



Office of the City Clerk

City Hall
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Chicago, IL 60602
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Legislation Details (With Text)

File #: O2011-3401
Type: Ordinance **Status:** Passed
File created: 4/13/2011 **In control:** City Council
Final action: 5/4/2011
Title: Sale of City-owned property at 5008-5021 S Throop St to Holdings, LLC.
Sponsors: Daley, Richard M.
Indexes: Sale
Attachments: 1. O2011-3401.pdf

Date	Ver.	Action By	Action	Result
5/4/2011	1	City Council	Passed	Pass
4/28/2011	1	Committee on Housing and Real Estate	Recommended to Pass	Pass
4/13/2011	1	City Council	Referred	

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OFFICE OF THE MAYOR
CITY OF CHICAGO
RICHARD M. DALEY
MAYOR

April 13, 2011

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

Ladies and Gentlemen:

At the request of the Commissioner of Housing and Economic Development, I transmit herewith ordinances authorizing the sale of city-owned property.

Your favorable consideration of these ordinances will be appreciated.

Very truly yours,

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ORDINANCE

WHEREAS, the City of Chicago ("City") is a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois and may exercise any power related to its local governmental affairs; and

WHEREAS, the City owns those certain parcels of vacant real property commonly known as 5008, 5010, 5012, 5014, 5016, 5018, 5013, 5015, 5017, 5019 and 5021 South Throop Street, Chicago, Illinois (identified in Exhibit A to this ordinance and subject to final title commitment and survey, collectively, the "City Lots"); and WHEREAS, 50th and Throop Holdings LLC, an Illinois limited liability company ("Developer"), has offered to purchase the City Lots for One Dollar (\$1.00) each and to develop up to five (5) group foster homes ("Homes") on the City Lots; and

WHEREAS, the sole member and owner of Developer is SOS Children's Villages Illinois, an Illinois not-for-profit corporation ("SOS"); and

WHEREAS, Developer has identified SOS as the entity that will operate the Homes (the conveyance of the

City Lots, the construction of such group homes, and the operation thereof, the "Project"); and WHEREAS, by Resolution No. 11-034-022, adopted by the Plan Commission of the City of Chicago ("Commission") on March 17, 2011, the Commission recommended the sale of the City Lots to the Developer; and

WHEREAS, public notices advertising the Department of Housing and Economic Development's ("DHED") intent to convey the City Lots to Developer for the Project appeared in the Chicago Sun-Times on April 4, 11 and 18, 2011; and

WHEREAS, no alternative proposals were received by the deadline indicated in the aforesaid notices; and ' WHEREAS, pursuant to an ordinance adopted by the City Council of the City ("City Council") on April 11, 2007, and published at pages 101765 through 101804 in the Journal of the Proceedings of the City Council (the "Journal") of such date (the "2007 Bond Ordinance"), the City issued its \$547,590,000 General Obligation Bonds Project and Refunding Series 2007A (the "2007 Bonds"); and

WHEREAS, pursuant to an ordinance adopted by the City Council on May 5, 2008, and published at pages 42735 through 42769 in the Journal of such date (together with the 2007 Bond Ordinance, the "Bond Ordinance"), the City issued its \$388,001,650 General Obligation Bonds Project and Refunding Series 2008C (together with the 2007 Bonds, the "Bonds"); and

WHEREAS, pursuant to the Bond Ordinance, the proceeds of the Bonds ("Bond Proceeds") may be used to finance, among other things, grants to not-for-profit or for-profit organizations doing business or seeking to do business in the City for the purpose of the enhancement of economic development within the City; and

WHEREAS, it is anticipated that the City shall, pursuant to the Bond Ordinance and Section 6 hereof, grant to Developer up to a maximum amount of \$950,000 per Home, for the first two Homes, or \$1,900,000 in the aggregate, from Bond Proceeds ("Grant") for a portion of the costs of the construction of the Homes ("Construction"); now, therefore,

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

SECTION 1. The above findings and recitals are hereby incorporated by reference and constitute a material part of this ordinance.

SECTION 2. The following proposal for construction of the Homes is hereby approved:

Developer: 50th and Throop Holdings LLC, an Illinois limited

liability company, or a single purpose entity owned and controlled by it or by SOS

Operator of Homes: SOS Children's Villages Illinois, an Illinois not-for-profit corporation

Aggregate Number of Buildings: Up to five (5) Homes

Purchase Price: One Dollar (\$1.00) per City Lot

Location: Back of the Yards neighborhood

SECTION 3. The Commissioner of DHED, on behalf of the City, is authorized to enter into a redevelopment agreement with the Developer and SOS in substantially the form attached as Exhibit B to this ordinance (the "Redevelopment Agreement") and to execute such other documents, subject to approval of the Corporation Counsel, as may be necessary to provide for the construction of new housing units by Developer. If the Developer or SOS fails to execute the Redevelopment Agreement by August 31, 2011, then this ordinance will be rendered null and void and of no further effect.

SECTION 4. The Homes shall be constructed on those City Lots identified on Exhibit A attached hereto, which shall be conveyed to Developer in accordance with the Redevelopment Agreement. The conveyance of such City Lots to Developer is hereby approved, subject to the Developer and SOS's execution, delivery and recording of the Redevelopment Agreement described in Section 3, and Developer and SOS's satisfaction of the conditions precedent to conveyance set forth in the Redevelopment Agreement.

SECTION 5. In conjunction with the construction by Developer of the Homes, the City (a) shall waive those certain fees and deposits as more fully described in Exhibit C attached hereto with respect to all Homes, and (b) shall deem all Homes and all housing units therein to qualify as "Affordable Housing" for

purposes of Chapter 16-18 of the Municipal Code of Chicago.

SECTION 6. With respect to the Grant, the Chief Financial Officer of the City and the City Comptroller (each, an "Authorized Officer") are each hereby authorized to designate in writing, with the written concurrence of the Budget Director of the City (the "Budget Director"), (i) DHED to administer the Grant, and (ii) the Commissioner of DHED to execute such documents, agreements or instruments as shall be deemed necessary or desirable by the Commissioner of DHED to make the Grant. Upon any such written designation by an Authorized Officer with respect to the Grant, DHED shall be authorized to administer the Grant and the Commissioner of DHED shall be authorized to execute such documents, agreements or instruments as the Commissioner of DHED shall deem necessary or desirable to make the Grant.. This Section 6 does not limit the authority of each Authorized Officer to grant Bond Proceeds pursuant to the Bond Ordinance.

SECTION 7. The Commissioner of DHED, on behalf of the City, is authorized to enter into an agreement with SOS, relating to the operation of the Homes.

SECTION 8. The Mayor or his proxy is authorized to execute, and the City Clerk or Deputy City Clerk is authorized to attest, quitclaim deeds conveying the City Lots to Developer or to a land trust of which Developer or SOS 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, provided that, Developer's membership interests are at all times owned solely by one or more not-for-profit corporations and include SOS, and subject to the Developer's execution of the! Redevelopment Agreement.

SECTION 9. 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 10. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict. Given the applicable restrictions with respect to the use of the Homes under this ordinance, Section 2-45-110 of the Municipal Code of Chicago shall not apply to the Project or the City Lots.

SECTION 11. This ordinance shall take effect immediately upon its passage and approval.

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EXHIBIT A CITY LOTS

(Subject to Final Survey and Title Commitment)

P.I.N.

20-08-129-022-0000 20-08-129-023-0000 20-08-129-024-0000 20-08-129-025-0000 20-08-129-026-0000 20-08-129-027-0000 20-08-130-005-0000 20-08-130-006-0000 20-08-130-007-0000 20-08-130-008-0000

Address Ward

5008 S. Throop 16
5010 S. Throop 16
5012 S. Throop 16
5014 S. Throop 16
5016 S. Throop 16 5018 S. Throop 16
5013 S. Throop 16
5015 S. Throop 16
5017 S. Throop 16 5021 S. Throop 16

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EXHIBIT B REDEVELOPMENT AGREEMENT

(See attached)

This instrument prepared by and after recording return to:

City of Chicago

Real Estate and Land Use Division Department of Law City of Chicago

121 N. LaSalle Street, Room 600 Chicago, Illinois 60602

REDEVELOPMENT AGREEMENT

50th AND THROOP HOLDINGS LLC (Group Foster Homes Project)

This Agreement ("Agreement"), dated as of ____, 2011, is made by and among the City of Chicago, an Illinois municipal corporation and home rule unit of local government ("City"), acting by and through its Department of Housing and Economic Development ("DHED"), 50th and Throop Holdings LLC, an Illinois limited liability company, having its principal office at 216 West Jackson Boulevard, Suite 925, Chicago, Illinois 60606 ("Developer"), and SOS Children's Villages Illinois, an Illinois not-for-profit corporation, having its principal office at 216 West Jackson Boulevard, Suite 925, Chicago, Illinois 60606 ("SOS"). Capitalized terms not otherwise defined herein shall have the meaning 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 DHED describing its proposal for developing and operating group foster homes in the Back of the Yards neighborhood that will serve children in need.

C. Based in part on the representations and proposals contained in Developer's application package, the City Council of the City (the "City Council"), by Ordinance adopted ___, 2011, and published in the Journal of the Proceedings of the City Council for such date at pages __ through __ (the "Project Ordinance"), approved the selection of Developer for the development, and SOS for the operation, of group foster homes in the Back of the Yards neighborhood and approved the financial assistance described in Section 4.5(a) to subsidize certain development costs associated with the Project (as defined in Recital E).

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D. Developer, subject to the terms of the Agreement, shall construct up to five (5) group foster homes ("Home(s)"), and SOS, subject to the terms of the Agreement, shall operate each such Home as a group foster home for a period of forty (40) years commencing on the date the City issues the Certificate (as defined in Section 4.8) for such Home in accordance with the Operating Agreement (as hereinafter defined) (collectively, the "Project").

E. The Homes shall be constructed on the parcels presently owned by the City ("City Lots") and listed on Exhibit A attached hereto. The City Lots are legally described on Exhibit B attached hereto.

F. The City Lots will be conveyed by the City to Developer for the sum of One Dollar (\$1.00) per City Lot. As additional consideration, Developer and SOS shall comply with the use and occupancy covenants set forth in this Agreement and in the Operating Agreement, which shall be covenants running with the land. Furthermore, Developer shall also receive waivers of certain City fees and deposits relating to new construction of Homes as described on Exhibit C attached hereto.

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

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

DEFINITIONS

The following terms shall have the meaning set forth below:

Affidavits: Those certain affidavits executed by Developer and SOS at time of submission of the Project Ordinance, as re-certified to the City, consisting of an economic disclosure statement and affidavit as required by the City.

Agreement: Shall have the meaning given in the preamble.

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

Certificate: Shall have the meaning given in Section 4.8.

City: Shall have the meaning given in the preamble.

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

City Mortgage: Shall mean the mortgage executed by Developer in favor of the City granting the City a first priority mortgage lien against the City Lots and the Project improvements constructed thereon, and all easements, rights, title and interests appurtenant thereto, which shall be delivered and recorded simultaneously with the City's conveyance of such City Lots to Developer.

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Commissioner: The Commissioner of DHED.

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Deed: Shall have the meaning given in Section 3.1.

Developer: Shall have the meaning given in the preamble, and shall also include Developer's successors and assigns, as permitted under this Agreement, so long as Developer's membership interests are at all times owned solely by one or more not-for-profit corporations and include SOS.

DHED: Shall have the meaning given in the preamble.

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

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

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

Event of Default: Shall have the meaning given in Section 6.3(b).

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

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

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

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

Lot: A City Lot. .

Operating Agreement: Shall mean the agreement into between the City and SOS governing SOS's operation of each Home as a group foster home, in substantially the form attached hereto as Exhibit I.

Project: Shall have the meaning given in Recital D.

Project Ordinance: Shall have the meaning given in Recital C.

Reconveyance Deeds: Shall mean the special warranty deeds (one for each City Lot), in form and substance acceptable to the City, conveying the City Lots from Developer to the City, which the City may record upon the occurrence of an Event of Default; and which Developer shall execute and deliver to the City on the initial closing date (i.e., the date of the City's conveyance of the City Lots to Developer).

Recorder's Office: Shall have the meaning given in Section 3.6.

