests of the Developer without the prior written consent of the City; provided, however, transfers of limited partnership interests or the removal of the general partner, in each case in accordance with the HHLP's partnership agreement shall require only notice to the City.

For purposes of Sections 15.01(l) and 15.01(j) hereof, a person with a material interest in the Developer shall be one owning in excess of ten percent (10%) of HHLP's partnership interests.

**15.02 Remedies.** Upon the occurrence of an Event of Default, the City may terminate this Agreement and all related agreements, and may seek reimbursement of the City Funds; provided, however, until such time as an Event of Default for noncompliance with Section 8.20(a) has been cured pursuant to Section 15.03 hereof, the sole remedy available shall be that there shall be no City approval of any draw requests under the Escrow Agreement. The City may, in any court of competent jurisdiction by any action or proceeding at law or in equity, pursue and secure any available remedy, including but not limited to injunctive relief or the specific performance of the agreements contained herein.

**15.03 Curative Period.** In the event the Developer shall fail to perform a monetary covenant which the Developer is required to perform under this Agreement, except as set forth elsewhere in this Agreement, 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, except as set forth elsewhere in this Agreement, 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, notwithstanding anything to the contrary contained herein, the City hereby agrees that any cure of and default made or tendered by one of HHLP's limited partners 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.

**15.04 Right to Cure by Lender.** In the event that an Event of Default occurs under this Agreement, and if, as a result thereof, the City intends to exercise any right or remedy available to it that could result in termination of this Agreement and all related agreements, or the suspension, cancellation, reduction or reimbursement of City Funds disbursed hereunder, the City shall prior to exercising such right or remedy, send notice of such intended exercise to the Lender and the Lender shall have the right (but not the obligation) to cure such Event of Default as follows:



(a) if the Event of Default is a monetary default, the Lender may cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such monetary default; or (ii) receipt by the Lender of such notice from the City; and

(b) if any Event of Default is of a non-monetary nature, the Lender shall have the right to cure such default within 30 days after the later of: (i) the expiration of the cure period, if any, granted to the Developer with respect to such non-monetary default; or (ii) receipt by the Lender of such notice from the City; and

(c) Notwithstanding the provisions of Section 15.04(b) hereof, if such non-monetary default is an Event of Default set forth in Section 15.01(e), (f), (g), (h), (i) or (j) hereof or Event of Default by the Developer of a nature so as not reasonably being capable of being cured within such 30 day period (each such default being a "Personal Developer Default"), the Lender shall provide written notice to the City within 30 days of receipt of notice of such Personal Developer Default stating that it shall cure such Personal Developer Default by the assignment of all of the Developer's rights and interests in this Agreement to the Lender or any other party agreed to in writing by both the Lender and the City. Upon receipt by the City of such notice from the Lender, the cure period shall be extended for such reasonable period of time as may be necessary to complete such assignment and assumption of Developer's rights hereunder; provided, however, that no payment of City Funds shall occur until such time as such Personal Developer Default is cured.

## SECTION 16. MORTGAGING OF THE PROJECT

All mortgages or deeds of trust in place as of the date hereof with respect to the Property or any portion thereof are listed on Exhibit F hereto (including but not limited to mortgages made prior to or on the date hereof in connection with Lender Financing) and are referred to herein as the "Existing Mortgages." Any mortgage or deed of trust that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof is referred to herein as a "New Mortgage." Any New Mortgage that the Developer may hereafter elect to execute and record or permit to be recorded against the Property or any portion thereof with the prior written consent of the City is referred to herein as a "Permitted Mortgage." It is hereby agreed by and between the City and the Developer as follows:

(a) In the event that a mortgagee or any other party shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under a New Mortgage (other than a Permitted Mortgage), whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City may, but shall not be obligated to, attorn to and recognize such party as the successor in interest to the Developer for all purposes under this Agreement and, unless so recognized by the City as the successor in interest, such party shall be entitled to no rights or benefits under this Agreement, but such party shall be bound by those provisions of this Agreement that are covenants expressly running with the land.

(b) In the event that any mortgagee shall succeed to the Developer's interest in the Property or any portion thereof pursuant to the exercise of remedies under an Existing Mortgage or a Permitted Mortgage, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith accepts an assignment of the Developer's interest hereunder in accordance with Section 18.15 hereof, the City hereby agrees to attorn to and recognize such party as the successor in

interest to the Developer for all purposes under this Agreement so long as such party accepts all of the obligations and liabilities of "the Developer" hereunder; provided, however, that, notwithstanding any other provision of this Agreement to the contrary, it is understood and agreed that if such party accepts an assignment of the Developer's interest under this Agreement, such party has no liability under this Agreement for any Event of Default of the Developer which accrued prior to the time such party succeeded to the interest of the Developer under this Agreement, in which case the Developer shall be solely responsible. However, if such mortgagee under a Permitted Mortgage or an Existing Mortgage does not expressly accept an assignment of the Developer's interest hereunder, such party shall be entitled to no rights and benefits under this Agreement, and such party shall be bound only by those provisions of this Agreement, if any, which are covenants expressly running with the land.

(c) Prior to the issuance of the Certificate pursuant to Section 7.01 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 DCD.

#### 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 Community Development 121 North LaSalle Street, Room 1000 Chicago, IL 60602 Attention: Commissioner
With Copies To:	City of Chicago Department of Law Finance and Economic Development Division 121 North LaSalle Street, Room 600 Chicago, IL 60602
If to the Developer:	Hancock House Limited Partnership c/o Brownlow, Belton, Sullivan, Arms, NFP 14 South Ashland Avenue Chicago, IL 60607-1806 Attention: Bishop Raymond Bell
And to:	Source Works Development, LLC 345 N. Canal, Suite 301 Chicago, IL 60606 Attention: Brigitte Grossman
With Copies To:	Carol Thompson 2092 Rosemary Road Terry, MS 39170

Katten Muchin Rosenman LLP  
525 West Monroe Street  
Suite 1900  
Chicago, IL 60661  
Attention: David Cohen, Esq.

And to: Harris N.A.  
111 West Monroe Street, 2nd Floor East  
Chicago, Illinois 60603  
Attention: Katherine B. Mazzocco

With a Copy to: Albert, Whitehead, P.C.  
10 North Dearborn Street; Suite 600  
Chicago, Illinois 60602  
Attention: Gregory C. Whitehead, Esq.

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand, or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and any notices, demands or requests sent pursuant to subsection (d) shall be deemed received two (2) business days following deposit in the mail.

## SECTION 18. MISCELLANEOUS

**18.01 Amendment.** This Agreement and the Exhibits attached hereto may not be amended or modified without the prior written consent of the parties hereto; provided, however, that the City, in its sole discretion, may amend, modify or supplement Exhibit D hereto without the consent of any party hereto. It is agreed that no material amendment or change to this Agreement shall be made or be effective unless ratified or authorized by an ordinance duly adopted by the City Council. The term "material" for the purpose of this Section 18.01 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligations of Developer (including those set forth in Sections 10.02 and 10.03 hereof) by more than five percent (5%) or materially changes the Project site or character of the Project or any activities undertaken by Developer affecting the Project site, the Project, or both, or increases any time agreed for performance by the Developer by more than ninety (90) days.

**18.02 Entire Agreement.** This Agreement (including each Exhibit attached hereto, which is hereby incorporated herein by reference) constitutes the entire Agreement between the parties hereto and it supersedes all prior agreements, negotiations and discussions between the parties relative to the subject matter hereof.

**18.03 Limitation of Liability.** No member, official or employee of the City shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Developer from the City of 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 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, DCD or the Commissioner, or any matter is to be to the City's, DCD'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, DCD 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 DCD in making all approvals, consents and determinations of satisfaction, granting the Certificate or otherwise administering this Agreement for the City.

**18.15 Assignment.** The Developer may not sell, assign or otherwise transfer its interest in this Agreement in whole or in part without the written consent of the City. Any successor in interest to the Developer under this Agreement shall certify in writing to the City its agreement to abide by all remaining executory terms of this Agreement, including but not limited to Sections 8.18 (Real Estate Provisions) and 8.22 (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 agree to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

**18.21 Costs and Expenses.** In addition to and not in limitation of the other provisions of this Agreement, Developer agrees to pay upon demand the City's out-of-pocket expenses, including 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 transaction's 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.

**HANCOCK HOUSE LIMITED PARTNERSHIP,**  
an Illinois limited partnership

By: **Hancock House, L.L.C.,** an Illinois  
limited liability company, its General Partner

By: **Source Works Development, LLC,**  
an Illinois limited liability company,  
its Managing Member

By: \_\_\_\_\_  
Brigite Grossman, Sole Member

**BROWNLOW, BELTON, SULLIVAN, ARMS, NFP,**  
an Illinois not-for-profit corporation

By: \_\_\_\_\_  
Jerry L. Jones, Sr., President

**CITY OF CHICAGO**

By: *Christine Raguso*  
Christine Raguso, Acting Commissioner  
Department of Community Development

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.

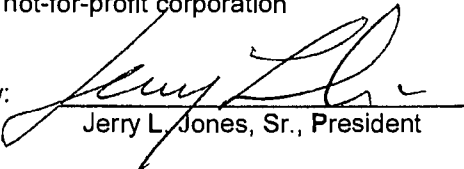
**HANCOCK HOUSE LIMITED PARTNERSHIP,**  
an Illinois limited partnership

By: Hancock House, L.L.C., an Illinois  
limited liability company, its General Partner

By: Source Works Development, LLC,  
an Illinois limited liability company,  
its Managing Member

By:   
Brigitte Grossman, Sole Member

**BROWNLOW, BELTON, SULLIVAN, ARMS, NFP,**  
an Illinois not-for-profit corporation

By:   
Jerry L. Jones, Sr., President

**CITY OF CHICAGO**

By: \_\_\_\_\_  
Christine Raguso, Acting Commissioner  
Department of Community Development



STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

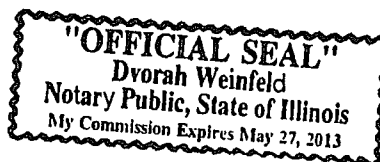
I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Brigitte Grossman, personally known to me to be the Sole Member of Source Works Development, LLC, an Illinois limited liability company, as the managing member of Hancock House, L.L.C., an Illinois limited liability company, as the general partner of Hancock House 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 said instrument in his capacity as Member Source Works Development, LLC, as her free and voluntary act and deed and as the free and voluntary act and deed of Hancock House, L.L.C., as the general partner of Hancock House Limited Partnership, for the uses and purposes therein set forth.

Given under my hand and official seal this 28<sup>th</sup> day of May, 2010.

Dvorah Weinfeld  
Notary Public

My Commission Expires 5-27-13

[SEAL]



[City of Chicago - Redevelopment Agreement]

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the County and State aforesaid, certify that Jerry L. Jones, personally known to me to be the President of Brownlow, Belton, Sullivan, Arms, NFP, an Illinois not-for-profit corporation ("BBSA"), 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 said instrument in his capacity as President of BBSA, as his free and voluntary act and deed and as the free and voluntary act and deed of BBSA, for the uses and purposes therein set forth.

Given under my hand and official seal this 28<sup>th</sup> day of May, 2010.

Dvorah Weinfeld  
Notary Public

My Commission Expires 5-27-13

[SEAL]



[City of Chicago - Redevelopment Agreement]

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, PATRICIA Sulewski, a notary public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Christine Raguso, personally known to me to be the Acting Commissioner of the Department of Community 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 she signed, sealed, and delivered said instrument pursuant to the authority given to her by the City, as her free and voluntary act and as the free and voluntary act of the City, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 28th day of May, 2010.

Patricia Sulewski  
Notary Public

My Commission Expires 5/7/14



**HANCOCK HOUSE SENIOR APARTMENTS  
REDEVELOPMENT AGREEMENT**

**EXHIBIT A**

**REDEVELOPMENT AREA LEGAL DESCRIPTION**

**See Attached.**

*Exhibit "A".*

*Legal Description Of The 119<sup>th</sup> And Halsted  
Redevelopment Project Area.*

All that part of Sections 20, 21, 28 (north of the Indian Boundary Line) and 29 in Township 37 North, Range 14 East of the Third Principal Meridian bounded and described as follows:

beginning at the point of intersection of the centerline of 115<sup>th</sup> Street with the centerline of Morgan Street; thence south along said centerline of Morgan Street to the westerly extension of a line 8 feet north of and parallel with the north line of Lot 1 in Maple Park Court Resubdivision of part of Stanley Mathew's Subdivision in the west half of the southeast quarter of Section 20, Township 37 North, Range 14 East of the Third Principal Meridian, said line being also the centerline of the 16 foot aliey lying north of and adjoining said Lot 1 in Maple

Park Court Resubdivision; thence east along said easterly extension and along the line 8 feet north of and parallel with the north line of Lot 1 in Maple Park Court resubdivision and along the easterly extension thereof to the westerly line of the Penn Central Railroad right-of-way; thence southeasterly along said westerly line of the Penn Central Railroad right-of-way to the centerline of 117<sup>th</sup> Street; thence west along said centerline of 117<sup>th</sup> Street to the northerly extension of the centerline of the 16 foot alley lying east and adjoining the east line of Lots 12 through 35, inclusive, in Block 1 in the resubdivision of the east half of original Blocks 8 and 11 and all of that part of Block 7, lying west of the P. C. C. & St. L. R. R. in original subdivision of the east half of the southeast quarter of Section 20, Township 37 North, Range 14 East of the Third Principal Meridian; thence south along said northerly extension and along said centerline of the 16 foot alley and along the southerly extension thereof to the centerline of 118<sup>th</sup> Street; thence east along said centerline of 118<sup>th</sup> Street to the northerly extension of the east line of the alley lying east of and adjoining the east line of Lots 1 through 15, inclusive, in Block 2 in said resubdivision of the east half of original Blocks 8 and 11 and all of that part of Block 7, lying west of the P. C. C. & St. L. R. R. in original subdivision of the east half of the southeast quarter of Section 20, Township 37 North, Range 14 East of the Third Principal Meridian; thence south along said northerly extension and along the east line of the alley lying east of and adjoining the east line of Lots 1 through 15, inclusive, in Block 2 in said resubdivision and along the southerly extension thereof to the centerline of the alley lying south of and adjoining the south line of Lot 15 in said Block 2 in the resubdivision of the east half of original Blocks 8 and 11 and all of that part of Block 7, lying west of the P. C. C. & St. L. R. R. in original subdivision of the east half of the southeast quarter of Section 20, Township 37 North, Range 14 East of the Third Principal Meridian; thence west along the centerline of said alley lying south of and adjoining the south line of Lot 15 in Block 2 in said resubdivision to the east line of Peoria Street; thence west along a straight line to the point of intersection of the west line of Peoria Street with the centerline of the alley lying south of and adjoining the south line of Lots 29 and 18 in Block 4 in the resubdivision of the west half of Blocks 8 and 11 and all of Blocks 9 and 10, except Lots 19, 22 and 23 of Block 10 of the original subdivision of the east half of the southeast quarter of Section 20, Township 37 North, Range 14 East of the Third Principal Meridian; thence west along the centerline of the alley lying south of and adjoining the south line of Lots 29 and 18 in Block 4 in said resubdivision and the westerly extension thereof to the centerline of Sangamon Street; thence north along said centerline of Sangamon Street to the easterly extension of the centerline of the alley lying north of and adjoining the north line of Lots 19, 20 and 21 in Block 3 in said resubdivision of the west half of Blocks 8 and 11 and all of Blocks 9 and 10, except Lots 19, 22 and 23 of Block 10 of the original subdivision of the east half

of the southeast quarter of Section 20, Township 37 North, Range 14 East of the Third Principal Meridian; thence west along said centerline of the alley lying north of and adjoining the north line of Lots 19, 20 and 21 in Block 3 in said resubdivision to the northerly extension of the west line of said Lot 21 in Block 3 in said resubdivision; thence north along said northerly extension of the west line of said Lot 21 to the south line of Lot 18 in Block 3 in said resubdivision; thence west along said south line of Lot 18 and along the westerly extension thereof and along the south line of Lot 22 in Block 3 in said resubdivision to the east line of Morgan Street; thence south along said east line of Morgan Street to the north line of 119<sup>th</sup> Street; thence east along said north line of 119<sup>th</sup> Street to the east line of Peoria Street; thence south along said east line of Peoria Street to the westerly extension of the northerly line of Lot 1 in Block 1 of First Addition of West Pullman Subdivision; thence easterly along said westerly extension of the northerly line of Lot 1 in Block 1 of First Addition of West Pullman Subdivision to the northwest corner of said Lot 1; thence southerly along the westerly line of Lots 1 through 11, inclusive, in said Block 1 of First Addition of West Pullman Subdivision to the north line of 120<sup>th</sup> Street; thence southerly to the northwest corner of Lot 1 in Block 8 of said First Addition to West Pullman Subdivision; thence southerly along the westerly line of Lots 1 through 18, inclusive, in said Block 8 to the southwest corner of said Lot 18; thence southerly a distance of 25.00 feet along the prolongation of the last described course; thence 165 feet, more or less, westerly to the east line of vacated Green Street; thence southerly along said east line of vacated Green Street to the northerly right-of-way line of Illinois Central Railroad; thence west along said northerly right-of-way line of Illinois Central Railroad to the east line of Peoria Street; thence south along said east line of Peoria Street to the southerly right-of-way line of the Illinois Central Railroad; thence east along said southerly right-of-way line of the Illinois Central Railroad to the northwest corner of Lot 1 in Block 9 of First Addition to West Pullman Subdivision; thence south along the westerly line of Lots 1 through 12 to the easterly extension of the southerly line of Lot 11 in Block 1 of the resubdivision of Blocks 9 to 16, inclusive, of said First Addition to West Pullman Subdivision; thence west along said easterly extension of the southerly line of Lot 11 in Block 1 in said resubdivision, a distance of 8 feet, to the centerline of the alley lying west of and parallel with Halsted Street, said alley being also east of and adjoining said Lot 11; thence south along said centerline line of the alley lying west of and parallel with Halsted Street to the centerline of 123<sup>rd</sup> Street; thence east along said centerline of 123<sup>rd</sup> Street to the centerline of Emerald Avenue; thence north along said centerline of Emerald Avenue to the centerline of 122<sup>nd</sup> Street; thence east along said centerline of 122<sup>nd</sup> Street to the westerly line of the right-of-way of the Penn Central Railroad; thence southeasterly along said westerly line of the right-of-way of the Penn Central Railroad to the centerline of 123<sup>rd</sup> Street; thence

east along said centerline of 123<sup>rd</sup> Street to the easterly line of the right-of-way of the Penn Central Railroad; thence northwesterly along said easterly line of the right-of-way of the Penn Central Railroad to the southerly extension of the centerline of the alley west of and parallel with Lowe Avenue, said alley being also west of and adjoining the west line of Lots 1 through 22 in Block 34 in West Pullman, a subdivision in the west half of the northeast quarter and the northwest quarter of Section 28, Township 37 North, Range 14 East of the Third Principal Meridian; thence north along said centerline of the alley west of and parallel with Lowe Avenue to the south line of the right-of-way of the Illinois Central Railroad; thence east along said south line of the right-of-way of the Illinois Central Railroad to the east line of the east half of the northwest quarter of Section 28, Township 37 North, Range 14 East of the Third Principal Meridian, said east line of the east half of the northwest quarter of Section 28 being also the centerline of Stewart Avenue; thence north along said centerline of Stewart Avenue to the north line of the right-of-way of the Illinois Central Railroad; thence west along said north line of the right-of-way of the Illinois Central Railroad to the centerline of Lowe Avenue; thence north along said centerline of Lowe Avenue to the westerly extension of the south line of Lot 37 in Block 16 in said West Pullman; thence east along said westerly extension and along the south line of Lot 37 and along the easterly extension thereof to the centerline of the alley east of and parallel with Lowe Avenue, said alley being also east of and adjoining said Lot 37; thence north along said centerline of the alley east of and parallel with Lowe Avenue to the westerly extension of the south line of Lot 7 in said Block 16 in West Pullman; thence east along said westerly extension and along the south line of Lot 7 in said Block 16 in West Pullman to the west line of Wallace Street; thence east along a straight line to the southwest corner of Lot 40 in Block 17 in said West Pullman; thence east along the south line of said Lot 40 in Block 17 in West Pullman and along the easterly extension thereof and along the south line of Lot 7 in said Block 17 in West Pullman and along the easterly extension thereof to the centerline of Parneli Avenue; thence south along said centerline of Parneli Avenue to the westerly extension of the south line of the north 12.5 feet of Lot 38 in Block 18 in said West Pullman; thence east along said westerly extension and along the south line of the north 12.5 feet of Lot 38 in Block 18 in said West Pullman and the easterly extension thereof to the centerline of the alley east of and parallel with Parneli Avenue, said alley being also east of and adjoining said Lot 38; thence north along said centerline of the alley east of and parallel with Parneli Avenue to the westerly extension of the south line of Lot 6 in said Block 18 in West Pullman; thence east along said westerly extension and along the south line of said Lot 6 in Block 18 in West Pullman, and along the easterly extension thereof, to the



centerline of Normal Avenue; thence north along said centerline of Normal Avenue to the westerly extension of the centerline of the alley south of and parallel with 119<sup>th</sup> Street in Block 6 in West Pullman, said alley being also south of and adjoining the south line of Lots 1 through 10, inclusive, in the resubdivision of that part of West Pullman lying in the northwest quarter of the west half of the northeast quarter of Section 28, Township 37 North, Range 14 East of the Third Principal Meridian; thence east along said centerline of the alley south of and parallel with 119<sup>th</sup> Street to the centerline of Wentworth Avenue; thence north along said centerline of Wentworth Avenue to the easterly extension of the centerline of the alley north of and parallel with 119<sup>th</sup> Street, said alley being also north of and adjoining Lots 23 through 32, inclusive, in Block 4 in Thomas Scanlan's Addition to Pullman, being a subdivision of the east half of the southwest quarter of the southeast quarter of Section 21, Township 37 North, Range 14 East of the Third Principal Meridian; thence west along said easterly extension and along the centerline of the alley north of and parallel with 119<sup>th</sup> Street to the centerline of Harvard Avenue; thence north along said centerline of Harvard Avenue to the easterly extension of the centerline of the alley north of and parallel with 119<sup>th</sup> Street, said alley being also north of and adjoining the north line of Lots 17 through 26, inclusive, in Block 6 in A. O. Tylor's Addition to Pullman, a subdivision of the east half of the southeast quarter of the southwest quarter and of the west half of the west half of the southwest quarter of the southeast quarter of Section 21, Township 37 North, Range 14 East of the Third Principal Meridian; thence west along said easterly extension and the centerline of the alley north of and parallel with 119<sup>th</sup> Street to the centerline of Stewart Avenue; thence south along the centerline of Stewart Avenue, to the easterly extension of the centerline of the alley north of and parallel with 119<sup>th</sup> Street, said alley being also north of and adjoining the north line of Lots 6 through 15, inclusive, in Hugh Lauder's Subdivision of Lot 8 in Block 5 in said A. O. Tylor's Addition to Pullman; thence west along said easterly extension and the centerline of the alley north of and parallel with 119<sup>th</sup> Street to the centerline of Eggleston Avenue; thence north along said centerline of Eggleston Avenue to the easterly extension of the centerline of the alley north of and parallel with 119<sup>th</sup> Street, said alley being also north of and adjoining the north line of Lots 10 through 19, inclusive, in Block 4 in said A. O. Tylor's Addition to Pullman; thence west along said easterly extension and the centerline of the alley north of and parallel with 119<sup>th</sup> Street to the centerline of Normal Avenue; thence south along said centerline of Normal Avenue to the easterly extension of the centerline of the alley north of and parallel with 119<sup>th</sup> Street, said alley being also north of and adjoining the north line of Lots 17 through 26, inclusive, in Block 4 in Hannah B. Gano's Addition to Pullman,

being a subdivision of the west half of the southeast quarter of the southwest quarter of Section 21, Township 37 North, Range 14 East of the Third Principal Meridian; thence west along said easterly extension and the centerline of the alley north of and parallel with 119<sup>th</sup> Street to the southerly extension of the east line of Lot 28 in Block 4 in Kneeland and Wright's 2<sup>nd</sup> Addition to West Pullman in the southwest quarter of Section 21, Township 37 North, Range 14 East of the Third Principal Meridian; thence north along said southerly extension and the east line of Lot 28 in Block 4 in Kneeland and Wright's 2<sup>nd</sup> Addition to West Pullman and the northerly extension thereof to the centerline of 115<sup>th</sup> Place; thence west along said centerline of 118<sup>th</sup> Place to the southerly extension of the centerline of the alley east of and parallel with Halsted Street, said alley being also west of and adjoining the west line of Lots 1 through 11, inclusive, in said Block 4 in Kneeland and Wright's 2<sup>nd</sup> Addition to West Pullman; thence north along said centerline of the alley east of and parallel with Halsted Street to the centerline of 118<sup>th</sup> Street; thence east along said centerline of 115<sup>th</sup> Street to the southerly extension of the centerline of the alley east of and parallel with Halsted Street, said alley being also east of and adjoining the east line of Lots 170 through 165, inclusive, in Sharpshooter's Park Subdivision of part of Sharpshooter's Park, said park being the west half of the southwest quarter of Section 21, Township 37 North, Range 14 East of the Third Principal Meridian; thence north along said southerly extension and along the centerline of the alley east of and parallel with Halsted Street to the centerline of 115<sup>th</sup> Street; thence west along said centerline of 115<sup>th</sup> Street to the centerline of Halsted Street; thence north along said centerline of Halsted Street to the centerline of 114<sup>th</sup> Street; thence west along said centerline of 114<sup>th</sup> Street to the southerly extension of the centerline of the alley west of and parallel with Green Street, said alley being also east of and adjoining the east line of Lots 16 through 30, inclusive, in Sheldon Heights West Fifth Addition, a subdivision of a part of the east half of the northeast quarter of Section 20, Township 37 North, Range 14 East of the Third Principal Meridian; thence north along said southerly extension of the centerline of the alley west of and parallel with Green Street to the easterly extension of the south line of said Lot 30 in Sheldon Heights West Fifth Addition; thence west along said easterly extension and the south line of said Lot 30 in Sheldon Heights West Fifth Addition and along the westerly extension thereof to the southeast corner of Lot 31 in said Sheldon Heights West Fifth Addition; thence continuing west along the south line of said Lot 31 in said Sheldon Heights West Fifth Addition and along the westerly extension thereof to the southwest corner of said Sheldon Heights West Fifth Addition; thence north along the west line of said Sheldon Heights West Fifth Addition, said west line being also the west line of an 8 foot alley west of and parallel with Peoria Street, to the easterly extension of a line 16 feet south of and parallel with the south

line of Lots 19 and 20 in the Sixth Addition to Sheldon Heights West, being a subdivision of part of the east two-thirds of the west three-eighths of the north half of the east half of the northeast quarter of Section 20, Township 37 North, Range 14 East of the Third Principal Meridian; thence west along said easterly extension and along a line 16 feet south of and parallel with the south line of Lots 19 and 20 in the Sixth Addition to Sheldon Heights West to the southwesterly line of said Sixth Addition to Sheldon Heights West Subdivision, said southwesterly line being also a line 8 feet southwest of and parallel with the southwesterly line of Lots 20 through 23, inclusive, in said Sixth Addition to Sheldon Heights West; thence northwest along said southwesterly line of Sixth Addition to Sheldon Heights West Subdivision to the point of intersection of said southwesterly line with the west line of said Sixth Addition to Sheldon Heights West Subdivision, said point being 1,032.98 feet south of the north line of the west half of the northeast quarter of Section 20, Township 37 North, Range 14 East of the Third Principal Meridian; thence southwesterly along a straight line to a point on the west line of the east half of the northeast quarter of Section 20, Township 37 North, Range 14 East of the Third Principal Meridian, said point being 1,188.76 feet south of the north line of said Section 20 as measured along said west line of the east half of the northeast quarter of Section 20; thence south along said west line of the east half of the northeast quarter of Section 20 to the northeasterly line of the right-of-way of the Penn Central Railroad; thence northwest along said northeasterly line of the right-of-way of the Penn Central Railroad to the centerline of 111<sup>th</sup> Street; thence west along said centerline of 111<sup>th</sup> Street to the southwesterly line of the right-of-way of the Penn Central Railroad; thence southeast along said southwesterly line of the right-of-way of the Penn Central Railroad to the centerline of 115<sup>th</sup> Street; thence west along said centerline of 115<sup>th</sup> Street to the point of beginning on the centerline of Morgan Street, all in Cook County, Illinois.

Exhibit "B".

*Street Location.*

The 119<sup>th</sup> and Halsted Redevelopment Project Area lies primarily in the West Pullman community area, and is generally bounded by 123<sup>rd</sup> Street on the south, South Wentworth Avenue and South Normal Avenue on the east, 111<sup>th</sup> Street on the north and Morgan Street on the west.

**HANCOCK HOUSE SENIOR APARTMENTS  
REDEVELOPMENT AGREEMENT**

**EXHIBIT B**

**PROPERTY LEGAL DESCRIPTION**

**See Attached.**

LEGAL DESCRIPTION OF REAL ESTATE

PARCEL 1:

LOT 26 (EXCEPT THAT PART OF SAID LOT CONVEYED TO THE CITY OF CHICAGO BY DEED RECORDED JUNE 27, 1929 AS DOCUMENT 10397274) IN BLOCK 13 IN WEST PULLMAN IN THE WEST 1/2 OF THE NORTHEAST 1/4 AND THE NORTHWEST 1/4 OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 24 AND 25 (EXCEPT THAT PART OF SAID LOTS TAKEN BY THE CITY OF CHICAGO FOR WIDENING OF HALSTED STREET) IN BLOCK 13 IN WEST PULLMAN IN THE WEST 1/2 OF THE NORTHEAST 1/4 AND THE NORTHWEST 1/4 OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 21 AND 22 IN BLOCK 13 IN WEST PULLMAN IN THE WEST 1/2 OF THE NORTHEAST 1/4 AND THE NORTHWEST 1/4 OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOT 23 IN BLOCK 13 IN THE RESUBDIVISION OF THAT PART OF WEST PULLMAN IN THE WEST 1/2 OF THE NORTHEAST 1/4 AND THE NORTHWEST 1/4 OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

LOTS 1 TO 9, BOTH INCLUSIVE IN THE RESUBDIVISION OF LOT 21 IN BLOCK 14 IN WEST PULLMAN IN THE WEST 1/2 OF THE NORTHEAST 1/4 AND THE NORTHWEST 1/4 OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 12045 SOUTH EMERALD AVENUE,  
CHICAGO, ILLINOIS

PINs: 25-28-108-018-0000 VOL. 469; 25-28-108-019-0000 VOL. 469;  
25-28-108-038-0000 VOL. 469; 25-28-108-039-0000 VOL. 469;  
25-28-108-040-0000 VOL. 469; 25-28-109-010-0000 VOL. 469

**HANCOCK HOUSE SENIOR APARTMENTS  
REDEVELOPMENT AGREEMENT**

**EXHIBIT C**

**TIF-FUNDED IMPROVEMENTS**

<u>Line Item</u>	<u>Cost</u>
Construction	\$13,018,760
<b>TOTAL:</b>	<b>\$13,018,760*</b>

- \* The maximum amount of **City Funds** provided to the **Developer** shall not exceed \$575,000.

**HANCOCK HOUSE SENIOR APARTMENTS  
REDEVELOPMENT AGREEMENT**

**EXHIBIT D**

**REDEVELOPMENT PLAN**

See Attached.

**HANCOCK HOUSE SENIOR APARTMENTS  
REDEVELOPMENT AGREEMENT**

**EXHIBIT E**

**CONSTRUCTION CONTRACT**

**See Attached.**



# AIA® Document A101™ – 2007

## **Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum**

AGREEMENT made as of the day of May in the year 2010  
(In words, indicate day, month and year.)

BETWEEN the ~~Owner~~ Owner(s):  
(Name, legal status, address and other information)

Hancock House Limited Partnership Brownlow Belton /Sullivan Arms, NFP  
345 N. Canal St. -14 S. Ashland Ave. 10708 S. Vincennes  
Suite 301 Chicago, IL 60607 Amc  
Chicago, IL 60606 60643  
Telephone Number: 312-560-4560  
Fax Number: 312-575-9876

This document has important legal consequences.

Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

and the Contractor:  
(Name, legal status, address and other information)

Joseph J. Duffy Co.  
4994 N. Elston Ave.  
Chicago, IL 60630  
Telephone Number: 773-777-6700  
Fax Number: 773-777-6421

for the following Project:  
(Name, location and detailed description)

Hancock House Senior Housing  
12045 S. Emerald Ave.  
Chicago, IL 60628  
89 Unit Senior Housing  
7 stories-Concrete frame  
74,913 GSF (W/O Atrium)

The Architect:  
(Name, legal status, address and other information)

COX LTD Architects  
345 N. Canal St. Suite 701  
Chicago, IL 60606  
Telephone Number: 312-454-9434  
Fax Number: 312-454-9439

The Owner and Contractor agree as follows.

init.

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User Notes:

(945448307)

## TABLE OF ARTICLES

1	THE CONTRACT DOCUMENTS
2	THE WORK OF THIS CONTRACT
3	DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
4	CONTRACT SUM
5	PAYMENTS
6	DISPUTE RESOLUTION
7	TERMINATION OR SUSPENSION
8	MISCELLANEOUS PROVISIONS
9	ENUMERATION OF CONTRACT DOCUMENTS
10	INSURANCE AND BONDS

### ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9.

### ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

### ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

*(Insert the date of commencement if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)*

The date of commencement shall be the Owners Notice to Proceed or issuance of all necessary building permits or legally start the work, whichever is later.

If, prior to the commencement of the Work, the Owner requires time to file mortgages and other security interests, the Owner's time requirement shall be as follows:

§ 3.2 The Contract Time shall be measured from the date of commencement.

§ 3.3 The Contractor shall achieve Substantial Completion of the entire Work not later than Four hundred eighty-nine (489) days from the date of commencement, or as follows:

*(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. If appropriate, insert requirements for earlier Substantial Completion of certain portions of the Work.)*

1/11.

Portion of Work  
NA

Substantial Completion Date  
NA

, subject to adjustments of this Contract Time as provided in the Contract Documents.  
(Insert provisions, if any, for liquidated damages relating to failure to achieve Substantial Completion on time or for bonus payments for early completion of the Work.)

None

#### ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be Fourteen Million Four Hundred Twenty-five Thousand Four Hundred Twenty-one Dollars and Zero Cents (\$ 14,425,421.00 ), subject to additions and deductions as provided in the Contract Documents.

§ 4.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:  
(State the numbers or other identification of accepted alternates. If the bidding or proposal documents permit the Owner to accept other alternates subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)

None

§ 4.3 Unit prices, if any:  
(Identify and state the unit price; state quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price Per Unit (\$0.00)
<u>Caisson Volume deeper than -60'-0"</u>	<u>Cubic Foot</u>	<u>Add \$9.83/CF</u>
<u>Caisson Volume Shallower than -60'-0"</u>	<u>Cubic Foot</u>	<u>Deduct \$3.30/CF</u>
<u>Caisson obstruction delay time</u>	<u>Hour</u>	<u>Add \$1,495.00/Hour</u>
<u>Caisson obstruction rock drilling</u>	<u>Hour</u>	<u>Add \$1,840.00/Hour</u>
<u>Additional Caisson reinforcing steel</u>	<u>Ton</u>	<u>Add \$895.00/Ton</u>
<u>Additional caisson grout backfill</u>	<u>Cubic yard</u>	<u>Add \$106.00/CY</u>

§ 4.4 Allowances included in the Contract Sum, if any:  
(Identify allowance and state exclusions, if any, from the allowance price.)

Item	Price
<u>See Addendum 1-11</u>	

#### ARTICLE 5 PAYMENTS

##### § 5.1 PROGRESS PAYMENTS

§ 5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

The Owner, Contractor, Architect and lenders shall mutually agree on a payment request meeting schedule.

