



Office of the City Clerk

City Hall
121 N. LaSalle St.
Room 107
Chicago, IL 60602
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Legislation Details (With Text)

File #: SO2021-3237

Type: Ordinance **Status:** Passed

File created: 7/21/2021 **In control:** City Council

Final action: 10/27/2021

Title: Sale of City-owned property within Midwest and Ogden/Pulaski redevelopment areas to Chicago Neighborhood Initiatives and Lawndale Christian Development Corporation including remediation and tax increment financing (TIF) assistance

Sponsors: Lightfoot, Lori E.

Indexes: Sale

Attachments: 1. SO2021-3237.pdf, 2. O2021-3237.pdf

Date	Ver.	Action By	Action	Result
10/27/2021	1	City Council	Passed as Substitute	Pass
10/15/2021	1	Committee on Housing and Real Estate	Recommended to Pass	
9/7/2021	1	Committee on Housing and Real Estate	Held in Committee	
7/21/2021	1	City Council	Referred	

SUBSTITUTE ORDINANCE

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

WHEREAS, The City has determined that a shortage of affordable housing is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, The City also has a goal of creating communities of opportunity to replace vacancy, violence, and decades of disinvestment with affordable homes and opportunities for families to build generational wealth and equity; and

WHEREAS, Pursuant to ordinances adopted on (i) April 9, 2008, with respect to the Ogden/Pulaski Redevelopment Project Area and (ii) May 17, 2000, as amended on April 14, 2010, May 9, 2012 and December 9, 2015 with respect to the Midwest Redevelopment Project Area (each, a "Redevelopment Area" and collectively, the "Redevelopment Areas"), the City Council: (i) approved redevelopment plans and projects (each, a "Redevelopment Plan" and collectively, the "Redevelopment Plans"), pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1 et seq.) (the "TIF Act"); (ii) designated the Redevelopment Areas as redevelopment project areas pursuant to the TIF Act; and (iii) adopted tax increment financing pursuant to the TIF Act as a means of financing certain Redevelopment Area project costs incurred pursuant to the Redevelopment Plans; and

WHEREAS, The City is the owner of the 100 parcels of real property (each, a "City Lot" and collectively, the "City Lots") listed on Exhibit A attached hereto, each of which has an appraised value of less than \$50,000; and

WHEREAS, The City Lots are located in the Redevelopment Areas; and

WHEREAS, A joint venture between two Illinois not for profit corporations, Chicago Neighborhood Initiatives ("CNI") and Lawndale Christian Development Corporation ("LCDC" and together with CNI, the "Developer"), has submitted a proposal to the Department of Housing (the "Department") to purchase the City Lots for \$100.00 (or \$1.00 per City Lot) in order to construct up to 100 affordable single family homes (the "Project"); and

WHEREAS, A third Illinois not for profit corporation, United Power for Action and Justice ("UPAJ"), has secured an allocation of \$10 million dollars from the State of Illinois to respond to the negative economic impacts of COVID-19; and

WHEREAS, The Developer plans to partner with UPAJ to provide Project homebuyers down payment and closing cost assistance averaging \$30,000 per homebuyer; and

WHEREAS, The Developer has agreed to construct the Project in accordance with the applicable Redevelopment Plan and pursuant to the terms and conditions of the redevelopment agreement, in substantially the form attached hereto as Exhibit B ("Redevelopment Agreement"); and

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WHEREAS, The City intends to perform certain environmental remediation and related site preparation activities on the City Lots prior to conveyance, and the Department is concurrently seeking authority through a separate ordinance to engage CNI for this purpose (the "CNI Site Prep Ordinance"); and

WHEREAS, Subject to approval of the CNI Site Prep Ordinance, the City's Department of Assets, Information and Services will give CNI access to the City Lots to do the environmental remediation and related site preparation activities; and

WHEREAS, The City has established the Community Development Commission ("CDC") to, among other things, designate redevelopment areas and recommend the sale of parcels located in redevelopment areas, subject to the approval of the City Council; and

WHEREAS, By Resolution No. 21-CDC-23 adopted on June 8, 2021, the CDC authorized DOH to advertise its intention to enter into a sale with the Developer for the redevelopment of the City Lots, approved DOH's request to advertise for alternative proposals, and approved the sale of the City Lots to the Developer if no alternative proposals were received; and

WHEREAS, Public notices advertising DOH's intent to convey the City Lots to the Developer and requesting alternative proposals appeared in the Chicago Tribune on June 25, July 2, and July 9, 2021; and

WHEREAS, Pursuant to Resolution No. 21-018-21 adopted on May 20, 2021, by the Chicago Plan Commission, the Commission recommended the sale of the City Lots to the Developer; and

WHEREAS, the Project is consistent with the purposes and objectives of the Redevelopment Plans; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO:

SECTION 1. The above recitals are incorporated herein and made a part of this ordinance.

SECTION 2. For purposes of this ordinance, capitalized terms that are not defined herein shall have the meanings set forth in the Redevelopment Agreement.

SECTION 3. The Developer is hereby designated as the developer for the Project pursuant to Section 5/11-74.4-4 of the Act.

SECTION 4. The sale of the City Lots to the Developer for \$100.00 (or \$1.00 per City Lot) is hereby approved. This approval is expressly conditioned upon the City entering into the Redevelopment Agreement with the Developer. The commissioner of the Department ("Commissioner"), or a designee of the Commissioner, is each hereby authorized, with the approval of the City's Corporation Counsel, to negotiate, execute and deliver the Redevelopment Agreement and such other documents as may be necessary or appropriate to carry out and comply with the provisions of this ordinance and the Redevelopment Agreement. Such documents may contain terms and provisions that the Commissioner, or a designee of the Commissioner,

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deems appropriate, including indemnification. If the Developer fails to execute the Redevelopment Agreement by June 30, 2022, then this ordinance will be rendered null and void and of no further effect.

SECTION 5. Given the Department's goal of creating communities of opportunity to replace vacancy, violence, and decades of disinvestment with affordable homes and opportunities for families to build generational wealth and equity, Section 2-44-080 of the Municipal Code shall not apply to the Project.

SECTION 6. The Mayor or her proxy is each hereby authorized to execute, and the City Clerk or the Deputy City Clerk is each hereby authorized to attest, a quitclaim deed or deeds conveying the City Lots to the Developer, or to a land trust of which the Developer is the sole beneficiary, or to a business entity, of which the Developer is the sole controlling party or is comprised of the same principal parties, subject to those covenants, conditions and restrictions set forth in the Redevelopment Agreement.

SECTION 7. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 8. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 9. This ordinance shall take effect immediately upon its passage and approval.

Attachments: Exhibit A - List of City Lots

Exhibit B - Redevelopment Agreement

EXHIBIT A LIST OF CITY LOTS

PIN	ADDRESS	PIN	ADDRESS
1623213003	1311 S SAWYER AVE	1624102007	1315 S KEDZIE AVE
1623213015	1312 S KEDZIE AVE	1624102008	1319 S KEDZIE AVE
1623220027	1444 S SAWYER AVE	1624102009	1321 S KEDZIE AVE
1623220028	1440 S SAWYER AVE	1624102024	1316 S TROY ST
1623221009	1421 S SAWYER AVE	1624102025	1320 S TROY ST
1623221010	1425 S SAWYER AVE	1624103001	1301 S TROY ST
1623221014	2433 S CHRISTIANA AVE	1624103002	1303 S TROY ST
1623221015	1437 S SAWYER AVE	1624103017	1300 S ALBANY AVE
1623221016	1435 S SAWYER AVE	1624103020	1310 S ALBANY AVE
1623221019	1447 S SAWYER AVE	1624103021	1312 S ALBANY AVE
1623221026	1430 S KEDZIE AVE	1624103022	1316 S ALBANY AVE
1623221027	1432 S KEDZIE AVE	1624103023	1318 S ALBANY AVE
1623221028	1434 S KEDZIE AVE	1624103024	1320 S ALBANY AVE
1623221029	1438 S KEDZIE AVE	1624103025	1322 S ALBANY AVE
1623228034	1532 S SAWYER AVE	1624103026	1326 S ALBANY AVE
1623228043	1554 S SAWYER AVE	1624103029	1336 S ALBANY AVE
1623229001	1503 S SAWYER AVE	1624104010	1433 S KEDZIE AVE
1623229003	1509 S SAWYER AVE	1624104011	3148 W 15TH ST
1623229020	1553 S SAWYER AVE	1624104012	3146 W 15TH ST
1623229022	1559 S SAWYER AVE	1624104013	3144 W 15TH ST
1623229029	1530 S KEDZIE AVE	1624104014	3142 W 15TH ST
1623406018	1604 S SAWYER AVE	1624104015	3138 W 15TH ST
1623406019	1608 S SAWYER AVE	1624104019	3122 W 15TH ST
1623406023	1620 S SAWYER AVE	1624105017	3121 W15TH ST
1623407001	1601 S SAWYER AVE	1624105020	3140 W 15TH PL
1623413033	1832 S SAWYER AVE	1624105021	3136 W15TH PL
1623414012	1825 S SAWYER AVE	1624105022	3134 W 15TH PL

1623414014	1829 S SAWYER AVE	1624105023	3132 W 15TH PL
1623414042	1858 S KEDZIE AVE	1624105029	1502 S ALBANY AVE
1623421021	1900 S SAWYER AVE	1624105037	1520 S ALBANY AVE
1623421023	1904 S SAWYER AVE	1624106003	1549 S KEDZIE AVE
1623421036	1938 S SAWYER AVE	1624106011	3147 W 15TH PL
1623422002	1903 S SAWYER AVE	1624106012	3145 W15TH PL
1623422008	1921 S SAWYER AVE	1624106021	3146 W 16TH ST
1623422010	1927 S SAWYER AVE	1624106030	3122 W 16TH ST
1623422012	1931 S SAWYER AVE	1624301057	1875 S KEDZIE AVE
1623422022	1902 S KEDZIE AVE	1624301059	3150W19TH ST
1623422023	1902 S KEDZIE AVE	1624303001	1901 S KEDZIE AVE
1623422024	1906 S KEDZIE AVE	1624303002	1903 S KEDZIE AVE
1623422025	1908 S KEDZIE AVE	1624303010	1925 S KEDZIE AVE