Schedule: Shall have the meaning given in Section 4.1.

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SOS: Shall have the meaning given in the preamble.

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

Working Drawings and Specifications: The final working drawings and specifications prepared for Developer with regard to the construction of the Homes, which have been approved by DHED.

SECTION I

INCORPORATION OF RECITALS AND DEFINITIONS

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

SECTION II

COVENANTS, REPRESENTATIONS AND WARRANTIES

2.1 Covenants, Representations and Warranties of Developer. To induce the City to execute the Agreement and perform the obligations of the City hereunder, Developer and SOS hereby covenant, represent and warrant to the City as follows:

(a) Developer is a duly organized and validly existing limited liability company, and SOS is a duly organized and validly existing not-for-profit corporation, each in good standing under the laws of the State of Illinois.

Developer agrees that its Articles of Organization, and the SOS bylaws, inasmuch as they affect the performance of Developer pursuant to the terms of this Agreement or the Operating Agreement, shall not be modified or amended without the express written consent of DHED.

(b) No litigation or proceedings are pending, or are threatened against Developer, SOS, or any party affiliated with Developer or SOS, 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; (ii) adversely affect the ability of SOS to perform its obligations pursuant to and as contemplated by the terms and provisions of the Operating Agreement or (iii) adversely materially affect the operation or financial condition of Developer or SOS.

(c) The execution, delivery and performance by Developer of the Agreement, and SOS of the Operating Agreement, have not constituted or will not, upon the giving of notice or lapse of time, or both, constitute a breach or default under any other agreement to which Developer, SOS or any party affiliated with Developer or SOS is a party or 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.

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(d) The parties executing the Agreement on behalf of Developer and SOS have been duly authorized by all appropriate action to enter into, execute and deliver the Agreement and to cause Developer and SOS to perform the terms and obligations contained herein and to cause SOS to perform its obligations under the Operating Agreement.

(e) The construction and operation of the Homes 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 protection laws or regulations); 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 and SOS each shall not, without the prior written consent of DHED, which DHED 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; (iii) enter into any transaction not in the ordinary course of business of Developer which materially or adversely affects Developer's ability to perform its obligations under the terms of the Agreement; or (iv) enter into any transaction not in the ordinary course of business of SOS which materially or adversely affects SOS's ability to perform its obligations under the terms of the Operating Agreement

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

(h) Developer and SOS have not made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with this Agreement or any contract paid from the City treasury or pursuant to City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract with Developer in violation of Chapter 2-156 of the Municipal Code of Chicago. '

(i) The financial statements of Developer and SOS 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 SOS, and there has been no material adverse change in the assets, liabilities, results of operations or financial condition of Developer and SOS since the date of such financial statements.

(j) Neither Developer, SOS nor any Affiliate thereof 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 herein, an "Affiliate" shall be deemed to be a person or entity related to Developer or SOS that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with Developer

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or SOS, 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.

(k) Developer has agreed to comply with the terms of: (1) those certain covenants described in Section V below; (2) the Affidavits; and (3) the employment obligations described in section VII below.

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

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

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

SECTION III CONVEYANCE OF THE CITY LOTS

3.1 Form of Deed. The City shall convey to Developer fee simple title to each City Lot (upon the request of Developer pursuant to the terms of the Agreement) by quitclaim deed substantially in the form attached hereto as Exhibit F ("Deed"). The conveyance and title of each City Lot, 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 3.3.
3. General real estate taxes.
4. Easements of record and not shown of record. ^v
5. Such defects which cannot reasonably be cured but will not affect the use, marketability and insurability of the City Lots.
6. Title objections caused by Developer.
7. This Agreement, the right of reverter retained in this Agreement, and the City's right to record the Reconveyance Deeds.
8. The Operating Agreement.

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In addition, each City Lot shall be conveyed to Developer with no warranty, express or implied, by the City as to the condition of the soil, its geology, or the presence of known or unknown faults. It shall be the sole responsibility of Developer, at its sole expense, to investigate and determine the soil and environmental condition existing in each City Lot. Upon mutual agreement, such investigation shall at the minimum consist of a Phase I environmental assessment and a soil test or, in the alternative, an engineering test subsequent to "excavation of the City Lot. If the soil conditions are not in all respects entirely suitable for construction of a Home or if the soil conditions raise environmental issues, then if Developer elects to nonetheless take title to such City Lot, it shall be the sole responsibility and obligation of Developer to take such action as may be

necessary to place the soil and environmental condition of each City Lot in a condition entirely suitable for such intended use. However, in the alternative, Developer may elect to not take title to such City Lot, in which instance neither the City nor Developer shall have any further rights or obligations with respect to such City Lot under this Agreement. If Developer does any soil testing and elects to not take title to a City Lot, then Developer agrees to: (a) restore the City Lot to its condition immediately prior to the commencement of any testing conducted by or on behalf of Developer (said obligation to restore the City Lot does not include any requirement of Developer to undertake any landscaping of the City Lot), and (b) provide the City with copies of any and all soil and environmental reports prepared on behalf of Developer with regard to the City Lot.'

3.2 Conveyance of the City Lots. Before the City shall deliver a Deed to Developer for any City Lot, DHED shall have reviewed and approved the following closing deliveries (fully executed and acknowledged, where applicable), each of which, unless waived in writing by DHED, shall be a condition precedent to the City's obligation to deliver any Deed:

- (a) this Agreement;
- (b) the City Mortgage;
- (c) the Operating Agreement;
- (d) a final plat of survey for each Lot certified by a licensed surveyor showing all easements, encroachments and containing a legal description of the Lot;
- (e) a certificate of good standing for Developer and SOS from the State of Illinois, a certificate of incumbency identifying Developer's and SOS's current officers and including specimen signatures, copy of Developer's operating agreement and SOS's bylaws and resolutions authorizing Developer's performance of its obligations under this Agreement and resolutions authorizing SOS's performance of its obligations under the Operating Agreement;
- (f) Developer's written request for the conveyance of the specified City Lot(s);
- (g) the Reconveyance Deeds;
- (h) such transfer tax declarations, ALTA statements and similar customary transaction documents as may be necessary to consummate the conveyance; and
- (i) the financing closing conditions in Section 4.5(a) shall have been satisfied as to the City Lot(s) being conveyed.

3.3 Title Insurance. Upon the conveyance of each City Lot, Developer shall obtain at Developer's sole expense, title insurance from the Title Company, consisting of a current form

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Owner's ALTA Policy of Title Insurance, dated as of the date of conveyance, insuring the title of Developer with regard to the City Lot, subject only to the reservations and exceptions provided in this Section 3 and such endorsements as it may require. The City agrees to use reasonable efforts to assist Developer in obtaining said endorsements.

3.4 Real Estate Taxes. The City shall take all appropriate steps to secure the exemption or waiver of general real estate taxes due and payable prior to the date of recording of the Deed to the extent such an exemption or waiver may be obtained through the City's preparation of a so-called "216(e) Letter" or the filing to vacate a tax sale in error. If any general real estate taxes for a City Lot cannot be so cleared, the City shall be under no further obligation and Developer may either elect to close and accept conveyance of the City Lot subject to such general real estate taxes or decline to accept such City Lot. Developer shall also be responsible for payment of all real estate taxes payable after the recording of said Deed.

3.5 No Substitution of Lots. If the City cannot clear tax liens or other exceptions to title in a manner suitable for purposes of the Agreement, or Developer's investigation of the soil and environmental condition leads Developer to refuse the conveyance of said Lots (or to re-convey said City Lots to the City) 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.

3.6 Recordation of Deed. Developer shall promptly record each Deed and the City Mortgage with the Office of

the Recorder of Deeds of Cook County, Illinois ("Recorder's Office") and pay all recording costs.

SECTION IV THE CONSTRUCTION OF THE PROJECT

4.1 Schedule of Construction Progress. Promptly following a written request from DHED, Developer shall submit to DHED for its review and approval a construction timetable schedule ("Schedule"), which represents an estimated dates for the start and completion of the five (5) Homes. If Developer's construction of Homes falls short of the time frames set forth in the Schedule, Developer shall provide written notice to DHED and meet with DHED for the purpose of revising the Schedule, unless an Event of Default exists and the City elects to record the Reconveyance Deeds.

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 4.8.

4.2 Working Drawings and Specifications. The preliminary Working Drawings and Specifications dated December 30, 2010 (Home without basement) and January 14, 2011 (Home with basement), containing the preliminary plans, elevations and drawings with regard to the construction of each model of Home (i.e., with or without a basement), are approved by DHED and

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attached hereto as Exhibit D. Within thirty (30) days of the execution date of the Agreement, Developer shall submit to DHED for its approval Developer's proposed final Working Drawings and Specifications with regard to each model of Home. DHED shall have thirty (30) days within which to approve or reject said drawings and specifications. If DHED rejects the Working Drawings and Specifications, Developer shall have sixty (60) days in order to correct such documents and resubmit them to DHED for its approval. DHED shall thereafter have thirty (30) days within which to approve or reject the corrected documents. Upon the approval of DHED, said Working Drawings and Specifications shall constitute the final Working Drawings and Specifications.

If, after executing this Agreement, Developer desires to construct a different type of Home than that reflected in the Working Drawings and Specifications listed on Exhibit D attached hereto, Developer shall submit to DHED Working Drawings and Specifications for said model. DHED shall have thirty (30) days within which to approve or reject said Working Drawings and Specifications. If DHED rejects the Working Drawings and Specifications, Developer shall have sixty (60) days in order to correct such documents and resubmit them to DHED for approval. Upon the approval of DHED, 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, the Zoning Ordinance of the City of Chicago, Title 17, Municipal Code of Chicago and the housing quality standards contained in 24 C.F.R. Section.882.109. Furthermore, all construction undertaken by Developer in connection with this Agreement must be performed in compliance with all federal, State and local laws and regulations regarding adaptability and accessibility standards for disabled or environmentally limited persons including the following: American with Disabilities Act, P.L. 101-336 (1990); the Uniform Federal Accessibility Standards; and the Illinois Environmental Barriers Act, 410 ILCS 25/1 et seq. (1991) and the regulations promulgated thereunder at 71 111. Adm. Code Ch. 1, Sec. 400.110. If these standards are inconsistent with each other, Developer must comply with the standard providing greater accessibility or adaptability, as applicable.

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

4.3 Preparation of the Lots; General Requirements. Developer and the City acknowledge that some of the Lots may have "atypical" conditions (sunken lot and other site elevation problems, old foundations still in place and/or issues concerning the location of the Homes vis-a-vis existing buildings located on the parcels adjacent to the Lots) which dictate that special consideration should be given to the construction of Homes on such 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 commencement of construction of the Project, a representative of Developer and DHED shall conduct a site visit of each of the

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.

If the Special Lots are not in all respects entirely suitable for construction of a Home Developer may elect to not take title to such City Lot, in which instance neither the City nor

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Developer shall have any further rights or obligations with respect to such City Lot under this Agreement. If Developer does any testing and elects to not take title to a Special Lot, then Developer agrees to: (a) restore the Special Lot to its condition immediately prior to the commencement of any testing conducted by or on behalf of Developer (said obligation to restore the Special Lot does not include any requirement of Developer to undertake any landscaping of the City Lot), and (b) provide the City with copies of any and all reports prepared on behalf of Developer with regard to the Special Lot. "

Prior to the commencement of construction by Developer on any Special Lot, DHED must approve a site-specific, final plat of survey (including grading elevations) identifying the proposed location of the model type, showing the resolution of any atypical issues. The City shall not provide any additional funding to Developer for Special Lots.

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

Construction and development of any of the 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).