§ 5.1.3 Provided that an Application for Payment is received by the Architect not later than the Fifth (5<sup>th</sup>) day of a month, the Owner shall make payment of the certified amount to the Contractor not later than the Fourth (4<sup>th</sup>) day of the following month. If an Application for Payment is received by the Architect after the application date fixed

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above, payment shall be made by the Owner not later than Thirty ( 30 ) days after the Architect receives the Application for Payment. ~~Payment, subject in all cases to lender approval~~  
(Federal, state or local laws may require payment within a certain period of time.)

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.1.6 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of Ten percent ( 10 % ). Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Section 7.3.9 of AIA Document A201™-2007, General Conditions of the Contract for Construction;
- .2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of Ten percent ( 10 % );
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Section 9.5 of AIA Document A201-2007.

§ 5.1.7 The progress payment amount determined in accordance with Section 5.1.6 shall be further modified under the following circumstances:

- .1 Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Architect shall determine for incomplete Work, retainage applicable to such work and unsettled claims; and  
(Section 9.8.5 of AIA Document A201-2007 requires release of applicable retainage upon Substantial Completion of Work with consent of surety, if any.)
- .2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Section 9.10.3 of AIA Document A201-2007.

§ 5.1.8 Reduction or limitation of retainage, if any, shall be as follows:

- (If it is intended, prior to Substantial Completion of the entire Work, to reduce or limit the retainage resulting from the percentages inserted in Sections 5.1.6.1 and 5.1.6.2 above, and this is not explained elsewhere in the Contract Documents, insert here provisions for such reduction or limitation.)
- .1 Upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Architect shall determine for incomplete Work, retainage applicable to such work and unsettled claims and less 150% of the value of the incomplete items on the applicable schedule of values, as identified by the Architect ("Punch list items")
  - .2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Section 9.10.3 of AIA Document A201-2007.

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

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## § 5.2 FINAL PAYMENT

§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when

- .1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201-2007, and to satisfy other requirements, if any, which extend beyond final payment; and
- .2 a final Certificate for Payment has been issued by the Architect.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows: as follows and subject in all cases to lender approval.

- .1 The Contractor shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management under this contract. If requested by a Governmental Agency, the Owner and Owner's accountants shall be afforded access for inspection the Contractor's records including subcontracts, purchase orders, vouchers, receipts and other information pertaining to the Work. The contractor shall preserve these records for a period of three years after final payment.

## ARTICLE 6 DISPUTE RESOLUTION

### § 6.1 INITIAL DECISION MAKER

The Architect will serve as Initial Decision Maker pursuant to Section 15.2 of AIA Document A201-2007, unless the parties appoint below another individual, not a party to this Agreement, to serve as Initial Decision Maker. *(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)*

### § 6.2 BINDING DISPUTE RESOLUTION

For any Claim subject to, but not resolved by, by Direct Discussions or mediation pursuant to Section 15.3 of AIA Document A201-2007, the method of binding dispute resolution shall be as follows:

*(Check the appropriate box. If the Owner and Contractor do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.)*

☒ [ X ] Arbitration pursuant to Section 15.4 of AIA Document A201-2007

☐ [ ] Litigation in a court of competent jurisdiction

☐ [ ] Other *(Specify)*

## ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201-2007.

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-2007.

## ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 Where reference is made in this Agreement to a provision of AIA Document A201-2007 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 8.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

*(Insert rate of interest agreed upon, if any.)*

% - 4% per Annum

§ 8.3 The Owner's representative:

init.

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User Notes:

(Name, address and other information)

Brigite Grossman 312-560-4560  
345 N. Canal St. 312-575-9876 (Fax)  
Suite 301  
Chicago, IL 60606

§ 8.4 The Contractor's representative:  
(Name, address and other information)

Michael Mozal 773-777-6700  
4994 N. Elston Ave. 773-777-6421  
Chicago, IL 60630

§ 8.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days written notice to the other party.

§ 8.6 Other provisions:

For any adjustments to the Contract Sum, the Contractor agrees to charge and accept payment at the following percentages of the cost attributable to the change in the Work:

1. Six percent (6%) for General Conditions.
2. Six percent (6%) overhead and profit on the change in the Work performed by Subcontractors.
3. When both additions and credits are involved in any one change, six percent (6%) for overhead and profit shall be figured on the basis of the net increase, if any; and
4. Thirteen percent (13%) overhead and profit for work self-performed by the Contractor.
5. Subcontractors shall be allowed to mark-up their work fifteen percent (15%).

#### ARTICLE 9 ENUMERATION OF CONTRACT DOCUMENTS

§ 9.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated in the sections below.

§ 9.1.1 The Agreement is this executed AIA Document A101-2007, Standard Form of Agreement Between Owner and Contractor.

§ 9.1.2 The General Conditions are AIA Document A201-2007, General Conditions of the Contract for Construction.

§ 9.1.3 The Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
<u>AIA A201 2007</u>	<u>General Conditions of the Contract</u>	<u>Attached</u>	

§ 9.1.4 The Specifications:

~~(Either list the Specifications here or refer to an exhibit attached to this Agreement.)~~

See exhibit "B" attached hereto – List of Plans, Specifications and Addenda

Init.

Section	Title	Date	Pages
---------	-------	------	-------

**§ 9.1.5 The Drawings:**

~~(Either list the Drawings here or refer to an exhibit attached to this Agreement.)~~

See exhibit "B" attached hereto – List of Plans, Specifications and Addenda

Number	Title	Date
--------	-------	------

**§ 9.1.6 The Addenda, if any:**

Number	Date	Pages
--------	------	-------

One thru Eleven – Date and length per attached Exhibit "B".

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 9.

**§ 9.1.7 Additional documents, if any, forming part of the Contract Documents:**

- .1 AIA Document E201™–2007, Digital Data Protocol Exhibit, if completed by the parties, or the following:

- .2 Other documents, if any, listed below:

~~(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201–2007 provides that bidding requirements such as advertisement or invitation to bid, Instructions to Bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)~~

See Exhibit "A" attached hereto – HUD 4010

See Exhibit "C" attached hereto – Legal Land Description

See Exhibit "D" attached hereto – Project Schedule

See Exhibit "B" attached hereto – Wage Decisions as follows:

TYPE OF DECISION	WAGE DECISION NO.	MODIFICATION NO.	DATE OF DECISION
<u>GENERAL</u> (Building and Residential)	<u>IL20100009</u>	<u>0</u>	<u>March 12, 2010</u>
<u>GENERAL</u> (Landscape)	<u>IL20100020</u>	<u>3</u>	<u>May 7, 2010</u>

**ARTICLE 10 INSURANCE AND BONDS**

The Contractor shall purchase and maintain insurance and provide bonds as set forth in Article 11 of AIA Document A201–2007.

~~(State bonding requirements, if any, and limits of liability for insurance required in Article 11 of AIA Document A201–2007.)~~

Type of insurance or bond	Limit of liability or bond amount (\$0.00)
<u>AIA A-312 Performance and Payment</u>	<u>\$14,425,421.00</u>
<u>Bond</u>	

Init.

This Agreement entered into as of the day and year first written above.

OWNER (Signature)

CONTRACTOR (Signature)

(Printed name and title)

(Printed name and title)

**ARTICLE 11 OTHER PROVISIONS**

"As consideration to payment of the Cost of the Work per the Contract and for Contractors agreement to execute Completion Guarantees in favor of Owner's lenders in form satisfactory to contractor, Owner represents and warrants that Owner will not request or accept or allow any of its agents or affiliates to request or accept payment of any Owner's Developers Fees (Other than Owner's Developers Fee scheduled to be drawn at the initial closing) until Owner has paid the Contract Sum, as it may be adjusted from time-to-time, in full to the Contractor."

This Agreement entered into as of the day and year first written above.

HANCOCK HOUSE LIMITED PARTNERSHIP  
BROWNLOW BELTON/SULLIVAN ARMS, NFP.

JOSEPH J. DUFFY CO.

OWNER (Signature)

CONTRACTOR (Signature)

Brigite Grossman

Michael Mezal, President

(Printed name and title)

(Printed name and title)


Hancock House Limited Partnership, an Illinois Limited Partnership

By: Hancock House L.L.C.

Its: General Partner


By: Sourceworks Development L.L.C. an Illinois Limited liability company

Its: Managing Member

By:   
Brigite Grossman

Its: Sole Member

Brownlow, Belton, Sullivan, Arms NFP

By:   
Jerry L. Jones, SR.  
Its: President

Int.



## Exhibit "A"

### RIDER TO THE CONTRACT FOR CONSTRUCTION

#### Davis Bacon Related Procedures

THIS RIDER amends modifies and supplements the Contract for Construction ("Contract") dated as of May 24, 2010, by and between Hancock House Limited Partnership and Brownlow, Belton, Sullivan Arms, NPP and Joseph J. Duffy Co. ("Contractor"), and is incorporated into and made a part of the Contract. Where any Article, Paragraph, Subparagraph or Clause of the Contract is amended, modified or supplemented by this Rider, the unaltered part of that Article, Paragraph, Subparagraph or Clause shall remain in full force and effect. To the extent that this Rider conflicts with the Contract, the provisions of this Rider shall control.

NOW, THEREFORE, the parties agree as follows:

1. **Davis-Bacon Requirements.** The wages to be paid to all laborers and mechanics employed in connection with the construction of the project that is the subject of the Contract shall be not less than the prevailing wage rates for corresponding classes of laborers and mechanics employed on construction of a similar character in the locality in which the work is to be performed, as determined by the United States Secretary of Labor, with respect to the construction of the project that is the subject of the Contract. A copy of that determination (the "Determination") is attached to this Rider as Exhibit A and incorporated in this Rider. Contractor shall cause to be displayed at the job site and shall make accessible to all construction employees a copy of the Determination and Notice to Employees (WH-1321). The wage standards set forth in the Determination shall be included in all bid documents and all contracts with subcontractors. Contractor shall cooperate with the Illinois Housing Authority's monitoring of Contractor's compliance with the requirements of this Paragraph in accordance with the policies and procedures of HUD Handbook 1344.1, REV-1, CHG.1 (7/87), Federal Labor Standards Compliance in Housing and Community Development Programs and shall provide weekly certified payroll reports from Contractor and all Subcontractors.
2. **HUD 4010 Rider.** The parties agree to comply with the HUD 4010 requirements as contained in the HUD 4010 Rider attached as Exhibit B hereto and incorporated herein and into the Contract.

IN WITNESS WHEREOF, the parties have caused this Rider to be executed by their authorized officers.

CONTRACTOR:

Joseph J. Duffy Co

By: [Signature]  
Its President  
Date: 5-24-10

OWNER or SUBCONTRACTOR:

Hancock House Limited Partnership  
By: Hancock House, LLC  
By Source Works Development, LLC

By: [Signature]  
Its Managing Partner  
Date: 5-24-2010

Brownlow, Belton, Sullivan, Arms NPP

By: [Signature]  
Its: President

## Federal Labor Standards Provisions

## U.S. Department of Housing and Urban Development Office of Labor Relations

### Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (I) Minimum Wages. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(II) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(II) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(II)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(III) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(IV) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part

of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract in the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been

communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347inslr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5 (a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

#### 4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who

is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by

the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(III) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract.

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (I) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be

awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(II) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(III) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration . . . makes, utters or publishes any statement knowing the same to be false . . . shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

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(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96). 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

**EXHIBIT "B"**  
**CONTRACT DOCUMENTS**  
**HANCOCK HOUSE**  
**CHICAGO, IL**

All documents prepared by Cox Limited Architects

List Updated 5-4-10

**PROJECT MANUAL**

Project Manual	Bound book	Dated	1/23/09
Addendum No. 1	4 Pages	Dated	1/28/09
Addendum No. 2	7 Pages	Dated	1/28/09
Addendum No. 3	5 Pages	Dated	1/29/09
Addendum No. 4	1 page	Dated	1/30/09
Addendum No. 5	2 Pages	Dated	2/2/09
Addendum No. 6	1 Page	Dated	2/3/09
Addendum No. 7	7 Pages	Dated	2/5/09
Addendum No. 8	1 Page	Dated	2/9/09
Addendum No. 9	6 pages	Dated	2/13/09
Addendum No. 10	3 pages	Dated	2/20/09
Addendum No. 11	20 Pages	Dated	8/1/09

**DRAWINGS**

	<b>SHEET TITLE</b>		
T1	Title Sheet	Dated	6/1/09
C1	Civil - Title Sheet	Dated	6/1/09
GN1	General Notes & Typical Sections	Dated	6/1/09
E1	Plat of Survey	Dated	9/18/07
GM1	Geometric Plan	Dated	6/1/09
GR1	Grading Plan	Dated	6/1/09
UT1	Utility Plan	Dated	6/1/09
SE1	Soil Erosion & Sediment Control Plan	Dated	6/1/09
SE2	Soil Erosion & Sediment Control Plan	Dated	6/1/09
SE3	Soil Erosion Control Plan	Dated	6/1/09
S1	Specifications - 1	Dated	6/1/09
S2	Specifications - 2	Dated	6/1/09
D1	Details - 1	Dated	6/1/09
D2	Details - 2	Dated	6/1/09
D3	Details - 3	Dated	6/1/09
OM	Operation & Maintenance Plan	Dated	6/1/09
L1	Landscape Plan	Dated	2/22/06
L2	Landscape Plan	Dated	2/22/06
D1	Landscape Installation Specifications	Dated	2/22/09
D2	Landscape Details	Dated	2/22/09
A0.1	Code Matrix	Dated	10/20/09
A0.2	Accessibility Information	Dated	11/30/09
A0.3	Exiting Diagrams & Calculations	Dated	10/5/09
A1.1	Site Plan	Dated	6/1/09
A2.1	Ground Floor Plan	Dated	10/5/09
A2.2	Typical Floor Plan 2-7	Dated	10/5/09
A2.3	Enlarged Floor Plans	Dated	11/30/09
A2.4	Enlarged Floor Plans	Dated	10/5/09
A2.5	Enlarged Floor Plans	Dated	10/5/09
A2.6	Enlarged Floor Plans	Dated	11/30/09
A2.7	Roof Plan	Dated	10/5/09
A3.1	Elevations	Dated	1/7/10
A3.2	Elevations	Dated	1/7/10
A4.1	Building Sections	Dated	10/5/09
A4.2	Building Sections	Dated	10/5/09
A4.3	Sections & Details	Dated	6/1/09
A4.4	Stairway Sections & Details	Dated	11/30/09
A4.5	Sections & Details	Dated	6/1/09
A5.1	Reflected Ceiling Plans	Dated	6/1/09
A5.2	Reflected Ceiling Plan	Dated	6/1/09
A6.1	Interior Elevations	Dated	6/1/09
A6.2	Interior Elevations	Dated	6/1/09
A7.1	Schedules	Dated	10/20/09
A7.2	Wall Types & Misc Details	Dated	10/20/09
S1.1	Structural General Notes	Dated	9/15/09
S1.2	Caisson Foundation Plan	Dated	5/29/09
S1.3	Foundation and 1st Floor Framing Plan	Dated	5/29/09
S1.4	Column Grid Geometry & Dimension Plan	Dated	5/29/09

S1.5	Second Floor Framing Plan	Dated	9/15/09
S1.6	Typical Floor Framing Plan	Dated	9/15/09
S1.7	Main Roof Framing Plan	Dated	9/15/09
S1.8	Atrium Roof Framing Plan	Dated	5/29/09
S2.1	Foundation Details and Schedules	Dated	5/29/09
S2.2	Concrete Sections and Details	Dated	5/29/09
S2.3	Concrete Sections and Details	Dated	9/15/09
S2.4	Concrete Sections and Details	Dated	10/26/09
S2.5	Concrete Sections and Details	Dated	5/29/09
S2.5A	Concrete Sections and Details	Dated	5/29/09
S2.6	Concrete Sections and Details	Dated	5/29/09
S2.6A	Slab Reinforcement Schedules	Dated	9/15/09
S2.6B	Slab Reinforcement Schedules	Dated	9/15/09
S2.7	Atrium Steel Sections and Details	Dated	5/29/09
S2.8	Sections and Details	Dated	5/29/09
M1.1	First Floor Mechanical Plan -Ventilation	Dated	9/2/09
M1.2	Typical 2nd thru 7th Mechanical Plan- Ventilation	Dated	4/3/09
M1.3	Mechanical Roof Plan	Dated	8/10/09
M1.4	Ventilation Schedule	Dated	9/2/09
M1.5	Mechanical Equipment Schedules	Dated	9/2/09
M1.6	Ventilation Riser Diagrams	Dated	4/3/09
M2.1	First Floor Mechanical Piping Plan	Dated	8/10/09
M2.2	Typical Mechanical Piping Floor Plan 2-8	Dated	4/3/09
M2.3	Seventh Floor Mechanical Piping Floor Plan	Dated	4/3/09
M2.4	Mechanical Piping Diagrams	Dated	4/3/09
M3.1	Mechanical Specifications and Notes	Dated	8/10/09
P1.1	Underground Plumbing Plan	Dated	9/2/09
P1.2	Ground Floor Ceiling: Sanitary & Storm Drainage Plan	Dated	4/3/09
P1.3	Second- Sixth Floor Ceiling : Sanitary Plan	Dated	4/3/09
P1.4	Seventh Floor Ceiling: Storm Drainage Plan	Dated	4/3/09
P2.1	Ground Floor Ceiling: Water Supply & Plumbing Vent Plan	Dated	8/10/09
P2.2	Second thru Sixth Fl Ceiling: Water Supply & Plumbing Vent Plan	Dated	8/10/09
P2.3	Seventh Floor Ceiling: Plumbing Vent Plan	Dated	4/3/09
P2.4	Plumbing Roof Plan	Dated	4/3/09
P3.1	Isometric Plumbing Diagrams: Waste & Vent	Dated	4/3/09
P3.2	Isometric Plumbing Diagrams: Waste & Vent	Dated	4/3/09
P3.3	Isometric Plumbing Diagrams: Domestic Water	Dated	8/10/09
P3.4	Isometric Plumbing Diagrams: Domestic Water	Dated	8/10/09
P4.1	Plumbing Equipment Schedules	Dated	4/3/09
P4.2	Plumbing Symbols, Notes and Details	Dated	9/2/09
P4.3	Plumbing Specifications and Notes	Dated	8/10/09
FP1.1	Fire Protection Notes and Details	Dated	4/3/09
EG0.0	Electrical Load Calculations	Dated	4/3/09
EG0.1	Elec Load Gates, EM Lighting Cuts, Energy Gates	Dated	4/3/09
EG1.0	General Notes & Specifications	Dated	8/10/09
EG1.1	Specifications	Dated	4/3/09
EG1.2	Specifications	Dated	4/3/09
EG1.3	Specifications	Dated	4/3/09
EG2.0	Electrical Single Line Diagrams	Dated	4/3/09
EG2.1	Grounding Single Line Diagram	Dated	4/3/09
EG3.0	Parking Lighting Details	Dated	4/3/09
EG3.1	Lighting Schedules & Symbols	Dated	8/10/09
EG3.2	Schedules	Dated	8/10/09
EG3.3	Panel Schedules	Dated	8/10/09
E1.0	Site Plan	Dated	4/3/09
E1.1	1st Floor Lighting Plan	Dated	10/22/09
E1.2	1st Floor Power Plan	Dated	8/10/09
E2.1	Floor 2-7 Lighting Plan	Dated	4/3/09
E2.2	Floor 2-7 Power Plan	Dated	8/10/09
E3.0	Roof Plan	Dated	4/3/09
EM 1	Emergency Lighting Plan	Dated	8/10/09
EM 2	Second Floor Lighting Plan	Dated	8/10/09
EM 3	Third Floor Emergency Lighting Plan	Dated	8/10/09
EM 4	Fourth Floor Emergency Lighting Plan	Dated	8/10/09
EMS	Fifth Floor Emergency Lighting Plan	Dated	8/10/09
EMS	Sixth Floor Emergency Lighting Plan	Dated	8/10/09
EM 7	Seventh Floor Emergency Lighting Plan	Dated	8/10/09



## EXHIBIT "C"

**HANCOCK HOUSE  
12045 S. EMERALD AVE.  
CHICAGO, IL 60628**

## LEGAL LAND DESCRIPTION

LOT 26 (EXCEPT THAT PART OF SAID LOT CONVEYED TO THE CITY OF CHICAGO BY DEED RECORDED JUNE 27, 1929 AS DOCUMENT 10397274) IN BLOCK 13 IN WEST PULLMAN IN THE WEST 1/2 OF THE NORTHEAST 1/4 AND THE NORTHWEST 1/4 OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN. IN COOK COUNTY, ILLINOIS,

ALSO

LOTS 24 AND 25 (EXCEPT THAT PORTION TAKEN BY CITY OF CHICAGO OF SAID LOTS FOR WIDENING OF HALSTED STREET) IN BLOCK 13 IN WEST PULLMAN, A SUBDIVISION IN THE WEST 1/2 OF THE NORTHEAST 1/4 AND THE NORTHWEST 1/4 OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS,

ALSO

LOTS 21 AND 22 IN BLOCK 13 IN WEST PULLMAN A SUBDIVISION IN THE WEST 1/2 OF THE NORTHEAST 1/4 AND THE NORTHWEST 1/4 OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS,

ALSO

LOT 23 IN BLOCK 13 IN THE RESUBDIVISION OF THAT PART OF WEST PULLMAN. A SUBDIVISION OF THE WEST 1/2 OF THE NORTHEAST 1/4 AND THE NORTHWEST 1/4 OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS,

ALSO

LOTS 1 TO 9 IN THE RESUBDIVISION OF LOT 21 IN BLOCK 14 IN WEST PULLMAN, A SUBDIVISION IN THE WEST 1/2 OF THE NORTHEAST 1/4 AND THE NORTHWEST 1/4 OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

Joseph J. Duffy Co.  
4934 N. Elston Ave.  
Chicago, IL 60630  
773-777-8700 (FAX 8421)

# EXHIBIT "D"



Activity		Orig Dur	2010												2011						
ID	Description		MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT		
BLDG 100	Mobilization and Layout		██████████	██████████	██████████																
BLDG 105	Clear site/demo		██████████	██████████	██████████																
BLDG 115	Calissons			██████████	██████████	██████████															
BLDG 120	Excavation			██████████	██████████	██████████	██████████														
BLDG 125	Foundations			██████████	██████████	██████████	██████████	██████████													
BLDG 130	Concrete Superstructure			██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████		
BLDG 135	Exterior studs/sheathing						██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████		
BLDG 140	Roofing and Roof Accessories									██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████		
BLDG 150	Face Brick Veneer								██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████		
BLDG 160	MEP Rough-ins							██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████		
BLDG 170	Metal Framing/Drywall									██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████		
BLDG 180	Painting											██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████		
BLDG 190	Flooring											██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████		
BLDG 200	Doors and Millwork												██████████	██████████	██████████	██████████	██████████	██████████	██████████		
BLDG 210	MEP Trim													██████████	██████████	██████████	██████████	██████████	██████████		
BLDG 220	Touch-up and Finishes												██████████	██████████	██████████	██████████	██████████	██████████	██████████		
BLDG 230	Punch Out													██████████	██████████	██████████	██████████	██████████	██████████		
EXT 110	Site Utilities								██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████		
EXT 100	Site Excavation									██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████	██████████		
EXT 120	Curbs and Walks												██████████	██████████	██████████	██████████	██████████	██████████	██████████		
EXT 130	Asphalt Paving													██████████	██████████	██████████	██████████	██████████	██████████		
EXT 140	Fencing & Site Improvements															██████████	██████████	██████████	██████████		
EXT 150	Landscaping															██████████	██████████	██████████	██████████		
BLDG 235	City Inspections																██████████	██████████	██████████		
Project Start May 24, 2010			Hancock House Senior Housing															Date Date 5/21/2010			
Project Finish September 24, 2011			Completion 489 days from NTP 48912045 S. Emerald Ave., Chicago, IL															Plot Date 8/21/2010			

# Exhibit "E"

GENERAL DECISION: IL20100009 03/12/2010 IL9

Date: March 12, 2010

General Decision Number: IL20100009 03/12/2010

Superseded General Decision Number: IL20080009

State: Illinois

Construction Types: Building, Heavy, Highway and Residential

County: Cook County in Illinois.

BUILDING, RESIDENTIAL, HEAVY, AND HIGHWAY PROJECTS (does not include landscape projects).

Modification Number      Publication Date  
0                              03/12/2010

ASBE0017-001 06/01/2009

	Rates	Fringes
ASBESTOS WORKER/INSULATOR		
Includes the application of all insulating materials, protective coverings, coatings, and finishes to all types of mechanical systems.....	\$ 42.05	21.00
Fire Stop Technician.....	\$ 24.33	19.80
HAZARDOUS MATERIAL HANDLER		
includes preparation, wetting, stripping removal scrapping, vacuuming, bagging and disposal of all insulation materials, whether they contain asbestos or not, from mechanical systems.....	\$ 31.54	19.80

BOIL0001-001 07/01/2009

	Rates	Fringes
BOILERMAKER.....	\$ 40.97	18.97

BRIL0021-001 06/01/2009

	Rates	Fringes
BRICKLAYER.....	\$ 39.03	19.90

BRIL0021-004 06/01/2009

	Rates	Fringes
Marble Mason.....	\$ 39.03	19.90

BRIL0021-006 06/01/2009

	Rates	Fringes
TERRAZZO WORKER/SETTER.....	\$ 39.01	19.11
TILE FINISHER.....	\$ 33.60	15.22
TILE SETTER.....	\$ 38.63	15.34

\* BRIL0021-009 06/01/2009

	Rates	Fringes
MARBLE FINISHER.....	\$ 29.10	19.90

\* BRIL0021-012 06/01/2009

	Rates	Fringes
Pointer, cleaner and caulker.....	\$ 39.20	18.51

CARP0555-001 06/01/2009

	Rates	Fringes
CARPENTER Carpenter, Lather, Millwright, Piledriver, and Soft Floor Layer.....	\$ 40.77	20.13

CARP0555-002 10/01/2009

	Rates	Fringes
CARPENTER (Excluding structures with elevators and structures over 3 1/2 stories)...	\$ 35.37	20.12

ELEC0009-003 05/25/2009

	Rates	Fringes
Line Construction Groundman.....	\$ 31.08	58.18%
Lineman and Equipment Operator.....	\$ 39.85	58.18%

ELEC0134-001 06/02/2008

	Rates	Fringes
ELECTRICIAN.....	\$ 39.40	20.32

ELEC0134-002 04/01/1998

	Rates	Fringes
ELECTRICIAN ((CLASS B) (Install magnetic or electronic replacement ballasts either singly or in		

groups including necessary wiring within fixture; Install replacement lamp holders and/or sockets including necessary wiring within fixture including relocating sockets within fixture; Install replacement lighting circuit breakers where necessary; Install replacement lighting switches where necessary; Repair lighting fixtures other than ballast or socket replacements; Rewire chandeliers or incandescent fixtures only within fixtures themselves.).....\$ 20.71                      2.975+a+b

## FOOTNOTES:

a-Paid Vacation- Employees who have been employed for one year but less than three years receive 1 week of paid vacation; employees who have been employed three years but less than ten years receive 2 weeks of paid vacation; Employees who have been employed ten years but less than twenty years receive 3 weeks of paid vacation; and employees who have worked twenty or more years receive 4 weeks of paid vacation.

b-Funeral Leave-In the instance of the death of a mother, other-in-law-; father, father-in-law, sister, brother, husband, wife, or a child of an employee shall receive up to three days of paid funeral leave.

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ELEC0134-003 06/07/2004

	Rates	Fringes
ELECTRICIAN		
ELECTRICAL TECHNICIAN.....	\$ 30.89	12.59

The work shall consist of the installation, operation, inspection, maintenance, repair and service of radio, television, recording, voice sound vision production and reproduction, telephone and telephone interconnect, facsimile, data apparatus, coaxial, fibre optic and wireless equipment, appliances and systems used for the transmission and reception of signals of any nature, business, domestic, commercial, education, entertainment and residential purposes, including but not limited to communication and telephone, electronic and sound equipment, fibre optic and data communication systems, and the performance of any task directly related to such installation or service whether at new or existing sites, such tasks to include the placing of wire and cable and electrical power conduit or other raceway work within the equipment room and pulling wire and/or cable through conduit and the installation of any incidental conduit.

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\* ELEV0002-003 01/01/2010

	Rates	Fringes
ELEVATOR MECHANIC.....	\$ 46.16	20.035+A+B

## FOOTNOTES:

A. Eight paid holidays: New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; Day after Thanksgiving; Veterans' Day and Christmas Day.

B. Employer contributes 8% of regular basic hourly rate as vacation pay credit for employees with more than 5 years of service; and 6% for 6 months to 5 years of service.

\* ENGI0150-006 06/01/2009

## Building and Residential Construction

	Rates	Fringes
POWER EQUIPMENT OPERATOR		
GROUP 1.....	\$ 45.10	22.80
GROUP 2.....	\$ 43.80	22.80
GROUP 3.....	\$ 41.25	22.80
GROUP 4.....	\$ 39.50	22.80

## POWER EQUIPMENT OPERATORS CLASSIFICATIONS

GROUP 1: Mechanic; Asphalt Plant\*; Asphalt Spreader; Antegrade\*; Backhoes with Caisson attachment\*; Batch Plant\*; Benoto(Requires two Engineers); Boiler and Throttle Valve; Caisson Rigs\*; Central Redi-Mix Plant\*; Combination Backhoe Front Endloader Machine; Compressor and Throttle Valve; Concrete Breaker (Truck Mounted)\*; Concrete Conveyor; Concrete Conveyor, Truck Mounted; Concrete Paver over 27E cu. ft.\*; Concrete Paver 27E cu ft and Under\*; Concrete Placer\*; Concrete Placing Boom; Concrete Pump (Truck Mounted); Concrete Tower; Cranes\*; Cranes, Hammerhead\*; Cranes, (GCI and similar type Requires two operators only); Creter Crane; Crusher, Stone, etc; Derricks; Derricks, Traveling\*; Formless Curb and Gutter Machine\*; Grader, Elevating; Grouting Machines; Highlift Shovels or Front Endloader 2 1/4 yd. and over; Hoists, Elevators, Outside Type Rack and pinion and similar Machines; Hoists, One, Two, and Three Drum; Hoists, Two Tugger One Floor; Hydraulic Backhoes\*; Hydraulic Boom Trucks; Hydraulic Vac (and similar equipment); Locomotives; Motor Patrol\*; Pile Drivers amd Skid Rig\*; Post Hole Digger; Pre- Stress Machine; Pump Cretes Dual Ram(Requiring frequent Lubrication and Water); Pump Cretes; Squeeze Cretes-Screw Type Pumps Gypsum Bulker and Pump; Raised and Blind Hole Drill\*; Roto Mill Grinder (36" and Over)\*; Roto Mill Grinder (Less Than 36")\*; Scoops-Tractor Drawn; Slip-Form Paver\*; Straddle Buggies; Tournapull; Tractor with Boom, and Side Boom; and Trenching Machines\*.

GROUP 2: Bobcat (over 3/4 cu yd); Boilers; Broom, Power Propelled; Bulldozers; Concrete Mixer (Two Bag and over);

Conveyor, Portable; Forklift Trucks; Greaser Engineer;  
 Highlift Shovels or Front End loaders under 2 1/4 cu yd;  
 Automatic Hoists, Hoists, Inside Elevators; Hoists, Sewer  
 Dragging Machine; Hoists, Tugger Single Drum; Laser Screed;  
 Rock Drill (Self-Propelled); Rock Drill (Truck Mounted)\*;  
 Rollers; Steam Generators; Tractors; Tractor Drawn  
 Vibratory Roller (Receives an additional \$.50 per hour);  
 Winch Trucks with "A" Frame.

GROUP 3: Air Compressor-Small 250 and Under (1 to 5 not to  
 exceed a total of 300 ft); Air Compressor-Large over 250;  
 Combination-Small Equipment Operator; Generator- Small 50  
 kw and under; Generator-Large over 50 kw; Heaters,  
 Mechanical; Hoists, Inside Elevators (Remodeling or  
 Renovatin work); Hydrualic Power Units (Pile Driving,  
 Extracting, and Drilling); Low Boys; Pumps Over 3" (1 To 3  
 not to exceed a total of 300 ft); Pumps, Well Points;  
 Welding Machines (2 through 5); Winches, 4 Small Electric  
 Drill Winches; Bobcat (up to and including 3/4 cu yd)

GROUP 4 - Bobcats and/or other Skid Steer Loaders; Brick  
 Forklifts; Oilers

\*-Requires Oiler

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 \* ENGI0150-025 06/01/2009

Heavy and Highway Construction

	Rates	Fringes
POWER EQUIPMENT OPERATOR		
GROUP 1.....	\$ 43.30	22.80
GROUP 2.....	\$ 42.75	22.80
GROUP 3.....	\$ 40.70	22.80
GROUP 4.....	\$ 39.30	22.80
GROUP 5.....	\$ 38.10	22.80

#### POWER EQUIPMENT OPERATOR CLASSIFICATIONS

GROUP 1: Asphalt Plant\*; Asphalt Heater and Planer  
 combination; Asphalt Heater Scarfire\*, Asphalt Spreader;  
 Autograder/ GOMACO or similar; ABG Paver\*, Backhoes with  
 Caisson attachment\*, Ballast Regulator, Belt Loader\*;  
 Caisson Rigs\*Car Dumper, Central Redi-Mix Plant\*,  
 Combination Backhoe; Front End Loader Machine (1 cu yd or  
 over Backhoe bucket or with attachments); Concrete Breaker  
 (truck mounted); Concrete Conveyor; Concrete Paver over 27E  
 cu ft\*; Concrete Placer\*; Concrete Tube Float; Cranes, all  
 attachments\*; Cranes, Hammerhead, Linden, Peco and machines  
 of a like nature\*; Creter Crane; Crusher, stone; All  
 Derricks; Derrick Boats; Derricks, traveling\*; Dowell  
 Machine with Air Compressor (\$1.00 above Class 1);  
 Dredges\*; Field Mechanic Welder; Formless Curb and Gutter  
 Machine\*; Gradall and machines of a like nature\*; Grader,  
 Elevating; Grader, Motor Grader, Motor Patrol, Auto Patrol,  
 Form Grader, Pull Grader, Subgrader; Guard Rail Post Driver  
 mounted\*; Hoists, one, two, and three Drum; Hydraulic  
 Backhoes\*; Backhoes with Shear attachments\*; Mucking  
 Machine; Pile Drivers and Skid Rig\*; Pre-Stress Machine;

Pump Cretes Dual Ram (requires frequent lubrication and water)\*; Rock Drill- Crawler or Skid Rig\*; Rock Drill truck mounted\*; Rock/ Track Tamper; Roto Mill Grinder, (36" and over)\*; Slip-Form Paver\*; Soil Test Drill Rig, truck mounted\*; Straddle Buggies; Hydraulic Telescoping Form (tunnel); Tractor Drawn Belt Loader\*; Tractor Drawn Belt Loader with attached Pusher (two engineers); Tractor with boom; Tractaire with attachment; Traffic Barrier Transfer Machine\*; Trenching Machine; Truck Mounted Concrete Pump with boom\*; Underground Boring and/or Mining Machines 5 ft in diameter and over tunnel, etc.\*; Wheel Excavator\* & Widener (Apsco); Raised or Blind Hoe Drill, Tunnel & Shaft\*

GROUP 2: Batch Plant\*; Bituminous Mixer; Boiler and Throttle Valve; Bulldozer; Car Loader Trailing Conveyors; Combination Backhoe Front End Loader Machine, (less than 1 cu yd Backhoe Bucket with attachments); Compressor and Throttle Valve; Compressor, common receiver (3); Concrete Breaker or Hydro Hammer; Concrete Grinding Machine; Concrete Mixer or Paver 7S series to and including 27 cu ft; Concrete Spreader; Concrete Curing Machine; Burlap Machine; Belting Machine and Sealing Machine; Concrete Wheel Saw; Conveyor Muck Cars (Haglund or similar type); Drills (all); Finishing Machine-Concrete; Greaser Engineer; Highlift Shovels or Front End Loader; Hoist- Sewer Dragging Machine; Hydraulic Boom Trucks, all attachments; Hydro-Blaster (requires two operators); Laser Screed\*; Locomotives, Dinky; Off-Road Hauling Units (including articulating); Pump Cretes; Squeeze Cretes-Screw Type pumps, Gypsum Bulker and Pump; Roller Asphalt; Rotary Snow Plows; Rototiller, Seaman, self-Propelled; Scoops-Tractor Drawn; Self- propelled Compactor; Spreader-Chip-Stone; Scraper; Scraper-Prime Mover in Tandem regardless of size (add \$1.00 to Group 2 hourly rate for each hour and for each machine attached thereto add \$1.00 to Group 2 hourly rate for each hour); Tank Car Heater; Tractors, Push, pulling Sheeps Foot, Disc, or Compactor, etc; Tug Boats

GROUP 3: Boilers; Brooms, all power propelled; Cement Supply Tender; Compressor, Common Receiver (2); Concrete Mixer, two bag and over; Conveyor, Portable; Farm type Tractors used for mowing, seeding, etc; Fireman on Boilers; Forklift Trucks; Grouting Machines; Hoists, Automatic; Hoists, all Elevators; Hoists, Tugger single Drum; Jeep Diggers; Low Boys; Pipe Jacking Machines; Post-hole Digger; Power Saw, Concrete, Power Driven; Pug Mills; Rollers, other than asphalt; Seed and Straw Blower; Steam Generators; Stump Machine; Winch Trucks with A-Frame; Work Boats; Tamper-Form motor driven

GROUP 4: Air compressor - Small 250 and under (1 to 5 not to exceed a total of 300 ft); Air Compressor - Large over 250; Combination - Small Equipment Operator; Directional Boring Machine; Generators - Small 50 kw and under; Generators - Large, over 50 kw; Heaters, Mechanical; Hydraulic power unit (Pile Driving, Extracting or Drilling); Light Plants (1 to 5); Pumps, over 3" (1 to 3, not to exceed a total of 300 ft); Pumps, Well Points; Tractaire; Welding Machines (2 through 5); Winches, 4 small electric drill winches;



GROUP 5: Bobcats (All); Brick Forklifts; Oilers; Directional Boring

\*Requires Oiler

IRON0001-026 06/01/2009

	Rates	Fringes
IRONWORKER		
Sheeter.....	\$ 41.00	27.24
Structural and Reinforcing..	\$ 40.75	27.24

IRON0063-001 06/01/2009

	Rates	Fringes
IRONWORKER, ORNAMENTAL.....	\$ 39.20	22.99

IRON0063-002 06/01/2009

	Rates	Fringes
IRONWORKER		
Fence Erector.....	\$ 32.15	18.43

IRON0136-001 07/01/2009

	Rates	Fringes
IRONWORKER		
Machinery Movers and Riggers.....	\$ 37.25	25.54
Master Riggers.....	\$ 39.75	25.54

LABO0002-006 06/01/2008

	Rates	Fringes
LABORER		
GROUP 1.....	\$ 34.75	15.27
GROUP 2.....	\$ 34.75	15.27
GROUP 3.....	\$ 34.825	15.27
GROUP 4.....	\$ 34.85	15.27
GROUP 5.....	\$ 34.90	15.27
GROUP 6.....	\$ 34.95	15.27
GROUP 7.....	\$ 34.975	15.27
GROUP 8.....	\$ 34.975	15.27
GROUP 9.....	\$ 35.025	15.27
GROUP 10.....	\$ 35.20	15.27
GROUP 11.....	\$ 35.025	15.27
GROUP 12.....	\$ 35.75	15.27

LABORER CLASSIFICATIONS

GROUP 1: Building Laborers; Plasterer Tenders; Pumps for Dewatering; and other unclassified laborers.