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PIN	ADDRESS	PIN	ADDRESS
1623422036	1950S KEDZIE AVE	1624303011	1929 S KEDZIE AVE
1624100011	1219 S KEDZIE AVE	1624303013	1933 S KEDZIE AVE
1624100020	1243 S KEDZIE AVE	1624303014	1935 S KEDZIE AVE
1624100024	1251 S KEDZIE AVE	1624303020	1957 S KEDZIE AVE
1624100026	1255 S KEDZIE AVE	1624304011	1923 S TROY ST
1624101025	1255 S TROY ST	1624304018	1951 S TROY ST
1624101026	1257 S TROY ST	1624304034	2016 S ALBANY AVE
1624101039	1248 S ALBANY AVE	1624311012	2116 S ALBANY AVE
1624102005	1311 S KEDZIE AVE	1624311013	2118 S ALBANY AVE
1624102006	1313 S KEDZIE AVE	1624311018	2130 S ALBANY AVE

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EXHIBIT B

FORM OF REDEVELOPMENT AGREEMENT

This instrument prepared by and after
recording return to:

Department of Law City of Chicago
121 N. LaSalle Street, Room 600
Chicago, Illinois 60602
(312)-744-

**REDEVELOPMENT AGREEMENT
RECLAIMING CHICAGO**

This Agreement ("Agreement"), dated as of _____, 2021 ("Effective Date") is made by and between the City of Chicago, an Illinois municipal corporation ("City"), acting by and through its Department of Housing (together with any successor department thereto, "DOH") and a joint venture between two Illinois not for profit corporations, Chicago Neighborhood Initiatives ("CNI"), having its principal office at _____ and Lawndale Christian Development Corporation ("LCDC" and together with CNI, the "Developer"), having its principal office at _____. Capitalized terms not otherwise defined herein shall have the meanings given in the Definitions section.

RECITALS

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

B. Developer has previously submitted an application package to DOH describing its proposal to construct one hundred (100) single-family homes (each, a "Home" and collectively, the "Homes") at the properties listed on Exhibit A attached hereto (each, a "City Lot" and collectively, the "Property").

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C. The City Council of the City ("City Council"), by ordinance adopted _____, 2021 and published in the Journal of Proceedings of the City Council ("Journal") for such date at pages _____ through _____ (the "Ordinance"), approved the sale of the Property to Developer.

D. Developer, subject to the terms of the Agreement, shall construct up to one hundred (100) Homes on the Property. The construction of the Homes by Developer pursuant to the terms of the Agreement shall be referred to as the "Project." As security for the Developer's completion of the Project and compliance with this Agreement, the Developer has agreed to execute a reconveyance deed for each City Lot in a form acceptable to the City (each a "Reconveyance Deed" and collectively, the "Reconveyance Deeds").

E. The City Lots are located within the boundaries of the Ogden/Pulaski Redevelopment Project Area, established by an ordinance adopted by the City Council on April 9, 2008 and the Midwest Redevelopment Project Area, established by ordinances adopted by the City Council on May 17, 2000, as amended on April 14, 2010, May 9, 2012 and December 9, 2015, (each, an "Area" and together, the "Areas"). The development of the City Lots shall be in accordance with all laws, rules and regulations concerning tax increment financing, including, without limitation, the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time. The City Lots are legally described on Exhibit B attached hereto.

F. The City intends to perform certain environmental remediation and related site preparation activities on the City Lots prior to the conveyance of the Property to Developer. The City is concurrently entering into a Site Preparation RDA to engage CNI to perform such environmental remediation and related site preparation activities.

G. A third Illinois not for profit corporation, United Power for Action and Justice ("UPAJ"), has secured an allocation of \$10 million dollars from the State of Illinois to respond to the negative economic impacts of COVID-19 and Developer plans to partner with UPAJ to provide Project homebuyers down payment and closing cost assistance averaging \$30,000 per homebuyer.

H. Developer and the City acknowledge that the implementation of the provisions described in the

Agreement will be of mutual benefit to the Developer and the City.

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

DEFINITIONS

The following terms shall have the meaning set forth below: 2014 City Hiring Plan: Shall have the meaning given in Section 10.20(A). Affiliate: Shall have the meaning given in Section 10.15. Agreement: Shall have the meaning given in the preamble.

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Alternative Environmental Requirements: Shall have the meaning given in the Site Preparation RDA.

Appraised Value: Shall mean the value of a City Lot as determined by an independent appraisal ordered by the City no later than one (1) year prior to the date of introduction to City Council of the Ordinance.

Area(s): Shall have the meaning given in Recital E.

Budget: Shall have the meaning given in Section 4.5(a).

Bundle: Shall have the meaning given in Section 10.14(e)(2)(a).

Certificate: Shall have the meaning given in Section 4.7.

City: Shall have the meaning given in the preamble.

City Council: Shall have the meaning given in Recital C.

City Lots: Shall have the meaning given in Recital B.

Commissioner: Shall mean the Commissioner of DOH, or his or her authorized designee.

Commitment: Shall have the meaning given in 4.5(a).

Conditional Certificate: Shall have the meaning given in Section 4.5(d)(ii).

Construction and Compliance: Shall mean DOH's Construction and Compliance Division or any successor division thereto.

Construction Lender: Shall have the meaning given in Section 4.5(a).

Construction Loan: Shall have the meaning given in Section 4.5(a).

Contractors: Shall have the meaning given in Section 10.14(a).

Contribution: Shall have the meaning given in Section 10.14(e)(2)(c).

Corporation Counsel: Shall mean the City's Department of Law.

Cure Period: Shall have the meaning given in Section 6.3.

DAIS: Shall have the meaning given in Section 3.4.

Deed: Shall have the meaning given in Section 3.2.

Developer: Shall have the meaning given in the preamble, and shall also include the Developer's successors and assigns, as permitted under this Agreement.

Developer Parties: Shall have the meaning given in Section 8.1.

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DOH: Shall have the meaning given in the preamble.

Domestic Partners: Shall have the meaning given in Section 10.14(e)(2)(d).

Employer(s): Shall have the meaning given in Section 7.1.

Environmental Documents: Shall mean all reports, surveys, field data, correspondence and analytical results regarding the condition of the City Lots or any portion thereof, including, without limitation, the SRP Documents, documents prepared pursuant to the Alternative Environmental Requirements, and any documents prepared pursuant to the Site Preparation RDA.

Environmental Laws: Shall mean any and all Laws relating to the regulation and protection of human health, safety, the environment and natural resources now or hereafter in effect, as amended or supplemented from time to time, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Clean Air Act, 42 U.S.C. § 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., any and all regulations promulgated under such Laws, and all analogous state and local counterparts or equivalents of such Laws, including, without limitation, the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq., and the common law, including, without limitation, trespass and nuisance.

Environmental Remediation Work: Shall mean all investigation, sampling, monitoring, testing, reporting, removal (including excavation, transportation and disposal), response, storage, remediation, treatment and other activities necessary to comply with the terms and conditions of the DAIS-approved Alternative Environmental Requirements and Mitigation Plan for the City Lot(s) or a Remedial Action Plan approved by the IEPA.

Event of Default: Shall have the meaning given in Section 6.2.

Final Certificate: Shall have the meaning given in Section 4.5(d).

Final NFR Letter: Shall mean a final comprehensive residential "No Further Remediation" letter issued by the IEPA approving the use of the City Lot for the construction, development and operation of the Project in accordance with the site plan approved by the City and the terms and conditions of the SRP Documents, as amended or supplemented from time to time. The Final NFR Letter shall state that the City Lots(s) meet TACO

Tier 1 residential criteria, but may be reasonably conditioned upon use and maintenance of engineered barriers and other institutional or engineering controls acceptable to the IEPA.

Financing: Shall have the meaning given in Section 4.5(a).

First Mortgage: Shall have the meaning given in Section 4.5(a).

First Mortgage Note: Shall have the meaning given in Section 4.5(a).

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Hazardous Substance(s): 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 Laws, or any pollutant, toxic vapor, or contaminant, and shall include, but not be limited to, petroleum (including crude oil or any fraction thereof), any radioactive material or by-product material, polychlorinated biphenyls and asbestos in any form or condition.

Human Rights Ordinance: Shall have the meaning given in Section 7.1(A).

Home(s): Shall have the meaning given in Recital B.

Identified Parties: Shall have the meaning given in Section 10.14(a).

IEPA: Shall mean the Illinois Environmental Protection Agency.

IGO Hiring Oversight: Shall have the meaning given in Section 10.20(D).

Indemnitees: Shall mean the City, and its elected and appointed officials, employees, agents and affiliates.

Inspector: Shall have the meaning given in Section 4.5(c).

Journal: Shall have the meaning given in Recital C.

Land Value Lien Amount: Shall have the meaning given in Section 4.5(b)(1).] Laws: Shall have the meaning given in Section 4.2.

Losses: Shall mean any and all claims, demands, actions, suits, causes of action, legal or administrative proceedings, losses, damages, obligations, liabilities, executions, judgments, fines, penalties, assessments, liens, debts, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, investigation, cleanup, monitoring, remedial, removal and restoration costs, natural resource damages, property damages, and the reasonable fees and disbursements of counsel for Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnities shall be designated a party thereto).

Maintenance Plan: Shall have the meaning given in the Site Preparation RDA.

Mitigation Implementation Report: Shall have the meaning given in the Site Preparation RDA.

Mitigation Plan: Shall have the meaning given in the Site Preparation RDA. Mitigation Plan Approval

Letter: Shall have the meaning given in the Site Preparation RDA.

Municipal Code: Shall mean the Municipal Code of Chicago.

Other Contract: Shall have the meaning given in Section 10.14(e)(2)(b).

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Owners: Shall have the meaning given in Section 10.14(a).

Phase I ESA: Shall mean a Phase I environmental site assessment of the City Lot in accordance with ASTM E-1527-13.

Phase II ESA: Shall mean a Phase II environmental site assessment of the City Lot in accordance with ASTM E-1903-19.

Political fundraising committee: Shall have the meaning given in Section 10.14(e)(2)(e).

Principal Residence: Shall mean an owner's primary or principal residence that the owner actually occupies on a regular basis. A Principal Residence does not include any housing unit used as an investment property, as a recreational home or a home in which fifteen percent (15%) or more of its total area is used for a trade or business.

Project: Shall have the meaning given in Recital D.

Recorder's Office: Shall mean the Office of the Cook County Clerk.

Released Claims: Shall have the meaning given in Section 8.1.

Remedial Action Plan (RAP): Shall have the meaning given in the Site Preparation RDA.

Schedule: Shall have the meaning given in Section 4.1.