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

4.5 City Funding and Constructing the Project.

(a) **City Funding.** The City shall provide Developer a grant in the amount of One Million Nine Hundred Thousand Dollars (\$1,900,000) from existing general obligation bond proceeds or other legally available funds of the City and, subject to issuance, appropriation and availability of future general obligation bond proceeds or other legally available funds of the City an additional grant in the amount of up to Two Million Seven Hundred Thousand Dollars (\$2,700,000), for the construction (but not the operation) of the Homes (all such grant funds, the "City Funds"). The preceding sentence is not intended to and shall not alter, limit or supercede the granting authority set forth in any City ordinance. In no event shall any grant funds be provided to Developer unless and until DHED has received from Developer and approved all the following, unless waived in writing by DHED:

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(i) Working Drawings and Specifications for each model of Home to be constructed (as described in Section 4.2);

(ii) Developer's Budget (see Section 4.5(b));

(iii) The building permit received by Developer with regard to the construction of at least two Homes on the Lots;

(iv) 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;

(v) Date down endorsements to the previously issued owner's policy or updated title commitments for the City Lots;

- (vi) A certificate of good standing for Developer and SOS from the State of Illinois, a certificate of incumbency identifying Developer's and SOS's current officers and including specimen signatures, copy of Developer's operating agreement and SOS's bylaws and resolutions authorizing Developer's performance of its obligations under this Agreement and SOS's performance of its obligations under the Operating Agreement;
- (vii) Developer's Internal Revenue Service taxpayer identification numbers;
- (viii) " The Escrow Agreement (see Section 4.5(d)) executed by Developer;
- (ix) Evidence of funding for the operation of the Homes; and
- (x) Evidence of Developer and Developer's general contractor and all major subcontractors having met with staff from DHED regarding compliance with the MBE/WBE, city residency hiring, prevailing wage and other requirements set forth in Section VII, and the City's having approved Developer's compliance plan in accordance with Section 7.4.

If the conditions described in this Section 4.5 (a)(i) through (a)(x) are not achieved by Developer within twelve (12) months of the execution date of this Agreement (except in the instance of the occurrence of any Permitted Delay described in Section 6.2 below), then the Agreement, at the option of the City, shall become null and void and the City shall be under no further obligation to Developer and SOS, and City shall record the Reconveyance Deeds. The City shall have no obligation to convey any further City Lots pursuant to this Agreement after the date that is twenty-four (24) months after the execution date of this Agreement.

(b) Budget. Concurrent with the execution of the Agreement by Developer and its delivery to the City, Developer shall deliver to DHED for its approval a written budget ("Budget") for the construction of the Homes. Developer shall also submit to DHED a description of Developer's non-City financing ("Financing"), if any, 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 seven (7) business days of receipt, DHED 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.

(c) City's Incentives.

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(1) Sales Price. Subject to all of the terms, covenants and conditions of the Agreement, the City shall convey each City Lot for the consideration of One Dollar (\$1.00). As additional consideration, Developer and SOS shall comply with the use and occupancy covenants set forth in this Agreement and in the Operating Agreement, which shall be covenants running with the land.

(2) Waiver of City Fees. In conjunction with the construction by Developer of the Homes, the City shall waive those certain fees and deposits as described in Exhibit C attached hereto.

(d) Review of Construction Progress. During the construction of the Project, Developer shall submit to the City for its review any documentation relating to the construction work, including, without limitation, all additional building permits issued, an Owner's sworn statement and the general contractor's sworn statement. During the construction of the Project by Developer, Developer shall employ, at its sole expense, a licensed inspecting architect ("Inspector") (other than the architect who prepared the Working Drawings and Specifications, unless DHED consents otherwise) acceptable to DHED, to review for the parties all activities undertaken with regard to the construction of the Homes.

The scope of the Inspector's work shall be contained in the terms of the contract between the Inspector and Developer, or the Inspector and DHED, as the case may be, and shall include inter alia, providing a certification for the benefit of DHED on the form attached hereto as Exhibit H that the construction of said Home complies with the Working Drawings and Specifications. The Inspector shall notify DHED of any discrepancies between the Working Drawings and Specifications and the actual construction of any Home, and shall provide DHED with a copy of each and every Inspector's certification. A representative of DHED shall have the right, but not the obligation, to accompany the Inspector during his inspection of the progress of the construction of the Homes.

(e) Escrow. Prior to the commencement of disbursement of any City Funds, Developer and the City shall execute an escrow agreement in substantially the form attached hereto as Exhibit J ("Escrow Agreement") and open an escrow account ("Escrow") held by an institutional escrowee ("Escrowee") mutually acceptable to the parties. The Escrow shall be used to disburse the City Funds pursuant to the terms of this Agreement. The respective rights, liabilities and duties of the Escrowee are contained in the Escrow Agreement. If any conflict exists between the terms of the Agreement and the Escrow Agreement or any other instructions or other documents affecting the Escrow, the terms and provisions of the Agreement shall govern.

4.6 Relocation of Utilities. If Developer requests the relocation, repair or replacement of any existing City utility lines in order to construct a Home, such utilities shall be relocated at Developer's sole expense. DHED shall assist Developer in obtaining the cooperation of any City agency with regard to the relocation, repair or replacement of existing utility lines. Under no circumstances shall the City pay for any such relocation, repair or replacement costs. In addition, Developer shall be solely responsible for the payment of any costs associated with the repair, replacement or relocation of any private utility lines necessary to construct a Home.

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4.7 Commencement and Completion of the Project. Developer, subject to the occurrence of Permitted Delays described in Section 6.2 below, shall commence with the construction of the Project within twelve (12) months of the execution date of the Agreement. Except as otherwise provided in the Agreement, Developer shall complete the Project within twenty-four (24) months from said execution date. Developer, its successors and assigns, shall promptly begin and diligently complete the Project within such time periods. The Commissioner of DHED, in the Commissioner's sole discretion, may extend the completion upon Developer's written request, by executing a written extension letter.

4.8 Certificate of Compliance. As each Home is substantially completed in accordance with the Working Drawings and Specifications (as evidenced by the issuance of the Inspector's Conditional Certificate or Final Certificate, as the case may be) and Developer has performed all of its other obligations under this Agreement, DHED, upon written request by Developer, shall furnish Developer with an appropriate compliance certificate ("Certificate"). The Certificate shall be evidence 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. Such Certificate shall not diminish, alter, or extinguish SOS's obligations with respect to operating such Home as a group foster home for a period of forty (40) years following the date of such Certificate.

4.9 Prohibition Against Unpermitted Encumbrances. Prior to the City's issuance of the Certificate for a Home on a particular Lot, Developer nor any successor in interest to the Lot shall engage in any financing or other transaction the effect of which creates an encumbrance or lien upon said Lot, other than the City Mortgage.

SECTION V

OPERATION OF THE HOMES

5.1 Operating Agreement. SOS shall operate each Homes as a group foster home, for a period of forty (40) years commencing on the date of the applicable Certificate (see Section 4.8), in accordance with the terms of the Operating Agreement.

5.2 Compliance with Fair Housing and Non-Discrimination Laws. SOS 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 operation of the Homes, and shall comply with any and all federal, state and local laws, statutes, ordinances or regulations with regard to non-discrimination in the operation of housing, including, without limitation, the Fair Housing Act, 42 U.S.C. sec. 3601-20 et seq. (1988) and implementing regulations at 24 C.F.R. Part 100; Executive Order 11063, as amended by Executive Order 12259 (3 C.F.R., 1958-1963 Comp., p. 652 and 3 C.F.R., 1980 Comp., p. 307)(Equal Opportunity in Housing) and implementing regulations at 24 C.F.R. Part 107; and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 C.F.R. Part 1;

42 U.S.C. sec.

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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.

SECTION VI PERFORMANCE

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

6.2 Permitted Delays. Neither the City, Developer, or any successor in interest to Developer, shall be considered in breach of its obligations to commence or complete the construction of the Project in the event of delay in the performance of such obligations due to unforeseeable causes beyond such party's control and without such party's fault or negligence, including but not limited to, any delays or halts in the construction of the Homes, compelled by court order, acts of God, acts of the public enemy, acts of the United States or other governmental body, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, vandalism, embargoes and unusually severe weather or delays of subcontractors due to such cause. The time for the performance of the obligations shall be extended only for the period of the permitted delay if the party seeking the extension shall request it in writing of the other party within twenty (20) days after the beginning of any such delay.

6.3 Breach.

(a) Generally. If Developer defaults in the performance of its obligations under the Agreement, Developer shall, upon written notice from the City, commence to immediately cure or remedy such default but, in any event, by not later than thirty (30) days after receipt of such notice (or such other cure period, if any, as may be expressly provided for in Section 6.3(b)). If the default is not cured within such thirty (30) day period (or such other cure period) the City may institute such proceedings at law or in equity as may be necessary or desirable in its sole discretion to cure and remedy such default, including but not limited to, proceedings to compel specific performance, foreclose the City Mortgage, or record the Reconveyance Deeds.

(b) Event of Default. For purposes of the Agreement, the occurrence of any one or more of the following, which is not cured by the specified cure period, if any, shall constitute an "Event of Default":

(1) Any warranty, representation or statement made or furnished by Developer or SOS is not true and correct, or any covenant is not complied with in any material respect (30 day cure period); or

(2) Any petition or proceeding is filed by Developer or SOS under the Federal Bankruptcy Code or any similar state or federal law, whether now or hereafter existing (no cure period) or any such petition or proceeding is involuntarily filed and not vacated, stayed or set aside (60 day cure period); or

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(3) Failure of Developer to finalize the Working Drawings and Specifications in accordance with Section 4.2 (30 day cure period); or ^v

(4) If Developer fails to commence or complete construction of a Home (including the nature of and the dates of the beginning and completion thereof) or abandons or substantially suspends construction work of any Home (30 day cure period); or

(5) SOS fails to comply with the non-discrimination covenants in Section 5.2 above with regard to the operation of the Homes constructed by Developer (30 day cure period); or

(6) SOS is in default of its obligations under the Operating Agreement and does not cure such default within the applicable time frame set forth in the Operating Agreement; or

(7) Failure of Developer to pay real estate taxes or assessments affecting any Lots (accruing after the date of conveyance by the City to Developer with respect to the City Lots) when due, or placing thereon any encumbrance or lien

■ unauthorized by the Agreement, or suffering any levy or attachment to be made, or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach to the Lots or any part thereof (unless Developer has taken such appropriate action to cause the Title Company to insure over any title encumbrances caused by such liens or encumbrances), and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the City made for such payment,

removal or discharge (30 day cure period); or

(8) The financial statements of Developer or SOS are not complete in all material respects or do not accurately present the assets, liabilities, results of operations and financial condition of Developer or SOS, as applicable, or there is a material

¹ adverse change in the assets, liabilities, results of operations or financial condition of Developer or SOS since the date of the most recent financial statements (30 day cure period); or

(9) Developer or SOS makes or causes to be made, directly or indirectly, any ^ payment, gratuity or offer of employment in connection with this Agreement or any contract paid from the City treasury or pursuant to any City ordinance, for services to any City agency ("City Contract") as an inducement for the City to enter into the Agreement or any City Contract in violation of Chapter 2-156 of the Municipal Code of Chicago (no cure period); or

(10) Any assignment, pledge, encumbrance, transfer or other disposition is made in violation of Section 8.2 below (no cure period).

(c) Prior to Commencement of Construction. If prior to the commencement of construction of any Home, an Event of Default occurs, the City may immediately terminate this

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Agreement, record one or more of the Reconveyance Deeds, and institute any action or proceeding at law or in equity against Developer and SOS.

(d) After Commencement of Construction Until Issuance of Certificate. If after commencement of construction by Developer of a Home on any City Lot but before the City issues its Certificate for such Home, an Event of Default occurs, the City may immediately terminate the Agreement and institute any action or proceeding at law or in equity against Developer and SOS. In such event, Developer shall have no further right or interest regarding any City Lot not conveyed to Developer prior to the default.

In addition, the City shall have the right to record the Reconveyance Deeds, re-enter and take possession of each City Lot previously conveyed, to terminate Developer's title to such City Lots and all other rights and interests of Developer to said Lots and any improvements constructed thereon, and revest title in said City in the City without any compensation whatsoever to Developer or SOS. The City may, in the alternative, elect to foreclose the City Mortgage in order to re-acquire title to the City lots and the Project improvements constructed thereon.

Upon any such revesting of title to the City Lots in the City, DHED may complete the construction of any Homes on the City Lots, including, if necessary, the hiring of an alternative contractor to complete the construction. The City may, but shall not be obligated to, thereafter operate the Homes as group foster homes.

(e) After Conveyance. If an Event of Default occurs under Section 6.3(b)(5), then the City shall also have the right to institute a suit for injunctive relief against SOS to enforce any applicable provision(s) of the Operating Agreement.