GROUP 2: Fireproofing and Fire Shop laborers.

GROUP 3: Cement Gun.

GROUP 4: Chimney over 40 ft.; Scaffold Laborers.

GROUP 5: Cement Gun Nozzle Laborers (Gunitite); Windlass and capstan person.

GROUP 6: Stone Derrickmen & Handlers.

GROUP 7: Jackhammermen; Power driven concrete saws; and other power tools.

GROUP 8: Firebrick & Boiler Laborers.

GROUP 9: Chimney on fire brick; Caisson diggers; & Well Point System men.

GROUP 10: Boiler Setter Plastic Laborers.

GROUP 11: Jackhammermen on fire brick work only.

GROUP 12: Dosimeter use (any device) monitoring nuclear exposure); Asbestos Abatement Laborer; Toxic and Hazardous Waste Removal Laborers.

LABO0002-007 06/01/2008

	Rates	Fringes
LABORER		
GROUP 1.....	\$ 34.75	15.27
GROUP 2.....	\$ 35.025	15.27
GROUP 3.....	\$ 34.90	15.27
GROUP 4.....	\$ 35.025	15.27
GROUP 5.....	\$ 35.75	15.27

#### LABORER CLASSIFICATIONS

GROUP 1: Common laborer; Tenders; Material expediter (asphalt plant); Street paving, Grade separation, sidewalk, curb & gutter, strippers & All laborers not otherwise mentioned

GROUP 2: Asphalt tampers & smoothers; Cement gun laborers

GROUP 3: Cement Gun Nozzle (laborers), Gunitite

GROUP 4: Rakers, Lutemen; Machine-Screwmen; Kettlemen; Mixermen; Drun-men; Jackhammermen (asphalt); Paintmen; Mitre box spreaders; Laborers on birch, overman and similar spreader equipment; Laborers on APSCO; Laborers on air compressor; Paving Form Setter; Jackhammermen (concrete); Power drive concrete saws; other power tools.

GROUP 5: Asbestos Abatement Laborers; Toxic and Hazardous Waste Removal Laborers, Dosimeter (any device) monitoring nuclear exposure

LABO0002-008 06/01/2008

	Rates	Fringes
LABORER (Compressed Air)		
0 - 15 POUNDS.....	\$ 35.75	15.27
16 - 20 POUNDS.....	\$ 36.25	15.27
21 - 26 POUNDS.....	\$ 36.75	15.27
27 - 33 POUNDS.....	\$ 37.75	15.27
34 - AND OVER.....	\$ 38.75	15.27
LABORER (Tunnel and Sewer)		
GROUP 1.....	\$ 34.75	15.27
GROUP 2.....	\$ 34.875	15.27
GROUP 3.....	\$ 34.975	15.27
GROUP 4.....	\$ 35.10	15.27
GROUP 5.....	\$ 35.75	15.27

## LABORER CLASSIFICATIONS (TUNNEL)

GROUP 1: Cage tenders; Dumpmen; Flagmen; Signalmen; Top laborers

GROUP 2: Air hoist operator; Key board operator; concrete laborer; Grout; Lock tenders (Free Air Side); Steel setters; Tuggers; Switchmen; Car pusher

GROUP 3: Concrete repairmen; Lock tenders (pressure side); Mortar men; Muckers; Grout machine operators; Track layers

GROUP 4: Air trac drill operator; Miner; Bricklayer tenders; Concrete blower operator; Drillers; Dynamiters; Erector operator; Form men; Jackhammermen; Powerpac; Mining machine operators; Mucking machine operator; Laser beam operator; Liner plate and ring setters; Shield drivers; Power knife operator; Welder- burners; Pipe jacking machine operator; skimmers; Maintenance technician

GROUP 5: Asbestos abatement laborer; Toxic and hazardous waste removal laborer; Dosimeter (any device) monitoring nuclear exposure

## LABORER CLASSIFICATIONS (SEWER)

GROUP 1: Signalmen; Top laborers and All other laborers

GROUP 2: Concrete laborers and Steel setters

GROUP 3: Cement carriers; Cement mixers; Concrete repairmen; Mortar men; Scaffold men; Second Bottom men

GROUP 4: Air trac drill operator; Bottom men; Bracers-bracing; Bricklayer tenders; Catch basin diggers; Drainlayers; dynamiters; Form men; Jackhammermen; Powerpac; Pipelayers; Rodders; Welder-burners; Well point systems men

GROUP 5: Asbestos abatement laborer, Toxic and hazardous waste removal laborer; Dosimeter (any device) monitoring nuclear exposure

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LABO0225-001 06/01/2008

Rates	Fringes
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## LABORER (DEMOLITION/WRECKING)

GROUP 1.....	\$ 28.45	15.52
GROUP 2.....	\$ 34.75	15.52
GROUP 3.....	\$ 34.75	15.52

## LABORER CLASSIFICATIONS

GROUP 1 - Complete Demolition

GROUP 2 - Interior Wrecking and Strip Out Work

GROUP 3 - Asbestos Work with Complete Demolition/Wrecking or Strip Out Work

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PAIN0014-001 06/01/2009

	Rates	Fringes
PAINTER (including taper).....	\$ 38.00	18.44

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PAIN0027-001 06/01/2009

	Rates	Fringes
GLAZIER.....	\$ 37.00	22.88

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PLAS0005-002 07/01/2009

	Rates	Fringes
PLASTERER.....	\$ 38.55	19.14

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PLAS0502-001 06/01/2009

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER...	\$ 41.85	18.63

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PLUM0130-001 06/01/2008

	Rates	Fringes
PLUMBER.....	\$ 43.00	16.20

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PLUM0597-002 06/01/2009

	Rates	Fringes
PIPEFITTER.....	\$ 43.15	18.78

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\* ROOF0011-001 12/01/2009

	Rates	Fringes
ROOFER.....	\$ 37.00	13.85

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SFIL0281-001 01/01/2008

	Rates	Fringes
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SPRINKLER FITTER.....	\$ 40.50	16.00
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SHEE0073-001 01/01/2007

	Rates	Fringes
Sheet Metal Worker.....	\$ 35.96	17.42

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SHEE0073-002 01/01/2007

	Rates	Fringes
Sheet Metal Worker		
ALUMINUM GUTTER WORK.....	\$ 24.03	17.42

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\* TEAM0731-001 06/01/2008

COOK COUNTY - HEAVY AND HIGHWAY

	Rates	Fringes
TRUCK DRIVER		
2 & 3 Axles.....	\$ 30.70	12.35
4 Axles.....	\$ 30.95	12.35
5 Axles.....	\$ 31.15	12.35
6 Axles.....	\$ 31.35	12.35

FOOTNOTES:

A. Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

B. 900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

C. An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Holsters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7

yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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\* TEAM0786-001 06/01/2008

#### COOK COUNTY - BUILDING AND RESIDENTIAL

	Rates	Fringes
TRUCK DRIVER		
2 & 3 Axles.....	\$ 31.33	.10+a
4 Axles.....	\$ 31.58	.10+a
5 Axles.....	\$ 31.78	.10+a
6 Axles.....	\$ 31.98	.10+a

#### FOOTNOTES:

a. \$463.00 per week.

An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Holsters;

Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.  
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Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

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In the listing above, the "SU" designation means that rates listed under the identifier do not reflect collectively bargained wage and fringe benefit rates. Other designations indicate unions whose rates have been determined to be prevailing.  
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#### WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can

be:

- \* an existing published wage determination
- \* a survey underlying a wage determination
- \* a Wage and Hour Division letter setting forth a position on a wage determination matter
- \* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations.  
Wage and Hour Division  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION



**Exhibit "E"**

GENERAL DECISION: IL20100020 05/07/2010 IL20

Date: May 7, 2010

General Decision Number: IL20100020 05/07/2010

Superseded General Decision Number: IL20080020

State: Illinois

Construction Types: Building Landscape, Heavy Landscape,  
Highway Landscape and Residential LandscapeCounties: Boone, Cook, De Kalb, Du Page, Grundy, Henry, Kane,  
Kankakee, Kendall, Lake, McHenry, McLean, Ogle, Peoria, Rock  
Island, Tazewell, Will, Winnebago and Woodford Counties in  
Illinois.LANDSCAPING WORK ON BUILDING, RESIDENTIAL, HEAVY AND HIGHWAY  
CONSTRUCTION PROJECTS.

Modification Number	Publication Date
0	03/12/2010
1	03/19/2010
2	04/02/2010
3	05/07/2010

ENGI0150-013 01/01/2008

BUILDING AND HIGHWAY CONSTRUCTION (LANDSCAPE WORK): The  
landscape work for the Landscape Equipment Operator excludes  
the preparation of sub-grade prior to application of finish  
landscape materials and the utilization of any equipment over  
one cubic yard.BOONE, COOK, DUPAGE, GRUNDY, KANE, KENDALL, LAKE, MCHENRY, AND  
WILL COUNTIES

	Rates	Fringes	--
Operators:.....	\$ 23.00	1.65+A+B+C	
Includes Angle Dozer, Small; Bobcat and other similar type machines, 1 cu yd or less; Chipping Machine; Combination Backhoe and Front End Loader 1 cu yd or less; Fork Lift Truck; Hi-Reach and High-Ranger;Hydraulic Boom with Clam;Log Skidder; Sttrow Blower and Seeder; Stump Machine;Tractors, Crawlers, Rubber Tire Tractors, Highlift Shovels or Front End Loaders 1 cu yd or less; Tree Spades, all; Utility Tractor and attachments, and Rubber Tire Front End loader or similar machine of 1 to 1.5 cu yd solely used for placement of large decorative boulders, trees with balled soil, and other decorative landscape material too large to be accommodated in a 1 cu yd bucket. All other equipment utilized for performing landscape work, tree trimming or removal of stees, and to install plants; transport trees; excavate plant pits; place soil and other landscape materials; and apply finish landscape material on subgrade prepared by others			

FOOTNOTE:

A. Health and Welfare contribution is \$810.00 per month effective January 1, 2007 and \$895.00 per month effective January 1, 2008.

B. Paid Holidays: New Year's Day; Memorial Day; Fourth of July; Labor Day; Thanksgiving Day; and Christmas Day are provided the employee if they work their regularly scheduled work day immediately preceding and the regularly work day immediately succeeding the occurrence of the holiday.

C. Paid Vacation: All employees who have been in the employ of the Employer for a full season of work shall be entitled to one (1) week of vacation with pay. Employees who have been paid for not less than twelve hundred (1200) straight time hours since their most recent anniversary date of hire at vacation time will be deemed to have worked one full season. All employees who have been in the employ of their Employer for three(3) or more consecutive full seasons of work shall at the conclusion of their current season be entitled to two (2) weeks of paid vacation. All employees who have been in the employ of their employer for nine (9) or more consecutive full seasons of work shall be entitled to three (3) weeks of paid vacation.

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 ENGI0150-023 01/01/2008

HIGHWAY CONSTRUCTION (LANDSCAPE WORK): The landscape work for the Landscape Equipment Operator excludes the preparation of sub-grade prior to application of finish landscape materials and the utilization of any equipment over one cubic yard.

HENRY, MCLEAN, OGLE, PEORIA, ROCK ISLAND, TAZEWELL, WINNEBAGO, and WOODFORD COUNTIES

Rates	Fringes
Operators:.....\$ 23.00	1.65+A+B+C
Includes the following: Angle Dozer, Small; Bobcat and other similar type machines, 1 cu yd or less; Chipping Machine; Combination Backhoe and Front End Loader 1 cu yd or less; Fork Lift Truck; Hi-Reach and High-Ranger; Hydraulic Boom with Clam; Log Skidder; Sttrow Blower and Seeder; Stump Machine; Tractors, Crawlers, Rubber Tire Tractors, Highlift Shovels or Front End Loaders 1 cu yd or less; Tree Spades, all; Utility Tractor and attachments, and Rubber Tire Front End loader or similar machine of 1 to 1.5 cu yd solely used for placement of large decorative boulders, trees with balled soil, and other decorative landscape material too large to be accommodated in a 1 cu yd bucket. All other equipment utilized for performing landscape work, tree trimming or removal of stees, and to install plants; transport trees; excavate plant pits; place soil and other landscape materials; and apply finish landscape material on subgrade prepared by others	

FOOTNOTE:

A. Health and Welfare contribution of 735.00 per month

B. Paid Holidays: New Year's Day; Memorial Day; Fourth of

July; Labor Day; Thanksgiving Day; and Christmas Day are provided the employee if they work their regularly scheduled work day immediately preceding and the regularly work day immediately succeeding the occurrence of the holiday.

C. Paid Vacation: All employees who have been in the employ of the Employer for a full season of work shall be entitled to one (1) week of vacation with pay. Employees who have been paid for not less than twelve hundred (1200) straight time hours since their most recent anniversary date of hire at vacation time will be deemed to have worked one full season. All employees who have been in the employ of their employer for three (3) or more consecutive full seasons of work shall at the conclusion of their current season be entitled to two (2) weeks of paid vacation. All employees who have been in the employ of their employer for nine (9) or more consecutive full seasons of work shall be entitled to three (3) weeks of paid vacation.

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LABO0032-004 05/01/2009

HIGHWAY CONSTRUCTION

WINNEBAGO COUNTY

	Rates	Fringes
Landscape Laborer.....	\$ 27.66	18.50

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\* LABO0362-003 05/01/2010

HIGHWAY CONSTRUCTION

MCLEAN COUNTY

	Rates	Fringes
Landscape Laborer.....	\$ 28.56	15.90

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\* LABO0751-004 05/01/2010

HIGHWAY CONSTRUCTION

KANKAKEE COUNTY

	Rates	Fringes
Landscape Laborer.....	\$ 31.21	18.13

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LABO0852-004 05/01/2006

HIGHWAY CONSTRUCTION

ROCK ISLAND AND HENRY COUNTIES

	Rates	Fringes
Landscape Laborer.....	\$ 21.94	12.79

\* LABO0996-004 05/01/2010

# HIGHWAY CONSTRUCTION

PEORIA, TAZEWELL, AND WOODFORD COUNTIES

	Rates	Fringes
Landscape Laborer.....	\$ 29.14	15.32

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SUIL1993-001 01/19/1993

## BUILDING CONSTRUCTION (LANDSCAPE WORK):

	Rates	Fringes
LABORER		
BOONE, GRUNDY, KANE, KENDALL, LAKE, MCHENRY, & WILL COUNTIES		
LANDSCAPE LABORERS.....	\$ 7.25	
COOK COUNTY		
LANDSCAPE LABORERS.....	\$ 7.25	
LANDSCAPE PLANTSMAN.....	\$ 9.80	1.82
DE KALB COUNTY		
LANDSCAPE LABORERS.....	\$ 7.25	
LANDSCAPE OPERATORS.....	\$ 7.25	
LANDSCAPE PLANTSMAN.....	\$ 9.66	.26
DU PAGE COUNTY		
LANDSCAPE LABORERS.....	\$ 7.25	
LANDSCAPE PLANTSMAN.....	\$ 9.04	1.16
GRUNDY, LAKE & WILL COUNTIES		
LANDSCAPE DRIVER 2 & 3		
Axles.....	\$ 11.86	2.81
LANDSCAPE PLANTSMAN.....	\$ 12.00	3.32

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SUIL1993-002 01/19/1993

## HEAVY CONSTRUCTION (LANDSCAPE WORK)

	Rates	Fringes
LABORER		
BOONE, GRUNDY, KANE, KENDALL, LAKE, MCHENRY & WILL COUNTIES:		
LANDSCAPE DRIVER, 2 & 3		
AXLES.....	\$ 11.94	2.42
LANDSCAPE LABORERS.....	\$ 7.25	
LANDSCAPE OPERATORS.....	\$ 13.11	3.01
LANDSCAPE PLANTSMAN.....	\$ 9.73	2.05
COOK COUNTY:		
LANDSCAPE DRIVER, 2 & 3		
AXLES.....	\$ 9.93	1.89
LANDSCAPE LABORERS.....	\$ 7.25	
LANDSCAPE OPERATORS.....	\$ 10.98	2.12
LANDSCAPE PLANTSMAN.....	\$ 10.08	2.06
DE KALB COUNTY:		
LANDSCAPE LABORERS.....	\$ 7.25	

LANDSCAPE OPERATORS.....\$	7.25	
LANDSCAPE PLANTSMAN.....\$	9.66	.26
DU PAGE COUNTY:		
LANDSCAPE DRIVER, 2 & 3		
AXLES.....\$	8.32	1.02
LANDSCAPE LABORERS.....\$	7.25	
LANDSCAPE OPERATORS.....\$	10.75	
LANDSCAPE PLANTSMAN.....\$	10.65	

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SUIL1993-003 01/19/1993

HIGHWAY CONSTRUCTION (LANDSCAPE WORK):

	Rates	Fringes
LABORER		
DE KALB COUNTY		
LANDSCAPE LABORERS.....\$	7.25	
LANDSCAPE OPERATORS.....\$	7.25	
LANDSCAPE PLANTSMAN.....\$	9.56	.26
KANKAKEE COUNTY;		
LANDSCAPE DRIVER.....\$	8.75	.17
LANDSCAPE OPERATOR.....\$	16.57	3.56
PEORIA, TAZEWELL, &		
WOODFORD COUNTIES:		
TRUCK DRIVERS 2 & 3 AXLES..\$	17.58	5.88

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TEAM0065-005 05/01/2009

MCLEAN COUNTY (South of a straight line from where Route 24 intersects the Woodford County line in a Southeast direction to the South Southwest corner of Livingston County), OGLE (South of Route 72/West of Route 251), PEORIA, TAZEWELL, and WOODFORD (All except Northeast corner East of Route 51/251 & South of Route 24) COUNTIES

	Rates	Fringes
TRUCK DRIVER		
Group 1.....\$	28.488	9.30+a
Group 2.....\$	28.888	9.30+a
Group 3.....\$	29.088	9.30+a
Group 4.....\$	29.338	9.30+a
Group 5.....\$	30.088	9.30+a

FOOTNOTE: a. \$162.50 per week

CLASSIFICATIONS:

GROUP 1: Drivers on 2 axles hauling less than 9 tons; air compressor & welding machines and brooms, including those pulled by separate units; Truck Driver Helper, warehouse employees; Mechanic Helpers; greasers and tiremen; pick-up trucks when hauling material, tools, or workers to and from and on the job site; and forklifts up to 6,000 lb capacity.

GROUP 2: 2 or 3 axles hauling more than 9 tons but hauling less than 16 tons; A-frame winch trucks; hydrolift trucks; Vector Trucks or similar equipment when used for transportation purposes; Forklift over 6,000 lb.capacity;

winch trucks; and four axle combination units.

GROUP 3: 2, 3 or 4 Axles hauling 16 tons or more; 5-Axles or more combination units; drivers on water pulls; articulated dump trucks; mechanics and working forepersons.

GROUP 4: Low Boy and Oil Distributors.

GROUP 5: Drivers who require special protective clothing while employed on hazardous waste work.

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\* TEAM0179-004 09/01/2009

GRUNDY, KENDALL, MCLEAN (North of a straight line starting at the intersection of McLean-Woodford Counties line & Route 24 in a Southeastern direction to the South Southwest corner of Livingston County), WILL, and WOODFORD (Northeast corner east of Route 51/251 & North of Route 24) COUNTIES

	Rates	Fringes
TRUCK DRIVER		
2-3 AXLES.....	\$ 35.65	6.67+a
4 AXLES.....	\$ 35.80	6.67+a
5 AXLES.....	\$ 36.00	6.67+a
6 AXLES.....	\$ 36.20	6.67+a
All Lowboy Trucks.....	\$ 37.20	6.67+a

FOOTNOTE: a. \$189.00 per week.

FOOTNOTE: An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines; including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Holsters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, -- two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than

self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicles, such as mounted crane trucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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\* TEAM0179-008 06/01/2008

#### KANKAKEE COUNTY

	Rates	Fringes
TRUCK DRIVER		
2 or 3 axles.....	\$ 33.12	7.90+a
4 axles.....	\$ 33.32	7.90+a
5 axles.....	\$ 33.52	7.90+a
6 axles.....	\$ 33.67	7.90+a

FOOTNOTE: a. \$217.60 per week.

FOOTNOTE: An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Holsters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turhapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump

Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicles, such as mounted crane trucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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\* TEAM0301-001 06/01/2008

#### LAKE AND MCHENRY COUNTIES

	Rates	Fringes
TRUCK DRIVER		
2-3 AXLES.....	\$ 32.20	.15+a
4 AXLES.....	\$ 32.35	.15+a
5 AXLES.....	\$ 32.50	.15+a
6 AXLES.....	\$ 32.75	.15+a

FOOTNOTE: a. \$448.00 per week

An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Roisters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site



Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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\* TEAM0325-004 06/01/2009

#### BOONE and WINNEBAGO COUNTIES

	Rates	Fringes
TRUCK DRIVER		
2 - 3 Axles.....	\$ 31.86	14.07
4 Axles.....	\$ 32.01	14.07
5 Axles.....	\$ 32.21	14.07
6 Axles.....	\$ 32.32	14.07

FOOTNOTE: An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Fori Lifts and Holsters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers Pole Trailer, up to 40 feet; Power Mower Tractors; Skipman; Slurry Trucks, two-man operation; Teamsters; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer

Trucks under 7 yards; Ready-Mix Plant Hopper Operator;  
Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over;  
Dumpsters, Track Trucks, Euclids, Hug Bottom Dump  
Turnapulls or Turnatrailers when pulling other than  
self-loading equipment or similar equipment over 16 cubic  
yards; Explosives and/or Fission Material Trucks; Mixer  
Trucks 7 yards or over; Mobile Cranes while in transit; Oil  
Distributors, one-man operation  
Pole Trailer, over 40 feet; Pole and Expandable Trailers  
hauling material over 50 feet long, additional \$0.50 per  
hour; Slurry Trucks, one-man operation; Winch Trucks, 3  
axles or more  
\*Mechanic\*Truck Welder and Truck Painter; \*Winter Rate:  
Between Dec. 15 and Feb. 28 the mechanic and welder rate  
shall be \$2.00 less than the scheduled scale. Truck Painter  
and Truck Welder classifications shall only apply in areas  
where and when it has been a past area practice;  
Dual-purpose vehicels, such as mounted crane tucks with  
hoist and accessories

Group 4 - Foreman; Master Mechanic; Self-loading equipment  
like P.B. and trucks with scoops on the front

\* TEAM0330-004 06/01/2008

DEKALB and OGLE (North of Route 72/East of Route 251, Adeline,  
Byron, Creston, Dement, Forreston North of Route 72, Leaf River  
North of Route 72, Lynnville, Monroe, Rochelle, & Scott)  
COUNTIES

	Rates	Fringes
TRUCK DRIVER		
2-3 AXLES.....	\$ 32.55	.15+a
4 AXLES.....	\$ 32.70	.15+a
5 AXLES.....	\$ 32.90	.15+a
6 AXLES.....	\$ 33.10	.15+a

FOOTNOTE: a. \$434.00 per week

An additional \$.20 per axle shall be paid for all vehicles  
with more than six (5) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence  
Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the  
same employer shall receive 1 week paid vacation; 3 years -  
2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20  
years - 4 weeks paid vacation.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes;  
Air Compressor and Welding Machines, including those pulled  
by cars, pick-up trucks and tractors; Ambulances;  
Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car  
and Truck Washers; Carry Alls; Fori Lifts and Holsters;

Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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TEAM0371-004 05/01/2009

HENRY and ROCK ISLAND COUNTIES

	Rates	Fringes
TRUCK DRIVER		
Group 1.....	\$ 28.505	13.50+a
Group 2.....	\$ 29.005	13.50+a
Group 3.....	\$ 29.205	13.50+a
Group 4.....	\$ 29.455	13.50+a
Group 5.....	\$ 30.205	13.50+a

FOOTNOTE: a. \$31.40 per day

CLASSIFICATIONS:

GROUP 1: Drivers on 2 axles hauling less than 9 tons; air compressor & welding machines and brooms, including those pulled by separate units; Truck Driver Helper, warehouse employees; Mechanic Helpers; greasers and tiremen; pick-up trucks when hauling material, tools, or workers to and from and on the job site; and forklifts up to 6,000 lb capacity.

GROUP 2: 2 or 3 axles hauling more than 9 tons but hauling less than 16 tons; A-frame winch trucks; hydrolift trucks; Vector Trucks or similar equipment when used for transportation purposes; Forklift over 6,000 lb.capacity; winch trucks; and four axle combination units.

GROUP 3: 2, 3 or 4 Axles hauling 16 tons or more; 5-Axles or more combination units; drivers on water pulls; articulated dump trucks; mechanics and working forepersons.

GROUP 4: Low Boy and Oil Distributors.

GROUP 5: Drivers who require special protective clothing while employed on hazardous waste work.

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\* TEAM0673-003 06/01/2008

DU PAGE and KANE COUNTIES

	Rates	Fringes
TRUCK DRIVER		
2-3 AXLES.....	\$ 32.55	.15+a
4 AXLES.....	\$ 32.70	.15+a
5 AXLES.....	\$ 32.90	.15+a
6 AXLES.....	\$ 33.10	.15+a

FOOTNOTE: a. \$434.00 per week.

An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Holsters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump

Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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\* TEAM0731-001 06/01/2008

#### COOK COUNTY - HEAVY AND HIGHWAY

	Rates	Fringes
TRUCK DRIVER		
2 & 3 Axles.....	\$ 30.70	12.35
4 Axles.....	\$ 30.95	12.35
5 Axles.....	\$ 31.15	12.35
6 Axles.....	\$ 31.35	12.35

#### FOOTNOTES:

A. Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

B. 900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

C. An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Holsters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to

40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicles, such as mounted crane trucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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\* TEAM0786-001 06/01/2008

#### COOK COUNTY - BUILDING AND RESIDENTIAL

	Rates	Fringes
TRUCK DRIVER		
2 & 3 Axles.....	\$ 31.33	.10+a
4 Axles.....	\$ 31.58	.10+a
5 Axles.....	\$ 31.78	.10+a
6 Axles.....	\$ 31.98	.10+a

#### FOOTNOTES:

a. \$463.00 per week.

An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20

years - 4 weeks paid vacation.

CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Holsters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

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Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.  
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Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

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In the listing above, the "SU" designation means that rates listed under the identifier do not reflect collectively

bargained wage and fringe benefit rates. Other designations indicate unions whose rates have been determined to be prevailing.

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#### WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- \* an existing published wage determination
- \* a survey underlying a wage determination
- \* a Wage and Hour Division letter setting forth a position on a wage determination matter
- \* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations  
Wage and Hour Division  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator. (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.



=====

END OF GENERAL DECISION

# AIA® Document A201™ – 2007

## General Conditions of the Contract for Construction

### for the following PROJECT:

(Name and location or address)

Hancock House Senior Housing  
12045 S. Emerald Ave.  
Chicago, IL 60628

### THE OWNER:

(Name, legal status and address)

Hancock House Limited Partnership  
345 N. Canal St.  
Suite 301  
Chicago, IL 60606

Brownlow Belton/SulHvan Arms NFP.  
14 S. Ashland Ave.  
Chicago, IL 60607

### THE ARCHITECT:

(Name, legal status and address)

Cox Limited Architects  
345 N. Canal St.  
Suite 701  
Chicago, Illinois 60606

### ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

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User Notes:

(1300555317)

14      **TERMINATION OR SUSPENSION OF THE CONTRACT**

15      **CLAIMS AND DISPUTES**

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User Notes:

(1800565317)

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**ARTICLE 1 GENERAL PROVISIONS**

**§ 1.1 BASIC DEFINITIONS**

**§ 1.1.1 THE CONTRACT DOCUMENTS**

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding requirements.

**§ 1.1.2 THE CONTRACT**

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

**§ 1.1.3 THE WORK**

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

**§ 1.1.4 THE PROJECT**

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by separate contractors.

**§ 1.1.5 THE DRAWINGS**

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

**§ 1.1.6 THE SPECIFICATIONS**

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services, provided however, to the extent that there are no specifications for standards of workmanship, each such shall be performed in a professional and workmanlike manner.

**§ 1.1.7 INSTRUMENTS OF SERVICE**

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

**§ 1.1.8 INITIAL DECISION MAKER**

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2 and certify termination of the Agreement under Section 14.2.2.

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#### § 1.1.9 INDEMNITIES

"Indemnities" means the Owner, the Owners' partners, and such partners respective members, officers, principals, representatives, agents, attorneys, contractors and other consultants (including without limitation, the Architect) and anyone acting for or on behalf of any of them, and all of their respective directors, officers, shareholders, affiliates, subsidiaries, partners, agents, consultants, employees, successors and assigns.

#### § 1.1.10 STANDARD OF CARE

The terms "Standard of Care" and "care" as used reference to the Contractor shall mean the Contractor's best skill and judgment in accordance with the proactive exercised by a fully competent, Contractor whose competence and professionalism equals that of contractors with at least ten (10) years experience in performing the work and services and constructing projects similar in scope and complexity to those required of Contractor hereunder for clients in the greater Chicago Metropolitan area.

#### § 1.1.11 OWNERS REPRESENTATIVE

Absent any written instructions from Owner's Representative to Contractor to the contrary, Brigitte Grossman shall be the Owner's Representative. No person other than Owner's Representative shall have the Authority to take any action or issue any approvals reserved to Owner herein or under the Agreement.

#### § 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.2.4 If any provisions of the Contract Documents conflicts with or is inconsistent with any other, the documents shall govern in the following order: Modifications to the Agreement, the Agreement, Supplementary and other Conditions, General Conditions, addenda, Specifications and Drawings."

#### § 1.3 CAPITALIZATION

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

#### § 1.4 INTERPRETATION

In the Interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an" but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

#### § 1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE

§ 1.5.1 The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the

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Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants.

#### **§ 1.6 TRANSMISSION OF DATA IN DIGITAL FORM**

As between Owner and Contractor, all plans and specifications for the Work and copies thereof are and shall remain Owner's property, and shall be used by Contractor only with respect to the Project. Contractor shall not use any such materials or copies thereof on other work nor shall Contractor divulge information from such materials without Owner's prior written approval. The Architect shall provide the Contractor electronic (CAD and PDF) files of all plans (Architects and Consultants) and the project manual free of charge for the Contractor's use in fulfilling the obligations of the Contract. Contractor shall not use title blocks or claim ownership of any documents per provisions in A201. Contractor shall execute Architect's electronic file use waiver form.

### **ARTICLE 2 OWNER**

#### **§ 2.1 GENERAL**

**§ 2.1.1** The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative..

**§ 2.1.2** The Owner shall furnish to the Contractor within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

#### **§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER**

**§ 2.2.1** Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materials changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payments when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor

**§ 2.2.2** Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

**§ 2.2.3** The Owner shall furnish surveys describing physical characteristics, legal limitations, utility easements, locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work. To the extent the Contractor becomes aware of any inaccuracies, incompleteness or incorrectness in any of the foregoing information, the Contractor shall promptly advise Owner and Architect in writing.

**§ 2.2.4** The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

**§ 2.2.5** Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

### **§ 2.3 OWNER'S RIGHT TO STOP THE WORK**

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

### **§ 2.4 OWNER'S RIGHT TO CARRY OUT THE WORK**

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a twenty-one day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

2.5 Nothing herein shall limit the rights of Owner pursuant to the Contract Documents, at law or in equity.

## **ARTICLE 3 CONTRACTOR**

### **§ 3.1 GENERAL**

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative

§ 3.1.2 The Contractor shall perform the Work timely, efficiently and correctly with the Standard of Care in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

### **§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR**

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed, including but not limited to, those conditions bearing upon transportation, disposal, handling and storage of materials, availability of labor, water, electric power and the character of equipment and facilities needed during the prosecution of the work. Any failure by the Contractor to acquaint himself with all the available information concerning these conditions will not relieve him from any obligations with respect to this contract."