Site Preparation RDA: Shall mean the CNI Site Preparation Redevelopment Agreement dated as of _____, _____ by and between the City and CNI.

Special Lots: Shall have the meaning given in Section 4.3.

SRP: Shall mean 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.

SRP Documents: Shall mean all documents submitted to the IEPA under the SRP, as amended or supplemented from time to time, including, without limitation, the Phase II ESA, the Comprehensive Site Investigation and Remediation Objectives Report, the Remedial Action Plan, the Remedial Action Completion Report, and any and all related correspondence, data and other information prepared by either party pursuant to Section 5.5.

Subordination Agreement: Shall have the meaning given in Section 4.5(a).

Sub-Owners: Shall have the meaning given in Section 10.14(a).

TACO: Shall mean the Tiered Approach to Corrective Action Objectives codified at 35 Ill. Adm. Code Part 742 et seq.

Title Company: Shall mean Greater Illinois Title Company.

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Waste Sections: Shall have the meaning given in Section 10.17.

Working Drawings and Specifications: Shall mean the final working drawings and specifications prepared for Developer with regard to the construction of the Homes, a list of which is attached hereto as Exhibit C.

SECTION I
INCORPORATION OF RECITALS AND DEFINITIONS

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

SECTION II
CITY OBLIGATIONS TO EXECUTE AGREEMENT, COVENANTS, REPRESENTATIONS AND WARRANTIES

2.1 Conditions to the City's Obligation to Execute Agreement. Before the City shall execute the Agreement, DOH shall have reviewed and approved the following deliveries, unless waived or extended in writing by DOH in its sole discretion:

- (a) The following organizational documents of Developer:
 - (i) A certificate of good standing for the Developer from the State of Illinois;
 - ii) Certified articles of incorporation or organization, including all amendments thereto, of the Developer, as furnished and certified by the Secretary of State of the State of Illinois;
 - iii) A certificate of incumbency identifying Developer's current officers and including specimen signatures;
 - iv) A copy of the Developer's bylaws or operating agreement;
 - v) Resolutions authorizing the Developer's performance of its obligations under this Agreement;
 - vi) Any other documents required to complete the transaction contemplated by this Agreement and to perform its obligations under this Agreement;
 - vii) such other organizational documents as the City may reasonably request;

- (b) The following due diligence searches in Developer's name and names of its parent companies, if applicable, showing no unacceptable liens, litigation, judgments or filings, as reasonably determined by the Corporation Counsel:
 - i) Bankruptcy Search, U. S. Bankruptcy Court for the N.D. Illinois;
 - ii) Pending Suits and Judgments, U. S. District Court for the N.D. Illinois;
 - iii) Federal Tax Lien Search, Illinois Secretary of State;
 - iv) UCC Search, Illinois Secretary of State;
 - v) UCC Search, Cook County Recorder;
 - vi) Federal Tax Lien Search, Cook County Recorder;
 - vii) State Tax Lien Search, Cook County Recorder;
 - viii) Memoranda of Judgments Search, Cook County; and

(ix) Pending Suits and Judgments, Circuit Court of Cook County.

Litigation searches must be provided with the Developer named (and its parent companies, if applicable) as plaintiff and defendant. In addition, the Developer and its parent companies, if applicable, have provided to the Corporation Counsel a written description of all pending or

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threatened litigation or administrative, proceedings, 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;

c) A legal opinion stating, in part, that the Developer has been duly organized and that the Developer is duly authorized to enter into this Agreement. Such opinion shall be in form and substance reasonably acceptable to the City's Corporation Counsel; and

d) Economic disclosure statements in the City's then current form, dated as of the Effective Date.

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

a) Developer is a duly organized and existing limited liability company in good standing under the laws of the State of Illinois with full power and authority to acquire, own and redevelop the City Lots, and the person signing this Agreement on behalf of the Developer has authority to do so.

b) All certifications and statements contained in the economic disclosure statement last submitted to the City by the Developer (and any entity holding an interest in the Developer) are true, accurate and complete.

c) To the best of the Developer's knowledge, no action, litigation, investigation or proceeding of any kind is pending or threatened against the Developer, or any party affiliated with Developer, which could: (i) adversely affect the ability of Developer to perform its obligations pursuant to and as contemplated by the terms and provisions of the Agreement; or (ii) adversely materially affect the operation or financial condition of Developer.

d) The execution, delivery and performance by Developer of the Agreement and all instruments and agreements contemplated hereby will not, upon the giving of notice or lapse of time, or both, result in a breach or violation of, or constitute a default under, any other agreement to which Developer, or any party affiliated with Developer, is a party or by which the Developer may be bound or affected, or a violation of any law, regulation or court order which currently affects the Project, any part thereof, any interest therein or the use thereof.

e) To the best of the Developer's knowledge, the construction of the Homes and the development of the Project pursuant to the terms of this Agreement will not violate: (i) any statute, law, regulation, rule, ordinance or executive or judicial order of any kind (including, without limitation, zoning and building laws, ordinances, codes or approvals and Environmental Laws); or (ii) any building permit, restriction of record or any agreement affecting any City Lot or any part thereof.

f) Except as otherwise provided in the Agreement, Developer shall not, without the prior written consent of DOH, which DOH may withhold in its sole discretion: (i) grant, suffer or permit any lien, claim or encumbrance upon any City Lot or any portion thereof (unless Developer has taken such appropriate action to cause the Title Company to insure over any title encumbrances caused by such liens or claims); (ii) permit or suffer any levy, attachment, claim or restraint to be made affecting any City Lot or any portion thereof; or (iii)

enter into any transaction not in the

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ordinary course of business of Developer which materially or adversely affects Developer's ability to perform its obligations under the terms of the Agreement.

g) Developer has and shall maintain all government permits, certificates and consents (including, without limitation, appropriate environmental approvals) necessary to conduct its business and to construct and complete the Homes.

h) The financial statements of Developer are, and when hereafter required to be submitted will be, complete in all material respects and accurately present the assets, liabilities, results of operations and financial condition of Developer, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of Developer since the date of Developer's financial statements.

(i) Developer has agreed to comply with the terms of those certain covenants described in Section 5 below.

(j) Developer shall at all times prior to the issuance of a Final Certificate carry and maintain the insurance coverages and amounts described on Exhibit D.

3 Representations and Warranties of the City. To induce Developer to execute the Agreement and perform its obligations hereunder, the City hereby represents and warrants to Developer that the City has authority under its home rule powers granted in the Constitution of the State of Illinois and the Ordinance to enter into, execute and deliver the Agreement and perform the terms and obligations contained herein.

4 Survival of Covenants, Representations and Warranties. Developer agrees that all of its covenants, representations and warranties, and the City agrees that all of its representations and warranties, set forth in this Section 2 or elsewhere in the Agreement are true as of the execution date of the Agreement and will be true in all material respects at all times hereafter, except with respect to matters which from time to time are or have been disclosed in writing to and approved by the other party.

SECTION III CONVEYANCE OF THE CITY LOTS

1 Intentionally Omitted.

2 Form of Deed. The City shall convey to Developer fee simple title to the City Lots by one or more quitclaim deeds substantially in the form attached hereto as Exhibit E (each a "Deed"). Subject to the provisions of the Agreement, the Developer may accept the Deeds in phases. The conveyance and title of the City Lots, in addition to the provisions of the Agreement, shall, without limiting the quitclaim nature of the Deed, be subject to the following ("Permitted Exceptions"):

1. covenants and restrictions set forth in the Deed;
2. schedule B exceptions in the title policy described in Section 3.6;
3. general real estate taxes and any special assessments or other taxes;
4. all easements, encroachments, covenants, and restrictions of record and not shown of record;
5. such other title defects that may exist; and
6. any and all exceptions cause by the acts of the Developer or its agents.

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3.3 "AS IS" CONVEYANCE. THE CITY MAKES NO COVENANT,

REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE CITY LOTS OR THE SUITABILITY OF THE CITY LOTS FOR ANY PURPOSE WHATSOEVER. THE DEVELOPER ACKNOWLEDGES THAT IT HAS HAD ADEQUATE OPPORTUNITY TO INSPECT AND EVALUATE THE STRUCTURAL, PHYSICAL AND ENVIRONMENTAL CONDITION AND RISKS OF THE CITY LOTS AND ACCEPTS THE RISK THAT ANY INSPECTION MAY NOT DISCLOSE ALL MATERIAL MATTERS AFFECTING THE CITY LOTS. THE DEVELOPER AGREES TO ACCEPT THE CITY LOTS IN ITS "AS IS," "WHERE IS" AND "WITH ALL FAULTS" CONDITION AT THE CONVEYANCE OF EACH CITY LOT BY CITY TO DEVELOPER WITHOUT ANY COVENANT, REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND, AS TO THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL CONDITION OF THE CITY LOTS OR THE SUITABILITY OF THE CITY LOTS 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. EXCEPT AS PROVIDED IN THE SITE PREPARATION RDA, THE DEVELOPER AGREES THAT IT IS ITS SOLE RESPONSIBILITY AND OBLIGATION TO PERFORM AT ITS EXPENSE ANY ENVIRONMENTAL REMEDIATION WORK AND TAKE SUCH OTHER ACTION AS IS NECESSARY TO PUT THE CITY LOTS IN A CONDITION WHICH IS SUITABLE FOR ITS INTENDED USE.

4 Environmental Due Diligence. The City's Department of Assets, Information and Services ("DAIS") shall provide all Environmental Documents prepared pursuant to the Site Preparation RDA with Developer prior to closing.