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

6.5 Indemnity. Developer and SOS each hereby agree to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including, without limitation, attorneys' fees and court costs), suffered or incurred by the City (except due to the negligence of the City) arising from or in connection with: (i) the failure of Developer or SOS to perform its obligations under the Agreement; (ii) the failure of Developer or any contractor to pay contractors, subcontractors or materialmen in connection with the construction of the Homes (unless Developer has taken such appropriate action to cause the Title Company to insure over any title encumbrances caused by such liens and encumbrances); (iii) a material misrepresentation or material omission in Developer's or SOS's application to participate in the Agreement which is the result of information supplied or omitted by Developer or SOS or

by agents, employees, contractors, subcontractors, or persons acting under the control or at the request of Developer or SOS; (iv) the failure of Developer or SOS to redress any misrepresentations or omissions in the Agreement

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or any other agreement relating hereto; (v) any activity undertaken by Developer or, SOS on any of the City Lots or any part thereof; and (vi) any claim or cost relating to any soil or environmental condition existing at any City Lot after conveyance to Developer or created by Developer.

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

6.7 City's Right to Inspect Records. Until the date that is forty-three (43) 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 and SOS'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 or SOS, as applicable, for inspection, copying, audit and examination by any duly authorized representative of the City; provided, however, that the City shall provide Developer or SOS, as applicable, with at least five (5) business days' written notice of any proposed inspection of such books and records.

SECTION VII DEVELOPER'S EMPLOYMENT OBLIGATIONS

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

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

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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. i

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

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

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

(e) Failure to comply with the employment obligations described in this Section 7.1 shall be a basis for the City to pursue remedies under the provisions of Section 6 above.

7.2 City Resident Employment Requirement.

(a) With respect to the Project, Developer agrees, and shall contractually obligate each Employer to agree, that during the construction of the Project, Developer and each Employer shall comply with the minimum percentage of total worker hours performed by actual residents of the City of Chicago as specified in Section 2-92-330 of the Municipal Code of Chicago (at least fifty percent); provided, however, that doing so does not violate a collective bargaining agreement of Developer or an Employer and that in addition to complying with this percentage, Developer and each Employer shall be required to make good faith efforts to utilize qualified residents of the City in both unskilled and skilled labor positions.

(b) Developer and the Employers may request a reduction or waiver of this minimum percentage level of Chicagoans as provided for in Section 2-92-330 of the Municipal Code of Chicago in accordance with standards and procedures

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developed by the chief procurement officer of the City of Chicago.

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

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

(e) Developer and the Employers shall submit weekly certified payroll reports (U.S. Department of Labor Form WH-347 or equivalent) to DHED in triplicate, which shall identify clearly the actual residence of every employee on each submitted certified payroll. The first time that an employee's name appears on a payroll, the date that Developer or Employer hired the employee should be written in after the employee's name.

(f) Developer and the Employers shall provide full access to their employment records to the chief procurement officer, DHED, the Superintendent of the Chicago Police Department, the inspector general, or any duly authorized representative thereof. Developer and the Employers shall maintain all relevant personnel data and records for a period of at least three (3) years after the issuance of the Certificate of Completion.

, (g) At the direction of DHED, Developer and the Employers shall provide affidavits and other supporting documentation to verify or clarify an employee's actual ^ address when doubt or lack of clarity has arisen.

(h) Good faith efforts on the part of Developer and the Employers to provide work for actual Chicago residents (but not sufficient for the granting of a waiver request as provided for in the standards and procedures developed by the chief procurement officer) shall not suffice to replace the actual, verified achievement of the requirements of this Section 7.2 concerning the worker hours performed by actual Chicago residents.

(i) . If the City determines that Developer or an Employer failed to ensure the fulfillment of the requirements of this Section 7.2 concerning the worker hours performed by actual Chicago residents or failed to report in the manner as -indicated above, the City will thereby be damaged in the failure to provide the benefit of demonstrable employment to Chicagoans to the degree stipulated in this Section 7.2. If such non-compliance is not remedied in accordance with the breach and cure provisions of Section 19.3, the

parties agree that 1/20 of 1 percent (.05%) of the aggregate hard construction costs set forth in the Budget shall be surrendered by Developer and for the Employers to the City in payment for each

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percentage of shortfall toward the stipulated residency requirement. Failure to report the residency of employees entirely and correctly shall result in the surrender of the entire liquidated damages as if no Chicago residents were employed in either of the categories. The willful falsification of statements and the certification of payroll data may subject Developer and/or the other Employers or employees to prosecution.

(j) . Nothing herein provided shall be construed to be a limitation upon the "Notice of Requirements for Affirmative Action to Ensure Equal Employment Opportunity, Executive Order 11246" and "Standard Federal Equal Employment Opportunity, \ Executive Order 11246," or other affirmative action required for equal opportunity under the provisions of this Agreement.

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

7.3 Developer's MBE/ WBE Commitment.

With respect to the Project, Developer agrees for itself and its successors and assigns, . and, if necessary to meet the requirements set forth herein, shall contractually obligate the general contractor to agree, that during the construction of the Project:

(a) Consistent with the findings which support, as applicable, (i), the Minority-Owned and Women-Owned Business Enterprise Procurement Program, Section 2-92-420 et seq., Municipal Code of Chicago (the "Procurement Program"), and (ii) the Minority- and Women-Owned Business Enterprise Construction Program, Section 2-92-650 et seq., Municipal Code of Chicago (the "Construction Program," and collectively with the Procurement Program, the "MBE/ WBE Program"), and in reliance upon the provisions of the MBE/ WBE Program to the extent contained in, and as qualified by, the provisions of this Section 7.3, during the course of construction of the Project, at least 24% of the aggregate hard construction costs shall be expended for contract participation by minority-owned businesses and at least 4% of the aggregate hard construction costs shall be expended for contract participation by women-owned businesses.

(b) For purposes of this Section 7.3 only:

(i) Developer (and any party to whom a contract is let by Developer in connection with the Project) shall be deemed a "contractor" and this Agreement (and any contract let by Developer in connection with the Project) shall be deemed a "contract" or a "construction contract" as such terms are defined in Sections 2-92-420 and 2-92-670, Municipal Code of Chicago, as applicable.

(ii) The term "minority-owned business" or "MBE" shall mean a

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

(iii) The term "women-owned business" or "WBE" shall mean a business identified in the Directory of Certified Women Business Enterprises published by the City's Department of Procurement Services, or otherwise certified by the City's Department of Procurement Services as a women-owned business enterprise, related to the Procurement Program or the Construction Program, as applicable.

Consistent with Sections 2-92-440 and 2-92-720, Municipal Code of Chicago, Developer's MBE/ WBE commitment may be achieved in part by Developer's status as an MBE or WBE (but only to the extent of any actual work performed on the Project by Developer) or by a joint venture with one or more MBEs or WBEs (but only to the extent of the lesser of (i) the MBE or WBE participation in such joint venture, or (ii) the amount of any actual work performed on the Project by the MBE or WBE); by Developer utilizing a MBE or a WBE as the general contractor (but only to the extent of any actual work performed on the Project by the general contractor); by subcontracting or causing the general contractor to subcontract a portion of the

construction of the Project to one or more MBEs or WBEs; by the purchase of materials or services used in the construction of the Project from one or more MBEs or WBEs; or by any combination of the foregoing. Those entities which constitute both a MBE and a WBE shall not be credited more than once with regard to Developer's MBE/WBE commitment as described in this Section 7.3. In accordance with Section 2-92-730, Municipal Code of Chicago, Developer shall not substitute any MBE or WBE general contractor or subcontractor without the prior written approval of DHED.

Developer shall deliver quarterly reports to the City's monitoring staff during the construction of the Project describing its efforts to achieve compliance with this MBE/WBE commitment. Such reports shall include, inter alia, the name and business address of each MBE and WBE solicited by Developer or the general contractor to work on the Project, and the responses received from such solicitation, the name and business address of each MBE or WBE actually involved in the construction of the Project, a description of the work performed or products or services supplied, the date and amount of such work, product or service, and such other information as may assist the City's monitoring staff in determining Developer's compliance with this MBE/WBE commitment. Developer shall maintain records of all relevant data with respect to the utilization of MBEs and WBEs in connection with the construction of the Project for at least five (5) years after completion of the construction of the Project, and the City's

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monitoring staff shall have access to all such records maintained by Developer, on prior notice of at least five (5) business days, to allow the City to review Developer's compliance with its commitment to MBE/WBE participation and the status of any MBE or WBE performing any portion of the construction of the Project.

(e) Upon the disqualification of any MBE or WBE general contractor or subcontractor, if the disqualified party misrepresented such status, Developer shall be obligated to discharge or cause to be discharged the disqualified general contractor or subcontractor, and, if possible, identify and engage a qualified MBE or WBE as a replacement. For purposes of this subsection (e), the disqualification procedures are further described in Sections 2-92-540 and 2-92-730, Municipal Code of Chicago, as applicable.

(f) Any reduction or waiver of Developer's MBE/WBE commitment as described in this Section 7.3 shall be undertaken in accordance with Sections 2-92-450 and 2-92-730, Municipal Code of Chicago, as applicable.

7.4 Pre-Construction Conference and Post-Closing Compliance Requirements.

Prior to the closing of the initial City funding described in Section 4.5(a), Developer and Developer's general contractor and all major subcontractors shall meet with DHED monitoring staff regarding compliance with all Section VII requirements. During this pre-construction meeting, Developer shall present its plan to achieve its obligations under Section VII, the sufficiency of which the City's monitoring staff shall approve as a precondition to the closing of the initial City funding. During the construction of the Project, Developer shall submit all documentation required by this Section VII to the City's monitoring staff, including, without limitation, the following: (a) subcontractor's activity report; (b) contractor's certification concerning labor standards and prevailing wage requirements; (c) contractor letter of understanding; (d) monthly utilization report; (e) authorization for payroll agent; (f) certified payroll; (g) evidence that MBE/WBE contractor associations have been informed of the Project via written notice and hearings; and (h) evidence of compliance with any job creation/job retention requirements. Failure to submit such documentation on a timely basis, or a determination by the City's monitoring staff, upon analysis of the documentation, that Developer is not complying with its obligations under Section VII, shall, upon the delivery of written notice to Developer, be deemed an Event of Default. Upon the occurrence of any such Event of Default, in addition to any other remedies provided in this Agreement, the City may: (x) issue a written demand to Developer to halt construction of the Project, (y) withhold any further payment of any City funds to Developer or the general contractor, or (z) seek any other remedies against Developer available at law or in equity.

SECTION VIII MISCELLANEOUS PROVISIONS

8.1 Entire Agreement. 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 material manner

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whatsoever except by mutual consent of the parties as reflected by written instrument executed by the parties hereto. The term "material" for the purpose of this Section 8.1 shall be defined as any deviation from the terms of the Agreement which operates to cancel or otherwise reduce any developmental, construction or job-creating obligation of Developer by more than five percent (5%) or substantially changes the character of the Project or any activities undertaken by Developer affecting the Project, or increases any time agreed for performance by either party by more than thirty (30) days, subject to Section 4.7.

8.2 Assignability and Transfer. Unless permitted under Section 4.9 above, prior to the expiration of the Operating Agreement, Developer shall not assign, transfer or convey any right, title or interest in any Lot. Developer may convey its right, title and interest to any of the Lots to a land trust formed under the laws of the state of Illinois and of which Developer is the sole beneficiary; provided, however, that the City must receive prior notification of such transfer accompanied by a certified copy of the land trust agreement, and the City, Developer and the land trustee shall execute a document granting the City the irrevocable right to approve the land trust documents.

8.3 Conflict of Interest - City's Representatives Not Individually Liable. 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, SOS, 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. No member, official or employee of the City shall be personally liable to Developer, SOS, or any successor in interest, to perform any commitment or obligation of the City under the Agreement nor shall any such person be personally liable in the event of any default or breach by the City.

8.4 Survival. All representations and warranties contained in the Agreement 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.