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.2.3, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents. These requirements are not intended to expand the Contractor's responsibilities or Architect responsibilities beyond that stated in A201, Paragraph 3.7.1, 3.7.2, 3.7.3 and 3.7.4

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§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, of lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require. These requirements are not intended to expand the Contractor's responsibilities or Architect responsibilities beyond that stated in A201, Paragraph 3.7.1, 3.7.2, 3.7.3 and 3.7.4

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall make Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to Applicable Laws, statutes, ordinances, codes, rules and regulations and lawful orders of public authorities. These requirements are not intended to expand the Contractor's responsibilities or Architect responsibilities beyond that stated in A201, Paragraph 3.7.1, 3.7.2, 3.7.3 and 3.7.4

### § 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the Owner and Architect and shall not proceed with that portion of the Work without further written instructions from the Architect. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences or procedures without acceptance of changes proposed by the Contractor, the Owner shall be solely responsible for any loss or damage arising solely from those the Contractor shall have no liability thereof.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.3.4 Nothing in this Paragraph 3.3 shall be deemed to relieve Subcontractors from their responsibilities for the safety of their portion of the Work or for errors or omissions in the performance of their work.

### § 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 Except in the case of minor changes in the Work authorized by the Architect in accordance with Sections 3.12.8 or 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

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### § 3.5 WARRANTY

*(Paragraph deleted)*

§ 3.5.1 For one year after the date of substantial completion, the Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. Notwithstanding anything to the contrary contained herein, the Contractor's warranty as set forth in 3.5.1 shall not apply to systems or equipment which is warranted to the Owner by a manufacturer or supplier beyond the one year period after the date of Substantial completion.

§ 3.5.1.1 The Owner shall notify the Contractor and Subcontractor of all warranty or defect claims at the time of discovery and prior to arranging for repairs by a third party and the Contractor and Subcontractor shall be given 14 days to respond, unless such claim is an emergency or may cause imminent damage to the owner's property. This requirement shall extend thru all applicable statutory limitations. Owner's failure to provide such notification shall not impact the warranty provided pursuant to Section 3.5.1.

§ 3.5.2 The Contractor shall deliver to the Owner copies of all manufacturers' and suppliers' warranties relating to equipment, materials and other items used or incorporated in the Work. The Contractor agrees to assign to the Owner at the time of Substantial Completion of the Work any and all manufacturer's warranties relating to materials and labor used in the Work. The assignment of such warranties shall not relieve the Contractor of any of its obligations under the Contract Documents.

### § 3.6 TAXES

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect. Contractor shall not be responsible for any Gross Receipts Taxes (GRT) put into effect after the date of the Agreement.

### § 3.7 PERMITS, FEES, NOTICES, AND COMPLIANCE WITH LAWS

§ 3.7.1 The Contractor shall secure and the Owner shall pay for the building permit as well as for other permits, fees, inspection fees, tap fees, occupancy fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are legally required and are the express responsibility of Contractor under any of the Contract Documents or are customarily secured by Contractor..

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work (collectively, "Applicable Laws").

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction. It is not the Contractor's responsibility to ascertain that the Contract Documents are in accordance with applicable laws statutes, ordinances, building codes, and rules and regulations. However, if the Contractor observes that portions of the Contract Documents are at variance therewith, the Contractor shall promptly notify the Architect and Owner in writing, and necessary changes shall be accomplished by appropriate modifications.

§ 3.7.4 Concealed or Unknown Conditions. If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 21 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will recommend an

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equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor in writing, stating the reasons. If either party disputes the Architect's determination or recommendation, that party may proceed as provided in Article 15.

**§ 3.7.5** If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

### **§ 3.8 ALLOWANCES**

**§ 3.8.1** The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

**§ 3.8.2** Unless otherwise provided in the Contract Documents,

- .1 Allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- .3 Whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2 and (3) an increase in the Contract Sum for Overhead and profit attributable to the differences and changes set forth in subsection .1 and .2 of this Subparagraph 3.8.2.

**§ 3.8.3** Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness, so as not to delay the progress of the work.

### **§ 3.9 SUPERINTENDENT**

**§ 3.9.1** The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor:

**§ 3.9.2** The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the name and qualifications of a proposed superintendent. The Architect may reply within 14 days to the Contractor in writing stating (1) whether the Owner or the Architect has reasonable objection to the proposed superintendent or (2) that the Architect requires additional time to review. Failure of the Architect to reply within the 14 day period shall constitute notice of no reasonable objection.

**§ 3.9.3** The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent for convenience without the Owner's consent, which shall not unreasonably be withheld or delayed.

### **§ 3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES**

**§ 3.10.1** The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall

provide for expeditious and practicable execution of the Work. Any float in the contractors schedule is owned by the Contractor for his use in meeting his Contractual Obligations.

**§ 3.10.2** The Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, and (2) allow the Architect reasonable time to review submittals.

**§ 3.10.3** The Contractor shall perform the Work and general accordance with the most recent schedules submitted to the Owner and Architect, which such schedules are attached hereto as Exhibit \_\_\_\_

### **§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE**

The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and one copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be available to the Architect and shall be delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

### **§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES**

**§ 3.12.1** Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

**§ 3.12.2** Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

**§ 3.12.3** Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

**§ 3.12.4** Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. Their purpose is to demonstrate the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

**§ 3.12.5** The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors.

**§ 3.12.6** By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

**§ 3.12.7** The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect.

**§ 3.12.8** The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect in writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect's approval thereof.

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§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance and design criteria specified in the Contract Documents. The Contract documents for this project specifically require the Contractor to provide design services only for the following designated items of work: Fire Sprinkler System hydraulic calculations.

#### § 3.13 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.13.2 Only materials and equipment that are to be used directly in the Work shall be brought to and stored on the Project site by the Contractor. After equipment is no longer required for the Work, it shall be promptly removed from the Project site. Protection of construction materials and equipment stored at the Project site from weather, theft, damage, and all other adversity is solely the responsibility of the Contractor. The Contractor shall ensure that the Work, at all times, is performed in a manner that affords reasonable access, both vehicular and pedestrian, to the site of the Work and all adjacent areas. The Work shall be performed, to the fullest extent reasonably possible, in such a manner that public areas adjacent to the site of the Work shall be free from all debris, building materials, and equipment likely to cause hazardous conditions."

§ 3.13.3 The Contractor and any entity for whom the Contractor is responsible shall not erect any sign on the Project site without the prior written consent of the Owner, which shall not be unreasonable withheld.

§ 3.13.4 Contractor shall cooperate fully with Owner in the event Owner desires to occupy a portion of the building earlier than Substantial Completion of the project. Owner shall notify contractor three (3) months prior to Owners intent to occupy a portion of the building so contractor may review the construction schedule for feasibility and advise owner of cost and time impact, if any, due to Owners desired early partial occupancy.

§ 3.13.4.1 The Contractor shall not encroach upon adjacent property for storage of materials, nor shall any of the Contractor's employees be permitted on said properties without written permission of the adjacent property owners and a copy of such permission provided to the Owner. The Contractor shall repair at its expense any and all damage or injury to adjacent property caused by his Work and leave the property in as good condition as before work was started, and he shall indemnify and hold harmless the Owner from any liability or responsibility for any claims due to such damage or injury and defend any action brought by reason thereof at his sole cost.

§ 3.13.4.2 Without limitation of any other provision of the Contract Documents, the Contractor shall use its best efforts to comply with all rules and regulations in connection with the use and occupancy of the Project site and the building, as amended from time to time. The Contractor shall immediately notify the Owner in writing if during the performance of the Work, the Contractor finds compliance with any portion of such rules and regulations to be impracticable, setting forth the problems of such compliance and suggesting alternatives through which the same results intended by such portions of the rules and regulations can be achieved

#### § 3.14 CUTTING AND PATCHING

§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting and patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor's consent to cutting or otherwise altering the Work.

#### § 3.15 CLEANING UP

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials from and about the Project as caused by the Work.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and Owner shall be entitled to reimbursement from the Contractor.

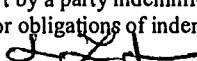
#### § 3.16 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

#### § 3.17 ROYALTIES, PATENTS AND COPYRIGHTS

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

#### § 3.18 INDEMNIFICATION

§ 3.18.1 To the fullest extent permitted by law the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them (Indemnities) from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the Contractor's breach, the intentional acts, or negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Section 3.18. 

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages,

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compensation or benefits payable by or for the Contractor or a Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

§ 3.18.3 The Contractor shall indemnify and hold harmless all of the Indemnities from and against any costs and expenses (including reasonable attorneys' fees) incurred by any of the Indemnities in enforcing any of the Contractor's defense, indemnity, and hold-harmless obligations under this Contract.

#### ARTICLE 4 ARCHITECT

##### § 4.1 GENERAL

§ 4.1.1 The Owner shall retain an architect lawfully licensed to practice architecture or an entity lawfully practicing architecture in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended in any manner that materially and adversely affects the Contractor, Owner or Architect, respectively, without such party's consent. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a successor architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

##### § 4.2 ADMINISTRATION OF THE CONTRACT

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate For Payment. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site of the Work at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

##### § 4.2.4 COMMUNICATIONS FACILITATING CONTRACT ADMINISTRATION

Except as otherwise provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall endeavor to communicate with each other through the Architect about matters arising out of or relating to the Contract. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the

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Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5 and 3.12. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 The Architect, Contractor and Owner have the right to prepare or review (if prepared by others) Change Orders and Construction Change Directives, and may authorize minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect's responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will promptly interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness so as not to delay the progress of the Work. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

## ARTICLE 5 SUBCONTRACTORS

### § 5.1 DEFINITIONS

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in

number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a separate contractor or subcontractors of a separate contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

#### § 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§ 5.2.1 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Owner or Architect may reply within 7 days to the Contractor in writing stating (1) whether the Owner or the Architect, after investigation, has reasonable objection to any such proposed person or entity or (2) that the Architect requires additional time for review. Failure of the Owner or Architect to reply within the 7 day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person or entity previously selected if the Owner or Architect makes reasonable objection to such substitution. An objection by the Owner or Architect shall not be considered reasonable where the Contractor has determined that the Subcontractor's financial position jeopardizes its performance, or the Subcontractor cannot meet construction schedules, or produces inferior or substandard work.

#### § 5.3 SUBCONTRACTUAL RELATIONS

By appropriate written agreement, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the Owner and Architect. Each subcontract agreement shall: preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

#### § 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor in writing; and

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- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation shall be equally adjusted for increase in cost resulting from the suspension.

§ 5.4.3 Upon such assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity. If the Owner assigns the subcontract to a successor contractor or other entity, the Owner shall nevertheless remain legally responsible for all of the successor contractor's obligations under the subcontract.

#### ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

##### § 6.1 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 6.1.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under Conditions of the Contract identical or substantially similar to these including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such Claim as provided in Article 15. To the extent that any construction is performed with the Owner's own forces or separate contractors, Owner shall require that all work so performed shall follow all applicable OSHA guidelines.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each separate contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with other separate contractors and the Owner in reviewing their construction schedules and by Change Order the Contract Sum. The Contractor shall make any revisions to the construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, separate contractors and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights that apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

##### § 6.2 MUTUAL RESPONSIBILITY

§ 6.2.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a separate contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly report to the Architect apparent discrepancies or defects in such other construction that would render it unsuitable for such proper execution and results. Failure of the Contractor so to report shall constitute an acknowledgment that the Owner's or separate contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work, except as to defects not then reasonably discoverable.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a separate contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a separate contractor's delays, improperly timed activities, damage to the Work or defective construction.



**§ 6.2.4** The Contractor shall promptly remedy damage the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or separate contractors as provided in Section 10.2.5.

**§ 6.2.5** The Owner and each separate contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

### **§ 6.3 OWNER'S RIGHT TO CLEAN UP**

If a dispute arises among the Contractor, separate contractors and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

## **ARTICLE 7 CHANGES IN THE WORK**

### **§ 7.1 GENERAL**

**§ 7.1.1** Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

**§ 7.1.2** A Change Order shall be based upon agreement among the Owner, Contractor and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor; an order for a minor change in the Work may be issued by the Architect alone.

**§ 7.1.3** Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work

**§ 7.1.4** No change in the Work, whether by way of alteration or addition to the Work, shall be the basis of an addition to the Contract Sum or a change in the Contract Time unless and until such alteration or addition has been authorized by a Change Order executed by Contractor and Owner's Representative and issued in accordance with and in strict compliance with the requirements of the Contract Documents.

### **§ 7.2 CHANGE ORDERS**

**§ 7.2.1** A Change Order is a written instrument prepared by either the Architect or the Contractor and signed by the Owner, Contractor and Architect stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the Contract Sum; and
- .3 The extent of the adjustment, if any, in the Contract Time.

**§ 7.2.2** Agreement on any Change Order shall constitute a final settlement of all matters relating to the change in the Work that is the subject of the Change Order, including, but not limited to, all direct and indirect costs associated with such change and any and all adjustments to the Contract Sum and Contract Time.

### **§ 7.3 CONSTRUCTION CHANGE DIRECTIVES**

**§ 7.3.1** A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

**§ 7.3.2** A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

**§ 7.3.3** If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or

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.4 As provided in Section 7.3.7.

§ 7.3.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 7.3.5 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.6 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.7 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the method and the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.7 shall be limited to the following:

- .1 Costs of labor, including social security, old age and unemployment insurance, fringe benefits required by labor agreements or custom, and workers' compensation insurance;
- .2 Costs of materials, supplies and equipment, including cost of transportation from an offsite location, whether incorporated or consumed;
- .3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
- .5 Additional costs of supervision and field office personnel directly attributable to the change.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

#### § 7.4 MINOR CHANGES IN THE WORK

The Architect has authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order signed by the Architect and shall be binding on the Owner and Contractor.

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## **ARTICLE 8 TIME**

### **§ 8.1 DEFINITIONS**

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date as established in Section 9.8.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined. The phrase "end" or "close" of a day shall mean 5PM Chicago time.

### **§ 8.2 PROGRESS AND COMPLETION**

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance. Unless the date of commencement is established by the Contract Documents or notice to proceed given by the Owner, the Contractor shall notify the Owner in writing not less than five (5) days, or other agreed period, before commencing.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

### **§ 8.3 DELAYS AND EXTENSIONS OF TIME**

§ 8.3.1 If the Contractor is delayed at any time in the commencement of progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by Owner; or by changes ordered in the Work; or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control; or by delay in authorized by the Owner pending mediation and arbitration; or by other causes that the Architect determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may determine.

§ 8.3.2 Claims relating to time shall be made in accordance with the applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

## **ARTICLE 9 PAYMENTS AND COMPLETION**

### **§ 9.1 CONTRACT SUM**

The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

### **§ 9.2 SCHEDULE OF VALUES**

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit to the Architect, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work and prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

### **§ 9.3 APPLICATIONS FOR PAYMENT**

§ 9.3.1 On the 25th day of the month (or other date mutually agreed to by the parties), the Owner, Architect and Contractor shall meet to review a preliminary draft of the Application for Payment (the "Pencil Draw") prepared by the Contractor. The Contractor shall revise the Pencil Draw in accordance with any objection or recommendation of either the Owner or the Architect that is consistent with the requirements of the Contract Documents. Such revised Pencil Draw shall be resubmitted by the Contractor to the Owner as the Application for Payment due on the fifth

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(5th) day of the month immediately following the month in which the Pencil Draw was first submitted. The Contractor shall also submit with each Application for Payment a written narrative describing the basis for any item set forth in the Application for Payment that does not conform to instructions of the Owner or Architect in connection with any applicable Pencil Draw. After approval of the Pencil Draw, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2., for completed portions of the Work. Such application shall be notarized, if required, and supported by such data substantiating the Contractor's right to payment as the Owner or Architect may require, such as copies of requisitions from Subcontractors and material suppliers, and shall reflect retainage if provided for in the Contract Documents. Unless any Project lender directs otherwise, The form of Application for Payment shall be AIA Document G702, *Application and Certification for Payment*, supported by AIA Document G703, *Continuation Sheet*. Contractor shall also submit certifications relating to the performance of the Work and payment for the Work as Owner's lender may reasonably require. Payments shall be made through an escrow established by Owner with a title insurance company. If Owner, any Project lender or the title insurance company requires, payments shall be made directly to subcontractors in exchange for current lien waivers, or in full to the Contractor with Contractors overall lien waiver and a 30 day lag for subcontractor waivers if approved by the Title Company. Contractor will provide subcontractors waivers for the prior payment with the current payment request. Contractor shall execute Title Companies personal undertaking to allow for 30day lag in submitting subcontractor waivers.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or material supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.1.3 Each Application for Payment shall be accompanied by the following, all in form and substance satisfactory to the Owner, Architect and Escrow Agent and otherwise in accordance with Illinois law:

- .1 A current Contractor's lien waiver in the standard form acceptable to the Title Company.
- .2 A Contractor's Sworn Statement showing all Subcontractors and material suppliers with whom the Contractor has entered into subcontractor or purchase orders, the amount of each such subcontract or purchase order, the amount requested for any Subcontractor or material supplier in the requested progress payment and the amount to become due from such progress payment together with similar sworn statements from all such Subcontractors;
- .3 Duly executed waivers of mechanics and materialmen's liens from Contractor on a current basis with Application for payment and for all such Subcontractors and suppliers through the date of the Contractor's last Application for Payment, establishing payment or satisfaction of the payment request by Contractor in the last application for Payment (and in all cases Contractor shall provide Subcontractor waivers for payment within 30 days of Contractors receipt of payment);
- .4 All information and materials required to comply with the requirements of the Contract Documents reasonably requested by the Escrow Agent, the Owner, any Project lender or the Architect; and
- .5 An updated Schedule of Values and Project Schedule in accordance with the Contract Documents.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. Payment shall be made for materials and equipment suitably stored off the site at a location agreed upon in writing but only to the extent approved by Owner and Project lenders. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment for each such Application for Payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall to the best of the Contractor's knowledge, information and belief be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.

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#### § 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the revised Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data comprising the Application for Payment, that, to the best of the Architect's knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

#### § 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;
- .2 third party claims filed, not resulting from the Owner's failure or refusal to pay the Contractor, or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a separate contractor; caused by the Contractor or its Subcontractors and not covered by Insurance;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, as a result of the Contractor's fault and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- .7 repeated failure to carry out the Work in accordance with the Contract Documents.
- .8 failure to comply with the Project Schedule;
- .9 erroneous estimates by the Contractor of the values of the Work performed; or
- .10 the existence of any default by Contractor under the Contract Documents

§ 9.5.2 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

§ 9.5.3 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or material or equipment suppliers to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Architect will reflect such payment on the next Certificate for Payment.

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## **§ 9.6 PROGRESS PAYMENTS**

**§ 9.6.1** After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents and shall so notify the Architect but subject in all cases to Project lenders making funds available.

**§ 9.6.1.1** Owner may withhold payment to Contractor notwithstanding Architect's certification, if it is necessary, in Owner's opinion, to do so to protect Owner from loss due to any of the reasons set forth in Subparagraphs 9.5.1.1 through 9.5.1.10, inclusive."

**§ 9.6.2** The Contractor shall pay each Subcontractor no later than seven days after receipt of payment from the Owner the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

**§ 9.6.3** The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

**§ 9.6.4** The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and material and equipment suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by law.

**§ 9.6.5** Contractor payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

**§ 9.6.6** A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

**§ 9.6.7** Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors and suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, shall create any fiduciary liability or tort liability on the part of the Contractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

## **§ 9.7 FAILURE OF PAYMENT**

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents the amount certified by the Architect or awarded by binding dispute resolution, then the Contractor may, upon seven additional days' written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

## **§ 9.8 SUBSTANTIAL COMPLETION**

**§ 9.8.1** Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

**§ 9.8.2** When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

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§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. The Owner and Architect shall prepare their list of any work to be completed or corrected (punch list work) during, or before, this inspection. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect and Owner to determine that such items are completed.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents in an amount equal to 150% of the value of the incomplete or non-conforming Work.

§ 9.8.6 In the event that the Owner occupies a designated portion of the Work, the date of Substantial Completion solely for that portion of the Work shall be the date of such partial occupancy. The Architect will issue a Certificate of Substantial Completion for that portion of the Work when the Owner so takes possession of the Work. This Agreement will take precedence over Article 9.9.1.

#### § 9.9 PARTIAL OCCUPANCY OR USE

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer as required under Section 11.3.1.5 and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect. For any partial occupancy or use, the Owner shall reduce retainage to an amount equal to one hundred fifty percent (150%) of the value of the Work to be completed or corrected (punch list work) at the time of partial occupancy or use for that portion of the Work which is partially occupied."

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

#### § 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in

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accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

**§ 9.10.2** Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner, (3) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees, unless Contractor is proceeding diligently and in good faith to contest such lien and has furnished to Owner reasonable security, such as a bond, title insurance, or letter of credit to reasonably protect Owner against such lien.

**§ 9.10.3** If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

**§ 9.10.4** The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

1. liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
2. failure of the Work to comply with the requirements of the Contract Documents;
3. terms of special warranties required by the Contract Documents;
4. faulty or defective Work appearing at or after substantial completion
5. terms of any warranty required by the Contract Documents, claims involving subcontractors or third parties
6. claims by Owner previously made to Contractor in writing and identified by Owner as unsettled at the time of the making of the final payment.

**§ 9.10.5** Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

**§ 9.10.6** Final Completion of the Work, as used herein, shall refer to the date on which the Work is fully completed, for its intended use, in accordance with the Contract Documents and all punch list items are completed, and all final waivers, warranties, manuals and record drawings (including computer generated format, if applicable), properly assembled and organized, have been delivered to Owner.

## **ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY**

### **§ 10.1 SAFETY PRECAUTIONS AND PROGRAMS**

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

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## **§ 10.2 SAFETY OF PERSONS AND PROPERTY**

**§ 10.2.1** The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor's Subcontractors or Sub-subcontractors; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

but nothing in these provisions shall relieve Subcontractors of their responsibilities for the safety of persons or property or the compliance with applicable laws in the performance of their work..

**§ 10.2.2** The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

**§ 10.2.3** The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities.

**§ 10.2.4** When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

**§ 10.2.5** The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

**§ 10.2.6** The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

**§ 10.2.7** The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

## **§ 10.2.8 INJURY OR DAMAGE TO PERSON OR PROPERTY**

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

## **§ 10.3 HAZARDOUS MATERIALS**

**§ 10.3.1** . If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a , hazardous substance within the meaning of Comprehensive Environmental Response, Compensation, and liability Act ("CERCLA"), as amended, and any implementing regulations or guidance issued pursuant to CERCLA, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

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§ 10.3.2 Upon receipt of the Contractor's written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up.

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss or expense is due to the fault or negligence of the party seeking indemnity.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner shall be responsible for materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Contractor shall indemnify the Owner for the cost and expense the Owner incurs (1) for remediation of a material or substance the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred.

#### § 10.4 EMERGENCIES

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

### ARTICLE 11 INSURANCE AND BONDS

#### § 11.1 CONTRACTOR'S LIABILITY INSURANCE

§ 11.1.1 Contractor shall purchase and maintain, such insurance as will protect it and the Owner, Hancock House L.L.C., Architect and Owner's Lenders (which such parties shall be additional named insured's on all insurance policies required hereby) from claims set forth below which may arise out of or result from Contractor's operations under the Contract Documents, whether such operations be by itself or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Such insurance shall include the coverages and satisfy the requirements for insurance described on below and the requirements of the Project Lenders. In no event shall any failure of Owner to receive certificates of policies required under this Article 11 or to demand receipt of such certificates prior to Contractor commencing the Work be construed as a waiver by Owner of Contractor's obligations to obtain insurance pursuant to this Article 11. The obligation to procure and maintain any insurance required by this Article 11 is a separate responsibility of Contractor and independent of the duty to furnish a certificate of such insurance policies. Insurance provided shall in no case be less than the following limits:

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1. Contractor shall procure and maintain in effect until final completion of the Work, or such longer periods as may be required as set forth herein or in the other Contract Documents, the insurance coverages described below.

a. Workers' Compensation and Employers Liability Insurance.

i. Workers' Compensation: Statutory.

ii. Employers Liability Insurance: One million Dollars (\$1,000,000.00).

b. Business Automobile Liability Insurance. Automobile Liability Insurance in Contractor's name including owned, non-owned, leased and hired motor vehicle coverage. Limits of Liability shall not be less than One Million Dollars (\$1,000,000) combined single limit per accident bodily injury and property damage, One Million Dollar (\$1,000,000.00) annual aggregate..

c. Commercial General Liability Insurance. Commercial General Liability Insurance in Contractor's name which shall include: Bodily Injury, Property Damage, Products & Completed Operations, Personal Injury with employee and contractual exclusions deleted, Blanket (written or oral) Contractual Liability, Broad Form Property Damage coverage, with combined single limits of no less than Two Million Dollar (\$2,000,000.00) annual aggregate (per project aggregate) One Million (1,000,000.00) per occurrence written on an occurrence basis. Limit requirements may be met by any combination of primary and/or excess/umbrella coverage:

i. Name Owner, Hancock House L.L.C., Architects and Owner's lenders as additional insureds.

ii. Stipulate that such insurance is primary to any valid and collectible insurance carried by, or for the benefit of, any of the additional insureds and an insurance carried by Owner or any other Indemnitee shall be deemed excess and non-contributing.

iii. Contain a separation of insureds clause and shall not exclude or preclude coverage for claims brought by an additional insured against a named insured.

iv. Delete any exclusions for explosion, collapse, or underground hazards (XCU).

v. Provide blanket waiver of subrogation against Owner, Hancock House L.L.C., Architects and Owner's lender and all other Indemnitees.

vi. Provide that any exclusion pertaining to professional design services shall apply only to such services provided by the Named Insured in its capacity as an architect, engineer or surveyor. Such exclusion, without limitation, shall not apply to any construction means, methods, techniques, sequences and procedures employed by the Named Insured in connection with its business as a construction contractor.

vii. Products and Completed Operations to be maintained for one (1) year after substantial completion.

d. Excess Liability Umbrella form bodily injury and property damage combined

i. Five Million (\$5,000,000) Dollars Annual Aggregate.

2. Subcontractors

a. All subcontractors shall maintain the same policies of insurance required of Contractor under the Contract Documents, except by exception given by Owner in writing. Contractor agrees that it will promptly advise Owner in the event that any subcontractor which it wishes to retain is unable to obtain such requisite insurance coverages and will obtain Owner's prior written approval of any deviations in such

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insurance coverages prior to entering into an agreement with such subcontractor. Contractor agrees that it will contractually obligate subcontractors to promptly advise Contractor of any changes or lapses of the requisite insurance coverages and Contractor agrees to promptly advise Owner of same.

b. Contractor assumes all responsibility for monitoring subcontractor insurance certificates for compliance with the insurance provisions of this Agreement.

3. Terms and Conditions

a. Before Contractor commences the rendition of any services or Work pursuant to this Agreement, Contractor shall file with Owner one (1) valid/original certificate of insurance and two (2) copies of the same, including the required amendatory riders and endorsements, evidencing that all required insurance is in force, executed by an authorized representative of the insurance company or insurance broker. Replacement of expiring certificates shall be filed with Owner at least ten (10) days prior to the expiration date.

b. Contractor shall maintain current/valid certificates, in form and content satisfactory to Owner, which shall be kept on file with Owner at all times during the performance of the services rendered pursuant to this Agreement. Such certificates shall identify the specific Project and location.

c. Contractor shall not make changes in or allow the required insurance coverages to lapse without Owner's prior written approval thereto.

d. All policies for insurance must be endorsed to contain a provision giving Owner a thirty (30) day prior written notice of any cancellation or non-renewal of that policy or material change in coverage.

e. Receipt and review by Owner of any copies of insurance policies or insurance certificates, or failure to request such evidence of insurance, shall not relieve Contractor of any obligation to comply with the insurance provisions of this Agreement.

f. The insurance provisions in the Contract Documents, including as set forth in this Exhibit F, shall not be construed as a limitation on Contractor's responsibilities and liabilities pursuant to the terms and conditions of the Contract Documents including, but not limited to, liability for claims in excess of the insurance limits and coverages set forth herein or any deductible or self insured retention amounts.

g. All certificates of insurance and all notices required hereunder must be sent to Owner and at the attention of the person referenced on the first page of this Agreement.

h. All insurance required by the Contract Documents shall be provided under enforceable and valid policies issued by insurance companies (i) licensed to do business in the state where the Project is located.

i. All insurances required by the Contract Documents shall be arranged with insurers having at least an A+VII Best rating.

j. If any of the insurances to be maintained by Contractor or subcontractors pursuant to this Agreement contains aggregate limits, such aggregate limits shall be immediately restored to the limits described above in the event they are impaired due to any incidents, occurrences, claims, settlements, judgments or expenses against such insurance.

(Paragraphs deleted)

§ 11.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

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### § 11.3 PROPERTY INSURANCE

§ 11.3.1 Unless otherwise provided, the Contractor shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder's risk all risk or equivalent policy form in the amount of the initial Contract Sum, plus value of subsequent Contract Modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis with acceptable deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 9.10 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 11.3 to be covered, whichever is later. This insurance shall name the Contractor as "Named Insured" and shall include the interests of the Owner, the Contractor, Subcontractors and Sub-subcontractors in the Project of every tier and including agents, members and employees.

§ 11.3.1.1 Property insurance shall be on an all risk or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsework, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect's and Contractor's services and expenses required as a result of such insured loss

§ 11.3.1.2 If the Owner does not intend to purchase such property insurance required by the Contract and with all of the coverages in the amount described above, the Owner shall so inform the Contractor in writing prior to commencement of the Work. The Contractor may then effect insurance that will protect the interests of the Contractor, Subcontractors and Sub-subcontractors in the Work, and by appropriate Change Order the cost thereof shall be charged to the Owner. If the Contractor is damaged by the failure or neglect of the Owner to purchase or maintain insurance as described above, without so notifying the Contractor in writing, then the Owner shall bear all reasonable costs properly attributable thereto.

§ 11.3.1.3 If the property insurance procured by the Owner requires deductibles, the Owner shall pay costs not covered because of such deductibles.

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.3.1.5 Partial occupancy or use in accordance with Section 9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The Owner and the Contractor shall take reasonable steps to obtain consent of the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

### § 11.3.2 BOILER AND MACHINERY INSURANCE

The owner shall purchase and maintain boiler and machinery insurance required by the Contract documents or bylaw, which shall specifically cover such insured objects during installation and until final acceptance by the Owner, this insurance shall include interests of the Owner, Contractor, Subcontractors and Sub-subcontractors in the Work, and the owner and Contractor shall be named insured's.

### § 11.3.3 LOSS OF USE INSURANCE

The Owner, at the Owner's option, may purchase and maintain such insurance as will insure the Owner against loss of use of the Owner's property due to fire or other hazards, however caused. The Owner waives all rights of action against the Contractor for loss of use of the Owner's property, including consequential losses due to fire or other hazards however caused, however, the Contractor shall be responsible for uninsured losses that arise from a material breach or misconduct in its performance of the Work.

§ 11.3.4 If the Contractor requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

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§ 11.3.5 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the Owner shall waive all rights in accordance with the terms of Section 11.3.7 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

#### § 11.3.7 WAIVERS OF SUBROGATION

The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect's consultants, separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to this Section 11.3 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner in good faith. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 6, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

§ 11.3.8 A loss insured under the Owner's property insurance shall be adjusted by the Owner in good faith and made payable to the Owner in good faith for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.3.10. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.3.9 If required in writing by a party in interest, the Owner in good faith shall, upon occurrence of an insured loss, give bond for proper performance of the Owner's duties. The cost of required bonds shall be charged against proceeds received in good faith. The Owner shall deposit in a separate account proceeds so received, which the Owner shall distribute in accordance with such agreement as the parties in interest may reach, or as determined in accordance with the method of binding dispute resolution selected in the Agreement between the Owner and Contractor. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor after notification of a Change in the Work in accordance with Article 7.

§ 11.3.10 The Owner in good faith shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the Owner's exercise of this power; if such objection is made, the dispute shall be resolved in the manner selected by the Owner and Contractor as the method of binding dispute resolution in the Agreement. If the Owner and Contractor have selected arbitration as the method of binding dispute resolution, the Owner in good faith shall make settlement with insurers or, in the case of a dispute over distribution of insurance proceeds, in accordance with the directions of the arbitrators.

#### § 11.4 PERFORMANCE BOND AND PAYMENT BOND

§ 11.4.1 The Owner shall have the right to require the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder as stipulated in bidding requirements or specifically required in the Contract Documents on the date of execution of the Contract.

§ 11.4.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

## **ARTICLE 12 UNCOVERING AND CORRECTION OF WORK**

### **§ 12.1 UNCOVERING OF WORK**

§ 12.1.1 If a portion of the Work is covered contrary to the Architect's timely and reasonable request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner's expense. If such Work is not in accordance with the Contract Documents, such costs and the cost of correction shall be at the Contractor's expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

### **§ 12.2 CORRECTION OF WORK**

#### **§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION**

The Contractor shall promptly correct Work rejected by the Architect as failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

#### **§ 12.2.2 AFTER SUBSTANTIAL COMPLETION**

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to those specific elements of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents

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may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

#### **§ 12.3 ACCEPTANCE OF NONCONFORMING WORK**

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

### **ARTICLE 13 MISCELLANEOUS PROVISIONS**

#### **§ 13.1 GOVERNING LAW**

The Contract shall be governed by the law of the place where the Project is located except that, if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

#### **§ 13.2 SUCCESSORS AND ASSIGNS**

**§ 13.2.1** The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

**§ 13.2.2** The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate such assignment.

#### **§ 13.3 WRITTEN NOTICE**

Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice. (For purposes of the Contract Documents, the term "business day" shall be a day upon which the offices of the State of Illinois are open for business to the general public)

#### **§ 13.4 RIGHTS AND REMEDIES**

**§ 13.4.1** Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

**§ 13.4.2** No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach there under, except as may be specifically agreed in writing.

#### **§ 13.5 TESTS AND INSPECTIONS**

**§ 13.5.1** Tests, inspections and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating their cost to the Contractor.

**§ 13.5.2** If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.5.3, shall be at the Owner's expense.

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§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure including those of repeated procedures and compensation for the Architect's services and expenses shall be at the Contractor's expense.

§ 13.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

#### § 13.6 INTEREST

Payments due and unpaid under the Contract Documents for a period of thirty (30) days shall bear interest from the date payment is due at the annual rate of four percent (4%) percent ("Default Rate")

#### § 13.7 TIME LIMITS ON CLAIMS

The Owner and Contractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement within the time the time period specified by applicable law, but in any case not more than 4 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all claims and causes of action not commenced in accordance with this Section 13.7

#### § 13.8 LIENS

The Contractor shall not voluntarily permit any laborer's, materialmen's, mechanic's or other similar lien or stop notices to be filed or otherwise imposed on any part of the Work or the property on which the Work is performed. If any laborer's, materialmen's, mechanic's or other similar stop notice, or claim thereof which shall discharge the Owner's property as security for any judgment to the Owner's satisfaction is filed and if the Contractor does not cause such lien or stop notice to be released and discharged forthwith, or file a bond in lieu thereof and if the cause of the lien is not due to non-payment by the Owner, the Owner, without limiting to its other remedies, shall have the right to pay all sums necessary, including without limitation attorney's fees, to obtain such release and discharge or deduct same from the Contractor's Fee portion of the next succeeding Application for Payment until the total amount of the same shall be recouped, as the Owner may elect. If any such lien or stop notice is filed or otherwise imposed, then at the request of the Owner the Contractor shall cause such lien to be released and otherwise discharged to the Owner's satisfaction. The Contractor shall indemnify and hold harmless the Owner from all claims, losses, demands, causes of action or suits including attorney's fees and all costs in conjunction with defending against the same, of whatever nature arising out of any such lien permitted by Contractor or that part of the Work covered thereby.

### ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

#### § 14.1 TERMINATION BY THE CONTRACTOR

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days (subject, however, to one or more elements constituting force majeure, as set forth in 14.1.5 below) through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2 An act of government, such as a declaration of national emergency that requires all Work to be stopped;

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- .3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made required payments within the time stated in the Contract Documents and the same is not corrected following written notice thereof to Owner; or

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less (subject, however, to one or more elements constituting force majeure, as set forth in 14.1.5 below)

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days (subject, however, to one or more elements constituting force majeure, as set forth in 14.1.5 below) through no act or fault of the Contractor or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Contractor because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' written notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.1.5 Elements constituting force majeure are: A Strike, lockout, labor dispute, civil disorder, inability to procure materials other than by reason of failure to make payment thereof, failure of one or more utilities, restrictive governmental law or regulations by imposition or enforcement, government action, riot, insurrection, war, fuel shortage, act of God, undue or unusual delay in acting or failure to act by the City of Chicago or any department or agency or any or employee thereof or any other governmental entity whose action may be required for any purpose, or similar events or conditions beyond the reasonable control of the owner.

#### § 14.2 TERMINATION BY THE OWNER FOR CAUSE

§ 14.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority;
- .4 otherwise is guilty of substantial material breach of a provision of the Contract Documents;

§ 14.2.2 When any of the above reasons exist, the Owner, upon certification by the Initial Decision Maker that sufficient cause exists to justify such action, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 Accept assignment of subcontracts pursuant to Section 5.4; and
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

*(Paragraph deleted)*

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case

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may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

#### **§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE**

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time of performance caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

#### **§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE**

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work executed.

### **ARTICLE 15 CLAIMS AND DISPUTES**

#### **§ 15.1 CLAIMS**

##### **§ 15.1.1 DEFINITION**

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract prior to the time final payment is made. The responsibility to substantiate Claims shall rest with the party making the Claim.

##### **§ 15.1.2 NOTICE OF CLAIMS**

Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party must be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

##### **§ 15.1.3 CONTINUING CONTRACT PERFORMANCE**

Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. The Architect will prepare Change Orders and issue Certificates for Payment in accordance with the decisions of the Initial Decision Maker.

##### **§ 15.1.4 CLAIMS FOR ADDITIONAL COST**

If the Contractor wishes to make a Claim for an increase in the Contract Sum, written notice as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

##### **§ 15.1.5 CLAIMS FOR ADDITIONAL TIME**

§ 15.1.5.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided

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in 15.1.2 shall be given. The Contractor's Claim shall include an estimate of cost and of probable affect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary. No adjustment shall be made in the Contract Sum or Contract Time without Owner's written consent. Requests for extensions of the Contract Time shall be governed by Section 8.3 of the General Conditions.

§ 15.1.5.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time and had an adverse effect on the scheduled construction. Owner agrees that, if any portion of the Work is to be completed when the permanent heating system for the Project has been installed is operating and is Substantially Complete, the Owner will accept the system and Contractor shall have the right to use same during the course of the work, In lieu of temporary heat.

#### § 15.1.6 CLAIMS FOR CONSEQUENTIAL DAMAGES

The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14 but shall not apply to the indemnity obligations hereunder or third party claims for bodily injury or claims for property damage. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of liquidated direct damages, when applicable, in accordance with the requirements of the Contract Documents.

#### § 15.2 INITIAL DECISION

§ 15.2.1 Claims, excluding those arising under Sections 10.3, 10.4, 11.3.9, and 11.3.10, shall be referred to the Initial Decision Maker for initial decision. The Architect will serve as the Initial Decision Maker, unless otherwise indicated in the Agreement. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition precedent to mediation of any Claim arising prior to the date final payment is due, unless 30 days have passed after the Claim has been referred to the Initial Decision Maker with no decision having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering a decision. The Initial Decision Maker shall notify Owner and Contractor of the retention of persons with special knowledge or expertise. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of such request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished (which date shall not be later than twenty-one (21) days thereafter unless additional time is required and granted by Architect and then only because conditions outside of the reasonable control of the party so delayed) or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the

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response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.

§ 15.2.5 The initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall be final and binding on the parties but subject to mediation and, if the parties fail to resolve their dispute through mediation, to binding dispute resolution.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of an initial decision, demand in writing that the other party file for mediation within 60 days of the initial decision. If such a demand is made and the party receiving the demand fails to file for mediation within the time required, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic's lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

### § 15.3 MEDIATION

§ 15.3.1 Claims, disputes, or other matters in controversy arising out of or related to the Contract Documents or its breach, the Owner and Contractor agree to endeavor to settle the dispute through direct discussions outlined in 15.3.1.1 thru 15.3.4. If the dispute is not resolved through such direct discussions, the Owner and Contractor shall participate in mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association, ADR Systems, Endispute or such other dispute resolution provider mutually acceptable to Contractor and Owner in accordance with its Construction Industry Mediation Procedures in effect on the Date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The foregoing mediation shall not be binding. The Owner and Contractor agree that all parties necessary, including the architect, to resolve a dispute, as determined by the mediator upon the mediator's initiative or at the request of either the Owner or the Contractor, shall be requested to participate in the same mediation proceeding. Appropriate provisions shall be included by the Owner and the Contractor in all other contracts related to the Project, and entered into after this Agreement, to provide multi-party mediation proceedings.

#### §15.3.1.1 DISPUTE AVOIDANCE AND RESOLUTION

The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, Contractor and Owner each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work. Prior to any meetings, the parties will exchange relevant information that will assist the parties in resolving their dispute or disagreement."

§ 15.3.2 REPRESENTATIVES TO RESOLVE Contractor and Owner shall first attempt to resolve disputes or disagreements at the field level between Owner's Designated Representative and the Contractor's Designated Representative for resolution by direct discussions and mutual agreement between them. Any mutual determination by Owner's Designated Representative and the Contractor's Designated Representative shall be set forth in writing and signed by such representatives and shall be final and binding upon the parties. However, should the Owner's Designated Representative and the Contractor's Designated Representative fail to arrive at a mutual decision as to the Dispute within twenty (20) days after notice to both individuals of the Dispute, such Dispute shall be submitted to the Senior Officers as hereinafter provided.

**§ 15.3.3 SENIOR OFFICERS TO RESOLVE** In the event that a Dispute is not resolved in accordance with Section 15.3.2, such Dispute shall be submitted to a Senior Officer from each party for resolution by mutual agreement between said officers. Any mutual determination by the Senior Officers shall be set forth in writing and signed by such Senior Officers and shall be final and binding upon the parties. However, should such Senior Officers fail to arrive at a mutual decision as to the Dispute within twenty (20) days after notice to both individuals of the Dispute, the parties may, thereafter, exercise their rights to pursue any remedies available with respect to such Dispute, including, without limitation, arbitration.

*(Paragraphs deleted)*

**§ 15.3.4 SENIOR OFFICER** For purposes of this Section, the term "Senior Officer" shall mean and refer to Brigitte Grossman on behalf of the Owner, and Michael Mozal or Jerry DeCicco on behalf of the Contractor.

**§ 16** These A201 General Conditions are the sole, final and binding modifications to the AIA A201 General Conditions (2007) to which the Owner and Contractor agree. These A201 General Conditions and Supplemental Conditions control over any construction contract terms set forth in the Plans and Specifications.

*(Paragraph deleted)*

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**RIDER TO GENERAL CONDITIONS OF  
CONTRACT FOR CONSTRUCTION**

**RECITALS**

**THIS RIDER TO GENERAL CONDITIONS OF CONTRACT FOR CONSTRUCTION** (AIA Document A201) (this "Rider") amends, modifies and supplements the General Conditions of the Contract for Construction (AIA Document A201) ("Contract") dated as of May 24, 2010 (the "General Conditions"), by and between HANCOCK HOUSE LIMITED PARTNERSHIP and BROWNLOW, BELTON, SULLIVAN, ARMS NFP (collectively the "Owner"), and JOSEPH J DUFFY CO ("Contractor"), and is incorporated into and made a part of the General Conditions. Such amendments, modifications and supplements are made in this Rider by cross-references to the original Article numbers in the General Conditions. Where any Article, Paragraph, Subparagraph or Clause of the General Conditions is amended, modified or supplemented by this Rider, the unaltered part of that Article, Paragraph, Subparagraph or Clause shall remain in full force and effect. To the extent that this Rider conflicts with the General Conditions, the provisions of this Rider shall control. Capitalized terms used in this Rider and not otherwise defined shall have the meaning assigned to them the Contract Documents (as that term is defined in the General Conditions) or the Addendum to the Standard Form of Agreement Between Owner and Contractor (the "Agreement").

The Illinois Housing Development Authority ("Authority"), a body politic and corporate of the State of Illinois established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 *et seq.*, as amended from time to time (the "Act"), has made a mortgage loan and grant (collectively the "Financing") as follows: (i) a loan from the TCAP Program in the maximum amount of \$2,883,201 and (ii) a grant from the 1602 Program in the maximum amount of \$4,168,406 to Owner for the financing of a multifamily housing development known as Hancock House (the "Project"). The Financing is secured by a two Mortgage, Security Agreement and Assignment of Rents and Leases given by Owner in favor of the Authority (the "Mortgages").

The Authority has a beneficial interest in the Contract because it is making the Financing for the purpose, as set forth in the Act, of providing housing for very low, low and moderate income individuals and families. The execution of this Rider is a condition of the Authority making the Financing to Owner.

**NOW, THEREFORE**, the parties agree as follows:

1. Incorporation of Recitals. The foregoing recitals are incorporated in this Rider.

2. Definitions. The following terms in this Rider shall have the definitions set forth below.

a. "Date of Substantial Completion": The date on which Contractor has agreed to achieve Substantial Completion of the construction of the Project, as set forth in Section 3.2 (if form A101 is used) or Section 4.2 (if form A111 is used) of this Agreement.

b. "Field Change Order": A change in the Drawings and Specifications approved by the Authority's construction administrator and certified in writing by the Architect to the Authority prior to making that change that such change does not materially alter the Work called for by the Drawings and Specifications and that such change shall not increase or decrease the Contract Sum or the Contract Time.

c. "Identity of Interest": Any relationship that would give Contractor control of, influence over or a pecuniary interest in the price paid to a Subcontractor, or that would give Owner control of, influence over or a pecuniary interest in the price charged by Contractor or a Subcontractor. Control or influence includes, but is not limited to, having one of the following relationships among the foregoing entities: (1) a financial interest, (2) a family relationship, (3) common officers, directors or shareholders, (4) a substantial source of business revenue over the three (3) years preceding the date of the Contract or any subcontract or (5) engaging in a profit-making venture (other than arms-length business transactions in the normal course of business) with the entity exerting control or influence.

3. Extra Costs. Any change in the Work, or order for extra work, except a Field Change Order, may be effected by Contractor only by amendment of the Contract in the form of a Change Order approved by the Authority in writing prior to such change; such approval shall be granted in the Authority's sole discretion.

4. Contract Sum Increases and Decreases. Contractor acknowledges that any extension of the Date of Substantial Completion, or any Change Order that entails an increase in the Contract Sum shall not be funded by a Financing increase, unless the Authority authorizes that Financing increase in writing. In the absence of such written authorization for a Change Order, it is understood that Contractor shall look solely to Owner for payment of such increase in the Contract Sum, and Contractor shall not place a lien on the Project or the real estate upon which the Project is to be constructed as a result of Owner's failure to pay Contractor the amount of such increase in the Contract Sum.

5. Amendment of Article 9. Article 9 of the General Conditions is amended by adding the following Paragraph 9.8.6.

"9.8.6 Upon recommendation of the Architect and concurrence by the Authority,



or upon the Authority's own initiative, the Authority may withhold or recapture by set-off or otherwise any payment to Contractor, in whole or in part, to the extent that such action may be necessary to protect Owner from loss on account of:

- a. Defective work;
- b. Claims for lien filed or reasonable evidence of the filing of such claims;
- c. Failure of Contractor to make payments properly to Subcontractors or material suppliers for labor and materials;
- d. Reasonable doubt that the Work can be completed for the balance of the Contract Sum then remaining unpaid to Contractor;
- e. Evidence of damage to the Work caused by or attributable to a Subcontractor;
- f. Reasonable grounds for belief that the Work will not be completed within the Contract Time;
- g. Unsatisfactory prosecution of the Work by Contractor; and
- h. Failure of Contractor to comply with the Contract, as amended by this Rider and the Addendum to the Agreement."

At such time as Contractor remedies, without cost to Owner or the Authority, the situation giving rise to withholding or recapturing of a Contract payment, the Authority shall promptly issue a payment authorization for the amounts so withheld or recaptured.

6. **Equal Employment Opportunity.** During the performance of this Contract, Contractor agrees that:

- a. It shall not discriminate against any employee or applicant for employment because of race, color, religion, creed, sex, age or handicap, national origin, ancestry, unfavorable military discharge or familial or marital status. Contractor agrees to post in conspicuous place, available to employees and applicants for employment, notices to be provided or approved by the Authority, setting forth the provisions of this non-discrimination clause.

- b. It shall, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to race, religion, creed, sex, age or handicap, national origin,

ancestry, unfavorable military discharge or familial or marital status.

c. It shall cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each Subcontractor; however, the foregoing provisions shall not apply to contracts or subcontracts solely for materials.

d. It shall send to each labor union or representative of workers with which Contractor has a collective bargaining agreement or other contract or understanding, a notice advising the labor union or worker's representative of Contractor's commitments under this Paragraph 6.

7. **Davis-Bacon Requirements.** The wages to be paid to all laborers and mechanics employed in connection with the Development shall be not less than the prevailing wage rates for corresponding classes of laborers and mechanics employed on construction of a similar character in the locality in which the work is to be performed, as determined by the United States Secretary of Labor, with respect to the Project. A copy of that determination (the "Determination") is attached to this Rider as Exhibit A and incorporated in this Rider. Contractor shall cause to be displayed at the job site and shall make accessible to all construction employees a copy of the Determination and Notice to Employees (WH-1321). The wage standards set forth in the Determination shall be included in all bid documents and all contracts with subcontractors. Contractor shall cooperate with the Authority's monitoring of Contractor's compliance with the requirements of this Paragraph in accordance with the policies and procedures of HUD Handbook 1344.1, REV-1, CHG.1 (7/87), Federal Labor Standards Compliance in Housing and Community Development Programs and shall provide weekly certified payroll reports from Contractor and all Subcontractors.

8. **Subcontracts.** Contractor shall not enter into a contract with any Subcontractor that has been debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from Federal contracts and Federally assisted construction contracts. Each Subcontractor shall be paid directly by the Authority through the construction escrow for all Work performed for Contractor by that Subcontractor. Contractor shall make sure that each subcontractor that has a total contract that exceeds \$100,000 shall sign and deliver the Lobbying Certification which has previously been signed by the Contractor. No funds shall be disbursed to any subcontractor that does not sign the Lobbying Certification. Such Work shall be pursuant to an appropriate agreement between Contractor and Subcontractor (and where appropriate between Subcontractors and Sub-subcontractors), which form of agreement shall be approved by the Authority prior to becoming binding upon Contractor. Each subcontract and sub-subcontract shall contain provisions that:

a. Acknowledge that the Authority and Owner are third-party beneficiaries under the subcontract;

b. Require that the Subcontractors agree to an assignment of Contractor's interest in any subcontract if Owner exercises its rights pursuant to Article 14 of the General Conditions, as amended; [and]

c. Acknowledge compliance with the Davis-Bacon requirements in Section 7 herein; and

d. Require that to the extent possible, the Subcontractor pass on to Owner all warranties that the Subcontractor or Sub-subcontractor receives from suppliers of materials or services.

Contractor shall not enter into a contract with a subcontractor or material supplier with which it has an Identity of Interest without the approval of the Authority.

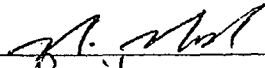
9. Bonds. Contractor shall furnish to Owner and the Authority, and shall maintain in full force and effect until the Authority returns to Contractor, a performance bond in the dual obligee form and a labor and material payment bond, each in the amount of the Contract Sum, in form and substance satisfactory to the Authority; or in place of these bonds, an unconditional irrevocable commercial letter of credit, satisfactory to the Authority in its sole discretion, in an amount equal to twenty-five percent (25%) of the Contract Sum. The Authority is authorized to draw on such letter of credit if Contractor fails to fully and timely perform its obligations under the Contract, including failure to complete the Work on time and on budget, or failure to pay for labor or materials furnished or consumed in the prosecution of the Work, or default has occurred under any document evidencing, governing or securing the Financing.

10. Counterparts. This Rider may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Rider must be produced or exhibited, be the Rider, but all such counterparts shall constitute one and the same instrument. As used herein, the term "counterparts" shall include full copies of this Rider signed and delivered by facsimile transmission, as well as photocopies of such facsimile transmissions. The Authority reserves, in its sole and absolute discretion, the right to require original signatures or to rely on facsimile transmissions or photocopies of facsimile transmissions and the Owner and any other party signing this Rider, hereby waives any rights to object to the validity of their signature based upon the Authority's determination as aforesaid.

IN WITNESS WHEREOF, the parties have caused this Rider to be executed by their authorized officers.

CONTRACTOR:

JOSEPH J DUFFY CO


By:   
Its President

OWNER

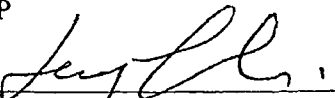
HANCOCK HOUSE LIMITED PARTNERSHIP

By: Hancock House, L.L.C.

By: Source Works Development, LLC

By:   
Its Managing Partner

BROWNLOW, BELTON, SULLIVAN, ARMS  
NFP

By:   
Its President

## CONSTRUCTION CONTRACT RIDER

The provisions of this Construction Contract Rider (the "Rider") are part of the Agreement to which this Rider is attached. In the event of any conflict between any provision of this Rider and any other provision of the Agreement, the provision of this Rider shall control.

1. Bond/Letter of Credit. The Contractor shall maintain [Check as applicable] ☒ a payment and performance bond; or ☐ a letter of credit in an amount not less than \$\_\_\_\_\_ acceptable to the City of Chicago (the "City") in full force and effect until completion of the Work.

2. No Payment, Gratuity, etc. No payment, gratuity or offer of employment shall be made in connection with the Work, by or on behalf of a Subcontractor to the Contractor or higher tier Subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

3. MBE/WBE Commitment. (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 this Section 3, during the course of the Work, the Contractor shall expend or cause to be expended, for contract participation by minority-owned businesses ("MBEs") and by women-owned businesses ("WBEs"), at least the following percentages of the aggregate hard construction costs (as set forth in the Project Budget, as defined in the hereinafter defined Loan Agreement):

- (1) At least 24 percent by MBEs.
- (2) At least four percent by WBEs.

(b) For purposes of this Section 3 only, the Contractor (and any party to whom a subcontract is let by the Contractor in connection with the Work) shall be deemed a "contractor" and the Agreement (and any subcontract let by the Contractor in connection with the Work) 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. In addition, the term "minority-owned business" or "MBE" 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; and the term "women-owned business" or "WBE" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

(c) Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, the Contractor's MBE/WBE commitment may be achieved in part by the Contractor's status as an MBE or WBE (but only to the extent of any Work actually performed by the Contractor itself) 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 Work actually performed by the MBE or WBE itself), by subcontracting a portion of the Work to one or more MBEs or WBEs, or by the purchase of materials or services used in the Work 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 Contractor's MBE/WBE commitment as described in this Section 3. In accordance with Section 2-92-730, Municipal Code of Chicago, the Contractor shall not substitute any MBE or WBE subcontractor without the prior written approval of the City's Department of Community Development ("DCD").

(d) The Contractor shall deliver quarterly reports to the Owner and DCD during the Work 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 Contractor in connection with the Work, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the Work, a description of the labor performed or products or services supplied, the date and amount of such labor, product or service, and such other information as may assist the Owner and DCD in determining the Contractor's compliance with this MBE/WBE commitment. The Contractor shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the Work for at least five years after completion of the Work, and the Owner and DCD shall have access to all such records maintained by the Contractor, on five Business Days' notice, to allow the Owner and DCD to review the Contractor's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the Work.

(e) Upon the disqualification by the City of any MBE or WBE subcontractor, if such status was misrepresented by the disqualified party, the Contractor shall be obligated to discharge or cause to be discharged the disqualified 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 by the City of the Contractor's MBE/WBE commitment as described in this Section 3 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 Work, the Contractor and all major subcontractors shall be required to meet with the monitoring staff of DCD with regard to the Owner's MBE/WBE commitment under that certain Housing Loan Agreement between the City and the Owner in connection with the Work (the "Loan Agreement") and the Contractor's compliance with its obligations under this Section 3. During said meeting, the Owner and the Contractor shall demonstrate to DCD their plans to achieve their respective MBE/WBE obligations, the sufficiency of which shall be approved by DCD. During the Work, the Contractor shall submit the documentation required by this Section 3 to the Owner and the monitoring staff of DCD. Failure to submit such documentation on a timely basis, or a determination by DCD, upon analysis of the documentation, that the Contractor is not complying with its obligations under this Section 3, shall, upon the delivery of written notice to the Owner, be deemed an Event of Default under the Loan Agreement and may be an event of default under the Agreement. Upon the occurrence of any such Event of Default, in addition to any other remedies provided under

any of the Loan Documents (as defined in the Loan Agreement), the City may: (1) issue a written demand to the Owner to halt the Work, (2) withhold any further payment of any Loan (as defined in the Loan Agreement) proceeds to the Owner or the Contractor, or (3) seek any other remedies against the Owner available at law or in equity.

4. Contractor's Use of City Resident Workers. The Contractor shall ensure that at least 50 percent of the total hours worked on the site of the Project by employees of either the Contractor or any Subcontractor in connection with the Work shall be performed by residents of the City. The Contractor agrees to provide to the Owner and DCD documentation in form and substance satisfactory to DCD evidencing its compliance with this Section 4. The Contractor shall ensure that adequate residency records are available for inspection by the Owner and DCD upon reasonable notice for the period from the date hereof through the third anniversary of completion of the Project.

5. Lead-Based Paint. The Project shall constitute HUD-associated housing for purposes of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Section 4821 et seq., as amended, supplemented and restated from time to time), and comply with the requirements thereof to the extent provided under applicable federal regulations, including without limitation the requirements of notice to tenants, prohibition of the use of lead-based paint and for the elimination of the hazards of lead-based paint. Any lead-based paint and defective paint debris shall be disposed of in accordance with applicable federal, state and local requirements.

6. No Conflict of Interest. No individual who is an employee, agent, consultant, officer or elected or appointed official of the City (and no individual who was an employee, agent, consultant, officer or elected or appointed official within one year prior to the date of the Agreement) and who exercises or has exercised any functions or responsibilities with respect to activities assisted with City funds or who is or was in a position to participate in a decision-making process or gain inside information with regard to such activities, has obtained, is obtaining or will obtain a financial interest or benefit from the Work, or has or will have any interest in the Agreement or any contract, subcontract or agreement with respect to the Project, or the proceeds thereunder, either for himself or for those with whom he has family or business ties.

7. All Applicable Laws. The Contractor shall be subject to, obey and adhere to any and all federal, state and local laws, statutes, ordinances, rules, regulations and executive orders as are now or may be in effect during the term of the Agreement which may be applicable to the Contractor, the Work or the Project, including but not limited to the Copeland "Anti-kickback" Act, 18 U.S.C. Section 874, as supplemented by United States Department of Labor regulations at 29 C.F.R. Part 3, and all environmental laws, all as amended, supplemented and restated from time to time.

8. Third-Party Beneficiary. With respect to the provisions of this Rider, the City (1) is a third-party beneficiary, (2) is intended to receive a direct benefit in its capacity as a third-party beneficiary, and (3) shall have the same rights and remedies as the Owner to enforce the provisions of this Rider.

9. Insurance. The Contractor agrees that it shall procure and maintain insurance in such kinds and amounts as shall be required by the City and shall provide the City with a certificate of insurance evidencing such coverages and showing the City as an additional insured with respect to such policies as the City shall request.

10. Labor Standards. The applicable provisions are set forth in detail in Form HUD-4010 and the U.S. Secretary of Labor's wage determination, which are attached hereto and hereby made a part hereof. The Contractor shall comply with the provisions thereof and shall ensure that Form HUD-4010 and the U.S. Secretary of Labor's wage determination are attached to and incorporated in all bid specifications and subcontracts with respect to the Project, to the extent and as required in Form HUD-4010. In the event of any issues or disputes arising with respect to amounts due as wages to be paid in connection with the Project and/or as liquidated damages under the Contract Work Hours and Safety Standards Act, the Contractor agrees to execute, or cause the applicable subcontractor to execute, a Labor Standards Deposit Agreement (in the form attached hereto or such other form as shall be specified by the City) and to deposit, or cause to be deposited, funds in the amount designated by the City, to be held and disbursed as specified in such Labor Standards Deposit Agreement.

11. Reserved.

12. Open Dumping; Environmental Restriction. (a) The removal of all recyclable material and garbage, refuse or other waste material, including but not limited to broken concrete, bricks, rock, paving asphalt and incidental debris generated from all construction or demolition activities performed under the Agreement to which this Rider is attached, must be transported to a facility that is properly zoned and permitted to accept such material pursuant to Section 11-4 of the Municipal Code of Chicago and all other applicable local, state and federal laws and regulations. Bills of lading, manifests or other confirmatory receipts signed by a representative of the accepting facility for each load of material must be retained by the Contractor and made available to the City upon request. The Contractor shall complete and provide to the City an affidavit, in the form attached hereto and marked as "DISPOSAL AFFIDAVIT," at the time of the final payment to the Contractor for the Work.

(b) Neither the Contractor nor any "Affiliated Entity" (as defined below) of the Contractor has, during a period of five years prior to the date of execution of this Rider, (1) violated or engaged in any conduct which violated Sections 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code of Chicago or any other "Environmental Restriction" (as defined below); (2) received notice of any claim, demand or action, including but not limited to citations and warrants, from the City, the State of Illinois, the federal government, any state or political subdivision thereof, or any agency, court or body of the federal government or any state or political subdivision thereof, exercising executive, legislative, judicial, regulatory or administrative functions, relating to a violation or alleged violation of Sections 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code of Chicago or any other Environmental Restriction; or (3) been subject to any fine or penalty of any nature for failure to comply with Section 7-28-440 or 11-4-1500 or Article XIV of Chapter 11-4 or Chapters 7-28 or 11-4 of the Municipal Code of Chicago or any other Environmental Restriction.

(c) "Affiliated Entities" are affiliated if, directly or indirectly, one controls or has the power to control the other, or if a third person controls or has the power to control both entities. 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 another business entity using substantially the same management, ownership or principals as the first entity.



(d) "Environmental Restriction" means any statute, ordinance, rule, regulation, permit, permit condition, order or directive relating to or imposing liability or standards of conduct concerning the release or threatened release of hazardous materials, special wastes or other contaminants into the environment, and to the generation, use, storage, transportation or disposal of construction debris, bulk waste, refuse, garbage, solid wastes, hazardous materials, special wastes or other contaminants, including but not limited to (1) the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 *et seq.*); (2) the Hazardous Materials Transportation Act (49 U.S.C. § 1801 *et seq.*); (3) the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 *et seq.*); (4) the Clean Water Act (33 U.S.C. § 1251 *et seq.*); (5) the Clean Air Act (42 U.S.C. § 7401 *et seq.*); (6) the Toxic Substances Control Act of 1976 (15 U.S.C. § 2601 *et seq.*); (7) the Safe Drinking Water Act (42 U.S.C. § 300f *et seq.*); (8) the Occupational Health and Safety Act of 1970 (29 U.S.C. § 651 *et seq.*); (9) the Emergency Planning and Community Right to Know Act (42 U.S.C. § 11001 *et seq.*); and (10) the Illinois Environmental Protection Act (415 ILCS 5/1 through 5/56.6).

(e) The Contractor has obtained certifications in form and substance equal to Section 12(a)-(b) hereof from all Subcontractors that the Contractor presently intends to use in connection with the Project. As to Subcontractors to be used in connection with the Project who are not yet known to the Contractor, the Contractor shall obtain certifications in form and substance equal to Section 12(a)-(b) hereof from all such parties prior to using them in connection with the Project.

(f) The Contractor shall not, without the prior written consent of the City, use any Subcontractor in connection with the Project if the Contractor, based on information contained in such party's certification or any other information known or obtained by the Contractor, has reason to believe that such Subcontractor has, within the preceding five years, been in violation of any Environmental Restriction, received notice of any claim relating to a violation of an Environmental Restriction, or been subject to any fine or penalty for a violation of an Environmental Restriction.

(g) Further, the Contractor shall not, without the prior written consent of the City, use as a Subcontractor in connection with the Project any person or entity from which the Contractor is unable to obtain certifications in form and substance equal to Section 12(a)-(b) hereof or which the Contractor has reason to believe cannot provide truthful certifications.

13. Restriction on Lobbying. (a) The Contractor hereby certifies, that except as disclosed below, there are no persons registered under the Lobbying Disclosure Act of 1995, 2 U.S.C. § 1601 *et seq.* (the "Disclosure Act"), who have made lobbying contacts on behalf of the Contractor with respect to the Project. If no persons are disclosed below, it shall be conclusively presumed that the Contractor certifies that there are no such persons.

(b) The Contractor certifies that it has not and shall not expend any Federal appropriated funds to pay any person for influencing or attempting 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 awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement. Accordingly, the Contractor has not used any Federal appropriated funds to pay any person listed in Section 13(a) above for his/her lobbying activities in connection with the Project.

(c) The Contractor shall submit an updated certification to the Owner at the end of each calendar quarter in which there occurs any event that materially affect the accuracy of the statements and information set forth in paragraphs (a) and (b) above.

(d) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the Transaction, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(e) Either (1) the Contractor is not an organization described in Section 501(c)(4) of the Internal Revenue Code of 1986; or (2) the Contractor is an organization described in Section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and shall not engage in "lobbying activities," as defined in the Disclosure Act.

(f) The Contractor shall require that the language of this Section 13 be included in the award documents for all subawards at all tiers (including subcontracts, subgrants and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

(g) The certification contained in this Section 13 is a material representation of fact upon which reliance is placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

14. No bribery, bid-rigging, etc. The Contractor hereby represents and certifies as follows:

(a) The Contractor, or any party to be used in the performance of the Work (an "Applicable Party"), or any Affiliated Entity of either the Contractor or any Applicable Party, or any responsible official thereof, or any other official, agent or employee of the Contractor, any Applicable Party or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official thereof, has not within the last three years (1) bribed or attempted to bribe, or been convicted 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; (2) agreed or colluded, or been convicted 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 (3) made an admission of such conduct described in (1) or (2) above which is a matter of record, but has not been prosecuted for such conduct.

(b) The Contractor has obtained from all Applicable Parties, known by the Contractor at this time, certifications in form and substance equal to paragraph (a) above. Based on such certifications and any other information known or obtained by the Contractor, the Contractor is not aware of any such Applicable Party, any Affiliated Entity of such Applicable Party, or any agent, partner, employee or officer of such Applicable Party or Affiliated Entity having (1) engaged in or been convicted of any of the conduct described in Section 14(a)(1) or (2) above; (2) engaged in or been convicted of bid-rigging, bid-rotating, or any similar offense of any state of the United States of America which contains the same elements as bid-rigging and bid-

rotating; or (3) made an admission of the conduct described in Section 14(a)(1) or (2) above which is a matter of record, but not been prosecuted for such conduct.

(c) The Contractor shall, prior to using them in connection with the Work, obtain from all Applicable Parties to be used in connection with the Work but not known by the Contractor at this time, certifications in form and substance equal to paragraph (a) above. The Contractor shall not, without the prior written permission of the City, use any of such Applicable Parties in connection with the Work if the Contractor, based on such certifications or any other information known or obtained by the Contractor, becomes aware of such Applicable Party, any Affiliated Entity of such Applicable Party, or any agent, partner, employee or officer of such Applicable Party or Affiliated Entity having (1) engaged in or been convicted of any of the conduct described in Section 14(a)(1) or (2) above; (2) engaged in or been convicted of bid-rigging, bid-rotating, or any similar offense of any state of the United States of America which contains the same elements as bid-rigging and bid-rotating; or (3) made an admission of the conduct described in Section 14(a)(1) or (2) above which is a matter of record, but not been prosecuted for such conduct.

(d) For all Applicable Parties, the Contractor shall maintain for the term of the Agreement all certifications of all Applicable Parties required by Section 14(b) and (c) above, and the Contractor shall make such certifications promptly available to the City upon request.

(e) The Contractor shall not, without the prior written consent of the City, use as an Applicable Party any individual, firm, partnership, corporation, joint venture or other entity from whom the Contractor is unable to obtain a certification in form and substance equal to paragraph (a) above.

(f) The Contractor hereby agrees, if the City so demands, to terminate its contract with any Applicable Party, if such Applicable Party was ineligible at the time the contract was entered into for award of such contract, if applicable, under Section 2-92-320 of the Municipal Code, or if applicable, under Section 33-E of Article 33 of the State of Illinois Criminal Code of 1961, as amended, supplemented and restated from time to time. The Contractor shall insert adequate provisions in all contracts to allow it to terminate such contracts as required by this Section 14(f).

(g) The Contractor understands and shall comply with (1) the applicable requirements of the Governmental Ethics Ordinance of the City, Title 2, Chapter 2-156 of the Municipal Code; and (2) all the applicable provisions of Chapter 2-56 of the Municipal Code (Office of the Inspector General).

(h) Neither the Contractor nor any employee, official, agent or partner of the Contractor 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, as amended, supplemented and restated from time to time; (2) bid-rotating in violation of 720 ILCS 5/33E-4, as amended, supplemented and restated from time to time; or (3) any similar offense of any state or of the United States of America which contains the same elements as the offense of bid-rigging or bid-rotating.

15. Nonsegregated Facilities. (a) The Contractor certifies that it does not and shall not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and shall not permit its employees to perform their services at any location under

its control where segregated facilities are maintained. The Contractor agrees that a breach of this certification is a violation of the Equal Opportunity clause.

(b) "Segregated facilities," as used in this provision, means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin because of habit, local custom or otherwise.

(c) The Contractor further agrees that it shall obtain or cause to be obtained identical certifications from proposed Subcontractors in connection with the Project before the award of subcontracts under which the Subcontractor will be subject to the equal opportunity clause. Contracts and Subcontracts exceeding \$10,000, or having an aggregate value exceeding \$10,000 in any 12-month period, are generally subject to the equal opportunity clause. See 41 C.F.R. Part 60 for further information regarding the equal opportunity clause.

(d) The Contractor shall forward or cause to be forwarded the following notice to proposed contractors and subcontractors:

**NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR CERTIFICATIONS OF NONSEGREGATED FACILITIES**

A Certification of Nonsegregated Facilities must be submitted before the award of a contract/subcontract under which the contractor/subcontractor will be subject to the Equal Opportunity clause. The certifications may be submitted either for each contract/subcontract or for all contracts/subcontracts during a period (e.g., quarterly, semiannually or annually).

16. Equal Employment Opportunity. Federal regulations require that certain Contractors and proposed Subcontractors submit the following information with their bids or in writing at the outset of negotiations:

A. Do you have 50 or more employees?

☐ Yes                      ☐ No

If yes, please complete B through D below. If no, no farther information is required.

B. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 C.F.R. Part 60-2.)

☐ Yes                      ☐ No

C. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

☐ Yes                      ☐ No

D. If the answer to (C) is yes, have you filed with the Joint Reporting Committee, the Director of OFCC, any federal agency, or the former President's Committee on Equal Employment Opportunity, all reports due under the applicable filing requirements of these organizations?