5 Conditions to the City's Obligation to Close. Before the City shall deliver the Deed for the respective City Lot to Developer, and before any construction may commence on such City Lot, DOH shall have reviewed and approved the following closing deliveries (fully executed and acknowledged, where applicable for the applicable City Lot), each of which, unless waived in writing by DOH, shall be a condition precedent to the City's obligation to deliver the Deed for such City Lot:

- a) the Agreement;
- b) the Reconveyance Deed for the City Lot;
- c) the Working Drawings and Specifications for each model of Home to be constructed (as described in Section 4.2 below);
 - (d) the Developer's Budget (as described in Section 4.5(a) below);
- e) the Construction Loan documents and evidence of Developer's Financing acceptable to DOH (as described in Section 4.5(a) below);
- f) the building permits and other final governmental approvals necessary to construct the Home on the City Lot;

- g) a certified copy of the contract between Developer and its general contractor, and all executed contracts covering the completion of the Project from the major subcontractors, if available;
- h) a title insurance commitment for the City Lot;
- i) a final plat of survey for the City Lot certified by a licensed surveyor showing all easements, encroachments and containing the legal description of the City Lot;
- j) a certificate of good standing for the Developer from the State of Illinois, a certificate of incumbency identifying Developer's current officers and including specimen signatures, copy of the Developer's bylaws and resolutions authorizing the Developer's performance of its obligations under this Agreement;
- k) due diligence searches as set forth in Section 2.1 above;
- l) Internal Revenue Service taxpayer identification numbers;
- m) such transfer tax declarations, ALTA statements and similar customary transaction documents as may be necessary to consummate the conveyance;
- n) Environmental Documents generated pursuant to, or in connection with, the Site Preparation RDA, including either a recorded Final NFR Letter or a recorded Maintenance Plan, as applicable;
- o) evidence of insurance required under Exhibit D;
- p) economic disclosure statements in the City's then current form, dated as of the conveyance date;
- q) the Subordination Agreement; and
- r) compliance with any and all agreements related to any City assistance, including but not limited to financial assistance, including by not limited to any tax increment financing.

Subject to the Developer's satisfaction of both the conditions precedent described above in Section 3.5(a) through (r) above and the conditions of Section 5.5, the City shall deliver to the Deed to Developer.

If the conditions described in this Section 3.5(a) through (r) and Section 5.5 are not achieved by Developer within two (2) years of the execution date of this Agreement (the "Outside Execution Date") (except as provided in Section 10.25 below), then the Agreement, at the option of the City, shall become null and void and the City shall be under no further obligation to Developer. The Commissioner of DOH, in the Commissioner's sole discretion, may extend the Outside Execution Date by up to six (6) months upon Developer's written request, by issuing a written extension letter.

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6 Title Insurance. Not less than thirty (30) days before the anticipated conveyance of the applicable City Lots (the "Closing"), the Developer shall obtain a commitment for an owner's policy of title insurance for

the applicable City Lots issued by the Title Company. The Developer shall be solely responsible for and shall pay all costs associated with updating the title commitment (including all search, continuation and later date fees). Upon the conveyance of the applicable City Lots, the Developer shall obtain at Developer's sole expense a title insurance policy and such endorsements as it deems necessary or that the Corporation Counsel shall request, including, but not limited to, an owner's comprehensive endorsement and satisfactory endorsements regarding contiguity, location, access, and survey. The City agrees to provide the Title Company with a completed ALTA owner's statement, and other transfer documents typically required by the Title Company and typically provided by the City (but expressly excluding "gap" undertakings, title indemnities and similar liabilities) at or prior to the Closing. At the Closing, the Developer shall deliver to the City a copy of the owner's policy of title insurance that it obtains with respect to the applicable City Lots.

7 Correction of Title. The City shall have no obligation to cure title defects; provided, however, if there are exceptions for general real estate taxes due or unpaid prior to the conveyance of the Deed or liens for such unpaid property taxes, the City shall ask Cook County to void the unpaid taxes as provided in Section 21-100 of the Property Tax Code, 35 ILCS 200/21-100, or file an application for a Certificate of Error with the Cook County Assessor, or tax injunction suit or petition to vacate a tax sale in the Circuit Court of Cook County. If, after taking the foregoing actions, the City is unable to obtain the waiver or release of any such tax liens or is unable to cause the Title Company to insure over such tax liens, or if a City Lot is encumbered with any other exceptions that would adversely affect the use and insurability of the City Lot for the development of the Project, the Developer shall have the option to: (a) elect to close and accept conveyance of the City Lot subject to such exceptions; or (b) decline the City Lot. Developer shall be responsible for payment of all real estate taxes payable after conveyance of said City Lot.

8 No Substitution of City Lots. If the City cannot clear tax liens or other exceptions to title in a manner suitable for purposes of the Agreement or resolve special, "atypical" conditions pursuant to Section 4.3, or if investigation of the soil and environmental condition leads Developer or the City to refuse the conveyance of a City Lot then the City shall have no duty to provide substitute lots for development under this Agreement. Moreover, under no circumstances, shall the City be compelled by Developer, with regard to any City Lot, to remedy any tax lien, title exception, or soil or environmental condition described in this Section 3 or any special, "atypical" conditions pursuant to Section 4.3.

9 Recordation Costs. The Developer shall pay to record this Agreement, the Deed, and any other documents incident to the conveyance of the City Lots to Developer. This Agreement shall be recorded prior to any Deed and prior to the First Mortgage.

10 Condition to the Developer's Obligation to Close. Upon issuance of a Certificate (as defined in the Site Preparation RDA) with respect to any City Lot(s), the Developer shall be obligated to close and may not refuse the conveyance of such City Lot(s), subject to the City's sole discretion and the conditions set forth in Section 3.5.

SECTION IV THE CONSTRUCTION OF THE PROJECT

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1 Schedule of Construction Progress. Developer shall construct the Homes on the City Lots in substantial accordance with that certain construction timetable schedule dated as of ("Schedule"), prepared by Developer, approved by DOH, and attached hereto as Exhibit F. The Schedule represents an estimate of the number of Homes to be completed by Developer by the expiration of certain time periods within the _____-month time frame for commencement and completion of the Project as described further in Section 4.6 below.- If Developer's construction of Homes falls short of its completion obligations under the Schedule, DOH, in its sole and absolute discretion, subject to any notice and cure rights of Developer, may record the Reconveyance Deeds so that the applicable City Lot(s)

revert back to the City for alternative redevelopment plans.

Developer covenants that the Homes shall be constructed in accordance with the Working Drawings and Specifications. Upon completion of the construction of each Home, the City shall issue to Developer the Certificate pursuant to Section 4.7.

2 Working Drawings and Specifications. The preliminary Working Drawings and
2 Specifications dated , 202_, containing the preliminary plans and drawings with
2 regard to the construction of each Home, are approved by DOH and DAIS and listed on Exhibit
2 C attached hereto. Within thirty (30) days of the execution date of the Agreement, Developer
2 shall submit to DOH and DAIS for its approval Developer's proposed final Working Drawings
2 and Specifications with regard to each Home. DOH and DAIS shall have thirty (30) days within
2 which to approve or reject said drawings and specifications. If DOH and/or DAIS rejects the
2 Working Drawings and Specifications, Developer shall have sixty (60) days in order to correct
2 such documents and resubmit them to DOH and/or DAIS for its approval. DOH and/or DAIS
2 shall thereafter have thirty (30) days within which to approve or reject the corrected documents.
2 Upon the approval of DOH and DAIS, said Working Drawings and Specifications shall constitute
2 the final Working Drawings and Specifications.

If, after executing this Agreement, the Developer desires to construct a different type of Home than that reflected in the Working Drawings and Specifications listed on Exhibit C attached hereto, Developer shall submit to DOH and DAIS Working Drawings and Specifications for said Home. DOH and DAIS shall have thirty (30) days within which to approve or reject said Working Drawings and Specifications. If DOH and/or DAIS rejects the Working Drawings and Specifications, Developer shall have sixty (60) days in order to correct such documents and resubmit them to DOH and/or DAIS for approval. Upon the approval of DOH and DAIS, said Working Drawings and Specifications shall constitute final Working Drawings and Specifications.

The Working Drawings and Specifications shall conform to the terms of the Agreement and all applicable federal, state and local laws, ordinances and regulations, including, without limitation, all Environmental Laws, the Zoning Ordinance of the City of Chicago, Title 17, Municipal Code of Chicago, the current edition of the Model Energy Code published by the Council of American Building Officials, and the housing quality standards contained in 24 C.F.R. Section 882.109 (collectively, "Laws").

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

The Developer acknowledges that DOH will require a design review following the completed construction of the first accessible Home that is built at grade with a no-step entry (if any) to confirm that such design is satisfactory. If DOH determines that such design is not

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satisfactory, no additional accessible Homes are to be built until DOH approves an alternative acceptable

design.

3 Preparation of the City Lots; General Requirements. Developer and the City acknowledge that some of the City Lots may have "atypical" conditions (sunken lot and other site elevation problems, ingress and egress problems, parking problems, and/or issues concerning the location of the Homes vis-a-vis existing buildings located on the parcels adjacent to the City Lots) which dictate that special consideration should be given to the construction of Homes on such City Lots. These "atypical" conditions do not include matters which are routinely considered by the City's Department of Buildings with regard to the issuance of building permits. Accordingly, prior to the conveyance of the City Lots, a representative of Developer shall conduct a site visit of each of the City Lots listed on Exhibit A to determine if any special, "atypical" conditions exist. Those lots shall be deemed as "Special Lots" for purposes of the Agreement.

The City shall have no obligation to resolve any atypical condition; provided, however, prior to the conveyance of any Special Lot, DOH may choose to use reasonable efforts to resolve such atypical condition (s), including obtaining approval of deviations, variances, variations, special use, or other relief from applicable regulations. If DOH chooses not to, or chooses but is unable to resolve such atypical condition(s), the Developer shall have the option to: (a) elect to close and accept conveyance of the City Lot subject to such "atypical" conditions; or (b) decline the City Lot. Developer shall be responsible for resolution of such atypical condition(s) after conveyance of said City Lot.

Developer represents to the City that no federal funds are involved in the Project that would require the Project to be assessed in accordance with the provisions of the National Environmental Policy Act (NEPA) of 1969 and implementing regulations contained in 24 C.F.R. Parts 50 and 58.

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

4 Limited Applicability of City's Approvals.

a) Any approvals of the Working Drawings and Specifications made by DOH are for the purposes of the Agreement only and do not affect or constitute approvals required by the City's Department of Buildings, any other City Bureau (such as, but not limited to, the Department of Planning and Development's Bureau of Zoning), or any other City Department; nor does any approval by DOH pursuant to the Agreement constitute approval of the quality, structural soundness or the safety of the Homes. The approval given by DOH shall be only for the benefit of Developer and the Construction Lender authorized by this Agreement.

b) Limited Applicability of DAIS's Approval. Any approval given by DAIS pursuant to this Agreement or any other agreement related to this Project is for the purpose of this Agreement and/or this Project only and does not constitute the approval required by any other City department, nor does such approval constitute an approval of the quality, structural soundness or safety of any improvements located or to be located on the City Lots, or the compliance of said improvements with any Laws, private covenants, restrictions of record, or any agreement affecting the City Lots or any part thereof.