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

8.6 Cumulative Remedies. The remedies of 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.

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

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

Commissioner

Department of Housing and Economic Development 121 N. LaSalle Street, Room 1000 Chicago, Illinois 60602
Corporation Counsel City of Chicago

121 North LaSalle Street, Room 600 Chicago, Illinois 60602 Attn: Real Estate & Land Use Division

See Address in Preamble (to the attention of Tim McCormick, CEO)

See Address in Preamble (to the attention of Tim McCormick, CEO)

John J. George 20 S. Clark Street, Suite 400 Chicago, Illinois 60603

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

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

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

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

If to the City: with a copy to:

If to Developer: If to SOS: With a copy to:

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

8.13 No Third Party Beneficiary. The approvals given by the City pursuant to the Agreement and the Certificate when issued by the City shall be only for the benefit of Developer, 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.

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

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

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

8.17 Executive Order 2005-1. Developer and SOS each agree that Developer, SOS, any person or entity who directly or indirectly has an ownership or beneficial interest in Developer of more than 7.5 percent ("Owners"), spouses and domestic partners of such Owners, Developer's and SOS's contractors (i.e., any person or entity in direct contractual privity with Developer or SOS regarding the subject matter of this Agreement)

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

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

Developer and SOS agree that they 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.

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

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

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

For purposes of this provision:

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

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

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

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

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

(B) neither party is married; and

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

^ (D) each partner is at least 18 years of age, and the partners are the same sex, and the partners reside at the same residence; and (E) two of the following four conditions exist for the partners:

1. The partners have been residing together for at least 12 months.

2. The partners have common or joint ownership of a residence.

3. The partners have at least two of the following arrangements: a. joint ownership of a motor vehicle;

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b. a joint credit account;

c. a joint checking account;

d. a lease for a residence identifying both domestic partners as tenants. v' /.

4. Each partner identifies the other partner as a primary beneficiary in a will.

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

8.18. Patriot Act Certification. Developer and SOS represent and warrant that neither Developer, SOS 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 Developer or SOS that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under

common control with Developer or SOS, 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.

8.19. Business Relationships. Developer and SOS acknowledge (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 Amendment, 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 Amendment shall be grounds for termination of this Amendment and the transactions contemplated hereby. Developer and SOS hereby represent and warrant that no violation of Section 2-156-030 (b) has occurred with respect to this Amendment or the transactions contemplated hereby.

8.20. Waste Ordinance Provisions. In accordance with Section 1L-4-1600(e) of the Municipal Code of Chicago, Developer and SOS warrant and represent that they, and to the best of their knowledge, their contractors and subcontractors, have not violated and are not in

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violation of any provisions of Section 7-28 or Section 11-4 of the Municipal Code (the "Waste Sections"). During the period while this Amendment is executory, Developer's, SOS's, any general 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 Amendment, at law or in equity. This section does not limit Developer's, SOS'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 Amendment. Non-compliance with these terms and conditions may be used by the City as grounds for the termination of this Amendment, and may further affect Developer's and SOS's eligibility for future contract awards.

8.21. Cooperation With Office of Compliance. In accordance with Chapter 2-26 of the Municipal Code, Developer and SOS acknowledge that every officer, employee, department and agency of the City shall be obligated to cooperate with the Executive Director of the Office of Compliance in connection with any activities undertaken by such office with respect to this Agreement, including, without limitation, making available to the Executive Director the department's premises, equipment, personnel, books, records and papers. Developer and SOS agree to abide by the provisions of Chapter 2-26.

8.22 Failure to Maintain Eligibility to Do Business with the City.

Failure by Developer, SOS 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 of Chicago as required by Section 1-23-030 of the Municipal Code of Chicago shall be grounds for termination of the Agreement and the transactions contemplated thereby. Developer and SOS shall at all times comply with Section 2-154-020 of the Municipal Code of Chicago.

8.23 Inspector General and Legislative 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 Legislative Inspector General and with the City's Inspector General in any investigation or hearing undertaken pursuant to Chapters 2-55 and 2-56, respectively, of the Municipal Code of Chicago. Developer and SOS understand and will abide by all provisions of Chapters 2-55 and 2-56 of the Municipal Code of Chicago.

[Signatures Appear On Next Page]

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

CITY OF CHICAGO,

an Illinois municipal corporation, acting by and through its
Department of Housing and Economic Development

By: _____

Commissioner

50th AND THROOP HOLDINGS LLC,

an Illinois limited liability company

by its sole member:

SOS CHILDREN'S VILLAGES ILLINOIS, an Illinois not-for-profit corporation

By: _._

Name: _

Title: ____.

SOS CHILDREN'S VILLAGES ILLINOIS,

an Illinois not-for-profit corporation

By: _:_

Name: _

Title: _

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STATE OF ILLINOIS)

) SS

COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _ , personally known to me to be the Commissioner of the Department of Housing and Economic Development of the City of Chicago, a municipal corporation, and personally known to me to be the same person whose name is subscribed to the < foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that as such Commissioner, he signed and delivered the said instrument, pursuant to authority given by the City of Chicago, as his free and voluntary act and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _ day of _ , 2011.

Notary Public (SEAL)

30

STATE OF ILLINOIS)

) SS

COUNTY OF COOK)

f' ■

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _ , personally known to me to be the _ of SOS Children's Villages Illinois ("SOS"), the sole member of 50th and Throop Holdings LLC, an Illinois limited liability company (the "Company"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in

person and being first duly sworn by me acknowledged that as such_, s/he signed and delivered the said instrument, pursuant to authority given by the Board of Directors of SOS as her/his free and voluntary act and as the free and voluntary act of SOS and the Company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this __ day of __, 2011.

Notary Public (SEAL)
STATE OF ILLINOIS)

) SS

COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do

hereby certify that __, personally known to me to be the __

__ of SOS Children's Villages Illinois, an Illinois not-for-profit corporation

("SOS"), and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me

acknowledged that as such_, s/he signed and delivered the said

instrument, pursuant to authority given by the Board of Directors of SOS as her/his free and voluntary act and as the free and voluntary act of SOS, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this __ day of __, 2011.

Notary Public (SEAL)

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LIST OF EXHIBITS

A List of City Lots

B Legal description of City Lots

C List of waiver of City fees

D List of Working Drawings and Specifications

E Insurance Requirements

F Form of Deed

G Schedule of Construction Progress

H Inspector's Certificate

I Operating Agreement

J Escrow Agreement

(sub) EXHIBIT A to Redevelopment Agreement

List of City Lots

P.I.N.

20-08-129-022-0000 20-08-129-023-0000 20-08-129-024-0000 20-08-129-025-0000 20-08-129-026-0000 20-08-129-027-0000 20-08-130-005-0000 20-08-130-006-0000 20-08-130-007-0000 20-08-130-008-0000

Address Ward

5008 S. Throop 16

5010 S. Throop 16

5012 S. Throop 16

5014 S. Throop 16

5016 S. Throop 16 5018 Si Throop 16

5013 S. Throop 16

5015 S. Throop 16

5017 S. Throop 16 5021 S. Throop 16

(sub) EXHIBIT B to Redevelopment Agreement

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

(sub) EXHIBIT C to Redevelopment Agreement Fee Waivers

V

Department of Buildings: ^

Plan review, permit and field inspection fees are to be paid in full for the first unit of each unit type; the fees paid for each successive unit type would be reduced by 50%. The fee reduction is not applicable to the electrical permit.

Department of Housing and Economic Development:

Open space Impact fees are not waived. An open space Impact Fee of \$ 100 per unit will be assessed to Developer to be paid to the City of Chicago as a condition of issuance of a building permit. Zoning approval is required as part of the building permit process and is covered under the building permit fee schedule described above. However, any private legal work, such as giving notice to nearby property owners if a zoning change is requested, is not waived.

Department of Water Management:

Connection fees are waived. Inspection fees are waived. , Tap fees are waived.

Demolition fees for existing water tap are waived. Water liens against City-owned lots only are waived.

(B-boxes, meters and remote readouts are not waived and need to be purchased.) ^ Department of

Streets and Sanitation:

Street opening or patching fees, deposits or bonds are not waived at this time. Department of Transportation:

Trees and sod in parkways are provided on an as-needed basis in coordination with the Department of Transportation's reconstruction of sidewalks, curbs and gutters. Curbs, gutters and sidewalks are provided on an as-needed basis. Street and alley repairs or repaving are not provided pursuant to the Agreement.

(sub) EXHIBIT D to Redevelopment Agreement

Working Drawings and Specifications [ATTACHED]

SCALE: 3/32" = V-0"

Wall in »Gomez

A n C-H » T ECTS L T D 711 South Dearborn St/esl. Suite 606
Chicago, Illinois 60605-1827 P: 312-427-4702 ■ «F: 312-427-6611 E: admin@wgalld.com <mailto:admin@wgalld.com>

BUILDING ELEVATIONS

5008-5021 S. THROOP STREET A^K'-A _CHICAGO. ILLINOIS MOx

©(01

BASEMENT PLAN

1200 S.F. (GROSS)

GROUP HOME 1200 S.F.

FAMILY TEACHERS HOME 0 S.F.

,N3 02

FIRST FLOOR PLAN

2135 S.F. (GROSS)

GROUP HOME 1297 S.F.

FAMILY TEACHERS HOME 838 S.F.

,N3 03

SECOND FLOOR PLAN

2135 S.F. (GROSS)

GROUP HOME 1291 S.F.

FAMILY TEACHERS HOME 844 S.F.

TOTAL S.F. 3,788 S.F.

1,682 S.F.

TOTAL BUILDING AREA W/ BSMT: 5,470 S.F. TOTAL BUILDING AREA W/O BSMT: 4,270 S.F.

01-10-2011 -feiTTnrr

WaJUn » Gomez)

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711 South Dearborn St/esl. Suite 606

Chicago, UGnolfr 60605-1827 P: 312-427-4702 • -F: 312-427-6611 E: admin@wgalld.com <mailto:admin@wgalld.com>

REVISED: 5,470 S.F.

~> BUILDING PLANS

5008

5021 S. THROOP STREET A^K-^ CHICAGO. ILLINOIS rtorx O

wailin^m Gomez

\\n ffn"t"t F~h t s _l _T _D
711 South Dearborn Street, Suite 606
Chicago, Illinois 60605-1827 P: 312-127-4702 ■ F: 312-427-6611 E: admin@wgaitci.com <mailto:admin@wgaitci.com>
39"-4"

SECOND FLOOR PLAN

2135 S.F. (GROSS) 5t;AU=: W2rnyv0r

GROUP HOME

Itiffm FAMILY TEACHERS - HOME

1291 S.F. 844 S.F.

TOTAL BUILDING AREA:

TOTAL S.F. 2,588 S.F.

1,682 S.F.

4,270 S.F.

REVISED: 4,270 S.F.

PLANS

(sub) EXHIBIT E to Redevelopment Agreement

Insurance Coverages and Amounts

Developer must provide and maintain at Developer's own expense or cause to be provided, during the term of this Agreement, the insurance coverage and requirements specified below, insuring all operations related to the Agreement.

A. INSURANCE TO BE PROVIDED:

1) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees who are to provide work under this Agreement and Employers Liability coverage with limits of not less than \$100,000 each accident, illness or disease.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations independent contractors, separation of insureds, defense, and contractual liability (with no limitation endorsement). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work.

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 \$1,000,000 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.

4) Builders Risk

When Developer undertakes any construction, including improvements, betterments, and/or repairs, 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.

B. ADDITIONAL REQUIREMENT:

Developer must furnish the City of Chicago, Department of Housing and Economic

(

Development, 121 North LaSalle Street, Room 1000, Chicago, Illinois 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.- Developer must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to closing. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all Agreement requirements. The failure of the City to obtain certificates or other insurance evidence from Developer is not a waiver by the City of any requirements for Developer to obtain and maintain the specified coverages. Developer shall advise all insurers

of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve Developer of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work and/or terminate Agreement until proper evidence of insurance is provided.

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

Any deductibles or self insured retentions on referenced insurance coverages must be borne by Developer and Contractors.

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 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 Developer under the Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If Developer is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

Developer must require Contractor and subcontractors to provide the insurance required herein, or Developer may provide the coverages for Contractor and subcontractors. All Contractors and subcontractors are subject to the same insurance requirements of Developer unless otherwise specified in this Agreement.

(

If Developer, any Contractor or subcontractor desires additional coverages, the, party desiring the additional coverages is responsible for the acquisition and cost.

The City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements.