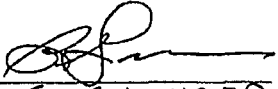
☐ Yes                      ☐ No

OWNER:


HANCOCK HOUSE LIMITED PARTNERSHIP,  
an Illinois limited partnership

By: HANCOCK HOUSE, L.L.C., its general partner

By: Source Works Development, LLC, its managing  
member

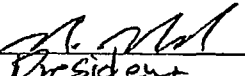
By:   
Its: SOME MEMBER

BROWNLOW, BELTON, SULLIVAN, ARMS NFP

By:   
Its: BROWNLOW

CONTRACTOR:

JOSEPH J. DUFFY CO

By:   
Its: President

DISPOSAL AFFIDAVIT  
CITY OF CHICAGO  
DEPARTMENT OF HOUSING  
CONSTRUCTION ADMINISTRATION SECTION

CONTRACTOR'S AFFIDAVIT REGARDING REMOVAL OF ALL  
WASTE MATERIALS AND IDENTIFICATION OF LEGAL DUMP SITES

Contractor to show here the name and location of the ultimate disposal site he / she is proposing to use for the subject project: \_\_\_\_\_

SPECIFY THE TYPE OF MATERIALS TO BE DISPOSED OF:

LEGAL NAME OF LANDFILL / DISPOSAL SITE:

(The Contractor must provide the Commissioner or his / her designated representative with copies of all dump tickets, manifests, etc.)

LOCATION ADDRESS:

PHONE: (       )

CONTACT PERSON:

Disposal sites submitted shall be of sufficient capacity as to ensure acceptance of the volume of Construction and/or Demolition Debris received for the period of this contract. These disposal sites must meet all zoning and other requirements that may be necessary.

If requested by the Chief Procurement Officer, the Contractor shall submit, copies of all contractual agreements, sanitary landfill permits and/or licenses for those disposal site(s) proposed by the Contractor.

Contractor's Name:

Address:

Authorized Signature:

Title:

Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

Project Address:

Owner / Developer:

DCD USE ONLY

PROGRAM:

☐ Multi-Unit

☐ E. H. A. P.

☐ Facade

☐ Single Family

☐ B. I. L. P.    ☐ Other:

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

**FORM HUD-4010**

see attached

## Federal Labor Standards Provisions

U.S. Department of Housing  
and Urban Development  
Office of Labor Relations

### Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (I) Minimum Wages. All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(II) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(II) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
  - (2) The classification is utilized in the area by the construction industry; and
  - (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- (b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where

appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(II)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(III) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(IV) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part



of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (I) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section I(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section I(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(II) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(I). This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, DC 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be maintained under 29 CFR 5.5 (a)(3)(I) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll

period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(II)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(III) The contractor or subcontractor shall make the records required under subparagraph A.3.(I) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

#### 4. Apprentices and Trainees:

(I) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the

Journeyman hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(II) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(III) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract.

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 of this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (I) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(II) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(III) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration . . . makes, utters or publishes any statement knowing the same to be false . . . shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable only where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph

graph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in sub paragraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable only where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 USC 3701 et seq.

(3) The Contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The Contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

## **APPLICABLE WAGE DETERMINATION**

see attached



BRIL0021-006 06/01/2009

	Rates	Fringes
TERRAZZO WORKER/SETTER.....	\$ 39.01	19.11
TILE FINISHER.....	\$ 33.60	15.22
TILE SETTER.....	\$ 38.63	15.34

\* BRIL0021-009 06/01/2009

	Rates	Fringes
MARBLE FINISHER.....	\$ 29.10	19.90

\* BRIL0021-012 06/01/2009

	Rates	Fringes
Pointer, cleaner and caulker.....	\$ 39.20	18.51

CARP0585-001 06/01/2009

	Rates	Fringes
CARPENTER Carpenter, Lather, Millwright, Piledriver, and Soft Floor Layer.....	\$ 40.77	20.13

CAEP0555-002 10/01/2009

	Rates	Fringes
CARPENTER (Excluding structures with elevators and structures over 3 1/2 stories)....	\$ 35.37	20.12

ELEC0009-003 05/25/2009

	Rates	Fringes
Line Construction Groundman.....	\$ 31.08	58.18%
Lineman and Equipment Operator.....	\$ 39.85	58.18%

ELEC0134-001 06/02/2008

	Rates	Fringes
ELECTRICIAN.....	\$ 39.40	20.32

ELEC0134-002 04/01/1998

	Rates	Fringes
ELECTRICIAN ((CLASS B) (Install magnetic or electronic replacement ballasts either singly or in		

groups including necessary wiring within fixture; Install replacement lamp holders and/or sockets including necessary wiring within fixture including relocating sockets within fixture; Install replacement lighting circuit breakers where necessary; Install replacement lighting switches where necessary; Repair lighting fixtures other than ballast or socket replacements; Rewire chandeliers or incandescent fixtures only within fixtures themselves.).....\$ 20.71                      2.975+a+b

## FOOTNOTES:

a-Paid Vacation- Employees who have been employed for one year but less than three years receive 1 week of paid vacation; employees who have been employed three years but less than ten years receive 2 weeks of paid vacation; Employees who have been employed ten years but less than twenty years receive 3 weeks of paid vacation; and employees who have worked twenty or more years receive 4 weeks of paid vacation.

b-Funeral Leave-In the instance of the death of a mother, other-in-law-; father, father-in-law, sister, brother, husband, wife, or a child of an employee shall receive up to three days of paid funeral leave.

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ELEC0134-003 06/07/2004

	Rates	Fringes
ELECTRICIAN		
ELECTRICAL TECHNICIAN.....	\$ 30.89	12.59

The work shall consist of the installation, operation, inspection, maintenance, repair and service of radio, television, recording, voice sound vision production and reproduction, telephone and telephone interconnect, facsimile, data apparatus, coaxial, fibre optic and wireless equipment, appliances and systems used for the transmission and reception of signals of any nature, business, domestic, commercial, education, entertainment and residential purposes, including but not limited to communication and telephone, electronic and sound equipment, fibre optic and data communication systems, and the performance of any task directly related to such installation or service whether at new or existing sites, such tasks to include the placing of wire and cable and electrical power conduit or other raceway work within the equipment room and pulling wire and/or cable through conduit and the installation of any incidental conduit.

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\* ELEV0002-003 01/01/2010

	Rates	Fringes
ELEVATOR MECHANIC.....	\$ 46.16	20.035+A+B

FOOTNOTES:

A. Eight paid holidays: New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day; Day after Thanksgiving; Veterans' Day and Christmas Day.

B. Employer contributes 8% of regular basic hourly rate as vacation pay credit for employees with more than 5 years of service; and 6% for 6 months to 5 years of service.

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\* ENGI0150-006 06/01/2009

Building and Residential Construction

	Rates	Fringes
POWER EQUIPMENT OPERATOR		
GROUP 1.....	\$ 45.10	22.80
GROUP 2.....	\$ 43.80	22.80
GROUP 3.....	\$ 41.25	22.80
GROUP 4.....	\$ 39.50	22.80

POWER EQUIPMENT OPERATORS CLASSIFICATIONS

GROUP 1: Mechanic; Asphalt Plant\*; Asphalt Spreader; Autograde\*; Backhoes with Caisson attachment\*; Batch Plant\*; Benoto (Requires two Engineers); Boiler and Throttle Valve; Caisson Rigs\*; Central Redi-Mix Plant\*; Combination Backhoe Front Endloader Machine; Compressor and Throttle Valve; Concrete Breaker (Truck Mounted)\*; Concrete Conveyor; Concrete Conveyor, Truck Mounted; Concrete Paver over 27E cu. ft.\*; Concrete Paver 27E cu ft and Under\*; Concrete Placer\*; Concrete Placing Boom; Concrete Pump (Truck Mounted); Concrete Tower; Cranes\*; Cranes, Hammerhead\*; Cranes, (GCI and similar type Requires two operators only); Creter Crane; Crusher, Stone, etc; Derricks; Derricks, Traveling\*; Formless Curb and Gutter Machine\*; Grader, Elevating; Grouting Machines; Highlift Shovels or Front Endloader 2 1/4 yd. and over; Hoists, Elevators, Outside Type Rack and pinion and similar Machines; Hoists, One, Two, and Three Drum; Hoists, Two Tugger One Floor; Hydraulic Backhoes\*; Hydraulic Boom Trucks; Hydraulic Vac (and similar equipment); Locomotives; Motor Patrol\*; Pile Drivers and Skid Rig\*; Post Hole Digger; Pre-Stress Machine; Pump Cretes Dual Ram (Requiring frequent Lubrication and Water); Pump Cretes; Squeeze Cretes-Screw Type Pumps Gypsum Bulker and Pump; Raised and Blind Hole Drill\*; Roto Mill Grinder (36" and Over)\*; Roto Mill Grinder (Less Than 36")\*; Scoops-Tractor Drawn; Slip-Form Paver\*; Straddle Buggies; Tournapull; Tractor with Boom, and Side Boom; and Trenching Machines\*.

GROUP 2: Bobcat (over 3/4 cu yd); Boilers; Broom, Power Propelled; Bulldozers; Concrete Mixer (Two Bag and over);



Conveyor, Portable; Forklift Trucks; Greaser Engineer;  
 Highlift Shovels or Front End loaders under 2 1/4 cu yd;  
 Automatic Hoists, Hoists, Inside Elevators; Hoists, Sewer  
 Dragging Machine; Hoists, Tugger Single Drum; Laser Screed;  
 Rock Drill (Self-Propelled); Rock Drill (Truck Mounted)\*;  
 Rollers; Steam Generators; Tractors; Tractor Drawn  
 Vibratory Roller (Receives an additional \$.50 per hour);  
 Winch Trucks with "A" Frame.

GROUP 3: Air Compressor-Small 250 and Under (1 to 5 not to  
 exceed a total of 300 ft); Air Compressor-Large over 250;  
 Combination-Small Equipment Operator; Generator- Small 50  
 kw and under; Generator-Large over 50 kw; Heaters,  
 Mechanical; Hoists, Inside Elevators (Remodeling or  
 Renovatin work); Hydrualic Power Units (Pile Driving,  
 Extracting, and Drilling); Low Boys; Pumps Over 3" (1 To 3  
 not to exceed a total of 300 ft); Pumps, Well Points;  
 Welding Machines (2 through 5); Winches, 4 Small Electric  
 Drill Winches; Bobcat (up to and including 3/4 cu yd)

GROUP 4 - Bobcats and/or other Skid Steer Loaders; Brick  
 Forklifts; Oilers

\*-Requires Oiler

\* ENGI0150-025 06/01/2009

#### Heavy and Highway Construction

	Rates	Fringes
POWER EQUIPMENT OPERATOR		
GROUP 1.....	\$ 43.30	22.80
GROUP 2.....	\$ 42.75	22.80
GROUP 3.....	\$ 40.70	22.80
GROUP 4.....	\$ 39.30	22.80
GROUP 5.....	\$ 38.10	22.80

#### POWER EQUIPMENT OPERATOR CLASSIFICATIONS

GROUP 1: Asphalt Plant\*; Asphalt Heater and Planer  
 combination; Asphalt Heater Scarfire\*, Asphalt Spreader;  
 Autograder/ GOMACO or similar; ABG Paver\*, Backhoes with  
 Caisson attachment\*, Ballast Regulator, Belt Loader\*;  
 Caisson Rigs\*Car Dumper, Central Redi-Mix Plant\*,  
 Combination Backhoe; Front End Loader Machine (1 cu yd or  
 over Backhoe bucket or with attachments); Concrete Breaker  
 (truck mounted); Concrete Conveyor; Concrete Paver over 27E  
 cu ft\*; Concrete Placer\*; Concrete Tube Float; Cranes, all  
 attachments\*; Cranes, Hammerhead, Linden, Peco and machines  
 of a like nature\*; Creter Crane; Crusher, stone; All  
 Derricks; Derrick Boats; Derricks, traveling\*; Dowell  
 Machine with Air Compressor (\$1.00 above Class 1);  
 Dredges\*; Field Mechanic Welder; Formless Curb and Gutter  
 Machine\*; Gradall and machines of a like nature\*; Grader,  
 Elevating; Grader, Motor Grader, Motor Patrol, Auto Patrol,  
 Form Grader, Pull Grader, Subgrader; Guard Rail Post Driver  
 mounted\*; Hoists, one, two, and three Drum; Hydraulic  
 Backhoes\*; Backhoes with Shear attachments\*; Mucking  
 Machine; Pile Drivers and Skid Rig\*; Pre-Stress Machine;

Pump Cretes Dual Ram (requires frequent lubrication and water)\*; Rock Drill- Crawler or Skid Rig\*; Rock Drill truck mounted\*; Rock/ Track Tamper; Roto Mill Grinder, (36" and over)\*; Slip-Form Paver\*; Soil Test Drill Rig, truck mounted\*; Straddle Buggies; Hydraulic Telescoping Form (tunnel); Tractor Drawn Belt Loader\*; Tractor Drawn Belt Loader with attached Pusher (two engineers); Tractor with boom; Tractaire with attachment; Traffic Barrier Transfer Machine\*; Trenching Machine; Truck Mounted Concrete Pump with boom\*; Underground Boring and/or Mining Machines 5 ft in diameter and over tunnel, etc.\*; Wheel Excavator\* & Widener (Apsco); Raised or Blind Hoe Drill, Tunnel & Shaft\*

GROUP 2: Batch Plant\*; Bituminous Mixer; Boiler and Throttle Valve; Bulldozer; Car Loader Trailing Conveyors; Combination Backhoe Front End Loader Machine, (less than 1 cu yd Backhoe Bucket with attachments); Compressor and Throttle Valve; Compressor, common receiver (3); Concrete Breaker or Hydro Hammer; Concrete Grinding Machine; Concrete Mixer or Paver 7S series to and including 27 cu ft; Concrete Spreader; Concrete Curing Machine; Burlap Machine; Belting Machine and Sealing Machine; Concrete Wheel Saw; Conveyor Muck Cars (Haglund or similar type); Drills (all); Finishing Machine-Concrete; Greaser Engineer; Highlift Shovels or Front End Loader; Hoist- Sewer Dragging Machine; Hydraulic Boom Trucks, all attachments; Hydro-Blaster (requires two operators); Laser Screed\*; Locomotives, Dinky; Off-Road Hauling Units (including articulating); Pump Cretes; Squeeze Cretes-Screw Type pumps, Gypsum Bulker and Pump; Roller Asphalt; Rotary Snow Plows; Rototiller, Seaman, self-Propelled; Scoops-Tractor Drawn; Self-propelled Compactor; Spreader-Chip-Stone; Scraper; Scraper-Prime Mover in Tandem regardless of size (add \$1.00 to Group 2 hourly rate for each hour and for each machine attached thereto add \$1.00 to Group 2 hourly rate for each hour); Tank Car Heater; Tractors, Push, pulling Sheeps Foot, Disc, or Compactor, etc; Tug Boats

GROUP 3: Boilers; Brooms, all power propelled; Cement Supply Tender; Compressor, Common Receiver (2); Concrete Mixer, two bag and over; Conveyor, Portable; Farm type Tractors used for mowing, seeding, etc; Fireman on Boilers; Forklift Trucks; Grouting Machines; Hoists, Automatic; Hoists, all Elevators; Hoists, Tugger single Drum; Jeep Diggers; Low Boys; Pipe Jacking Machines; Post-hole Digger; Power Saw, Concrete, Power Driven; Pug Mills; Rollers, other than asphalt; Seed and Straw Blower; Steam Generators; Stump Machine; Winch Trucks with A-Frame; Work Boats; Tamper-Form motor driven

GROUP 4: Air compressor - Small 250 and under (1 to 5 not to exceed a total of 300 ft); Air Compressor - Large over 250; Combination - Small Equipment Operator; Directional Boring Machine; Generators - Small 50 kw and under; Generators - Large, over 50 kw; Heaters, Mechanical; Hydraulic power unit (Pile Driving, Extracting or Drilling); Light Plants (1 to 5); Pumps, over 3" (1 to 3, not to exceed a total of 300 ft); Pumps, Well Points; Tractaire; Welding Machines (2 through 5); Winches, 4 small electric drill winches;

GROUP 5: Bobcats (All); Brick Forklifts; Oilers; Directional Boring

\*Requires Oiler

IRON0001-025 06/01/2009

	Rates	Fringes
IRONWORKER		
Sheeter.....	\$ 41.00	27.24
Structural and Reinforcing..	\$ 40.75	27.24

IRON0063-001 06/01/2009

	Rates	Fringes
IRONWORKER, ORNAMENTAL.....	\$ 39.20	22.99

IRON0063-002 06/01/2009

	Rates	Fringes
IRONWORKER		
Fence Erector.....	\$ 32.15	18.43

IRON0136-001 07/01/2009

	Rates	Fringes
IRONWORKER		
Machinery Movers and Riggers.....	\$ 37.25	25.54
Master Riggers.....	\$ 39.75	25.54

LABO0002-006 06/01/2008

	Rates	Fringes
LABORER		
GROUP 1.....	\$ 34.75	15.27
GROUP 2.....	\$ 34.75	15.27
GROUP 3.....	\$ 34.825	15.27
GROUP 4.....	\$ 34.85	15.27
GROUP 5.....	\$ 34.90	15.27
GROUP 6.....	\$ 34.95	15.27
GROUP 7.....	\$ 34.975	15.27
GROUP 8.....	\$ 34.975	15.27
GROUP 9.....	\$ 35.025	15.27
GROUP 10.....	\$ 35.20	15.27
GROUP 11.....	\$ 35.025	15.27
GROUP 12.....	\$ 35.75	15.27

LABORER CLASSIFICATIONS

GROUP 1: Building Laborers; Plasterer Tenders; Pumps for Dewatering; and other unclassified laborers.

GROUP 2: Fireproofing and Fire Shop laborers.

GROUP 3: Cement Gun.

GROUP 4: Chimney over 40 ft.; Scaffold Laborers.

GROUP 5: Cement Gun Nozzle Laborers (Gunitite); Windlass and capstan person.

GROUP 6: Stone Derrickmen & Handlers.

GROUP 7: Jackhammersmen; Power driven concrete saws; and other power tools.

GROUP 8: Firebrick & Boiler Laborers.

GROUP 9: Chimney on fire brick; Caisson diggers; & Well Point System men.

GROUP 10: Boiler Setter Plastic Laborers.

GROUP 11: Jackhammersmen on fire brick work only.

GROUP 12: Dosimeter use (any device) monitoring nuclear exposure); Asbestos Abatement Laborer; Toxic and Hazardous Waste Removal Laborers.

LABO0002-007 06/01/2008

	Rates	Fringes
LABORER		
GROUP 1.....	\$ 34.75	15.27
GROUP 2.....	\$ 35.025	15.27
GROUP 3.....	\$ 34.90	15.27
GROUP 4.....	\$ 35.025	15.27
GROUP 5.....	\$ 35.75	15.27

#### LABORER CLASSIFICATIONS

GROUP 1: Common laborer; Tenders; Material expeditor (asphalt plant); Street paving, Grade separation, sidewalk, curb & gutter, strippers & All laborers not otherwise mentioned

GROUP 2: Asphalt tampers & smoothers; Cement gun laborers

GROUP 3: Cement Gun Nozzle (laborers), Gunitite

GROUP 4: Rakers, Lutemen; Machine-Screwmen; Kettlemen; Mixermen; Drum-men; Jackhammersmen (asphalt); Paintmen; Mitre box spreaders; Laborers on birch, overman and similar spreader equipment; Laborers on APSCO; Laborers on air compressor; Paving Form Setter; Jackhammersmen (concrete); Power drive concrete saws; other power tools.

GROUP 5: Asbestos Abatement Laborers; Toxic and Hazardous Waste Removal Laborers, Dosimeter (any device) monitoring nuclear exposure

LABO0002-008 06/01/2008

	Rates	Fringes
LABORER (Compressed Air)		
0 - 15 POUNDS.....	\$ 35.75	15.27
16 - 20 POUNDS.....	\$ 36.25	15.27
21 - 26 POUNDS.....	\$ 36.75	15.27
27 - 33 POUNDS.....	\$ 37.75	15.27
34 - AND OVER.....	\$ 38.75	15.27
LABORER (Tunnel and Sewer)		
GROUP 1.....	\$ 34.75	15.27
GROUP 2.....	\$ 34.875	15.27
GROUP 3.....	\$ 34.975	15.27
GROUP 4.....	\$ 35.10	15.27
GROUP 5.....	\$ 35.75	15.27

## LABORER CLASSIFICATIONS (TUNNEL)

GROUP 1: Cage tenders; Dumpmen; Flagmen; Signalmen; Top laborers

GROUP 2: Air hoist operator; Key board operator; concrete laborer; Grout; Lock tenders (Free Air Side); Steel setters; Tuggers; Switchmen; Car pusher

GROUP 3: Concrete repairmen; Lock tenders (pressure side); Mortar men; Muckers; Grout machine operators; Track layers

GROUP 4: Air trac drill operator; Miner; Bricklayer tenders; Concrete blower operator; Drillers; Dynamiters; Erector operator; Form men; Jackhammermen; Powerpac; Mining machine operators; Mucking machine operator; Laser beam operator; Liner plate and ring setters; Shield drivers; Power knife operator; Welder- burners; Pipe jacking machine operator; skimmers; Maintenance technician

GROUP 5: Asbestos abatement laborer; Toxic and hazardous waste removal laborer; Dosimeter (any device) monitoring nuclear exposure

## LABORER CLASSIFICATIONS (SEWER)

GROUP 1: Signalmen; Top laborers and All other laborers

GROUP 2: Concrete laborers and Steel setters

GROUP 3: Cement carriers; Cement mixers; Concrete repairmen; Mortar men; Scaffold men; Second Bottom men

GROUP 4: Air trac drill operator; Bottom men; Bracers-bracing; Bricklayer tenders; Catch basin diggers; Drainlayers; dynamiters; Form men; Jackhammermen; Powerpac; Pipelayers; Rodders; Welder-burners; Well point systems men

GROUP 5: Asbestos abatement laborer, Toxic and hazardous waste removal laborer; Dosimeter (any device) monitoring nuclear exposure

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LABO0225-001 06/01/2008

Rates	Fringes
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## LABORER (DEMOLITION/WRECKING)

GROUP 1.....	\$ 28.45	15.52
GROUP 2.....	\$ 34.75	15.52
GROUP 3.....	\$ 34.75	15.52

## LABORER CLASSIFICATIONS

GROUP 1 - Complete Demolition

GROUP 2 - Interior Wrecking and Strip Out Work

GROUP 3 - Asbestos Work with Complete Demolition/Wrecking or Strip Out Work

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PAIN0014-001 06/01/2009

	Rates	Fringes
PAINTER (including taper).....	\$ 38.00	18.44

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PAIN0027-001 06/01/2009

	Rates	Fringes
GLAZIER.....	\$ 37.00	22.88

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PLAS0005-002 07/01/2009

	Rates	Fringes
PLASTERER.....	\$ 38.55	19.14

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PLAS0502-001 06/01/2009

	Rates	Fringes
CEMENT MASON/CONCRETE FINISHER...	\$ 41.85	18.63

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PLUM0130-001 06/01/2008

	Rates	Fringes
PLUMBER.....	\$ 43.00	16.20

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PLUM0597-002 06/01/2009

	Rates	Fringes
PIPEFITTER.....	\$ 43.15	18.78

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\* ROOF0011-001 12/01/2009

	Rates	Fringes
ROOFER.....	\$ 37.00	13.85

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SFIL0281-001 01/01/2008

	Rates	Fringes
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SPRINKLER FITTER.....	\$ 40.50	16.00
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SHEE0073-001 01/01/2007

	Rates	Fringes
Sheet Metal Worker.....	\$ 36.96	17.42

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SHEE0073-002 01/01/2007

	Rates	Fringes
Sheet Metal Worker		
ALUMINUM GUTTER WORK.....	\$ 24.03	17.42

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\* TEAM0731-001 06/01/2008

COOK COUNTY - HEAVY AND HIGHWAY

	Rates	Fringes
TRUCK DRIVER		
2 & 3 Axles.....	\$ 30.70	12.35
4 Axles.....	\$ 30.95	12.35
5 Axles.....	\$ 31.15	12.35
6 Axles.....	\$ 31.35	12.35

#### FOOTNOTES:

A. Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

B. 900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

C. An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Bolsters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7

yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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\* TEAM0786-001 06/01/2008

#### COOK COUNTY - BUILDING AND RESIDENTIAL

	Rates	Fringes
TRUCK DRIVER		
2 & 3 Axles.....	\$ 31.33	.10+a
4 Axles.....	\$ 31.58	.10+a
5 Axles.....	\$ 31.78	.10+a
6 Axles.....	\$ 31.98	.10+a

#### FOOTNOTES:

a. \$463.00 per week.

An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Holsters;



Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long;

Slurry Trucks, one-man operation; Winch Trucks, 3 axle or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicles, such as mounted crane trucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.  
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Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CPR 5.5 (a) (1) (ii)).

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In the listing above, the "SU" designation means that rates listed under the identifier do not reflect collectively bargained wage and fringe benefit rates. Other designations indicate unions whose rates have been determined to be prevailing.  
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#### WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can

be:

- \* an existing published wage determination
- \* a survey underlying a wage determination
- \* a Wage and Hour Division letter setting forth a position on a wage determination matter
- \* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations  
Wage and Hour Division  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

IL100020 MOD 3 REVISED 05/21/10 IL20  
 \*\*\*\*\* THIS WAGE DETERMINATION WAS REPLACED ON 05/21/10\*\*\*\*\*  
 General Decision Number: IL100020 05/07/2010

Superseded General Decision Number: IL20080020

State: Illinois

Construction Types: Building Landscape, Heavy Landscape,  
 Highway Landscape and Residential Landscape

Counties: Boone, Cook, De Kalb, Du Page, Grundy, Henry, Kane,  
 Kankakee, Kendall, Lake, McHenry, McLean, Ogle, Peoria, Rock  
 Island, Tazewell, Will, Winnebago and Woodford Counties in  
 Illinois.

LANDSCAPING WORK ON BUILDING, RESIDENTIAL, HEAVY AND HIGHWAY  
 CONSTRUCTION PROJECTS.

Modification Number	Publication Date
0	03/12/2010
1	03/19/2010
2	04/02/2010
3	05/07/2010

ENGI0150-013 01/01/2008

BUILDING AND HIGHWAY CONSTRUCTION (LANDSCAPE WORK): The  
 landscape work for the Landscape Equipment Operator excludes  
 the preparation of sub-grade prior to application of finish  
 landscape materials and the utilization of any equipment over  
 one cubic yard.

BOONE, COOK, DUPAGE, GRUNDY, KANE, KENDALL, LAKE, MCHENRY, AND--  
 WILL COUNTIES

	Rates	Fringes
Operators:.....	\$ 23.00	1.55+A+B+C
Includes Angle Dozer, Small; Bobcat and other similar type machines, 1 cu yd or less; Chipping Machine; Combination Backhoe and Front End Loader 1 cu yd or less; Fork Lift Truck; Hi-Reach and High-Ranger; Hydraulic Boom with Clam; Log Skidder; Straw Blower and Seeder; Stump Machine; Tractors, Crawlers, Rubber Tire Tractors, Highlift Shovels or Front End Loaders 1 cu yd or less; Tree Spades, all; Utility Tractor and attachments, and Rubber Tire Front End loader or similar machine of 1 to 1.5 cu yd solely used for placement of large decorative boulders, trees with balled soil, and other decorative landscape material too large to be accommodated in a 1 cu yd bucket. All other equipment utilized for performing landscape work, tree trimming or removal of stees, and to install plants; transport trees; excavate plant pits; place soil and other landscape materials; and apply finish landscape material on subgrade prepared by others		

## FOOTNOTE:

A. Health and Welfare contribution is \$810.00 per month effective January 1, 2007 and \$895.00 per month effective January 1, 2008.

B. Paid Holidays: New Year's Day; Memorial Day; Fourth of July; Labor Day; Thanksgiving Day; and Christmas Day are provided the employee if they work their regularly scheduled work day immediately preceding and the regularly work day immediately succeeding the occurrence of the holiday.

C. Paid Vacation: All employees who have been in the employ of the Employer for a full season of work shall be entitled to one (1) week of vacation with pay. Employees who have been paid for not less than twelve hundred (1200) straight time hours since their most recent anniversary date of hire at vacation time will be deemed to have worked one full season. All employees who have been in the employ of their Employer for three(3) or more consecutive full seasons of work shall at the conclusion of their current season be entitled to two (2) weeks of paid vacation. All employees who have been in the employ of their employer for nine (9) or more consecutive full seasons of work shall be entitled to three (3) weeks of paid vacation.

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ENGI0150-023 01/01/2008

HIGHWAY CONSTRUCTION (LANDSCAPE WORK): The landscape work for the Landscape Equipment Operator excludes the preparation of sub-grade prior to application of finish landscape materials and the utilization of any equipment over one cubic yard.

HENRY, MCLEAN, OGLE, PEORIA, ROCK ISLAND, TAZEWELL, WINNEBAGO, and WOODFORD COUNTIES

	Rates	Fringes
Operators:.....	\$ 23.00	1.65+A+B+C
Includes the following: Angle Dozer, Small; Bobcat and other similar type machines, 1 cu yd or less; Chipping Machine; Combination Backhoe and Front End Loader 1 cu yd or less; Fork Lift Truck; Hi-Reach and High-Ranger; Hydraulic Boom with Clam; Log Skidder; Sttrow Blower and Seeder; Stump Machine; Tractors, Crawlers, Rubber Tire Tractors, Highlift Shovels or Front End Loaders 1 cu yd or less; Tree Spades, all; Utility Tractor and attachments, and Rubber Tire Front End loader or similar machine of 1 to 1.5 cu yd solely used for placement of large decorative boulders, trees with balled soil, and other decorative landscape material too large to be accommodated in a 1 cu yd bucket. All other equipment utilized for performing landscape work, tree trimming or removal of stees, and to install plants; transport trees; excavate plant pits; place soil and other landscape materials; and apply finish landscape material on subgrade prepared by others		

## FOOTNOTE:

A. Health and Welfare contribution of 735.00 per month

B. Paid Holidays: New Year's Day; Memorial Day; Fourth of July; Labor Day; Thanksgiving Day; and Christmas Day are provided the employee if they work their regularly scheduled work day immediately preceding and the regularly work day immediately succeeding the occurrence of the holiday.

C. Paid Vacation: All employees who have been in the employ of the Employer for a full season of work shall be entitled to one (1) week of vacation with pay. Employees who have been paid for not less than twelve hundred (1200) straight time hours since their most recent anniversary date of hire at vacation time will be deemed to have worked one full season. All employees who have been in the employ of their employer for three (3) or more consecutive full seasons of work shall at the conclusion of their current season be entitled to two (2) weeks of paid vacation. All employees who have been in the employ of their employer for nine (9) or more consecutive full seasons of work shall be entitled to three (3) weeks of paid vacation.

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LABO0032-004 05/01/2009

## HIGHWAY CONSTRUCTION

## WINNEBAGO COUNTY

	Rates	Fringes
Landscape Laborer.....	\$ 27.66	18.50

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\* LABO0362-003 05/01/2010

## HIGHWAY CONSTRUCTION

## MCLEAN COUNTY

	Rates	Fringes
Landscape Laborer.....	\$ 28.56	15.90

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\* LABO0751-004 05/01/2010

## HIGHWAY CONSTRUCTION

## KANKAKEE COUNTY

	Rates	Fringes
Landscape Laborer.....	\$ 31.21	18.13

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LABO0852-004 05/01/2006

## HIGHWAY CONSTRUCTION

## ROCK ISLAND AND HENRY COUNTIES

	Rates	Fringes
Landscape Laborer.....	\$ 21.94	12.79

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 \* LABO0996-004 05/01/2010

#### HIGHWAY CONSTRUCTION

PEORIA, TAZEWELL, AND WOODFORD COUNTIES

	Rates	Fringes
Landscape Laborer.....	\$ 29.14	15.32

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 SUIL1993-001 01/19/1993

#### BUILDING CONSTRUCTION (LANDSCAPE WORK):

	Rates	Fringes
LABORER		
BOONE, GRUNDY, KANE, KENDALL, LAKE, MCHENRY, & WILL COUNTIES		
LANDSCAPE LABORERS.....	\$ 7.25	
COOK COUNTY		
LANDSCAPE LABORERS.....	\$ 7.25	
LANDSCAPE PLANTSMAN.....	\$ 9.80	1.82
DE KALB COUNTY		
LANDSCAPE LABORERS.....	\$ 7.25	
LANDSCAPE OPERATORS.....	\$ 7.25	
LANDSCAPE PLANTSMAN.....	\$ 9.66	.26
DU PAGE COUNTY		
LANDSCAPE LABORERS.....	\$ 7.25	
LANDSCAPE PLANTSMAN.....	\$ 9.04	1.16
GRUNDY, LAKE & WILL COUNTIES		
LANDSCAPE DRIVER 2 & 3 AXLES.....	\$ 11.86	2.81
LANDSCAPE PLANTSMAN.....	\$ 12.00	3.32

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 SUIL1993-002 01/19/1993

#### HEAVY CONSTRUCTION (LANDSCAPE WORK)

	Rates	Fringes
LABORER		
BOONE, GRUNDY, KANE, KENDALL, LAKE, MCHENRY & WILL COUNTIES:		
LANDSCAPE DRIVER, 2 & 3 AXLES.....	\$ 11.94	2.42
LANDSCAPE LABORERS.....	\$ 7.25	
LANDSCAPE OPERATORS.....	\$ 13.11	3.01
LANDSCAPE PLANTSMAN.....	\$ 9.73	2.05
COOK COUNTY:		
LANDSCAPE DRIVER, 2 & 3 AXLES.....	\$ 9.93	1.89

LANDSCAPE LABORERS.....	\$ 7.25	
LANDSCAPE OPERATORS.....	\$ 10.98	2.12
LANDSCAPE PLANTSMAN.....	\$ 10.08	2.06
DE KALB COUNTY:		
LANDSCAPE LABORERS.....	\$ 7.25	
LANDSCAPE OPERATORS.....	\$ 7.25	
LANDSCAPE PLANTSMAN.....	\$ 9.66	.26
DU PAGE COUNTY:		
LANDSCAPE DRIVER, 2 & 3		
AXLES.....	\$ 8.32	1.02
LANDSCAPE LABORERS.....	\$ 7.25	
LANDSCAPE OPERATORS.....	\$ 10.75	
LANDSCAPE PLANTSMAN.....	\$ 10.65	

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SOIL1993-003 01/19/1993

HIGHWAY CONSTRUCTION (LANDSCAPE WORK):

	Rates	Fringes
LABORER		
DE KALB COUNTY		
LANDSCAPE LABORERS.....	\$ 7.25	
LANDSCAPE OPERATORS.....	\$ 7.25	
LANDSCAPE PLANTSMAN.....	\$ 9.66	.26
KANKAKEE COUNTY:		
LANDSCAPE DRIVER.....	\$ 8.75	.17
LANDSCAPE OPERATOR.....	\$ 16.57	3.56
PEORIA, TAZEWELL, &		
WOODFORD COUNTIES:		
TRUCK DRIVERS 2 & 3 AXLES..	\$ 17.58	5.88

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TEAM0065-005 05/01/2009

MCLEAN COUNTY (South of a straight line from where Route 24 intersects the Woodford County line in a Southeast direction to the South Southwest corner of Livingston County), OGLE (South of Route 72/West of Route 251), PEORIA, TAZEWELL, and WOODFORD (All except Northeast corner East of Route 51/251 & South of Route 24) COUNTIES

	Rates	Fringes
TRUCK DRIVER		
Group 1.....	\$ 28.488	9.30+a
Group 2.....	\$ 28.888	9.30+a
Group 3.....	\$ 29.088	9.30+a
Group 4.....	\$ 29.338	9.30+a
Group 5.....	\$ 30.088	9.30+a

FOOTNOTE: a. \$162.50 per week

CLASSIFICATIONS:

GROUP 1: Drivers on 2 axles hauling less than 9 tons; air compressor & welding machines and brooms, including those pulled by separate units; Truck Driver Helper, warehouse employees; Mechanic Helpers; greasers and tiremen; pick-up trucks when hauling material, tools, or workers to and from

and on the job site; and forklifts up to 6,000 lb capacity.