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4.5 Financing and Constructing the Project.

a) Budget. Concurrent with the execution of the Agreement by Developer and its delivery to the City, Developer shall deliver to DOH for its approval a written budget ("Budget") for the construction of the Homes. Developer shall also submit to DOH a description of Developer's financing ("Financing"), which shall include the amount of Developer's equity in the Project and evidence of: (i) a commitment for adequate financing ("Commitment") obtained from a financial institution or lender, specifying the source and the amount of the loan, length of the term and the applicable interest rate, or (ii) evidence of a line of credit or other funding

source necessary to fund the construction of the Homes. Within fourteen (14) business days of receipt, DOH shall review and approve or reject the Financing, and the Commitment. The Financing shall be subject and subordinate to the terms and conditions of the Agreement.

Provided that the Commitment is approved by the City, Developer shall obtain financing from the lender identified in the Commitment ("Construction Lender") to permit the construction of the Project ("Construction Loan"). The closing of the Construction Loan shall occur concurrently with the Closing. The Construction Lender shall be permitted to secure and evidence its loan by a mortgage ("First Mortgage") and mortgage note ("First Mortgage Note") encumbering the City Lots. The First Mortgage shall be recorded after the Agreement, and the Construction Lender shall execute a subordination agreement in a form reasonably acceptable to the Corporation Counsel in which the Construction Lender agrees to subordinate the lien of its First Mortgage the covenants running with the land set forth in Section 9 below ("Subordination Agreement"). The Subordination Agreement shall be recorded prior to the First Mortgage.

b) City's Sales Price. Subject to all of the terms, covenants and conditions of this Agreement, the City shall convey the City Lots for the consideration of One Dollar (\$1.00) per City Lot.

c) Review of Construction Progress. During the construction of the Project, Developer shall submit to the City for its review any documentation relating to the construction work, including, without limitation, all documents described in Section 4.5(d) below, all additional building permits issued, an owner's sworn statement and the general contractor's sworn statement ("Contract Documents").

During the construction of the Project by Developer, the Construction Lender shall employ, at the sole expense of Developer, a licensed inspecting architect ("Inspector") (other than the architect who prepared the Working Drawings and Specifications) acceptable to DOH, to review for the parties all activities undertaken with regard to the construction of the Home. If no Construction Lender exists (or if the Construction Lender does not wish to hire the Inspector), then DOH, at the sole expense of Developer, shall utilize an Inspector which has been previously approved by DOH.

The scope of the Inspector's work shall be contained in the terms of the contract between the Inspector and the Construction Lender, or the Inspector and DOH, as the case may be, and shall include inter alia, providing a certification for the benefit of the Construction Lender and DOH on the form attached hereto as Exhibit G that the construction of said Home complies with the Working Drawings and Specifications. The Inspector shall notify DOH and the Construction Lender of any discrepancies between the Working Drawings and Specifications and the actual construction of any Home, and shall provide DOH with a copy of each and every

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Inspector's certification. A representative of DOH shall have the right, but not the obligation, to accompany the Inspector during his inspection of the progress of the construction of the Homes.

(d) Homebuyer Closings. As long as Developer is not in material default in the due, prompt and complete performance or observance of any of its covenants or obligations contained in the Agreement, the conveyances of Homes may proceed to closing provided the following conditions precedent are satisfied:

- i) The Inspector shall have delivered to the City its certificate for said Home in the form of Exhibit G, conditioned and subject only to the completion of punch list items or such other items agreed to by the City ("Punch List Items"), the Inspector and Developer ("Conditional Certificate");
- ii) The City shall have issued its Certificate in accordance with Section 4.7 below;

- iii) Developer, in the form of an owner's sworn statement and the general contractor's sworn statement, shall have submitted to DOH and the Inspector affirmative proof that there are no materialmen's liens or claims exist affecting the Home, or that Developer has taken such appropriate action to cause the Title Company to insure over any title encumbrances caused by such liens or claims; provided, however, that the Title Company shall have received from Developer acceptable waivers or releases of lien covering at least seventy five percent (75%) of the hard construction costs associated with the construction of the Home;
- iv) Developer shall have submitted to the City a copy of the owner's sworn statement and the general contractor's sworn statement describing all construction costs for the Home;
- v) Developer shall have furnished to DOH and DAIS one (1) copy of an "as-built" survey showing the location of all completed improvements, including all walks, drives and other on-site appurtenances and improvements, showing site elevations, and showing no encroachments by any such improvements across the boundary lines of the City Lot; and
- vi) Developer shall have complied with all environmental obligations, including but not limited to those described in Sections 3.4, 4.3 and 5.5.

4.6 Commencement and Completion of the Project. Developers shall commence the construction of the Project within three (3) months following the Effective Date, subject to Force Majeure and weather-related delay(s) that prevent commencement, such as frozen ground (collectively, "Delays"). Developer shall complete the Project within thirty-six (36) months from the date of actual construction commencement, subject to Delay (s). The time for the performance of the obligations shall be extended only for the period of the Delay(s). Developer, its successors and assigns, shall promptly begin and diligently complete the Project within such time periods. Notwithstanding the foregoing, the Commissioner of DOH, in the Commissioner's sole discretion, may extend the time periods referenced in this Section 4.6 by up to twelve (12) months each upon, the Developer's written request, by issuing a written extension letter.

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7 Homes Released from this Agreement. As each Home is substantially completed in accordance with the Working Drawings and Specifications and evidenced by the Conditional Certificate and Developer has performed all of its other obligations under this Agreement, including without limitation, the closing conditions precedent specified in Section 4.5(d) above with the exception of the Punch List Items, DOH, upon written request by Developer, shall furnish Developer with an appropriate compliance certificate ("Certificate"). The Certificate shall be signed either by a designee of the managing deputy commissioner of DOH.

The Certificate shall be evidence the Developer's compliance with respect to its obligation to construct such Home in accordance with the terms of this Agreement. The Certificate, however, shall not constitute evidence that Developer has complied with any applicable provisions of federal, state and local laws, ordinances and regulations with regard to the completion of the Home and furthermore, shall not serve as any "guaranty" as to the quality of the construction of said structure.

The Certificate shall be in recordable form and shall be delivered by DOH to the Developer at the closing conveying the Home from Developer to the homebuyer. At such closing, the Developer shall provide the homebuyer with an owner's policy of title insurance issued by the Title Company, dated as of the closing date in the amount of the purchase price. Once the Certificate is recorded with the Recorder's Office, the Agreement shall no longer encumber the City Lot.

8 Prohibition Against Unpermitted Encumbrances; Limits on Developer Actions.

a) Prior to the City's issuance of the Certificate for a Home on a particular City Lot, neither Developer nor any successor in interest to the City Lot shall engage in any financing or other transaction the effect of which creates an encumbrance or lien upon said City Lot; provided, however, that Developer, after receiving the prior written consent of the City, may mortgage the City Lot for the purpose of obtaining the Construction Loan or other financing source as described in Section 4.5(a) above to the extent necessary to construct the Home. Notwithstanding the above, no mortgage may be recorded against a City Lot until such City Lot is conveyed to Developer.

b) Prior to the issuance of the last Certificate for the Project, the Developer may not, without the prior written consent of DOH, which consent shall be in DOH's sole and absolute discretion: (a) be a party to any merger, liquidation or consolidation; (b) sell, transfer, convey, lease or otherwise dispose of all or substantially all of its assets; (c) enter into any transaction outside the ordinary course of Developer's business that would materially adversely affect the ability of the Developer to complete the Project; (d) assume, guarantee, endorse, or otherwise become liable in connection with the obligations of any other person or entity; or (e) enter into any transaction that would cause a material and detrimental change to Developer's financial condition.

c) Prior to the issuance of the last Certificate for the Project, the Developer may not, without the prior written consent of DOH, which consent shall be in DOH's sole and absolute discretion: (a) directly or indirectly sell, transfer, convey, lease or otherwise dispose of the City Lots or the Project or any part thereof or any interest therein or the Developer's controlling interests therein (including without limitation, a transfer by assignment of any beneficial interest under a land trust); or (b) directly or indirectly assign this Agreement. If the Developer is a business entity, no principal party of the Developer (e.g., a general partner, member, manager or shareholder) may sell, transfer or assign any of its interest in the entity prior to the issuance

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of the final Certificate for the Project to anyone other than another principal party, without the prior written consent of DOH, which consent shall be in DOH's sole discretion. The Developer must disclose the identity of all limited partners to the City at the time such limited partners obtain an interest in the Developer. The provisions of this Section 4.8(c) shall not prohibit the Developer from contracting to sell or from selling individual Homes provided that the Developer complies with the provisions of Section 4.5(d) above and Section 5 below. The Developer acknowledges and agrees that DOH may withhold its consent under (a) or (b) above if, among other reasons, the proposed purchaser, transferee or assignee (or such entity's principal officers, members or directors) is in violation of any Laws, or if the Developer fails to submit sufficient evidence of the financial responsibility, business background and reputation of the proposed purchaser, transferee or assignee. In the event of a proposed sale, transfer, conveyance, lease or other disposition of all or any portion of the City Lot, the Developer shall deliver to the City copies of any and all sales contracts, legal descriptions, descriptions of intended use, certifications from the proposed purchaser, transferee or assignee, as applicable, regarding this Agreement and such other information as the City may reasonably request. The proposed purchaser, transferee or assignee must be qualified to do business with the City (including but not limited to the City's anti-scofflaw requirement).

4.9 Mortgagees Not Obligated to Construct. Notwithstanding any of the provisions of the Agreement, no holder of a mortgage authorized by the Agreement (including any holder who obtains title to a City Lot as a result of foreclosure proceedings, or action in lieu therefor), shall be obligated to construct or complete the construction of any Home on any City Lot, or to guarantee such construction or completion. However, any such holder shall take its lien or hold such title subject to this Agreement and must devote the City Lot to those uses or improvements provided for or permitted in this Agreement, i.e., it may only complete the Homes on said City Lots and convey such homes to homebuyers, as originally contemplated.

Whenever the City shall deliver a notice or demand pursuant to Section 6.2, the City shall at the same time forward a copy of such notice or demand to any Construction Lender identified in Section 10.7. After the

expiration of any applicable cure period, each such Construction Lender shall have the right, at its option, to remedy such default within an additional thirty (30) day cure period.

Whenever the Construction Lender shall deliver a default notice or demand to Developer under the Construction Loan documents, it shall at the same time forward a copy of such notice or demand to the City at the addresses listed in Section 10.7 below. After the expiration of any applicable cure period, the City shall have the right, at the City's option, to remedy such default within an additional thirty (30) day cure period.