(sub) EXHIBIT F to Redevelopment Agreement

Form of Deed

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

Assistant Corporation Counsel Real Estate & Land Use Division City of Chicago
121 North LaSalle Street, Room 600 Chicago, Illinois 60602 (312) 744-0200

QUITCLAIM DEED

(50th and Throop Holdings LLC; group foster homes)

Grantor, the CITY OF CHICAGO, an Illinois municipal corporation ("Grantor"), having its principal office at 121 North LaSalle Street, Chicago, Illinois 60602, for and in consideration of

ONE and NO/100 DOLLAR (\$1.00), conveys and quitclaims, pursuant to ordinance adopted _

_ and published in the Journal of Proceedings for such date at pages _

_, to 50th AND THROOP HOLDINGS LLC, an Illinois limited liability company

("Grantee"), having its principal office at 216 West Jackson Boulevard, Suite 925, Chicago, Illinois 60606, all interest and title of Grantor in the following described real property ("Property"):

[INSERT LEGAL DESCRIPTION]

COMMONLY KNOWN AS: [INSERT ADDRESS], Chicago, IL PERMANENT INDEX NUMBER: [INSERT PIN]

THIS TRANSFER IS EXEMPT UNDER THE PROVISIONS OF THE REAL STATE TRANSFER TAX ACT, 35 ILCS 200/31 -45(b) and 35 ILCS 200/31 -45(e); AND SECTION 3-33-060.B AND 3-33-060.E OF THE MUNICIPAL CODE OF CHICAGO.

Further, this quitclaim deed ("Deed") is made and executed upon, and is subject to certain express conditions and covenants hereinafter contained, said conditions and covenants being a part of the consideration for the Property and are to be taken and construed as running with the land, and Grantee hereby binds itself and its

successors, assigns, grantees and lessees to these covenants and conditions, which covenants and conditions are as follows:

FIRST:

A. Grantee shall devote the Property only to the uses authorized by Grantor and specified in the applicable provisions of that certain agreement known as "Redevelopment Agreement, 50th and Throop Holdings LLC - Group Foster Homes

Project" entered into between Grantor and Grantee as of __, 2011 and recorded with the Office of the Recorder of Deeds of Cook County, Illinois on __

__, 2011 as document # __ ("Agreement"). Specifically, in

accordance with the terms of the Agreement, Grantee shall construct a group foster home on the Property. ^

B. Grantee shall operate a group foster home on the Property for the forty (40) year period commencing on the date of the Certificate.

SECOND: Grantee shall pay real estate taxes and assessments on the Property or any part thereof when due.

Prior to the issuance by Grantor of a Certificate of Compliance (as hereafter defined) with regard to the Property, Grantee shall not encumber the Property, or portion thereof. Grantee shall not suffer or permit any levy or attachment to be made or any other encumbrance or lien to attach to the Property or portion thereof until Grantor issues a Certificate of Compliance with respect to the completion of the Home on the Property (unless Grantee has taken such appropriate action to cause the Title Company (as such term is described in the Agreement) to insure over any title encumbrances caused by such liens or claims).

r THIRD: Grantee shall construct the Home on the Property in accordance with the terms of the Agreement.

Grantee shall diligently proceed with the construction of such Home to completion, which construction shall commence within twelve (12) months from the date of conveyance of the Deed by Grantor to Grantee, and shall be completed by Grantee within the time frame described in the Agreement.

FOURTH: Until Grantor issues the Certificate with regard to the completion of the Home, Grantee shall have no right to convey any right, title or interest in the Property without the prior written approval of Grantor, excepting as provided for in Section 8.2 of the Agreement.

. FIFTH: Grantee agrees for itself and any successor in interest not to discriminate based upon race, religion, color, sex, national origin or ancestry, age, handicap, sexual orientation, military status, parental status or source of income in the operation of the Home improving the Property.

SIXTH: Grantee shall comply with those certain employment obligations described in Section VII of the Agreement.

The covenants and agreements contained in the covenant numbered FIFTH shall remain without any limitation as to time. The covenants and agreements contained in covenants numbered FIRST-A., SECOND, THIRD, FOURTH and SIXTH shall terminate on the date Grantor issues the Certificate of Compliance with respect to the Property upon which the pertinent Home is constructed, except that the termination of the covenant numbered SECOND shall in no way be construed to release Grantee from its obligation to pay real estate taxes and assessments on the Property or any part thereof. The covenants and agreements contained in the covenant numbered First-B. shall terminate on the date that is forty (40) years after the date of the Certificate for the Property.

In the event that subsequent to the conveyance of the Property and prior to delivery of the Certificate of Compliance by Grantor with regard to the completion of the Home on the Property, Grantee defaults in or breaches any of the terms or conditions described in Section 6.3(b) of the Agreement or covenants FIRST, SECOND or THIRD in the Deed which have not been cured or remedied within the period and in the manner provided for in the Agreement, Grantor may re-enter and take possession of the Property or portion thereof, terminate the estate conveyed by the Deed to Grantee as well as Grantee's right of title and all other rights and interests in and to the Property conveyed by the Deed to Grantee, and re-vest title in said Property or portion thereof with the City.

Nothing in this section or any section or provision of the Agreement or the Deed shall be construed to permit any title holder of the Property (other than the Grantor) to devote the Property or any part thereof to a use or to

construct improvements thereon other than those permitted in the Agreement.

In accordance with Section 4.8 of the Agreement, after the substantial completion of construction of the Home improving the Property (as evidenced by, and based solely on, the issuance of a Final Certificate by the Inspector), and provided that Developer has performed all of its other contractual obligations pursuant to the provisions contained in the Agreement, Grantor shall furnish Grantee with an appropriate instrument in accordance with the terms of the Agreement ("Certificate of Compliance"). The Certificate of Compliance shall be issued by the City as a conclusive determination of satisfaction and termination of the covenants contained in the Agreement and Deed with respect to the obligations of Developer and its successors and assigns to complete such Home and the dates for beginning and completion thereof. The Certificate shall not constitute evidence that Developer has complied with any applicable provisions of federal, state or local laws, ordinances and regulations with regard to the completion of the Home in question, and shall not serve as any "guaranty" as to the quality of the construction of said structure.

/

IN WITNESS WHEREOF, Grantor has caused this instrument to be duly executed in its name and behalf and its seal to be hereunto duly affixed and attested, by the Mayor and by the City Clerk, on or as of the _ day of _ , 2011.

CITY OF CHICAGO, a municipal corporation

By: _

Mayor

ATTEST:

City Clerk

STATE OF ILLINOIS)

) SS

COUNTY OF CO OK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _ , personally known to me to be the City Clerk of the

City of Chicago, a municipal corporation, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and being first duly sworn by me acknowledged that as Clerk, he signed and delivered the said instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the City of Chicago, as his free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _ day of _ , 2011.

NOTARY PUBLIC (SEAL)

(sub) EXHIBIT G to Redevelopment Agreement

Schedule of Construction Progress ¹ [TO COME]

(sub) EXHIBIT H to Redevelopment Agreement

Inspector's Certificate

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on-site observations and the date comprising the above application, the undersigned Architect certifies to the City of Chicago that to the best of the Architect's knowledge, information and belief, the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment in the Amount Certified. This Certificate is not negotiable. The Amount Certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

Amount Certified: \$ __

ARCHITECT:

By:

(sub) EXHIBIT I to Redevelopment Agreement
Operating Agreement [TO COME]

(sub) EXHIBIT J to Redevelopment Agreement
Escrow Agreement [Attached]

CONSTRUCTION LOAN ESCROW AGREEMENT

Escrowee:

Escrow No.: Developer:

With a copy to:

50TM AND THROOP HOLDINGS LLC Attn: Tim McCormick, CEO 216 West Jackson Boulevard, Suite 925
Chicago, Illinois 60606

John J. George

20 S. Clark Street, Suite 400

Chicago, Illinois 60603

SOS:

SOS CHILDREN'S VILLAGES ILLINOIS Attn: Tim McCormick, CEO 216 West Jackson Boulevard, Suite
925 Chicago, Illinois 60606 ("SOS")

City:

CITY OF CHICAGO

Attn: Arthur Dolinsky, Senior Counsel

Department of Law

121 North LaSalle Street, Room 600

Chicago, Illinois 60602

General Contractor(s):

Inspector: _

Date:

PRELIMINARY STATEMENT

The City, Developer and SOS, have entered into that certain "Redevelopment Agreement,
50th and Throop Holdings LLC - Group Foster Homes Project" dated as of _,
2011, and recorded with the Office of the Recorder of Deeds of Cook County, Illinois on
, 2011 as document # ("Redevelopment Agreement"), which
provides in part for the construction by Developer of up to five (5) group foster homes (singularly "Home" or
collectively, "Homes").

In accordance with the Redevelopment Agreement, the Homes constructed by the Developer pursuant thereto
shall be operated by SOS as group foster homes pursuant to an "Operating Agreement" entered into between the
City and SOS.

The Homes shall be constructed on those lots conveyed by the City to Developer and listed on Exhibit A
attached hereto (singularly, "City Lot" or collectively, "City Lots"). The City Lots are located in the Back of the
Yards neighborhood of the City. The construction by Developer of the Homes on the City Lots pursuant to the
Redevelopment Agreement is hereby referred to as the "Project".

The construction of the Homes shall, be funded by certain City funds (hereafter, "Development Subsidy")
which have been appropriated for this Project. The Development Subsidy shall be disbursed to Developer
pursuant to the terms and conditions of the Redevelopment Agreement and this Construction Loan Escrow
Agreement ("Escrow Agreement"). If the terms and ^ conditions of the Redevelopment Agreement and this
Escrow Agreement applicable to each such disbursement are not satisfied, the City shall be entitled, at its sole
direction, to instruct the Escrowee to return to the City any Development Subsidy on deposit.

The parties have agreed that for all Homes constructed by Developer, _
_ ("Title Company"), shall issue a commitment to issue an ALTA Mortgagee's

Title Insurance Policy and Construction Loan Policy to the City. Such policies shall be issued in accordance with the terms and conditions of this Escrow Agreement.

All capitalized terms not defined herein shall have the same meaning as set forth in the Redevelopment Agreement. As used herein, General Contractor shall refer individually and separately to each general contractor with to respect to the Home(s) that it is constructing.

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INITIAL DEPOSITS

A. Developer's Initial Deposits. On or before __, 2011, Developer shall deliver, or cause to be delivered, to Escrowee the following (collectively, "Developer's Initial Deposits") executed by the appropriate parties:

1. Articles of organization, a certificate of good standing or existence from the state of Illinois, a certificate of incumbency setting forth the members of the Developer, consents authorizing the project and the financing for the project and the Developer's operating agreement (if any).

2. SS-4 Form containing the Internal Revenue Service taxpayer identification number for Developer. '

3. A true and correct copy of the construction contract(s) between Developer ' and the General Contractor (s).

B. City's Initial Deposits. On or before __, 2011, the City shall deliver, or cause to be delivered, to Escrowee the following (collectively, "City's Initial Deposits") executed by the City, as appropriate: \

1. A certified copy of the ordinance adopted by the City Council of the City on __, 2011, authorizing the Developer's participation in the Project.

2r A check or electronic funds transfer in the amount of [__ Dollars (\$ __)] representing the City's closing date deposit of initial Development Subsidy funds into account number __ maintained by the Title Company.

j Notwithstanding the foregoing, the City shall not be required to deposit any funds unless and until the conditions precedent to the initial disbursement of such funds, as specified in the Redevelopment Agreement, have been satisfied.

C. Developer and City Initial Deposits. On or before __, 2011, Developer and the City shall deliver, or cause to be delivered, to Escrowee the following executed by Developer, SOS and the City:

1. L One copy of the Redevelopment Agreement.

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CONSTRUCTION OF THE PROJECT

The Developer will construct the Homes constituting the Proj ect in accordance with the terms and conditions of the Redevelopment Agreement. As further described in Section 4.5(a) of the Redevelopment Agreement, if there is an Event of Default under the Redevelopment Agreement that is not cured in accordance with the terms of the Redevelopment Agreement, then the City and Developer agree that any funds remaining in the Escrow Account (as hereinafter defined) shall, at the City's request, be released from the terms and conditions of the Redevelopment Agreement and this Escrow Agreement and returned to the City. The Homes do not need to be constructed at the same time, but may be commenced from time to time; provided, however, that in no event shall any funds be disbursed under this Escrow Agreement after __, 2014.