GROUP 2: 2 or 3 axles hauling more than 9 tons but hauling less than 16 tons; A-frame winch trucks; hydrolift trucks; Vactor Trucks or similar equipment when used for transportation purposes; Forklift over 6,000 lb.capacity; winch trucks; and four axle combination units.

GROUP 3: 2, 3 or 4 Axles hauling 16 tons or more; 5-Axles or more combination units; drivers on water pulls; articulated dump trucks; mechanics and working forepersons.

GROUP 4: Low Boy and Oil Distributors.

GROUP 5: Drivers who require special protective clothing while employed on hazardous waste work.

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\* TEAM0179-004 09/01/2009

GRUNDY, KENDALL, MCLEAN (North of a straight line starting at the intersection of McLean-Woodford Counties line & Route 24 in a Southeastern direction to the South Southwest corner of Livingston County), WILL, and WOODFORD (Northeast corner east of Route 51/251 & North of Route 24) COUNTIES

	Rates	Fringes
TRUCK DRIVER		
2-3 AXLES.....	\$ 35.65	6.67+a
4 AXLES.....	\$ 35.80	6.67+a
5 AXLES.....	\$ 36.00	6.67+a
6 AXLES.....	\$ 36.20	6.67+a
All Lowboy Trucks.....	\$ 37.20	6.67+a

FOOTNOTE: a. \$189.00 per week.

FOOTNOTE: An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Holsters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than



self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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\* TEAM0179-008 06/01/2008

#### KANKAKEE COUNTY

	Rates	Fringes
TRUCK DRIVER		
2 or 3 axles.....	\$ 33.12	7.90+a
4 axles.....	\$ 33.32	7.90+a
5 axles.....	\$ 33.52	7.90+a
6 axles.....	\$ 33.67	7.90+a

FOOTNOTE: a. \$217.60 per week.

FOOTNOTE: An additional \$.20 per axle shall be paid for all-- vehicles with more than six (5) axles.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Forl Lifts and Holsters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiying Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump

Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

\* TBAM0301-001 06/01/2008

#### LAKE AND MCHENRY COUNTIES

	Rates	Fringes
TRUCK DRIVER		
2-3 AXLES.....	\$ 32.20	.15+a
4 AXLES.....	\$ 32.35	.15+a
5 AXLES.....	\$ 32.50	.15+a
6 AXLES.....	\$ 32.75	.15+a

FOOTNOTE: a. \$448.00 per week

An additional \$.20 per axle shall be paid for all vehicles -- with more than six (6) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Holsters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick

Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice.

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

\* TEAM0325-004 06/01/2009

BOONE and WINNEBAGO COUNTIES

	Rates	Fringes
TRUCK DRIVER		
2 - 3 Axles.....	\$ 31.86	14.07
4 Axles.....	\$ 32.01	14.07
5 Axles.....	\$ 32.21	14.07
6 Axles.....	\$ 32.32	14.07

FOOTNOTE: An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Fori Lifts and Holsters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Power Mower Tractors; Skipman; Slurry Trucks, two-man operation; Teamsters; Truck Drivers

hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation  
Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long, additional \$0.50 per hour; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more  
\*Mechanic\*Truck Welder and Truck Painter; \*Winter Rate: Between Dec. 15 and Feb. 28 the mechanic and welder rate shall be \$2.00 less than the scheduled scale. Truck Painter and Truck Welder classifications shall only apply in areas where and when it has been a past area practice;  
Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories

Group 4 - Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

\* TEAM0330-004 06/01/2008

DEKALB and OGLE (North of Route 72/East of Route 251, Adeline, Byron, Creston, Dement, Forreston North of Route 72, Leaf River North of Route 72, Lynnville, Monroe, Rochelle, & Scott)  
COUNTIES

	Rates	Fringes
TRUCK DRIVER		
2-3 AXLES.....	\$ 32.55	.15+a
4 AXLES.....	\$ 32.70	.15+a
5 AXLES.....	\$ 32.90	.15+a
6 AXLES.....	\$ 33.10	.15+a

FOOTNOTE: a. \$434.00 per week

An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

## CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Hoisters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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TEAM0371-004 05/01/2009

## HENRY and ROCK ISLAND COUNTIES

	Rates	Fringes
TRUCK DRIVER		
Group 1.....	\$ 28.605	13.50+a
Group 2.....	\$ 29.005	13.50+a
Group 3.....	\$ 29.205	13.50+a
Group 4.....	\$ 29.455	13.50+a
Group 5.....	\$ 30.205	13.50+a

FOOTNOTE: a. \$31.40 per day

## CLASSIFICATIONS:

GROUP 1: Drivers on 2 axles hauling less than 9 tons; air compressor & welding machines and brooms, including those pulled by separate units; Truck Driver Helper, warehouse employees; Mechanic Helpers; greasers and tiremen; pick-up trucks when hauling material, tools, or workers to and from and on the job site; and forklifts up to 6,000 lb capacity.

GROUP 2: 2 or 3 axles hauling more than 9 tons but hauling less than 16 tons; A-frame winch trucks; hydrolift trucks; Vector Trucks or similar equipment when used for transportation purposes; Forklift over 6,000 lb.capacity; winch trucks; and four axle combination units.

GROUP 3: 2, 3 or 4 Axles hauling 16 tons or more; 5-Axles or more combination units; drivers on water pulls; articulated dump trucks; mechanics and working forepersons.

GROUP 4: Low Boy and Oil Distributors.

GROUP 5: Drivers who require special protective clothing while employed on hazardous waste work.

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\* TEAM0673-003 06/01/2008

DU PAGE and KANE COCNTIES

	Rates	Fringes
TRUCK DRIVER		
2-3 AXLES.....	\$ 32.55	.15+a
4 AXLES.....	\$ 32.70	.15+a
5 AXLES.....	\$ 32.90	.15+a
6 AXLES.....	\$ 33.10	.15+a

FOOTNOTE: a. \$434.00 per week.

An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

## CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Hoisters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and

Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

\* TEAM0731-001 06/01/2008

#### COOK COUNTY - HEAVY AND HIGHWAY

	Rates	Fringes
TRUCK DRIVER		
2 & 3 Axles.....	\$ 30.70	12.35
4 Axles.....	\$ 30.95	12.35
5 Axles.....	\$ 31.15	12.35
6 Axles.....	\$ 31.35	12.35

#### FOOTNOTES:

A. Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

B. 900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

C. An additional \$.20 per axle shall be paid for all vehicles with more than six (6) axles.

#### CLASSIFICATIONS:

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Hoisters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 16 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks - with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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\* TEAM0786-001 06/01/2008

COOK COUNTY - BUILDING AND RESIDENTIAL

	Rates	Fringes
TRUCK DRIVER		
2 & 3 Axles.....	\$ 31.33	.10+a
4 Axles.....	\$ 31.58	.10+a
5 Axles.....	\$ 31.78	.10+a
6 Axles.....	\$ 31.98	.10+a

FOOTNOTES:

a. \$463.00 per week.

An additional \$.20 per axle shall be paid for all vehicles



with more than six (6) axles.

Paid Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

900 straight time hours or more in 1 calendar year for the same employer shall receive 1 week paid vacation; 3 years - 2 weeks paid vacation; 10 years - 3 weeks paid vacation; 20 years - 4 weeks paid vacation.

**CLASSIFICATIONS:**

Group 1 - Frame Truck when used for transportation purposes; Air Compressor and Welding Machines, including those pulled by cars, pick-up trucks and tractors; Ambulances; Articulated Dumps; Batch Gate Lockers; Batch Hopperman; Car and Truck Washers; Carry Alls; Fori Lifts and Hoisters; Helpers; Mechanics Helpers and Greasers; Oil Distributors, two-man operation; Pavement Breakers; Pole Trailer, up to 40 feet; Pothole Repair Trucks; Power Mower Tractors; Quick Change Barrier; Self-Propelled Chip Spreader; Shipping and Receiving Clerks and Checkers; Skipman; Slurry Trucks, two-man operation; Slurry Trucks, Conveyor Operated - 2 or 3 man operation; Teamsters; Unskilled Dumpmen; Warehousemen and Dockmen; Truck Drivers hauling warning lights, barricades, and portable toilets on the job site

Group 2 - Dispatcher; Dump Crets and Adgetators under 7 yards; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turnapulls or Turnatrailers when pulling other than self-loading equipment or similar equipment under 15 cubic yards; Mixer Trucks under 7 yards; Ready-Mix Plant Hopper Operator; Winch Trucks, 2 Axles

Group 3 - Dump Crets and Adgetators, 7 yards and over; Dumpsters, Track Trucks, Euclids, Hug Bottom Dump Turuapulls or Turuatrailers when pulling other than self-loading equipment or similar equipment over 16 cubic yards; Explosives and/or Fission Material Trucks; Mixer Trucks 7 yards or over; Mobile Cranes while in transit; Oil Distributors, one-man operation; Pole Trailer, over 40 feet; Pole and Expandable Trailers hauling material over 50 feet long; Slurry Trucks, one-man operation; Winch Trucks, 3 axles or more; Mechanic - \*Truck Welder and \*Truck Painter\*These classifications shall only apply in areas where and when it has been a past area practice; Asphalt Plant Operators in areas where it has been past practice

Group 4 - Dual-purpose vehicels, such as mounted crane tucks with hoist and accessories; Foreman; Master Mechanic; Self-loading equipment like P.B. and trucks with scoops on the front

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WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.  
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Unlisted classifications needed for work not included within

the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (ii)).

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In the listing above, the "SU" designation means that rates listed under the identifier do not reflect collectively bargained wage and fringe benefit rates. Other designations indicate unions whose rates have been determined to be prevailing.

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#### WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

- \* an existing published wage determination
- \* a survey underlying a wage determination
- \* a Wage and Hour Division letter setting forth a position on a wage determination matter
- \* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations  
Wage and Hour Division  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part. 7). Write to:

Wage and Hour Administrator  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative

Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION

## **LABOR STANDARDS DEPOSIT AGREEMENT**

see attached

**Labor Standards Deposit Agreement**U.S. Department of Housing and Urban Development  
Office of Labor Relations

Date:

Project No:

Project Name:

In order to induce the Department of Housing and Urban Development (HUD) to provide or complete the program assistance associated with this project while issues remain outstanding in connection with amounts that may be due as wages under the Davis-Bacon and Related Acts and/or as liquidated damages under the Contract Work Hours and Safety Standards Act, the undersigned (Depositor) submits confirmation of deposit, by electronic funds transfer, to the account specified by HUD in the amount of \$ .

Depositor agrees that this deposit is made shall be held by HUD for the purpose(s) and disposition(s) as indicated, below, and as indicated on the attached Schedule for Deposit: (HUD Labor Relations staff: Check boxes, below, as applicable to deposit.)

<input type="checkbox"/> 1.	Where there is no dispute as to the amount of unpaid wages due but <i>without awaiting receipt of evidence that the workers named on the attached Schedule have received the wages due them</i> , in the respective amounts listed on the Schedule for Deposit;
<input type="checkbox"/> 2.	Where HUD or the U.S. Department of Labor (DOL) has reason to believe that there may be unpaid wages due for work performed in the construction of the project but <i>without awaiting an administrative determination of the wages which may be due and unpaid</i> by employers named on the attached Schedule in the respective amounts estimated by HUD or DOL and listed on the Schedule for Deposit;
<input type="checkbox"/> 3.	Where HUD or DOL has made its determination of wages due but <i>without awaiting the outcome of an appeal which has been filed or is to be filed with HUD or DOL</i> by or on behalf of the Depositor, the principal contractor, subcontractor, other employer involved contesting the finding of HUD or DOL that wages for work performed in the construction of the project are due and unpaid to the workers named on the attached Schedule in respective amounts listed on the Schedule for Deposit; and/or
<input type="checkbox"/> 4.	Where <del>liquidated damages</del> have been calculated and/or assessed for overtime violations of the Contract Work Hours and Safety Standards Act, as reflected on the attached Schedule for Deposit.

**Disposition of Deposit Account**

Items 1 through 4: In all cases involving unpaid wages ultimately found due, wage payments will be made directly to the affected workers by the responsible employer or the Depositor, or by HUD from the funds submitted herewith. If the wages are paid to the affected workers by the responsible employer or the Depositor, a refund equal to the amount(s) paid shall be made to the Depositor as wage payment evidence, in the form of a certified payroll report(s), is provided to HUD. HUD will retain on behalf of affected employees any amount(s) deposited for wages found due that are not paid by the responsible employer or Depositor, and will also retain any liquidated damages that are assessed.

Where Items 2, 3, and/or 4 have been checked, when the amount of unpaid wages has been finally determined by HUD or DOL, funds sufficient to pay the total gross amount of wages and any liquidated damages computed and/or assessed for overtime violations, as applicable, shall be held by HUD and the balance of the funds deposited, if any, shall be returned to the Depositor. If the final HUD or DOL determination and/or liquidated damages assessment is appealed, when the appellant and HUD or DOL have agreed on any amounts due or have exhausted any rights of appeal, funds sufficient to pay the total gross amount of the wages and any liquidated damages found due by the highest authority which has ruled in the matter shall be held by HUD, and the balance of the funds deposited, if any, shall be returned to the Depositor.

Depositor:	Street Address:
By: (signature)	City, State, Zip Code:
Name and Title:	Telephone Number:
Depositor Tax ID Number (required to process refund):	Deposit Ticket Number: LR-     -DT-     -

Schedule for Deposit (attached)

Previous editions are obsolete

HUD-4732 (06/2005)

**HANCOCK HOUSE SENIOR APARTMENTS  
REDEVELOPMENT AGREEMENT**

**EXHIBIT F**

**PERMITTED LIENS**

1. Liens or encumbrances against the Property:

Those matters set forth as **Schedule B** title exceptions in the **City's** title insurance policy issued by the **Title Company** as of the date hereof, but only so long as applicable title endorsements issued in conjunction therewith on the date hereof, if any, continue to remain in full force and effect.

2. Liens or encumbrances against the Developer or the Project, other than liens against the **Property**, if any:

None.

**HANCOCK HOUSE SENIOR APARTMENTS  
REDEVELOPMENT AGREEMENT**

**EXHIBIT G**

**PROJECT BUDGET**

**See Attached.**

Development Costs  
Hancock House

Exhibit G

Acquisition	1
Environmental Remediation	450,000
Net Construction Costs	13,018,760
Overhead	262,020
General Conditions	746,800
Profit	314,425
Contingency	673,438
Furniture Fixtures & Equipment	70,000
Building Permits	55,000
Bond Premium / LOC fee	83,416
Other Environmental	41,440
Environmental Total:	41,440
Architect -- Design	480,000
Architect -- Supervision	100,000
Blueprints & Reproductions	22,660
Engineering Fees	140,500
Environmental Reports and Market Study	22,000
Appraisal	20,000
As-Is Plats & Surveys	22,500
Accountant -- General	25,000
Legal	149,263
Consultant -- Financial	233,795
Title & Recording Fees	30,000
Liability Insurance	25,000
Real Estate Taxes	25,000
IHDA Asset Management Fee	191,000
Application Fee	9,650
Construction Points	11,250
Permanent Loan Points	11,250
Construction Inspection	19,572
Lender Legal Costs	40,000
LIHTC Reservation Fee	58,750
Working Capital LOC Fee	19,475
Leasing Personnel	60,000
Advertising	50,000
Developer Fee	1,072,455
Lease-Up Reserve	50,000
Operating Deficit	322,834
Replacement Reserve	26,700
Tax & Insurance Escrow	81,435
IHDA ERP Reserve	45,607
First Mortgage	82,500
<b>TOTAL</b>	<b>19,163,496</b>



**HANCOCK HOUSE SENIOR APARTMENTS  
REDEVELOPMENT AGREEMENT**

**EXHIBIT H**

**REQUISITION FORM**

State of Illinois)

COUNTY OF COOK ) ss  
)

The affiant, \_\_\_\_\_ of Hancock House Limited Partnership, an Illinois limited partnership ("HHLP") and \_\_\_\_\_ of Brownlow, Belton, Sullivan, Arms, NFP, an Illinois not-for-profit corporation ("BBSA" and, together with HHLP, the "Developer"), hereby certify that with respect to that certain Hancock House Senior Apartments Redevelopment Agreement between the Developer and the City of Chicago dated \_\_\_\_\_, 20\_\_\_\_ (the "Agreement"):

A. Expenditures for the Project, in the total amount of \$\_\_\_\_\_, have been made:

B. This paragraph B sets forth and is a true and complete statement of all costs of TIF-Funded Improvements for the Project reimbursed by the City to date:

\$\_\_\_\_\_

C. BBSA requests reimbursement for the following costs of TIF-Funded Improvements:

\$\_\_\_\_\_

D. The Developer hereby certifies to the City that, as of the date hereof:

1. Except as described in the attached certificate, the representations and warranties contained in the Redevelopment Agreement are true and correct and the Developer is in compliance with all applicable covenants contained herein.

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

3. The Developer is operating the Property for the same use as described in the Developer's TIF application and/or the Redevelopment Agreement.

4. The financial statements for the Developer's most recently-concluded fiscal year are attached to this Requisition Form.

F. Attached hereto is a copy of the report of the Monitoring and Compliance Division of the Department of Community Development with respect to MBE/WBE, City Resident hiring and prevailing wage matters.

G. Attached hereto is a copy of the inspecting architect's confirmation of percentage of completion.

H. Attached hereto is documentation establishing full payment of the last installment of real estate taxes due prior to the date hereof.

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

[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

**HANCOCK HOUSE SENIOR APARTMENTS  
REDEVELOPMENT AGREEMENT**

**EXHIBIT I**

**APPROVED PRIOR EXPENDITURES**

None.

**HANCOCK HOUSE SENIOR APARTMENTS  
REDEVELOPMENT AGREEMENT**

**EXHIBIT J**

**OPINION OF DEVELOPER'S COUNSEL**

See Attached.

# Katten

Katten Muchin Rosenman LLP

525 W. Monroe Street  
Chicago, IL 60661-3693  
312.902.5200 tel  
312.902.7061 fax

May 28, 2010

City of Chicago, Department of Community Development  
121 N. LaSalle Street  
Chicago, Illinois 60602

Re: Hancock House

Ladies and Gentlemen:

We have acted as counsel for Hancock House Limited Partnership, an Illinois limited partnership (the "Partnership"), Hancock House, L.L.C, an Illinois limited liability company (the "General Partner"), Source Works Development, LLC ("SWD") and PMN Development LLC ("PMN") in connection with a mortgage loan to the Partnership in the principal sum of \$2,229,355.00 (the "TCAP Loan") by the City of Chicago, Illinois (the "City") a grant in the principal sum of \$7,121,534.00 (the "1602 Loan"; together with the TCAP Loan, the "Financing") by the City. We have also represented the Partnership in connection with that certain Hancock House Senior Apartments Redevelopment Agreement dated as of even date herewith ("RDA") by and among the City, the Partnership and Brownlow, Belton, Sullivan, Arms, NFP, an Illinois not-for-profit corporation ("BBSA"). The Partnership, the General Partner and the SWD have requested that this opinion be furnished to the City. The Loans are being made, in part, to assist the Partnership in developing certain real property situated in Chicago, Illinois, and more particularly described in Exhibit A hereto (the "Project Site"). The Partnership, the General Partner and the SWD are collectively referred to herein as the "Affiliated Parties".

In so acting as counsel for the Partnership, the General Partner and the SWD, we have examined:

- A. the executed original RDA;
- B. an executed original of each of the documents evidencing or securing the ARRA Financing as described on Schedule 1 hereto (collectively, the "ARRA Documents" and together with the RDA, the Financing Documents);
- C. The UCC-1 Financing Statement naming the Partnership as debtor and the City as Secured Party ("Financing Statement").

D. the authorizing resolutions of the SWD, as certified by the sole member of the SWD;

E. an original of the Amended and Restated Agreement of Limited Partnership dated as of May 24, 2010 in respect of the Partnership (the "Partnership Agreement");

F. an original of the Amended and Restated Operating Agreement dated as of May 24, 2010 in respect of the General Partner (the "General Partner Operating Agreement");

G. an original of the Operating Agreement of SWD (the "SWD Operating Agreement");

H. the Certificate of Limited Partnership in respect of the Partnership filed with the Secretary of State of the State of Illinois ("SOS"), as furnished and certified by the SOS;

I. the Articles of Organization, in respect of the General Partner filed with the SOS, as furnished and certified by the SOS;

J. the Articles of Organization, in respect of SWD filed with the SOS, as furnished and certified by the SOS;

K. Certificate of Good Standing dated May 24, 2010, issued by the SOS as to the SWD; the Certificate of Good Standing dated May 24, 2010, issued by the SOS as to the General Partner; and the Certificate of Good Standing dated May 24, 2010, issued by the SOS;

L. an original of the Operating Agreement of PMN dated as of May 24, 2010 ("PMN Operating Agreement"); the Articles of Organization of PMN filed with the SOS, as furnished and certified by the SOS; the Certificate of Good Standing of PMN dated May 24, 2010 issued by the SOS; and the authorizing resolutions of PMN, as certified by the managing member of PMN.

L. Pro Forma Policy for Title Insurance No. 412381 (the "Title Policy") issued First American Title Company in respect of the Project Site; and

M. UCC financing statement, fixture filing, tax, bankruptcy, judgment and litigation search results current as of various dates in March and April, 2010, with respect to the Partnership, General Partner and the SWD (collectively, the "Search Results").

N. The Deed from the City to the BBSA dated as of even date herewith.

O. The Deed from the BBSA to the Partnership dated as of even date herewith.

In our capacity as counsel, we have also examined such other documents or instruments as we have deemed relevant for the purposes of rendering the opinions hereinafter set forth.

In connection with this opinion, except where we have actual knowledge to the contrary, we have, with your permission, assumed (except with respect to documents prepared by us or signed and delivered in our presence) the accuracy and completeness of all documents and records that we have reviewed, the genuineness of all signatures (other than those of persons signing on behalf of the Affiliated Parties), the authenticity of the documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, conformed or reproduced copies. We have further assumed, with your permission, that:

- (i) Each party to the Financing Documents other than the Affiliated Parties has satisfied all legal requirements that are applicable to it to the extent necessary to make the Loan Documents enforceable against it.
- (ii) The conduct of each party to the Financing Documents complies with any requirement of good faith, fair dealing and conscionability.
- (iii) As to opinions with respect to enforceability, there has not been any mutual mistake of fact or fraud, duress or undue influence by the City.

Wherever we indicate that our opinion with respect to the existence or absence of facts is based on our knowledge, our opinion is based solely on the actual knowledge of the attorneys in the firm who are representing the Affiliated Parties in connection with the transactions contemplated by the Loan Documents, and we have conducted no special investigation of factual matters in connection with this opinion. In each case in which we indicate that our knowledge is based upon "due inquiry" the basis for our opinion is limited solely to (i) discussions, inquiries and conferences occurring in connection with our representation of the Partnership, General Partner, PMN and SWD, (ii) reviews of certain corporate records, documents and proceedings of or involving the Partnership, the General Partner and SWD furnished to us in connection with our representation, (iii) review of the Search Results and (iv) review of the Opinion Certificate dated as of even date herewith furnished to us by the SWD and Brigitte Grossman, an individual, in connection with this Opinion, and shall not imply any independent verification of any factual matter of which we became aware as a result of such discussions, inquiries, conferences and reviews.

Our opinion is limited to federal laws and the laws of the State of Illinois. We express no opinion concerning the laws of any other jurisdiction (including without limitation any statutes, ordinances, administrative decisions, rules or regulations of any county, town, municipality or special political subdivision [whether created or enabled through legislative action at the federal, state or regional level]) or compliance therewith by any party. This opinion is predicated solely upon statutory and case law in existence on the date hereof.

Based upon and subject to the assumptions and qualifications herein stated, it is our opinion that:

1. The Partnership is a limited partnership organized and existing in good standing under the laws of the State of Illinois. The Partnership has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence, and has all requisite authority to execute and deliver, and to consummate the transactions contemplated by, the Financing Documents to which it is a party.
2. The General Partner is a limited liability company organized and existing in good standing under the laws of the State of Illinois. The General Partner has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence, and has all requisite authority to execute and deliver, and to consummate the transactions contemplated by each of the ARRA Documents to which it is a party.
3. SWD is a limited liability company organized and existing in good standing under the laws of the State of Illinois, and has all requisite authority to carry on its businesses as described in its operating agreement and to execute and deliver, and to consummate the transactions contemplated by the ARRA Documents to which it is a party.
4. Under the Partnership Agreement, SWD has requisite power and authority to execute and deliver the Financing Documents to which the Partnership is a party on behalf of the Partnership (in SWD's capacity as General Partner of the General Partner) and all other documents required by the City to be executed by the Partnership in connection with the ARRA Financing and to perform its obligations thereunder.
5. Under the General Partner Operating Agreement, the General Partner has requisite power and authority to execute and deliver the ARRA Documents to which it is a party.
6. The Financing Documents to which the Partnership is a party have been executed and delivered by the Partnership and constitute legal, valid and binding obligations of the Partnership enforceable against the Partnership in accordance with their respective terms.
7. The ARRA Documents to which General Partner is a party have been executed and delivered by the General Partner, and constitute legal, valid and binding obligations of the General Partner enforceable against the General Partner in accordance with their respective terms.



8. The ARRA Documents to which SWD is a party have each been executed and delivered by the SWD, and constitute legal, valid and binding obligation of the SWD enforceable against the SWD in accordance with their respective terms.
9. Each Mortgage will create, as security for the Note it secures, a valid mortgage lien of record on the Project Site subject to the encumbrances and other title exceptions disclosed, and the limitations and provisions set forth, in the Title Policy or in any ARRA Document.
10. Each Mortgage is in a form sufficient to create, as security for the Note it secures, a valid perfected security interest in the fixtures described therein pursuant to the Illinois Uniform Commercial Code ("IUC"). Upon the recording of the Mortgages in the appropriate offices in Cook County, Illinois and the filing of the Financing Statements in the appropriate offices of the State of Illinois, each Mortgage and the Financing Statement shall create, as security for the Note it secures, a valid perfected security interest in the personal property described therein (the "Personalty") pursuant to the "IUC" to the extent that a security interest may be created and perfected by filing with the Illinois Secretary of State pursuant to the IUC. It is not necessary to file any other financing statements pursuant to the Illinois Uniform Commercial Code in order to perfect said security interest in such fixtures and personal property other than the Financing Statement and continuation statements.
11. None of the transactions contemplated by the ARRA Documents is in violation of any statute or rule of law of the State of Illinois regarding interest or usury.
12. To our knowledge based solely on our review of the Search Results and the Opinion Certificate (and we have no actual knowledge to the contrary that), there is no action, suit or proceeding at law or in equity pending or threatened, against or affecting the Partnership or the Project Site, before any court or before any governmental or administrative agency, which if adversely determined could materially and adversely affect the Partnership's ability to perform under the Financing Documents to which it is a party.
13. To our knowledge based solely on our review of the Search Results and the Opinion Certificate (and we have no knowledge to the contrary), there is no action, suit or proceeding at law or in equity pending threatened, against or affecting the General Partner before any court or before any governmental or administrative agency, which if adversely determined could materially and adversely affect the ability of the General Partner to perform its obligations under the ARRA Documents to which it is a party.
14. To our knowledge based solely on our review of the Search Results and the Opinion Certificate (and we have no actual knowledge to the contrary), there is no

action, suit or proceeding at law or in equity pending threatened, against or affecting the SWD before any court or before any governmental or administrative agency, which if adversely determined could materially and adversely affect the ability of the SWD to perform its obligations under the ARRA Documents to which it is a party.

15. The transactions contemplated by the Financing Documents are governed by the laws of the State of Illinois, except to the extent that federal law applies.
16. To our knowledge, upon due inquiry, the execution and delivery by the Partnership of the Financing Documents as to which it is a party and the consummation of the transactions contemplated thereby will not constitute:
  - A. a violation or breach of (i) the Partnership Agreement, (ii) any provision of any contract or other instrument to which the Partnership is a party or by which the Partnership or the Project Site are bound, or (iii) any order, writ, injunction, decree, statute, rule or regulation of the State of Illinois binding on the Partnership or the Project Site, or
  - B. a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance (other than any lien or encumbrance in favor of the City, Harris N.A. ("Bank"), the Illinois Housing Development Authority ("IHDA") or the Chicago Low Income Housing Tmst Fund ("CLIHTF") or any other lien or encumbrance disclosed in the Title Policy) upon any of the property of the Partnership, including the Project Site, pursuant to any agreement or other instrument to which the Partnership is a party or by which the Partnership or the Project Site are bound.
17. To our knowledge, upon due inquiry, the execution and delivery by the General Partner of the ARRA Documents to which it is a party and the consummation of the transactions contemplated thereby will not constitute:
  - A. a violation or breach of (i) the General Partner Operating Agreement, (ii) any provision of any contract or other instrument to which the General Partner is bound, or (iii) any order, writ, injunction, decree, statute, rule or regulation of the State of Illinois binding on the General Partner, or
  - B. a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance (other than any lien or encumbrance in favor of the City, the Bank, IHDA or CLIHTF) upon any of the property of the General Partner, including General Partner's membership interests in the Partnership, pursuant to any

agreement or other instrument to which the General Partner is a party or by which the General Partner is bound.

18. To our knowledge, upon due inquiry, the execution and delivery by SWD of the ARRA Documents to which it is a party and the consummation of the transactions contemplated thereby will not constitute:
  - A. a violation or breach of (i) the SWD Operating Agreement, (ii) any provision of any contract or other instrument to which SWD is bound, or (iii) any order, writ, injunction, decree, statute, rule or regulation of the State of Illinois binding on SWD, or
  - B. a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance upon any of the property of the SWD pursuant to any agreement or other instrument to which the SWD is a party or by which the SWD is bound.
19. To our knowledge, no action of, or filing with, any governmental or public body that has not been obtained is required to authorize, or is otherwise required for, the execution and delivery of any of the ARRA Documents by the Partnership, the General Partner or SWD.
20. The RDA, Regulatory Agreement Mortgages and the Memoranda will, upon the recording of such documents with the Cook County, Illinois Recorder, create valid encumbrances of record on the Project Site subject to the encumbrances and other title exceptions disclosed, and the limitations and provisions set forth, in the Title Policy or in any Financing Document.

All opinions set forth above are subject to the following assumptions, qualifications and limitations:

(i) The enforceability of the provisions, rights and remedies provided in the Loan Documents or the RDA against any particular party or parties is subject to applicable federal and state bankruptcy, reorganization, insolvency, moratorium and other similar laws of general application relating to or affecting the enforcement of creditors' rights from time to time in effect and general equitable principles (whether such enforceability is considered in a proceeding in equity or at law).

(ii) We express no opinion as to the validity or enforceability of any provision of the Financing Documents which: (a) may require indemnification or exculpation for liabilities under the provisions of any federal or state securities laws, or in respect to the neglect or wrongful conduct of the indemnified party or its representatives or agents or any other indemnification provisions which are contrary to public policy, (b) waive any right granted by common or statutory law, (c) provide that certain action or inaction by any party will not constitute a waiver,

The City of Chicago  
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Page 8

(d) provide that waivers, consents, amendments or modifications must be in writing to the extent that action of the parties benefitting thereby may waive such provisions, or (e) purport to give rise to defaults for matters which have been cured prior to the exercise of any remedy by the City.

(iii) We express no opinion as to the perfection of any security interest in any personal property which cannot be perfected by filing a financing statement under the Illinois Uniform Commercial Code.

(iv) We express no opinion as to matters of title or priority of liens, and to the extent title to property is required to be held by any party to perform its obligations under any Loan Document or to create or perfect a lien or security interest, we have assumed that the relevant party holds such title.

(v) We express no opinion with respect to the validity, enforceability or perfection of a security interest in which the Partnership has no "rights," as that term is defined in the Illinois Uniform Commercial Code, until such time as the Partnership acquires such rights.

(vi) We assume that the RDA, Mortgages, Regulatory Agreement, Memoranda and the Financing Statements have been, or will be, duly and timely recorded or filed (or both), in all places necessary to create and perfect the lien or security interest provided therein and the collateral is accurately and sufficiently described in the RDA, Mortgages, Regulatory Agreement, Memoranda and the Financing Statements to provide notice to third parties of the lien or security interest intended to be provided for in the Financing Documents. We understand that, with respect to the priority of the liens and security interests thereof, you will rely on a title insurance policy and such UCC and other as searches you deem adequate, and, accordingly, we express no opinion with regard to such matters.

(vii) Certain rights, remedies, waivers and other provisions of the Financing Documents may not be enforceable under, or may be limited by, applicable laws and judicial decisions, but such laws and judicial decisions do not render the Financing Documents invalid as a whole, and there exist in the Financing Documents or pursuant to applicable law, legally adequate remedies for the realization of the principal benefits and security intended to be provided by the Financing Documents subject to the economic consequences of delay and increased costs which might be occasioned by the unenforceability of such provisions; without limiting the foregoing, we bring to your attention that 735 ILCS 5/15-1602 grants a mortgagor the right, which in certain circumstances is exercisable not more than once in any five year period, to cure the default of a loan secured by real estate within certain time periods specified in such statute.

(viii) We express no opinion with respect to the enforceability of provisions of the Financing Documents purporting to absolutely assign the rents, issues and profits of the real estate collateral comprising the Project Site.

(ix) We have not reviewed and do not opine with respect to various laws that are customarily not addressed by third-party legal opinion, including but not limited to the following: (1) compliance by the Project Site with applicable federal and state zoning, health, safety, antidiscrimination, building, environmental, landmark, archaeological preservation, mobile home, land use or subdivision laws, ordinances, codes, rules or regulations, (2) federal and state pension and employee benefit laws, rules and regulations, (3) federal and state taxation, trust, banking, insurance, antitrust and unfair competition, bulk sales, securities or "blue sky" laws, rules or regulations, (4) Federal Reserve Board margin regulations, (5) federal and state racketeering laws, rules and regulations, (6) federal and state criminal laws, rules and regulations, (7) federal and state civil forfeiture laws, rules and regulations and (8) other federal and state laws, rules and regulations of general applicability to the extent they provide for criminal prosecution (e.g., mail fraud and wire fraud statutes).

(x) We assume the Partnership has sufficient rights in the collateral described in the Loan Documents to grant a lien and security interest in the real property, fixtures, personal property and any other collateral described therein.

(xi) We assume the ARRA Documents accurately describe the collateral in which a security interest is being granted by the Partnership.

(xii) We assume that the assignors pursuant to the Collateral Assignment have received adequate consideration thereunder.

(xiii) We express no opinion as to the validity or enforceability of any provision of the Financing Documents purporting to obligate the sole member of SWD to perform any obligation, or make any payment, under the Financing Documents.

This opinion is given as of the date hereof and we assume no obligation to advise you of changes that may hereafter be brought to our attention. This information is solely for the information of the addressee hereof and its successors in interest in connection with the Loan, and no other party is entitled to rely hereon without our prior written consent. This opinion is not to be quoted in whole or in part or otherwise referred to, nor is it to be filed with any governmental agency or any other person without our prior written consent; provided, however, this opinion may be produced as evidence in any litigation, arbitration or other proceeding concerning the matters addressed herein.

The City of Chicago  
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**Katten**  
Katten Muchin Rosenman LLP

This opinion is furnished for your benefit and for the benefit of any holder or owner of all or any portion of the Loan from time to time, and may be relied upon by you and any such other party in connection with the Loan, but may not be delivered to or relied upon by any other person or entity without written consent from the undersigned firm.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Katten Muchin Rosenman LLP", is written in dark ink.