SECTION V DEVELOPER'S COVENANTS

The Developer, for itself and its successors and assigns, agrees as follows:

5.1 Compliance with Fair Housing and Non-Discrimination Laws. Developer shall not discriminate based upon race, color, religion, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military status, parental status or source of income in the design, marketing and sale of any Home constructed by Developer pursuant to the terms of the Agreement, and shall comply with any and all federal, state and local laws, statutes, ordinances or regulations with regard to non-discrimination in the sale and marketing of housing, including, without limitation, the Fair Housing Act, 42 U.S.C. sec. 3601-20 et seq. (1988) and

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implementing regulations at 24 C.F.R. Part 100; Executive Order 11063, as amended by Executive Order 12259 (3 C.F.R., 1958-1963 Comp., p. 652 and 3 C.F.R., 1980 Comp., p. 307)(Equal Opportunity in Housing) and implementing regulations at 24 C.F.R. Part 107; and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d)(Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 C.F.R. Part 1; 42 U.S.C. sec. 1982 (1988), and sections 17-19 of Article I of the Constitution of the State of Illinois; the Age Discrimination Act of 1975, 42 U.S.C. sect. 6101-07, and implementing regulations at 24 C.F.R. Part 146, Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 and implementing regulations at 24 C.F.R. Part 8.

2 Warranty of Habitability. At the closing for the conveyance of a Home from Developer to an initial homebuyer, Developer shall deliver to said homebuyer a warranty of habitability in the form of Exhibit H attached hereto. Said warranty of habitability shall expressly include the foundation of the Home, have a duration of one year and be deemed to run with the land.

3 Project. The Developer shall construct the Project in accordance with the Working Drawings and Specifications, this Agreement and all applicable Laws.

4 TIF. The Developer shall devote the City Lots to a use consistent with the respective redevelopment plans for the respective Areas.

5 Environmental. Environmental Remediation Work shall be completed pursuant to the Site Preparation RDA. If applicable, the Developer acknowledges and agrees that Homes located on City Lots will not be occupied until a Maintenance Plan or the IEPA-issued Final NFR Letter is recorded with the Recorder's Office.

The Developer shall comply with all land use restrictions, institutional controls, engineered barrier maintenance, and other terms and conditions contained in any recorded Maintenance Plan or Final NFR Letter for the City Lots. Developer shall repair any damage to any installed engineered barrier that occurs during construction to prevent voiding the Final NFR Letter, or Maintenance Plan, as applicable.

Any underground storage tanks ("USTs") identified by the Developer after transfer of the City Lots must be removed and closed in accordance with applicable regulations including Title 41 of IAC Part 175 and any identified leaking USTs must be properly addressed in accordance with 35 IAC Part 734.

Any contamination that is identified after conveyance of the applicable City Lot to Developer is the responsibility of the Developer to address in accordance with state, local, and federal laws.

6 Marketing. Developer shall comply with the affirmative marketing requirements described in Section 5.1 above. Developer shall give preference in selling accessible dwelling units, as that term is defined in Section 17-17-0202 of the Municipal Code, to people with disabilities pursuant to DOH policy. In addition, Developer shall comply with the marketing plan which has been approved by DOH and is attached hereto as Exhibit I, and to utilize solely those marketing materials which have been approved by DOH prior to the Effective Date of the Agreement with regard to the marketing of the Homes to prospective homebuyers. Upon request by DOH, Developer also agrees to place a sign, such as one stating that the Home was

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(or shall be) constructed by Developer pursuant to the Reclaiming Chicago initiative, on any City Lot.

The Developer, for itself and its successors and assigns, acknowledges and agrees that the development and use restrictions set forth in this Section 5 constitute material, bargained-for consideration for the City.

SECTION VI PERFORMANCE

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

2 Event of Default. The occurrence of any one or more of the following shall constitute an "Event of Default" under this Agreement:

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 other agreement entered into with the City with respect to this Project; or

b) the making or furnishing by the Developer of any warranty, representation, statement or certification to the City (whether in this Agreement, an economic disclosure statement, or another document) which is untrue or misleading in any material respect; or

c) except as otherwise permitted hereunder, the creation (whether voluntary or involuntary) of, or any attempt to create, any lien or other encumbrance upon any City Lot, or the making or any attempt to make any levy, seizure or attachment thereof; or

d) the entry of any judgment or order against the Developer which is related to any City Lot and remains unsatisfied or undischarged and in effect for sixty (60) days after such entry without a stay of enforcement or execution; or

e) the commencement of any proceedings in bankruptcy by or against the Developer 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; or

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; or

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- g) the occurrence of an event of default under any mortgage lien affecting the any City Lot, which default is not cured within any applicable cure period; or
- h) the dissolution of the Developer;
- i) a change in the Developer's financial condition or operations that would materially and adversely affect the Developer's ability to complete the Project;
- j) Developer fails to comply with the non-discrimination covenants in' Section 5.1 above with regard to the marketing and sale ofthe Homes.

6.3 Cure. Except as provided in Section 10.25 (Force Majeure), if the Developer defaults in the performance of its obligations under this Agreement, the Developer shall have forty-five (45) days after written notice of default from the City to cure the default, or such longer period as shall be reasonably necessary to cure such default provided the Developer promptly commences such cure and thereafter diligently pursues such cure to completion (so long as continuation of the default does not create material risk to the Project or to persons using the City Lots) (the "Cure Period"). If the Developer does not cure such default within the Cure Period, then the City shall have available all remedies set forth in this Agreement. Notwithstanding the foregoing or any other provision of this Agreement to the contrary:

There shall be no notice requirement and no Cure Period with respect to Events of Default described in Section 4.6 (Commencement and Completion of Project), Section 4.8 (Prohibition Against Unpermitted Encumbrances; Limits on Developer Action), and Section 10.14 (Prohibition on Certain Contributions Pursuant to Mayoral Executive Order No. 2011-4).

4 Prior to Commencement of Construction. If prior to the commencement of construction of any Home, an Event of Default occurs, and after any applicable notice and cure period, the City may immediately terminate this Agreement, record the Reconveyance Deeds and institute any action or proceeding at law or in equity against Developer. In such event, Developer shall have no further right or interest regarding the City Lots. However, the Developer shall be responsible for all real estate taxes and assessments which accrued during the period the Property was owned by the Developer, and shall cause the release of all liens or encumbrances placed on the Property during the period of time the Property was owned by the Developer. The Developer will cooperate with the City to ensure the recording ofthe Reconveyance Deed is effective for purposes of transferring title to the Property to the City, subject only to those title exceptions that were on title as of the date and time that the City conveyed the Property to the Developer and except for any mortgage authorized by this Agreement.

5 After Commencement of Construction Until Issuance of Certificate. If after commencement of construction by Developer ofa Home on any City Lot but before the City issues its Certificate for such Home, an Event of Default occurs, and after any applicable notice and cure period, the City may immediately terminate the Agreement with respect to the City Lot that is the subject of the Event of Default, record the Reconveyance Deed for such City Lot and institute any action or proceeding at law or in equity against Developer. In such event, Developer shall have no further right or interest regarding such City Lot. However, the Developershall be responsible for all real estate taxes and assessments which accrued during the period the Property was owned by the Developer, and shall cause the release of all liens or

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encumbrances placed on the Property during the period of time the Property was owned by the Developer. The Developer will cooperate with the City to ensure the recording of the Reconveyance Deed is effective for purposes of transferring title to the Property to the City, subject only to those title exceptions that were on title as of the date and time that the City conveyed the Property to the Developer and except for any mortgage authorized by this Agreement.

Notwithstanding the City's right to re-enter and take possession of each City Lot previously conveyed, to terminate the Developer's title to such City Lots and all other rights and interests of Developer to said City Lots and any improvements constructed thereon, and re-vest title in the City without any compensation whatsoever to Developer, such condition subsequent and re-vesting of title in the City shall always be limited by, and shall not defeat, render invalid, or limit in any way, the lien of the First Mortgage.

Upon such re-vesting of title to the City Lots in the City, DOH may complete the construction of any Homes on the City Lots, including, if necessary, the hiring of an alternative contractor to complete the construction. Upon completion of construction, DOH shall employ its best efforts to convey the Home (subject to the First Mortgage liens described above, if any) to a homebuyer, in accordance with all applicable federal, state and local laws, ordinances and regulations. In the event a First Mortgage encumbers the City Lot on which the Home is built, then at the closing of the conveyance of such Home, the net sales proceeds from the sale of the Home shall be applied to repay an allocable share of the unpaid principal of the First Mortgage attributable to said City Lot and the interest accrued thereon due and payable as of the date of conveyance. When the City sells all of the Homes in accordance with the provisions described in this paragraph, then upon repayment of all amounts under the First Mortgage any remaining proceeds shall be distributed pursuant to Section 6.6 below. In the alternative, the City may allow the Construction Lender to enter into possession of such City Lots and cause the completion of construction of the Homes so long as the Construction Lender complies with the terms and provisions of the Agreement.

6.6 Distribution of Sale Proceeds. Upon the sale of all of the Homes by the City pursuant to Section 6.3 (d) above, the proceeds from said conveyance(s) shall be utilized first to reimburse the City for:

- a) costs and expenses incurred by the City with regard to, the initial conveyance of the City Lots, including but not limited to any financial assistance provided to Developer, reconveyance of the City Lots, management of the City Lots, and the subsequent conveyance of the City Lots to the homebuyers;
- b) all taxes, assessments, and water and sewer charges paid with respect to the City Lots;
- c) any payments made or necessary to be made (including attorneys' fees) to discharge or prevent from attaching or being made any subsequent encumbrances or liens against the City Lots;
- d) any expenditures made or obligations incurred with respect to the construction and maintenance of any Homes constructed on the City Lots;

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- e) any other amounts owed to the City by Developer, its successors or transferees under this Agreement or otherwise; and
- f) any remaining sums shall be delivered to Developer.

7 After Conveyance. If an Event of Default occurs under Section 6.2(j), then the City shall have the right to institute a suit for injunctive relief against Developer.