In addition to satisfying any conditions precedent to funding specified in the Redevelopment Agreement, prior to the commencement of construction and disbursement of any funds under this Escrow Agreement to Developer, the parties shall from time to time deposit the following documents ..with Escrowee:

SECTION ONE. CONSTRUCTION DEPOSITS.

A.

Developer's Construction Deposits.

1.

A final plat of survey certified by a licensed surveyor showing all easements, encroachments, and containing a legal description of the City Lot in question.

2.

A copy of each building permit issued by the City with regard to the construction of the Home on the City Lot in question.

3.

The City's written approval confirming that outside of the Escrow Agreement, the City has previously approved the Working Drawings and Specifications, the project budget and financing for the project and the executed general contract and any executed major subcontracts.

4.

A special warranty (reconveyance) deed for the City Lot(s) being conveyed in recordable form naming the City as grantee, including executed transfer declarations and grantor/grantee statement.

B.

City's Construction Deposits.

1. A quitclaim deed from the City to Developer for the City Lot(s) being conveyed, including executed transfer declarations and grantor/grantee statement.

^

Upon Escrowee's receipt of all initial deposits, and thereafter with regard to all documents listed in this Section One with regard to the construction by Developer of a Home on the City Lot in question, Escrowee shall record with the Office of the Recorder of Deeds of Cook County, Illinois ("Recorder's Office") the following documents:

(a) the City's quitclaim deed to the City Lot;

(b) the City's Redevelopment Agreement, or any amendment thereto; and

(c) the City's first mortgage.

Copies of said documents showing the appropriate recordation number shall be delivered by the Escrowee to the Developer and the City. Developer shall be solely responsible for any and all recording, filing and transfer fees and expenses.

SECTION TWO. ESCROW ACCOUNT

A. There is hereby established with the Escrowee an escrow account ("Escrow Account"), which shall be governed by the terms of this Escrow Agreement. The Development Subsidy shall be deposited in the Escrow Account from time to time, which Development Subsidy shall be disbursed in accordance with the terms and conditions described herein.

B. Except as to deposits of funds for which Escrowee has received express written direction concerning investment or other handling, the parties hereto agree that the Escrowee shall be under no duty to invest or reinvest any deposits at any time held by it hereunder; and, further, that Escrowee may commingle such deposits with other deposits or with its own funds in the manner provided for the administration of funds under Section 3 of the Illinois Banking and Finance Act (205 ICLS 620/5.1-5.11) and may use any part or all such funds for its own benefit without obligation to any party for interest or earnings derived thereby, if any; provided, however, nothing herein shall diminish Escrowee's obligation to apply the full amount of the deposits in accordance with the terms of this Escrow Agreement. In the event Escrowee is requested to invest deposits hereunder, Escrowee is not to be held responsible for any loss of principal or interest which may be incurred as a result of making the investments or redeeming said investment for the purposes of this Escrow Agreement.

SECTION THREE. DISBURSEMENT OF FUNDS.

A. Disbursement of funds shall be made by the Escrowee to cover costs associated with the construction of a Home then under construction on a particular City Lot as provided for in the Redevelopment Agreement. With regard to the disbursement of Development Subsidy funds, under

no circumstances shall the Escrowee disburse more than \$__ of Developer Subsidy funds per Home. The parties affirmatively agree that the Development Subsidy funds shall be solely utilized to pay for soft and hard construction costs associated with the construction of the Homes, provided that such costs are consistent with the line items set forth in the sworn statements described in Section Four and do not exceed the dollar amounts set forth therein. The owner's sworn statement, which constitutes the budget for the initial two (2) Homes, is attached hereto as Exhibit B.

B. All disbursements relating to construction and development costs for the completion of the Homes, are to be made as follows, pursuant to each approved draw request (as provided herein):

1. Payment shall be made by Escrowee directly to the party entitled to payment as listed on the General Contractor's Sworn Statement.
2. If a subcontractor or materialmen listed in the sworn statement has been paid in full and if the General Contractor presents evidence of payment satisfactory to Escrowee, then Escrowee shall pay the amount in question directly to General Contractor.
3. Escrowee shall pay General Contractor for material or labor it has incorporated in the Project and paid for in full, as indicated on the General Contractor's sworn statement.
4. To the Developer for its fee.

For the purpose of this Escrow Agreement, the term "subcontractor" shall include all mechanics and materialmen furnishing services, labor, materials and supplies to the Project.

SECTION FOUR. PREREQUISITES TO INITIAL DISBURSEMENT.

The terms and conditions under which the initial disbursement for the construction of a Home on a City Lot are to be made as follows:

A. A title insurance commitment or policy for the City Lot in question, which commitment shall be subject only to such matters which the City shall approve ("Permitted Exceptions"). With respect to each title insurance policy issued to the City, each such policy shall be a current form ALTA Construction Loan Policy, containing extended coverage over the standard exceptions, the exceptions for matters of survey, and containing an interim mechanic's lien endorsement and such other special endorsements as the City may reasonably require.

B. A sworn statement of Developer approved by the City that no other contract for construction of the Project has been entered into by Developer except the Construction Contract with General Contractor.

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C. A sworn statement of General Contractor approved by the City setting forth in detail the subcontractors and materialmen with whom he has contracted, their respective addresses, work or materials to be furnished, amount of contract, amount paid to date, and balance due.

SECTION FIVE. PREREQUISITES TO EACH DISBURSEMENT.

In addition to satisfying any conditions precedent to funding specified in the Redevelopment Agreement, prior to each disbursement of funds pursuant to this Escrow Agreement, Escrowee shall have received:

A. A request for and approval by the City and the Inspector in writing of such disbursement.

B. A sworn Developer's owner's statement disclosing the various contracts entered into by the Developer and setting forth the names of the contractors, their addresses, work or materials to be furnished, amounts of the contracts, amounts paid to date, amounts of current payment and balances due. Such statement shall include a certification from Developer that the construction of the Home to the date of such certificate complies with the Working Drawings and Specifications. The sworn statement may also include itemizing non-construction disbursements to be made from the Escrow, if any (i.e., disbursements for items other than those to be made pursuant to the Construction Contract):

C. A sworn statement of General Contractor, setting forth all subcontractors and materialmen with whom he has contracted, amounts being requested and balance due and sworn statements of subcontractors, each setting forth all sub-subcontractors and materialmen with whom they have contracted, amounts being requested and balance due, and, in addition, properly completed and executed mechanics' lien waivers and affidavits from the General Contractor and from subcontractors and sub-subcontractors and materialmen having material or labor

incorporated in the Project for which a payment is requested, waiving their respective lien rights to and including the date for which payment, is submitted. Said statement shall provide a detailed breakdown of the percentages and costs of the various phases of the construction of the Home (including any extras and change orders), showing the amounts expended to date for the construction of the structure and the amounts then due and unpaid, an itemized estimate of the amount necessary to complete the construction in its entirety. Said statement may be embodied in the General Contractor's sworn statement or may take the form of a separate document. The sworn statement shall also include a certification from Developer's architect that the construction of the Home to date of such certificate complies with the Working Drawings and Specifications.

D. Sufficient funds to cover unpaid title and escrow charges.

E. Statements, waivers, affidavits, supporting waivers, releases of lien (if necessary) and other documents satisfactory to Escrowee.

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F. A certificate by Inspector stating that all work for which payment is requested has been satisfactorily completed and all materials are in place, and that the construction of the Home on the City Lot in question, which is subject to a request for advance/payout order as described in paragraph B above is as set forth in said request, and that such construction substantially complies with the Working Drawings and Specifications, that materials are in place and that work has been completed on the Home which have a value equal to the total of the funds which have been and are to be disbursed.

G. Sufficient funds to cover the requested disbursements and to pay for extras or change orders for which waivers have not been deposited and for which funds have not previously been deposited.

Escrowee shall not make any disbursement of funds hereunder covering the date of the General Contractor's sworn statement, until such time as it is prepared to release (and thereafter shall promptly release) to the City the standard date down endorsement to the Policy issued by the Title Company increasing the amount of coverage provided by the Policy to the aggregate amount of the Development Subsidy then disbursed, subject only to those exceptions approved by the City in writing. The effective date of such endorsement shall be the date-of the City's deposit in Escrow (with mechanic's lien coverage) through the date of the General Contractor's sworn statement.

Escrowee shall not make any disbursement of funds hereunder with respect to the construction of any Home on any City Lot until such time as it is prepared to release (and thereafter shall promptly release) to the City the standard date down endorsement to the Policy issued by the Title Company extending the coverage provided by the Policy to the City Mortgage, as amended, to be a first mortgage lien encumbering the City Lot, subject only to those exceptions approved by the City in writing. The effective date of such endorsement shall be the date of the recording of the most recent amendment covering such City Lot.

If at any time Escrowee shall discover a misstatement of a material fact in any written request from Developer, it shall promptly give notice of such discovery to the City and the Inspector and^N shall thereafter not disburse funds until it has received written direction from the City and the Inspector.

In the event that, in the sole judgment of the Inspector reasonably exercised, Developer or the General Contractor are not timely submitting requisition for payment of items permitted to be paid under the Escrow Agreement, the Inspector shall promptly notify the Escrowee and the City, and thereafter Escrowee shall provide Developer with written notice thereof, which written notice shall specify with particularity the items or categories of items for which payment is due. Developer, within five (5) business days of Developer's receipt of written notice from the Escrowee, shall submit to the Escrowee and the Inspector either a written requisition for payment of any such items in the form herein prescribed or an explanation reasonably acceptable to the Inspector and the Escrowee explaining in sufficient detail why payment of such items has not been requested.

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In no event shall the Escrowee be required to disburse any amount which, in the City's reasonable opinion, shall reduce the undisbursed amount of funds obtained from the Development Subsidy allocable to the Home then under construction below the amount necessary to pay for the balance of the work, labor and materials necessary to fully complete such structure. If at any time it shall appear to the City that the undisbursed portion

of the Development Subsidy allocable to a Home then under construction is insufficient to pay remaining construction costs as aforesaid, then, in such event, Developer, upon fifteen (15) days' written notice from the City, with a concurrent notice to Escrowee, shall deposit with the Escrowee the amount that the City, in its reasonable opinion, deems to be such deficiency. In the event Developer fails to remedy such deficiency, Escrowee shall discontinue disbursement until the deficiency is remedied. Developer's failure to remedy any deficit as aforesaid shall constitute a default under the terms of the Redevelopment Agreement. If the Development Subsidy is "out of balance", Developer shall bring the Development Subsidy into balance in the manner provided therein.

NOTWITHSTANDING ANYTHING IN THIS ESCROW AGREEMENT TO THE CONTRARY, THE ESCROWEE SHALL NOT DISBURSE THE FUNDS DEPOSITED BY THE CITY IF THE CITY HAS NOTIFIED THE ESCROWEE IN WRITING OR BY FACSIMILE NOT TO DO SO. IF THE ESCROWEE SHALL HAVE RECEIVED SUCH A NOTICE FROM THE CITY, THE ESCROWEE SHALL NOT DISBURSE THE FUNDS DEPOSITED BY THE CITY UNLESS AND UNTIL THE CITY SHALL HAVE NOTIFIED THE ESCROWEE IN WRITING TO DO SO. IN SUCH EVENT, THE ESCROWEE SHALL NOTIFY THE OTHER PARTIES OF THE RECEIPT OF THE NOTICE TO STOP PAYMENT.

Any requirement or undertaking herein notwithstanding, there is no obligation assumed by the Escrowee for insuring that sufficient funds will be available to pay all costs incurred in completing the construction of a particular Home, or that the construction of the structure will be completed. The Escrowee shall be under no duty to invest or reinvest any cash at any time held by it hereunder unless otherwise provided by this Escrow Agreement. All income, if any, derived from any use which the Escrowee may make of any deposits hereunder shall belong to the City.

SECTION SIX. PREREQUISITES TO FINAL DISBURSEMENT.