Katten Muchin Rosenman LLP

EXHIBIT A

Legal Description

PARCEL 1:

LOT 26 (EXCEPT THAT PART OF SAID LOT CONVEYED TO THE CITY OF CHICAGO BY DEED RECORDED JUNE 27, 1929 AS DOCUMENT 10397274) IN BLOCK 13 IN WEST PULLMAN IN THE WEST ½ OF THE NORTHEAST ¼ AND THE NORTHWEST ¼ OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 24 AND 25 (EXCEPT THAT PART OF SAID LOTS TAKEN BY THE CITY OF CHICAGO FOR WIDENING OF HALSTED STREET) IN BLOCK 13 IN WEST PULLMAN IN THE WEST ½ OF THE NORTHEAST ¼ AND THE NORTHWEST ¼ OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOTS 21 AND 22 IN BLOCK 13 IN WEST PULLMAN IN THE WEST ½ OF THE NORTHEAST ¼ AND THE NORTHWEST ¼ OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOT 23 IN BLOCK 13 IN THE RESUBDIVISION OF THAT PART OF WEST PULLMAN IN THE WEST ½ OF THE NORTHEAST ¼ AND THE NORTHWEST ¼ OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

LOTS 1 TO 9, BOTH INCLUSIVE IN THE RESUBDIVISION OF LOT 21 IN BLOCK 14 IN WEST PULLMAN IN THE WEST ½ OF THE NORTHEAST ¼ AND THE NORTHWEST ¼ OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

SCHEDULE 1

List of Loan Documents

All documents listed below are dated as of May 24, 2010:

1. TCAP Written Agreement by and among IHDA, City and Partnership.
2. Memorandum of TCAP Written Agreement by and among IHDA, City and Partnership ("TCAP Memorandum").
3. 1602 Written Agreement by and among IHDA, City and Partnership.
4. Memorandum of 1602 Written Agreement by and among IHDA, City and Partnership ("1602 Memorandum; together with the TCAP Memorandum, the "Memoranda").
5. TCAP Junior Mortgage, Security Agreement and Assignment of Rents and Leases by Partnership to the City ("TCAP Mortgage").
6. TCAP Mortgage Note by the Partnership to City ("TCAP Note").
7. 1602 Junior Mortgage, Security Agreement and Assignment of Rents and Leases by the Partnership to City ("1602 Mortgage", together with the TCAP Mortgage, the "Mortgages").
8. 1602 Mortgage Note by the Partnership to City ("1602 Note", together with the TCAP Note, the "Notes").
9. Regulatory Agreement by and between the City and Partnership ("Regulatory Agreement").
10. Assignment of Contracts, Licenses and Permits between Partnership and City.
11. Assignment of Project Documents between Partnership and City.
12. Guaranty of Completion and Payment by Partnership, General Partner and SWD, to the City.
13. Guaranty of Payment by Brigitte Grossman to City.
14. Collateral Assignment of Partnership Interest by General Partner and PMN Development, LLC to City ("Collateral Assignment").
15. Environmental Indemnity by and among Partnership, General Partner, SWD and BBSA to City.
16. Construction Escrow Agreement by and among IHDA, City, Harris N.A., Partnership and BBSA.



**HANCOCK HOUSE SENIOR APARTMENTS  
REDEVELOPMENT AGREEMENT**

**EXHIBIT K**

**MINIMUM ASSESSED VALUATIONS\***

25-28-108-018-0000	\$ 1,943
25-28-108-019-0000	\$ 4,276
25-28-108-038-0000	\$ 2,255
25-28-108-039-0000	\$ 2,255
25-28-108-040-0000	\$ 1,272
25-28-109-010-0000	\$20,129

\*Represents the equalized assessed valuation for tax year 2000, which is the equalized assessed valuation of such Parcel on the date of establishment of the Redevelopment Area.

**HANCOCK HOUSE SENIOR APARTMENTS  
REDEVELOPMENT AGREEMENT**

**EXHIBIT L**

**ESCROW AGREEMENT**

See Attached.

## CONSTRUCTION ESCROW AGREEMENT

THIS CONSTRUCTION ESCROW AGREEMENT (this "Escrow Agreement") is made and entered into as of May 28, 2010 by and among HANCOCK HOUSE LIMITED PARTNERSHIP, an Illinois limited partnership (the "Owner"), the ILLINOIS HOUSING DEVELOPMENT AUTHORITY (the "Authority"), a body politic and corporate of the State of Illinois; HARRIS N.A., a national banking association ("Harris"); the CITY OF CHICAGO, a municipal corporation, acting by and through its Department of Community Development ("City"); THE CHICAGO LOW INCOME HOUSING TRUST FUND; ("CLHTF"); and FIRST AMERICAN TITLE INSURANCE COMPANY, a California corporation (the "Escrow Agent").

### RECITALS

- A. The Authority issued its Conditional Commitment Letter which the Owner has accepted, pursuant to which the Authority is making to the Owner: (i) a loan from the TCAP Program in the aggregate amount of Two Million Eight Hundred Eighty-Three Thousand Two Hundred One and No/100 Dollars (\$2,883,201.00) (the "TCAP Loan") and (ii) a grant from the 1602 Program in the amount of Four Million One Hundred Sixty-Eight Thousand Four Hundred Six and No /100 Dollars (\$4,168,406.00) (the "1602 Grant") for the acquisition, construction and permanent financing of the multifamily development known as Hancock House Senior Apartments (the "Project"), to be located on the Real Estate legally described on Exhibit A attached to and made a part of this Escrow Agreement (the "Real Estate"); the Real Estate and the improvements to be constructed on it are referred to in this Escrow Agreement as the "Development". The TCAP Loan is evidenced by a promissory note dated as of the date hereof and secured by a second (2<sup>nd</sup>) mortgage on the Development, of even date herewith, executed by the Owner (the "TCAP Mortgage"). The 1602 Grant is evidenced by a promissory note dated as of the date hereof and secured by a third (3<sup>rd</sup>) mortgage on the Development, of even date herewith, executed by the Owner (the "1602 Mortgage"). The TCAP Loan and the 1602 Grant are collectively referred to herein as the "Authority Financing". The TCAP Mortgage and the 1602 Mortgage are collectively referred to herein as the "Authority Mortgages".
- B. Harris and Borrower have entered into that certain Construction Loan Agreement pursuant to which Harris is lending Owner Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00) (the "Harris Loan") for the Project. The Harris Loan is or will be secured by a first mortgage on Development (the "Harris Mortgage").
- C. In accordance with Intergovernmental Agreements between the City and the Authority, the City is making sub-grant funds available in the form of (i) a loan to the Owner in the amount of Two Million Two Hundred Twenty-Nine Thousand Three Hundred Fifty-Five and No/100 Dollars (\$2,229,355.00)(the "City TCAP Loan") and (ii) a grant to the Owner in the amount

of Seven Million One Hundred Twenty-One Thousand Five Hundred Thirty-Four and No/100 Dollars (\$7,121,534.00)(the "City 1602 Grant"). The City TCAP Loan is secured by a fourth (4<sup>th</sup>) mortgage on the Development (the "City TCAP Mortgage"). The City 1602 Grant is secured by a fifth (5<sup>th</sup>) mortgage on the Development (the "City 1602 Mortgage"). The City TCAP Loan and the City 1602 Grant are referred to collectively as the "City Financing". The City TCAP Mortgage and the City 1602 Mortgage are referred to collectively as the "City Mortgages".

The City is making the maximum amount of Five Hundred Seventy-Five Thousand and No/100 (\$575,000) (the "TIF Funds") available for the project pursuant to that certain Hancock House Senior Apartments Redevelopment Agreement (the "TIF RDA") by and among the Owner, Brownlow, Belton, Sullivan, Arms, NFP, an Illinois not-for-profit corporation ("BBSA") and the City.

- D. CLHITF is making funds available to Owner in the aggregate amount of Seven Hundred Thousand and No/100 Dollars (\$700,000.00)(the "ARC Loan"). The ARC Loan is or will be secured by a sixth (6<sup>th</sup>) mortgage on the Development (the "ARC Mortgage"). Harris, the Authority, the City and CLHITF are referred to collectively herein as the "Lenders". The Harris Loan, the Authority Financing, the City Financing and the ARC Loan are collectively referred to as the "Lender Financing".
- E. The Escrow Agent has committed to issue its ALTA Mortgagee Title Policies under its File Number NCS-412381-CHI2 insuring the priority of the various mortgages on the Development (the "Title Policies"). More specifically, Escrow Agent shall furnish: its ALTA Mortgagee Title Policy to Harris insuring the priority of the lien of the Harris Mortgage (the "Harris Title Policy"); its ALTA Mortgagee Title Policy to the Authority insuring the priority of the lien of the Authority TCAP Mortgage (the "Authority TCAP Title Policy"); its ALTA Mortgagee Title Policy to the Authority insuring the priority of the lien of the Authority 1602 Mortgage (the "Authority 1602 Title Policy"); its ALTA Mortgagee Title Policy to the City insuring the priority of the lien of the City TCAP Mortgage (the "City TCAP Title Policy"); its ALTA Mortgagee Title Policy to the City insuring the priority of the lien of the City 1602 Mortgage (the "City 1602 Title Policy") and its ALTA Mortgagee Title Policy to the CLHITF insuring the priority of the lien of the ARC Mortgage (the "ARC Title Policy").
- F. Owner, Harris, the Authority, the City, and CLHITF desire to use the staff and the expertise of the Escrow Agent to collect, review and approve lien waivers and disburse the proceeds of the Lender Financing, TIF Funds and the Equity (described herein), subject to the terms of this Escrow Agreement.

NOW, THEREFORE, in consideration of the Recitals set forth above and the mutual agreements set forth below, the parties hereto agree as follows:

#### SECTION I: ESCROW ACCOUNT

1. There shall be created with the Escrow Agent an escrow account (the "Escrow Account"),

which shall contain a Harris Subaccount, an Authority Subaccount, a City Subaccount, a TIF Subaccount, a CLHTF Subaccount and an Owner Subaccount. Initially, the Owner shall deposit in the Owner Subaccount the amount of Four Hundred Seventy-Six Thousand and No/100 Dollars (\$476,000.00) (the "Equity"). From time to time, at the request of the Owner, the Authority and the City will deposit proceeds of the Authority Financing and City Financing, as the case may be, with the Escrow Agent, but in no event shall the Authority or the City deposit any funds until the Owner has deposited the Equity in the Owner Subaccount, and the Equity has been fully disbursed pursuant to the terms and conditions of this Escrow Agreement.

2. The proceeds of the Harris Loan, net of the interest reserve required thereunder, shall be deposited in the Harris Subaccount, the proceeds of the Authority Financing shall be deposited in the Authority Subaccount, the proceeds of the City Financing shall be deposited in the City Subaccount, the proceeds of the ARC Loan shall be deposited in the CLHTF Subaccount and the TIF Funds shall be deposited in the TIF Subaccount in accordance with the TIF RDA. The Harris Subaccount, the Authority Subaccount, the City Subaccount and the CLHTF Subaccount are referred to collectively as the "Subaccounts".

## SECTION II: CONSTRUCTION DISBURSEMENTS

### 1. General Conditions.

- (a) Payments (except TIF Funds) in connection with the costs of constructing the Development, as approved by the Lenders, shall be made as follows:
  - (i) By checks payable to JOSEPH J. DUFFY CO. (the "General Contractor") for general requirements, builder's overhead (and for builder's profit, when applicable), labor and materials furnished directly by the General Contractor for the Project;
  - (ii) By checks payable to each subcontractor evidencing payment due for labor and materials furnished for the Project; and
  - (iii) By checks payable to the General Contractor for labor and materials furnished by subcontractors when such items have been paid directly by the General Contractor, and when substantiated by payment affidavits and lien waivers from the subcontractors.
- (b) On or after the later of 75% completion of the Project or March 1, 2011, TIF Funds for TIF-Funded Improvements (as such term is defined in the TIF RDA), as approved by the City in accordance with the requirements of the TIF RDA, shall be made by check payable to BBSA.

For the purpose of this Escrow Agreement, the term "subcontractor" shall include all contractors, subcontractors, mechanics and materialmen furnishing services, labor, materials

and supplies to the Project.

2. Conditions of Disbursement. The terms and conditions under which such disbursements shall be made are as follows:

- (a) Proceeds of the TCAP Loan or the 1602 Grant and proceeds of the City TCAP Loan or the City 1602 Grant must be disbursed by the Escrow Agent to the parties listed to receive such funds in the draw documents approved by the Authority within forty-eight (48) hours of receipt by the Escrow Agent of such funds from the Authority or the City, as the case may be, and if not so paid within the forty-eight (48) hour time frame, such funds shall automatically be returned to the Authority and the City by the Escrow Agent and will no longer be available to the Owner. If the Escrow Agent disburses proceeds from the TCAP Loan, the 1602 Grant, the City TCAP Loan or the City 1602 Grant after the forty-eight (48) hour period, the Tide Company shall be liable to the Authority and or the City as the case may be for such funds and shall reimburse to the Authority and or the City such funds disbursed.

The Escrow Agent shall deliver to the Authority a disbursement ledger, within three (3) business days of the disbursement of any proceeds of the Authority Financing. The Escrow Agent shall deliver to the City a disbursement ledger, within three (3) business days of the disbursement of any proceeds of the City Financing.

- (b) Prior to the first disbursement under this Escrow Agreement, the Escrow Agent shall furnish the Harris Title Policy to Harris, the Authority Tide Policies to the Authority, the City Tide Policies to the City and the ARC Tide Policy to the CLHTF each such policy showing the Owner as fee owner of the Development and the respective Lenders as the insured, and insuring the respective Lender's mortgage liens on the Development, insured to the amount disbursed.

The first disbursement from the Escrow Account shall not be made until the following requirements have been satisfied:

- (1) The Escrow Agent has received from the Lenders written approval of the condition of title shown in the respective Lender's Tide Policy(ies).
- (2) The Escrow Agent has received sufficient funds to cover the amount of the requested disbursement, together with a request signed by the Owner and the Lenders that the disbursement be made.
- (3) The Escrow Agent is in a position to issue an endorsement to the Tide Policies substantially in the form attached to this Escrow Agreement as Exhibit B and made a part of it (with all variations subject to the approval of the Lenders. The amount shown in the respective endorsement shall be the amount of the first disbursement made by the respective Lender, and its effective date shall be the date that the respective Lender's funds are

disbursed by the Escrow Agent from the Escrow Account.

- (c) Prior to each subsequent disbursement under this Escrow Agreement, the following requirements must be satisfied:
- (1) The Escrow Agent has received from the Lenders, or the City in the case of TIF Funds, sufficient funds to cover the amount of the disbursement requested together with a request for disbursement signed by the Owner and approval of such disbursement request signed by the Lenders, or the City in the case of TIF Funds, in writing. Such disbursement amount, disbursement request and approval shall include any extras or change orders not previously covered by waivers or deposited funds.
  - (2) The Escrow Agent is in a position to issue an endorsement to the Title Policies in the form attached hereto as Exhibit B. The amounts shown in each respective endorsement shall be the amounts of the funds disbursed by the respective Lender under this Escrow Agreement plus any funds disbursed by Lenders for interest or other charges verified by Escrow Agent and its effective date shall be that of the most recent disbursement by the Escrow Agent of funds deposited by the Lender.
- (d) Prior to the final disbursement under this Escrow Agreement, the following requirements must be satisfied:
- (1) The Escrow Agent has received from the Owner's consulting architect a written certificate certifying that Project has been completed and all of the materials are in place to the extent shown in any request for payment by the General Contractor.
  - (2) The Escrow Agent has received from each of the Lenders, or the City in the case of TIF Funds, written approval of the Owner's and the General Contractor's request for final disbursement.
  - (3) The Escrow Agent is in a position to issue final endorsements to the Title Policies in the amount of the Lender financing and showing title to the Development to be subject only to such exceptions as have been approved in writing by the respective Lender as to their respective Title Policy(ies).
  - (4) All required documentation for the final draw request must be submitted to the Escrow Agent prior to any disbursements of the final draw.

In connection with each request for disbursement (unless such disbursement is made from the Owner Subaccount), provided that (i) the Owner is not in default under the Authority Financing; the City Financing, the Harris Loan, the ARC Loan or the TIF RDA; (ii) no event has occurred that would, with the passage of time or the giving of

notice or bond, would be a default under the Authority Financing, the City Financing, the Harris Loan, the ARC Loan or the TIF RDA; and (iii) upon satisfaction of the conditions set forth in Paragraphs 2(a), 2(b) and 2(c) of this Section II, as applicable; the Lenders, or the City in the case of TIF Funds (as applicable), shall make deposits with the Escrow Agent, in immediately available funds, in the amount such Lender has approved.

- (e) It is understood by the parties and by the General Contractor, who has executed this Escrow Agreement to evidence its understanding of the provisions of this Paragraph 2(e) and not as a party, that the following will be required by the Escrow Agent in connection with each disbursement in order to enable the Escrow Agent to fulfill its obligations under this Escrow Agreement;
- (1) There shall be deposited with the Escrow Agent a properly executed General Contractor's sworn statement (the "Contractor's Sworn Statement") together with supporting waivers and releases in a form satisfactory to the Escrow Agent. The Contractor's Sworn Statement shall set forth in detail all subcontractors with whom the General Contractor has entered into a contract, together with their addresses, the work and materials to be furnished, the amounts of the contracts, amounts paid to date, and balance owing.
  - (2) There shall be deposited with the Escrow Agent a payout order from the General Contractor, which shall be approved by the Owner and the Lenders in writing. Such order may be embodied in the Contractor's Sworn Statement or may take the form of a separate document.
  - (3) There shall be deposited with the Escrow Agent a certification, on which the Escrow Agent is authorized to rely without further inquiry or investigation, that materials are in place and work has been completed on the improvements being constructed which have a value equal to the total of the funds (other than funds disbursed for non-construction items) that have been and are to be disbursed. This certificate is to be addressed to the Escrow Agent and is to be made by the Owner's Architect, Jim Cox, Cox, Ltd., whose address is 345 N. Canal Street, Suite 701, Chicago, Illinois 60606.
  - (4) There shall be deposited with the Escrow Agent a properly executed owner's sworn statement (the "Owner's Sworn Statement").
  - (5) The Escrow Agent may, at its discretion, take whatever steps the Escrow Agent may deem necessary to verify the accuracy of the Contractor's Sworn Statement or the Owner's Sworn Statement that may be required under this Escrow Agreement.
  - (6) The Escrow Agent shall not accept any blanket lien waivers by the General Contractor as to labor performed materials furnished by others. The Escrow



Agent shall not accept any blanket pre-signed waivers by any subcontractors.

- (7) Upon completion of the Project, the Owner shall promptly submit notice of thereof to the Escrow Agent and the Lenders and, upon final disbursement under this Escrow Agreement, shall cause the Escrow Agent to issue a final endorsement to each of the Tide Policies. Any amounts remaining in the Subaccounts shall be transferred to the respective depositor.
- (8) If at any time the Escrow Agent discovers a misstatement of a material fact in any request or other notice from the Owner, it shall promptly give notice of such discovery to the Owner and the Lenders, and the Escrow Agent shall thereafter not disburse any funds (including TIF Funds) from the Escrow Account until such misstatements shall have been corrected to the satisfaction of all of the Lenders.
- (9) Upon termination of this Escrow Agreement, the Escrow Agent shall disburse any funds then remaining in each Subaccount to the respective depositor.
- (10) The Escrow Agent's charges for services performed and title insurance protection provided under this Escrow Agreement are to be paid from funds (excluding not TIF Funds), deposited in the Escrow Account and the Escrow Agent reserves the right to suspend further processing under this Escrow Agreement until such funds have been deposited or other arrangements satisfactory to the Escrow Agent have been made.

It is understood by the parties hereto that the requirements listed in this Paragraph 2(e) are solely for the Escrow Agent's benefit in assisting the Escrow Agent to fulfill its obligations under this Escrow Agreement.

### SECTION III: MISCELLANEOUS

If any Lender (or the City, with respect to TIF Funds), pursuant to any disbursement request, deposits with the Escrow Agent funds in an amount greater than the amount requested pursuant to such disbursement request, the Escrow Agent shall promptly transfer the amount of such excess back to that Lender (or the City, with respect to TIF Funds).

NOTWITHSTANDING ANYTHING IN THIS ESCROW AGREEMENT TO THE CONTRARY, THE ESCROW AGENT SHALL NOT MAKE ANY DISBURSEMENTS UNDER THIS ESCROW AGREEMENT IF ANY LENDER (OR THE CITY IN THE CASE OF TIF FUNDS) HAS NOTIFIED THE ESCROW AGENT IN WRITING OR BY TELEX, TELECOPY OR TELEGRAM NOT TO DO SO. IF THE ESCROW AGENT HAS RECEIVED SUCH A NOTICE FROM ANY LENDER (OR THE CITY IN THE CASE OF TIF FUNDS), THE ESCROW AGENT SHALL NOT MAKE ANY DISBURSEMENTS UNDER THIS ESCROW AGREEMENT (a) EXCEPT AS PROVIDED IN THE IMMEDIATELY SUCCEEDING PARAGRAPH OR (b) UNLESS AND UNTIL SUCH LENDER (OR THE CITY IN THE CASE OF TIF FUNDS) HAS NOTIFIED THE

**ESCROW AGENT IN WRITING TO DO SO.**

Upon notice to the Escrow Agent from any Lender of the occurrence of an event of default under its mortgage (or the City of an event of default under the TIF RDA), the Escrow Agent shall, upon receipt of such written notice, transfer all amounts then remaining in the applicable Subaccount to the applicable depositor.

Unless otherwise specified, any notice, demand or request required under this Escrow Agreement shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) overnight courier, receipt requested; or (c) registered or certified mail, return receipt requested.

**IF TO THE OWNER:**

Hancock House Limited Partnership  
345 N. Canal Street, Suite 301  
Chicago, Illinois 60606  
Attention: Brigitte Grossman

**IF TO HARRIS:**

Harris N.A.  
111 West Monroe Street, 2nd Floor West  
Chicago, Illinois 60603  
Attention: Katherine B. Mazzocco

**IF TO THE AUTHORITY:**

Illinois Housing Development  
Authority  
401 N. Michigan Ave., Suite 700  
Chicago, Illinois 60611  
Attention: Finance Department

**IF TO THE CITY:**

City of Chicago  
Department of Community Development  
121 North LaSalle Street, Room 1000  
Chicago, Illinois 60602  
Attention: Commissioner

**IF TO CLHITF**

Chicago Low-Income Housing Trust Fund  
c/o Chicago Department of Community  
Development  
City of Chicago  
121 N. LaSalle Street, Room 1006  
Chicago, Illinois 60602  
Attention: Executive Director

**IF TO THE ESCROW AGENT:**

First American Tide Insurance Company

30 North LaSalle Street  
Suite 2700  
Chicago, Illinois  
Attention: Dolores Saavedra

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 clause (a) shall be deemed received upon such personal service. Any notice, demand or request sent pursuant to clause (b) shall be deemed received on the business day immediately following deposit with the overnight courier, and any notice, demand or request sent pursuant to clause (c) shall be deemed received on the third (3<sup>rd</sup>) business day following deposit in the mail.

Notwithstanding any requirement or undertaking in this Escrow Agreement, the Escrow Agent assumes no obligation for insuring that sufficient funds will be available to pay all costs incurred in completing the Project, or that the Project will be completed. Except with respect to funds for which the Escrow Agent has received investment instructions in writing, the Escrow Agent shall be under no duty to invest or reinvest any cash at any time held by it under this Escrow Agreement. All income, if any, derived from any use that the Escrow Agent may make of any deposits under this Escrow Agreement shall belong to the respective depositors.

While the subcontractors and any suppliers of labor and materials listed on Sworn Statements deposited with the Escrow Agent are not parties to this Escrow Agreement and have no standing to alter its terms, it is understood by the parties hereto that the Escrow Agent is authorized to furnish to such subcontractors and suppliers information that the Escrow Agent may deem appropriate with regard to the times at which disbursements might be made to them, and what conditions remain unsatisfied when the Escrow Agent is not in a position to make disbursements.

No changes, amendments, modifications, cancellations or discharge of this Escrow Agreement, or any part of it, shall be valid unless in writing executed by the parties hereto or their respective successors and assigns. However, the Lenders may amend and modify this Escrow Agreement with the consent of the Escrow Agent, but without the written consent of any other party, so long as such amendments or modifications do not adversely affect the rights or obligations of the Owner.

This Escrow Agreement may be executed in several counterparts each of which shall constitute an original and all of which shall constitute one and the same instrument.

This Escrow Agreement shall be governed as to performance and interpretation in accordance with the laws of the State of Illinois, exclusive of its conflict of laws provisions.

The Escrow Agent, the Lenders and the Owner agree that this Escrow Agreement is not intended by any of them to give any benefits, rights, privileges, actions or remedies to any person, partnership, firm or corporation, other than the Escrow Agent, the Lenders and the Owner, as a third party beneficiary or otherwise under any theory of law.

The captions used in this Escrow 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 any provision of this Escrow Agreement.

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

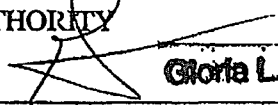
SIGNATURES APPEAR ON THE FOLLOWING PAGES

AUTHORITY:

ILLINOIS HOUSING DEVELOPMENT  
AUTHORITY



By: \_\_\_\_\_

 Gloria L. Materre

Its \_\_\_\_\_

Executive Director

OWNER:

HANCOCK HOUSE LIMITED PARTNERSHIP, an  
Illinois limited partnership

By: Hancock House, L.L.C., an Illinois limited  
liability company  
Its General Partner

By: Source Works Development, LLC, an  
Illinois limited liability company  
Its Managing Member

By:   
Brigitte Grossman  
Its Sole Member

HARRIS:

HARRIS N.A.

By: Katherine B. Mazzocco  
Name: Katherine B. Mazzocco  
Its VP

CITY:

CITY OF CHICAGO

By:

Christine Raguso

Christine Raguso, Acting Commissioner  
Department of Community Development

Edward B. Ellis

Ed Ellis, Deputy Commissioner  
Department of Community Development  
Financial Control

HANCOCK HOUSE  
CONSTRUCTION ESCROW AGREEMENT



CLHTF

By:

Name: Thomas J. McNulty

Its President

ESCROW AGENT:

FIRST AMERICAN TITLE INSURANCE  
COMPANY

By:

Its Edward Construction Escrow Officer

ACCEPTED BY GENERAL CONTRACTOR:

JOSEPH J. DUFFY CO.

By:

Its President

**ATTACHMENT K**

CITY OF CHICAGO, ILLINOIS  
119TH AND HALSTED  
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2010

CITY OF CHICAGO, ILLINOIS  
119TH AND HALSTED REDEVELOPMENT PROJECT

C O N T E N T S

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# BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

O'HARE PLAZA

8745 WEST HIGGINS ROAD, SUITE 200

CHICAGO, ILLINOIS 60631

AREA CODE 312 263.2700

## INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited the accompanying financial statements of the 119th and Halsted Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the City of Chicago's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the 119th and Halsted Redevelopment Project and do not purport to, and do not present fairly the financial position of the City of Chicago, Illinois, as of December 31, 2010, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 119th and Halsted Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2010, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 5 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Honorable Rahm Emanuel, Mayor  
Members of the City Council

- 2 -

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of expenditures by statutory code on page 11, which is also the responsibility of the City of Chicago's management, is presented for purposes of additional analysis and is not a required part of the financial statements of 119th and Halsted Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Barclay and Kiener, C.C.P.*

Certified Public Accountants

June 14, 2011

CITY OF CHICAGO, ILLINOIS  
119TH AND HALSTED REDEVELOPMENT PROJECT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As management of the 119th and Halsted Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2010. Please read it in conjunction with the Project's financial statements, which follow this section.

*Overview of the Financial Statements*

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

*Basic Financial Statements*

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

*Government-Wide Financial Statements*

The government-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net assets and how they have changed. Net assets – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

*Governmental Fund Financial Statements*

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS  
119TH AND HALSTED REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Continued)

*Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements follow the basic financial statements.

*Other Supplementary Information*

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

*Condensed Comparative Financial Statements*

The condensed comparative financial statements are presented on the following page.

*Analysis of Overall Financial Position and Results of Operations*

Property tax revenue for the Project was \$1,178,555 for the year. This was an increase of 76 percent over the prior year. The change in net assets produced an increase in net assets of \$1,012,744. The Project's net assets increased by 34 percent from the prior year making available \$3,953,960 of funding to be provided for purposes of future redevelopment in the Project's designated area. Revenues increased this year due to the Project's economic growth and accordingly increasing the total equalized assessed value of parcels and subsequent tax increment and related collections.

*Debt Administration*

Tax Increment Allocation Notes outstanding at December 31, 2010 amounted to \$423,905. More detailed information about the Project's long-term liabilities is presented in Note 2 of the financial statements.

CITY OF CHICAGO, ILLINOIS  
119TH AND HALSTED REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Concluded)

Government-Wide

	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 4,591,189	\$ 3,529,314	\$ 1,061,875	30%
Total liabilities	<u>637,229</u>	<u>588,098</u>	<u>49,131</u>	8%
Total net assets	<u>\$ 3,953,960</u>	<u>\$ 2,941,216</u>	<u>\$ 1,012,744</u>	34%
Total revenues	\$ 1,181,629	\$ 671,715	\$ 509,914	76%
Total expenses	<u>168,885</u>	<u>157,634</u>	<u>11,251</u>	7%
Changes in net assets	<u>1,012,744</u>	<u>514,081</u>	<u>498,663</u>	97%
Ending net assets	<u>\$ 3,953,960</u>	<u>\$ 2,941,216</u>	<u>\$ 1,012,744</u>	34%



CITY OF CHICAGO, ILLINOIS  
119TH AND HALSTED REDEVELOPMENT PROJECT

STATEMENT OF NET ASSETS AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2010

<u>ASSETS</u>	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Cash and investments	\$ 3,484,477	\$ -	\$ 3,484,477
Property taxes receivable	1,104,000	-	1,104,000
Accrued interest receivable	2,712	-	2,712
Total assets	<u>\$ 4,591,189</u>	<u>\$ -</u>	<u>\$ 4,591,189</u>
 <u>LIABILITIES</u>			
Vouchers payable	\$ 198,088	\$ -	\$ 198,088
Due to other City funds	15,236	-	15,236
Deferred revenue	864,905	(864,905)	-
Notes payable - Due after one year (Note 2)	-	423,905	423,905
Total liabilities	<u>1,073,229</u>	<u>(441,000)</u>	<u>637,229</u>
 <u>FUND BALANCE/NET ASSETS</u>			
Fund balance:			
Reserved for debt service	478,042	(478,042)	-
Designated for future redevelopment project costs	<u>3,034,918</u>	<u>(3,034,918)</u>	<u>-</u>
Total fund balance	<u>3,512,960</u>	<u>(3,512,960)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 4,591,189</u>		
Net assets:			
Restricted for debt service		478,042	478,042
Restricted for future redevelopment project costs		<u>3,475,918</u>	<u>3,475,918</u>
Total net assets		<u>\$ 3,953,960</u>	<u>\$ 3,953,960</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance - governmental funds	\$ 3,512,960
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	864,905
Long-term liabilities applicable to the Project's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities are reported in the statement of net assets.	<u>(423,905)</u>
Total net assets - governmental activities	<u>\$ 3,953,960</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS  
119TH AND HALSTED REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 1,054,003	\$ 124,552	\$ 1,178,555
Interest	<u>3,074</u>	<u>-</u>	<u>3,074</u>
Total revenues	<u>1,057,077</u>	<u>124,552</u>	<u>1,181,629</u>
Expenditures/expenses:			
Economic development projects	127,277	-	127,277
Debt service:			
Principal retirement	150,000	(150,000)	-
Interest	<u>41,608</u>	<u>-</u>	<u>41,608</u>
Total expenditures/expenses	<u>318,885</u>	<u>(150,000)</u>	<u>168,885</u>
Excess of revenues over expenditures	738,192	(738,192)	-
Change in net assets	-	1,012,744	1,012,744
Fund balance/net assets:			
Beginning of year	<u>2,774,768</u>	<u>166,448</u>	<u>2,941,216</u>
End of year	<u>\$ 3,512,960</u>	<u>\$ 441,000</u>	<u>\$ 3,953,960</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental funds \$ 738,192

Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available. 124,552

Repayment of note principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because of current financial resources have been used. For governmental activities, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities. 150,000

Change in net assets - governmental activities \$ 1,012,744

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS  
119TH AND HALSTED REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In February 2002, the City of Chicago (City) established the 119th and Halsted Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the debt service and special revenue funds of the City.

(b) *Government-Wide and Fund Financial Statements*

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999, the GASB unanimously approved Statement No. 34 (as amended by Statement No. 37), *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* and at a later date, Statement No. 38 *Certain Financial Statements Disclosures*, and include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Project's overall financial position and results of operations.
- Government-wide financial statements prepared using the economic resources measurement focus and the *accrual basis of accounting* for all the Project's activities.
- Fund financial statements, which focus on the Project's governmental funds *current financial resources measurement focus*.

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation*

The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements are prepared on the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under the *modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

CITY OF CHICAGO, ILLINOIS  
119TH AND HALSTED REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

(d) *Assets, Liabilities and Net Assets*

*Cash and Investments*

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

*Capital Assets*

Capital assets are not capitalized in the governmental fund but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental fund as the City nor Project will retain the right of ownership.

(e) *Stewardship, Compliance and Accountability*

*Illinois Tax Incremental Redevelopment Allocation Act Compliance*

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Incremental Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

*Reimbursements*

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection. The annual principal and interest payments are made solely from incremental real property taxes, which are paid in the redevelopment district.

CITY OF CHICAGO, ILLINOIS  
119TH AND HALSTED REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

Note 2 – Notes Payable

In December 2006, the City issued 119th and Halsted Tax Increment Allocation Notes, Series 2006. The notes are for \$1,000,000 and have an interest rate of 7.25 percent and maturity dates ranging from January 1, 2008 to January 1, 2014. The City initially drew \$873,905 for this Project in 2007 and the remaining \$126,095 may be drawn in future years. Net proceeds of \$873,905 were used to fund the Neighborhood Improvement Program in the 119th and Halsted Redevelopment Project Area (\$723,905) and to fund the debt service account (\$150,000).

Long-term liability activity for the year ended December 31, 2010 was as follows:

Beginning balance	\$ 573,905
Additions	-
Reductions	<u>(150,000)</u>
Ending balance	<u>\$ 423,905</u>
Amounts due within one year	<u>\$ -</u>

The remaining maturities of the notes are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ -	\$ -
2012	175,000	30,733
2013	175,000	18,046
2014	<u>73,905</u>	<u>5,358</u>
Total	<u>\$423,905</u>	<u>\$54,137</u>

Note 3 – Commitments

The City has pledged certain amounts solely from available excess incremental taxes to provide financial assistance to a developer under the terms of a redevelopment agreement for the purpose of paying costs of certain eligible redevelopment project costs.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS  
119TH AND HALSTED REDEVELOPMENT PROJECT  
SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing

\$ 25,214

Costs of the construction of public works or improvements

102,063

Costs of financing, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto

191,608

\$318,885



BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

ESTABLISHED 1922

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INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of net assets and governmental funds balance sheet of 119th and Halsted Redevelopment Project of the City of Chicago, Illinois as of December 31, 2010, and the related statement of activities and governmental funds revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated June 14, 2011.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the 119th and Halsted Redevelopment Project of the City of Chicago, Illinois.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

*Bansley and Kiener, L.L.P.*

Certified Public Accountants

June 14, 2011

MEMBERS: AMERICAN INSTITUTE OF CPA'S • ILLINOIS CPA SOCIETY  
AN INDEPENDENT FIRM ASSOCIATED WITH MOORE STEPHENS



## INTERGOVERNMENTAL AGREEMENTS

A list of all Intergovernmental agreements in effect in FY 2010 to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)]

Name of Agreement	Description of Agreement	Amount Transferred Out	Amount Received
None			

**119<sup>th</sup> and Halsted Redevelopment Project Area  
2010 Annual Report**