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

9 Indemnity. Developer hereby agrees to indemnify, defend and hold the City harmless from and against all Losses suffered or incurred by the City arising from or in connection with: (a) an Event of Default under this Agreement; (b) the failure of the Developer or its agents or affiliates to pay contractors, subcontractors or material suppliers in connection with the construction of the Project; (c) any misrepresentation or omission made by the Developer or its agents or affiliates relating to this Agreement; and (d) any activity undertaken by the Developer or its agents or affiliates on the City Lots or relating to this Agreement prior to or after the conveyance of the City Lots, including but not limited to, conducting environmental tests; provided, however, the Developer shall have no obligation to indemnify the City for Losses to the extent such Losses are caused by the City or its agents. This indemnification shall survive the conveyance of the City Lots or any termination of this Agreement (regardless of the reason for such termination).

10 Access to the City Lots. Any duly authorized representative of the City shall, at all reasonable times, have access to any City Lot, or part thereof, from the Effective Date of the Agreement until the City issues its Certificate with regard to the completion of the Home on the City Lot, for the purpose of confirming Developer's compliance with this Agreement.

11 City's Right to Inspect Records. Until the date that is three years after the date on which the City issues its Certificate with regard to the completion of the final Home, the City shall have the right and authority to review and audit, from time to time, Developer's books and records relating to the Project, including, without limitation, Developer's loan statements, the construction manager's sworn statements, general contracts, subcontracts, purchase orders, waivers of lien, paid receipts and invoices. All such books, records and other documents shall be available at the offices of Developer for inspection, copying, audit and examination by any duly authorized representative of the City; provided, however, that the City shall provide Developer with at least five (5) business days' written notice of any proposed inspection of Developer's books and records.

SECTION VII DEVELOPER'S EMPLOYMENT OBLIGATIONS

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7.1 Employment Opportunity. Developer agrees for itself and its successors and assigns, and shall contractually obligate its or their various contractors, subcontractors or any affiliate of Developer operating on the Project (collectively, with Developer, the "Employers" and individually an "Employer") to agree, that for the term of this Agreement with respect to Developer and during the period of any other party's provision of services in connection with the construction of the Project and the occupation of the City Lots with regard thereto:

- A. No Employer shall discriminate against any employee or applicant for employment based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual

orientation, military discharge status, marital status, parental status or source of income as defined in the City of Chicago Human Rights Ordinance, Chapter 2-160, Section 2-160-010 et seq., Municipal Code of Chicago, except as otherwise provided by said ordinance and as amended from time to time (the "Human Rights Ordinance"). Each Employer shall take affirmative action to ensure that applicants are hired and employed without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income and are treated in a nondiscriminatory manner with regard to all job-related matters, including without limitation: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Each Employer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause. In addition, the Employers, in all solicitations or advertisements for employees, shall state that all qualified applicants shall receive consideration for employment without discrimination based upon race, religion, color, sex, national origin or ancestry, age, handicap or disability, sexual orientation, military discharge status, marital status, parental status or source of income.

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

C. **[INTENTIONALLY OMITTED]**

D. **[INTENTIONALLY OMITTED]**

E. Developer and each Employer shall include the foregoing provisions of subparagraphs A through B 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 7.1 shall be a basis for the City to pursue remedies under the provisions of Section 6 above.

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[INTENTIONALLY OMITTED]

3 **[INTENTIONALLY OMITTED]**

4 **[INTENTIONALLY OMITTED]**

SECTION VIII ENVIRONMENTAL REMEDATION

1 Release and Indemnification. The Developer, on behalf of itself and its officers, directors, employees, successors, assigns and anyone claiming by, through or under them (collectively, the "Developer Parties"), hereby releases, relinquishes and forever discharges the Indemnitees from and against any and all Losses which the Developer or any of the Developer Parties 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, foreseen or unforeseen, now existing or occurring after the conveyance of the City Lots by City to Developer, based upon, arising out of or in any way connected with, directly or

indirectly (a) any environmental contamination, pollution or hazards associated with the City Lots 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 Substances, or threatened release, emission or discharge of Hazardous Substances, or threatened release, emission or discharge of Hazardous Substances; (b) the structural, physical or environmental condition of the City Lots, including, without limitation, the presence or suspected presence of Hazardous Substances in, on, under or about the City Lots or the migration of Hazardous Substances from or to other property; (c) any violation of, compliance with, enforcement of or liability under any Environmental Laws, including, without limitation, any governmental or regulatory body response costs, natural resource damages or Losses arising under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 6901 et seq.; 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 City Lots or any improvements, facilities or operations located or formerly located thereon (collectively, "Released Claims"). Furthermore, the Developer shall indemnify, defend (through an attorney reasonably acceptable to the City) and hold the Indemnitees harmless from and against any and all Losses which may be made or asserted by any third parties (including, without limitation, any of the Developer Parties) arising out of or in any way connected with, directly or indirectly, any of the Released Claims.

2 Release Runs with the City Lots. The covenant of release in Section 8.1 above shall run with the City Lots, and shall be binding upon all successors and assigns of the Developer with respect to the City Lots, 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 City Lots 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 City Lots 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 arise or be alleged to arise in connection with any environmental, soil or other condition of the City Lots, the Developer shall not assert that those obligations must

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be satisfied in whole or in part by the City, because Section 8.1 contains a full, complete and final release of all such claims.

8.3 Survival. This Section 8 shall survive the conveyance of the City Lots or any termination of this Agreement (regardless of the reason for such termination).

SECTION IX COVENANTS RUNNING WITH THE LAND

The Developer agrees, and each Deed shall so expressly provide, that the covenants, agreements, releases and other terms and provisions contained in Section 4.6 (Commencement and Completion of Project), Section 4.8 (Prohibition Against Unpermitted Encumbrances; Limits on Developer Action), Section 5 (Developer's Covenants), and Section 8.1 (Release for Environmental Conditions) touch and concern and shall be appurtenant to and shall run with the City Lots. Such covenants, agreements, releases and other terms and provisions shall be binding on the Developer and its successors and assigns (subject to the limitation set forth in Section 4.9 above as to any permitted mortgagee) to the fullest extent permitted by law and equity for the benefit and in favor of the City, and shall be enforceable by the City. Such covenants, agreements, releases and other terms and provisions shall terminate as follows:

Section	Covenant	Termination
§4.6	Commencement and Completion of the Project	Upon issuance of the final Certificate for the Project

§4.8	Prohibition Against Unpermitted Encumbrances; Limits on Developer Action	Upon issuance of the final Certificate for the Project
§5.1	Compliance with Fair Housing and Non-Discrimination Laws	No limitation as to time
§5.2	Warranty of Habitability	Upon the one (1) year anniversary of Developer conveying the Home to a homebuyer
§5.3	Project Compliance	Upon issuance of the final Certificate for the Project
§5.4	TIF Compliance	Upon expiration of the respective redevelopment plans for the respective Areas, as such expiration may be amended from time to time in accordance with and pursuant to applicable law
§5.5	Environmental Compliance	In accordance with the terms of the Final NFR Letter or DAIS requirements
§5.6	Marketing Compliance	Upon issuance of the final Certificate for the Project
§8.1	Environmental Release	No limitation as to time

SECTION X MISCELLANEOUS PROVISIONS

The following general provisions govern this Agreement:

10.1 Entire Agreement; Modification. This Agreement contains the entire agreement of the parties with respect to the Project and supersedes all prior agreements, negotiations and discussions with respect thereto. It shall not be modified, amended or changed in any manner

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whatsoever without the prior written consent of the parties hereto. No term of this Agreement may be waived or discharged orally or by any course of dealing, but only by an instrument in writing signed by the party benefitted by the term.

2 Conflict of Interest - City's Representatives Not Individually Liable. Prior to the issuance of the Certificate by the City with regard to the completion of the final Home, no member of any City board, commission or agency, or official or employee of the City shall have any personal interest, direct or indirect, in Developer, the Agreement, or the Project; nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his or her personal interest or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. This prohibition shall include those public officials who have exercised any functions or responsibilities with respect to this Project or who are in a position to participate in a decision making process or gain inside information with regard to the Project or may obtain a financial interest or benefit from this Project, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds therefore, either for themselves or those with whom the officials have family or business ties, during the tenure or employment of said public officials and for a period of one year thereafter. The foregoing shall not be deemed to exclude employees of the City from purchasing Homes for their primary residences, and who are able to do so pursuant to an ordinance passed by the City Council. No member, official or employee of the City shall be personally liable to Developer, or any successor in interest, to perform any commitment or obligation of the City under the Agreement nor shall any such person be personally liable in the event of any default or breach by the City.

3 Survival. All representations and warranties contained in the Agreement shall survive execution date of the Agreement and the execution, delivery and acceptance hereof by the parties shall not constitute a waiver of rights arising by reasons of any misrepresentation.

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

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

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

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

If to the City: City of Chicago
Department of Housing 121 North
LaSalle Street Room 1000 - City Hall
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Chicago, Illinois 60602 Attn:
Commissioner

With a copy to: City of Chicago
Department of Law
121 North LaSalle Street
Room 600 - City Hall
Chicago, Illinois 60602
Attn: Real Estate and Land Use Division

If to the Developer:

Attn:

With a copy to:

Attn:

Any notice, demand or communication given pursuant to either clause (a) hereof shall be deemed received upon such personal service. Any notice, demand or communication given pursuant to clause (b) shall be deemed received on the business day immediately following deposit with the overnight courier. Any notice, demand or communication sent pursuant to clause (c) shall be deemed received three (3) business days after mailing. The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, demands or communications shall be given. The refusal to accept delivery by any party or the inability to deliver any communication because of a changed address of which no notice has been given in accordance with this Section shall constitute delivery.

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

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

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

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

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12 Successors and Assigns. Except as otherwise provided in this Agreement, the terms of the Agreement shall apply to and bind the successors and assigns of the parties.

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

14 **Prohibition on Certain Contributions pursuant to Mayoral Executive order No. 2011-4.**

a) The Developer agrees that the Developer, any person or entity who directly or indirectly has an ownership or beneficial interest in the Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, the Developer's contractors (i.e., any person or entity in direct contractual privity with the 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 (such Owners and all other preceding classes of persons and entities, collectively the "Identified Parties"), shall not make a contribution of any amount to the Mayor of the City or to his political fundraising committee (a) after execution of this Agreement by the Developer, (b) while this Agreement, or any Other Contract (as hereinafter defined) is executory, (c) during the term of this Agreement or any Other Contract, or (d) during any period while an extension of this Agreement or any Other Contract is being sought or negotiated. This provision shall not apply to contributions made prior to May 16, 2011, the effective date of Executive Order 2011-4.

b) The Developer represents and warrants that from the later of (a) May 16, 2011, or (b) 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.

c) The 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.

d) The Developer agrees that the Identified Parties must not engage in any conduct whatsoever designed to intentionally violate this provision or Mayoral Executive Order No. 2011-4 or to entice, direct or solicit others to intentionally violate this provision or Mayoral Executive Order No. 05-1.

(e) Notwithstanding anything to the contrary contained herein, the Developer agrees that a violation of, non-compliance with, misrepresentation with respect to, or breach of any covenant or warranty under this Section 10.15 or violation of Mayoral Executive Order No. 2011-4 constitutes a breach and default under this Agreement, and under any Other Contract for which no opportunity to cure will be granted, unless the

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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, and under any Other Contract, at law and in equity. This provision amends any Other Contract and supersedes any inconsistent provision contained therein.

1. If the Developer intentionally violates this provision or Mayoral Executive Order No. 2011-4 prior to the execution of the Agreement, the City may elect to decline to execute the Agreement.

2. For purposes of this provision:

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

b) "Other Contract" means any other agreement with the City to which the 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.

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

d) Individuals are "domestic partners" if they satisfy the following criteria:

i) they are each other's sole domestic partner, responsible for each other's common welfare; and

ii) neither party is married; and

iii) the partners are not related by blood closer than would bar marriage in the State of Illinois; and

iv) 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

v) 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:

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- A) joint ownership of a motor vehicle;
- B) 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.

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

15 Patriot Act Certification. The Developer represents and warrants that neither the Developer nor any Affiliate thereof (as defined in the next paragraph) 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.

As used in the above paragraph, an "Affiliate" shall be deemed to be a person or entity related to the Developer that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with Developer, 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.

16 Business Relationships. The Developer acknowledges (A) receipt of a copy of Section 2-156-030 (b) of the Municipal Code of Chicago, (B) that it 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 the person with whom an elected official has a Business Relationship, and (c) notwithstanding anything to the contrary contained in this Agreement, 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 no violation of Section 2-145-030 (b) has occurred with respect to this Agreement or the transactions contemplated hereby.

17 Waste Ordinance Provisions. In accordance with Section 11-4-1600(e) of the Municipal Code of Chicago, Developer warrants and represents that it, and to the best of its knowledge, its contractors and subcontractors, have not violated and are not in violation of any provisions of Section 7-28 or Section 11-4 of the Municipal Code of Chicago (the "Waste Sections"). During the period while this Agreement is executory,

Developer's, any general

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contractor's or any subcontractor's violation of the Waste Sections, whether or not relating to the performance of this Agreement, constitutes a breach of and an event of default under this Agreement, for which the opportunity to cure, if curable, will be granted only at the sole designation of the Chief Procurement Officer. Such breach and default entitles the City to all remedies under the Agreement, at law or in equity. This section does not limit the Developer's, general contractor's and its subcontractors' duty to comply with all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later, and whether or not they appear in this Agreement. Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Agreement, and may further affect the Developer's eligibility for future contract awards.

10.18 Inspector General. It is the duty of every officer, employee, department, agency, contractor, subcontractor, developer and licensee of the City, and every applicant for certification of eligibility for a City contract or program, to cooperate with the City's Office of Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code of Chicago. The Developer understands and will abide by all provisions of Chapter 2-56 of the Municipal Code of Chicago.

19 Failure To Maintain Eligibility To Do Business With City. Failure by the Developer or any controlling person (as defined in Section 1-23-010 of the Municipal Code of Chicago) thereof to maintain eligibility to do business with the City as required by Section 1-23-030 of the Municipal Code of Chicago shall be grounds for termination of this Agreement and the transactions contemplated hereby. The Developer shall at all times comply with Section 2-154-020 of the Municipal Code of Chicago.

20 **City Hiring Plan.**

A. The City is subject to the June 16, 2014 "City of Chicago Hiring Plan" (as amended, the "2014 City Hiring Plan") entered in *Shakman v. Democratic Organization of Cook County*, Case No 69 C 2145 (United States District Court for the Northern District of Illinois). Among other things, the 2014 City Hiring Plan prohibits the City from hiring persons as governmental employees in non-exempt positions on the basis of political reasons or factors.

B. The Developer is aware that City policy prohibits City employees from directing any individual to apply for a position with the Developer, either as an employee or as a subcontractor, and from directing the Developer to hire an individual as an employee or as a subcontractor. Accordingly, the Developer must follow its own hiring and contracting procedures, without being influenced by City employees. Any and all personnel provided by the Developer under this Agreement are employees or subcontractors of the Developer, not employees of the City. This Agreement is not intended to and does not constitute, create, give rise to, or otherwise recognize an employer-employee relationship of any kind between the City and any personnel provided by the Developer.

C. The Developer will not condition, base, or knowingly prejudice or affect any term or aspect to the employment of any personnel provided under this Agreement, or offer employment to any individual to provide services under this Agreement, based upon or because of any political reason or factor, including, without limitation, any individual's political affiliation, membership in a political organization or party, political support or activity, political financial contributions, promises of such political support,

activity or

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financial contributions, or such individual's political sponsorship or recommendation. For purposes of this Agreement, a political organization or party is an identifiable group or entity that has as its primary purpose the support of or opposition to candidates for elected public office. Individual political activities are the activities of individual persons in support of or in opposition to political organizations or parties or candidates for elected public office.

D. In the event of any communication to the Developer by a City employee or City official in violation of Section 10.20(B) above, or advocating a violation of subparagraph Section 10.20(C) above, Developer will, as soon as is reasonably practicable, report such communication to the Hiring Oversight Section of the City's Office of the Inspector General ("IGO Hiring Oversight"), and also to the head of the relevant City Department utilizing services provided under this Agreement. The Developer will also cooperate with any inquiries by IGO Hiring Oversight.

21 Venue and Consent to Jurisdiction. If there is a lawsuit under this Agreement, each Party agrees to submit to the jurisdiction of the courts of Cook County, the State of Illinois and the United States District Court for the Northern District of Illinois.

22 No Merger. The terms of this Agreement shall not be merged, with the Deed, and the delivery of the Deed shall not be deemed to affect or impair the terms of this Agreement.

23 No Waiver. No waiver by the City with respect to any specific default by the Developer shall be deemed to be a waiver of the rights of the City with respect to any other defaults of the Developer, nor shall any forbearance by the City to seek a remedy for any breach or default be deemed a waiver of its rights and remedies with respect to such breach or default, nor shall the City be deemed to have waived any of its rights and remedies unless such waiver is in writing.

24 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.

10.25 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 a delay due to unforeseeable 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, including, without limitation, fires, floods, strikes, shortages of material and unusually severe weather or delays of contractors due to such causes. The time for the performance of the obligations shall be extended only for the period of the delay and only if the party relying on this section requests an extension in writing within twenty (20) days after the beginning of any such delay.

26 Exhibits. All exhibits referred to herein and attached hereto shall be deemed part of this Agreement.

27 Date for Performance. If the final date of any time period set forth herein falls on a Saturday, Sunday or legal holiday under the laws of Chicago, Illinois or the United States of America, then such time period shall be automatically extended to the next business day.

10.28 Counterparts. This Agreement may be executed in any number of counterparts,

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each of which shall be deemed an original and all of which, taken together, shall constitute a single, integrated instrument.

[Signatures Appear On Next Pages]

- A List of City Lots and Appraised Values
- B Legal Descriptions of the City Lots
- C List of Working Drawings and Specifications
- D Insurance Requirements
- E Form of Deed
- F Schedule of Construction Progress
- G Inspector's Certificate
- H Warranty of Habitability
- I Marketing Plan

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EXHIBIT A

LIST OF CITY LOTS AND APPRAISED VALUES

[TO COME]

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EXHIBIT B

Legal Descriptions of the City Lots (Subject to Final Survey and Title Commitment) [TO COME]

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EXHIBIT C

List of Working Drawings and Specifications [TO COME]

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EXHIBIT D

Insurance Coverages and Amounts

The Developer shall procure and maintain, at all times, or shall cause to be procured and maintained, all of the types and coverages of insurance specified below, with insurance companies authorized to do business in the State of Illinois, covering all operations under this Agreement, whether performed by the Developer or any of its contractors.

A. INSURANCE TO BE PROVIDED:

1) Workers Compensation and Employers Liability

Workers' Compensation and Occupational Disease Insurance, in statutory amounts, covering all employees who are to provide Work under this Agreement. Employers' liability coverage with limits of not less than \$1,000,000 each accident, illness or disease.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$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 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.

Contractors performing work for Developer must maintain limits of not less than \$2,000,000 with the same terms herein.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, the Contractor must provide 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.

Contractors performing work for Developer must maintain limits of not less than \$2,000,000 with the same terms herein.

4) 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 permanent facility/project. The City of Chicago is to be named as an additional insured and loss payee/mortgagee if applicable.

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Contractors Pollution Liability.

When any work is performed which may cause a pollution exposure, such as excavation or test pits, Contractors Pollution Liability must be provided covering bodily injury, property damage and other losses caused by pollution conditions that arise from the Activity 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 this 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 must be named as an additional insured.

ADDITIONAL REQUIREMENT:

The Developer must furnish the City of Chicago, Department of Planning and Development, 121 North LaSalle Street, 10th Floor, Chicago, 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 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 its contractors.

The Developer hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by Developer in no way limit the Developer's liabilities and responsibilities specified within the Agreement or by law.

Any insurance or self-insurance programs maintained by the City of Chicago do not contribute with insurance provided by the Developer under the Agreement.

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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 its contractors and subcontractors to provide the insurance required herein, or Developer may provide the coverages for its contractors 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.

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EXHIBIT E

Form of Deed [TO COME]

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EXHIBIT F

Schedule of Construction Progress [TO COME]

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EXHIBIT G

Inspector's Certificate

In accordance with the Working Drawings and Specifications and the Contract Documents (as such terms (and all other terms herein not otherwise defined) are defined in that certain Redevelopment Agreement,, dated _____, 202__ by and between The City of Chicago and _____) and based on-site observations, the undersigned inspecting architect certifies to the City of Chicago that to the best of the architect's knowledge, information and belief, the construction has progressed as indicated and that the quality of the construction is in accordance with the Working Drawings and Specifications and the Contract Documents. The Inspector hereby notifies DOH and the Construction Lender of any discrepancies between the Working Drawings and Specifications and the Contract Documents and the actual construction:

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ARCHITECT:

Printed Name:

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EXHIBIT H

Warranty of Habitability [TO COME]

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EXHIBIT I

Marketing Plan [TO COME]

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