Prior to the final disbursement for the Home in question, which final disbursement shall include the Developer's fee, the following additional disbursement requirements must be satisfied:

A. The Escrowee (in the form of the Owner's Sworn Statement and the General Contractor's Sworn Statement) shall have received from Developer affirmative proof that no materialmen's liens or claims or liens exist affecting the Home in question, or that Developer has taken such appropriate action to cause the Title Company to insure over any title encumbrances caused by such liens or claims.

B. Escrowee shall have received from Developer any waivers or releases of liens which were insured over from the previous draws.

C. The Inspector shall have issued a final certificate ("Final Certificate") indicating that construction (including the punch list items) of the Home has been completed in accordance with the Working Drawings and Specifications.

D. The Escrowee shall have received from the City's Department of Housing and Economic Development the Certificate (of Compliance) in recordable form, with regard to the completion of construction of the Home in question.

E. Developer shall furnish to Escrowee an "as built" survey, showing the location of all completed improvements on the Lot, including all walks, drives and other on-site appurtenances and improvements; and showing no encroachments by any such improvements across the boundary lines of the lot.

F. Evidence to the City that SOS has operating funds available to operate the Home in ' accordance with the Operating Agreement.

G. Provided that conditions of paragraphs A-F of this Section Six are achieved, the Development Subsidy funds can be disbursed to Developer from the Escrow Account (which in no event may exceed the sum of \$ _per Home). . ^

SECTION SEVEN. OTHER DUTIES OF INSPECTOR.

The parties acknowledge that the Inspector is an inspecting architect which has been selected by Developer and hired by Developer (at Developer's sole expense) to review for all parties the activities undertaken by Developer with regard to the construction of the Project. In addition to the duties of the Inspector as set forth

above, the Inspector shall perform site inspections on a monthly basis in conjunction with a draw request during the various stages of construction of each Home. In addition, and in conjunction with the Architect's Contract, a copy of which is attached hereto as Exhibit C, the Inspector shall be observing the following activities relating to the construction of the Homes: (a) inspection of the excavation work and the foundation; (b) framing and mechanical rough out (prior to installation of the drywall); (c) at the point of substantial completion (for the issuance of the Conditional Certificate); (d) after completion of punch list items (for the issuance of the Final Certificate); and (e) during such other times as the Inspector deems necessary with regard to his/her issuance of the Inspector's Certificate. The Escrowee assumes no liability for the Inspector performing its duties under this Escrow Agreement.

GENERAL PROVISIONS

A. Escrow Charges. All escrow charges are to be paid by Developer.

B. Notice. Any notice called for herein shall be in writing and shall be mailed postage prepaid by registered or certified mail with return receipt requested, or hand-delivered and receipted, to the addresses listed on page one above, and in addition to the City, as follows:

Commissioner

Department of Housing and Economic Development 121 North LaSalle Street, Room 1000 Chicago, Illinois 60602

Attn: Deputy Commissioner, Developer Financing

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

C. Standard Provisions.

1. The parties have heretofore entered into agreements covering the property described in this document. If the terms of any such agreement conflict with this Escrow Agreement, it is agreed by the parties hereto that Escrowee shall be governed solely by the terms and provisions of this Escrow Agreement.

2. Wherever under the terms and provision of this Escrow Agreement the time for performance of a condition falls upon a Saturday, Sunday or holiday, such time for performance shall be extended to the next business day.

3. Should a contract dispute arise between any of the parties hereto relating to this Escrow Agreement, and Escrowee is sued or threatened with suit to compel disbursement to complainant, any costs or expenses, including attorneys fees, resulting to the Escrowee shall be borne by the party determined to be at fault.

4. No claim of a default hereunder shall be valid if the party making the same is itself in default unless said default is caused by the failure of the other party or parties to take some action required by this Escrow Agreement.

5. No official, officer, employee or member of the City shall be personally liable to Developer or any successor in interest in the event of any default or breach of this Escrow Agreement by the City for any amount which may become due to Developer or any successor in interest, or on any obligation under the terms of this Escrow Agreement.

6. If any provision of this Escrow Agreement, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstance is held invalid by reason of the operation of law, or by reason of the interpretation placed thereon by any administrative agency or any court, the parties hereto shall negotiate an equitable adjustment in the provisions of the same in order to effect, to the maximum extent permitted by law, the purposes of this

Escrow Agreement, and the remainder of this Escrow Agreement shall be construed as if such invalid part were never included herein and this Escrow Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

This Escrow Agreement shall be governed as to performance and interpretation in accordance with the laws of the State of Illinois.

This Escrow Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument.

Any amendment to this Escrow Agreement must be in writing and executed by all of the parties hereto. In the event of any conflict and/or ambiguity between the terms and conditions of this Escrow Agreement and the Redevelopment Agreement, the Redevelopment Agreement shall control.

[Signature page follows]

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IN WITNESS WHEREOF, the parties have executed this Construction Loan Escrow Agreement as of the date first above written.

DEVELOPER: 50th AND THROOP HOLDINGS LLC,

an Illinois limited liability company

by its sole member:

SOS CHILDREN'S VILLAGES ILLINOIS, an Illinois not-for-profit corporation

By: _:_

Name: _

Title: _

CITY: CITY OF CHICAGO,

an Illinois municipal corporation, acting by and through its Department of Housing and Economic Development

By: _:_

Commissioner

GENERAL CONTRACTOR:

By: _

Name: Its:

INSPECTOR:

By: _

Name: Its:

ESCROWEE:

By: _

Name: Its:

(sub) EXHIBIT A to Escrow Agreement

P.I.N.

20-08-129-022-0000 20-08-129-023-0000 20-08-129-024-0000 20-08-129-025-0000 20-08-129-026-0000 20-08-129-027-0000 20-08-130-005-0000 20-08-130-006-0000 20-08-130-007-0000 20-08-130-008-0000

LIST OF CITY LOTS

Address Ward

5008 S. Throop 16

5010 S. Throop 16

5012 S. Throop 16

5014 S- Throop 16

5016 S. Throop 16 5018 S. Throop 16

5013 S. Throop 16

5015 S. Throop 16

5017 S. Throop 16 5021 S. Throop 16

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(sub) EXHIBIT B to Escrow Agreement OWNER'S SWORN STATEMENT / BUDGET [To Come]

- 15-

(sub) EXHIBIT C to Escrow Agreement ARCHITECT'S CONTRACT [To Come]

- 16-

EXHIBIT C

FEE WAIVERS

Department of Buildings:

Plan review, permit and field inspection fees are to be paid in full for the first unit of each unit type; the fees paid for each successive unit type would be reduced by 50%. The fee reduction is not applicable to the electrical permit.

Department of Housing and Economic Development:

Open space Impact fees are not waived. An open space Impact Fee of \$ 100 per unit will be assessed to Developer to be paid to the City of Chicago as a condition of issuance of a building permit. Zoning approval is required as part of the building permit process and is covered under the building permit fee schedule described above. However, any private legal work, such as giving notice to nearby property owners if a zoning change is requested, is not waived.

Department of Water Management:

Connection fees are waived. Inspection fees are waived. Tap fees are waived.

Demolition fees for existing water tap are waived.

Water liens against City-owned lots only are waived. ^v

(B-boxes, meters and remote readouts are not waived and need to be purchased.)

Department of Streets and Sanitation: ¹

Street opening or patching fees, deposits or bonds are not waived at this time. Department of Transportation:

Trees and sod in parkways are provided on an as-needed basis in coordination with the Department of Transportation's reconstruction of sidewalks, curbs and gutters. Curbs, gutters and sidewalks are provided on an as-needed basis. Street and alley repairs or repaving are not provided pursuant to this ordinance.

-iii-

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION I - GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

vSO^ oj\dTwoop MdoWb llc

Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is:

1. Mthe Applicant

OR

2. ☐ a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: _____

OR

3. ☐ a legal entity with a right of control (see Section II.B. 1.) State the legal name of the entity in which the Disclosing Party holds a right of control: ^v_____

B. Business address of the Disclosing Party:

OMICAfto \L-rjnpQU <file:///L-rjnpQU>_____

C. Telephonfe^MI-^aDO Faxfo^ffiS-^L'O'L Email: dK5CW(ji (A\S OSLSAUi PQ^-Q^

D. Name of contact person:

E. Federal Employer Identification No. (if you have one):

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

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G. Which City agency or department is requesting this EDS?DbPT OF VtQll'SIKCr^ &X)NQftMC

--5aetoP(nB^\\

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:
Specification #_ and Contract #_

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Person

Publicly registered business corporation

Privately held business corporation

Sole proprietorship

General partnership

Limited partnership

Trust

Party

☒ Limited liability company

☐ Limited liability partnership

☐ Joint venture

☐ Not-for-profit corporation

(Is the not-for-profit corporation also a 501(c)(3))?

☐ Yes ☐ No ☐ Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

j If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name . Title

2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

☐ Yes

☐ No

Page 2 of 13

interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name Business Address Percentage Interest in the Disclosing Party

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SECTION III - BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

☐ Yes ☒ No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV - DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

< "Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself, "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action:

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

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Name (indicate whether Business Relationship to Disclosing Party Fees (indicate whether retained or anticipated Address (subcontractor, attorney, paid or estimated.) NOTE:

to be retained) lobbyist, etc.) "hourly rate" or "t.b.d." is

not an acceptable response.

(Add sheets if necessary) 1 • jy/f check: here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities. SECTION V--CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-41 5, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

☐ Yes ☐ No ☐ No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

☐ Yes ☐ No

B. FURTHER CERTIFICATIONS

1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

Page 4 of 13

2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.I. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties");
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

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Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or engagement in connection with the Matter:

a. bribed or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted or adjudged guilty of agreement or collusion among bidders or prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or f

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or j

d. violated the provisions of Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-1 56 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

Page 6 of 13

/

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one)

☐ is

a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-156-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter? /

☐ Yes ☐ No

NOTE: If you checked "Yes" to Item D. 1., proceed to Items D.2. and D.3. If you checked "No" to Item D. 1., proceed to Part E.

Page 7 of 13

2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

☐ Yes ☐ No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name Business Address Nature of Interest

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official

or, employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

\. The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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SECTION VI - CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A. 1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by . applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

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B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant?

☐ Yes ¹ ☐ No

If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

☐ Yes ☐ No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

☐ Yes ☐ No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

☐ Yes ☐ No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII- ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these ordinances and a training program is available on line at www.cityofchicago.org/Ethics <<http://www.cityofchicago.org/Ethics>>, and may also be obtained from the City's Board of Ethics, 740 N.

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Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances.

C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F.1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges, sewer charges, license fees, parking tickets, property taxes or sales taxes.

F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F. 1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

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NOTE: If the Disclosing Party cannot certify as to any of the items in F. 1., F.2. or F.3. above, an explanatory statement must be attached to this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

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ar type name of Disclosing Party)

A LUC

(Sign Were

(Print or type name of person signing)

(Print or type title of person signing)

Signed and sworn to before me on (date) ^{at} PooYc Coun|y^jJl||f>^<^._ (state).

Commission expires:

Noun-Public. W<^»*^FOs) j

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Page 12 of 13

CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1.a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.

[] Yes

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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

SECTION I - GENERAL INFORMATION

A. Legal name of the Disclosing Party submitting this EDS. Include d/b/a/ if applicable:

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Check ONE of the following three boxes:

Indicate whether the Disclosing Party submitting this EDS is: 1: [] the Applicant OR

2. nL^a legal entity holding a direct or indirect interest in the Applicant. State the legal name of the Applicant in which the Disclosing Party holds an interest: ' k^0-\ ^ Q-wj HuQOp VMAIACfe LiX.

OR ^

3. [] a legal entity with a right of control (see Section II.B. 1.) State the legal name of the entity in which the Disclosing Party holds a right of control: _

B. Business address of the Disclosing Party: UP QflCfcfeof^ Bnd, Slavic 005

C. Telephone(3(X)^-^afJP Fax: ^pVI^&O], Email: c[-feoUr4m'(S & ^SUU n,Q<S. Of

D. Name of contact person:

E. Federal Employer Identification No. (if you have one):

F. Brief description of contract, transaction or other undertaking (referred to below as the "Matter") to which this EDS pertains. (Include project number and location of property, if applicable):

V^W^ ,Gj^>^^ V^W^£i^ ^Ox^iCE^ ^WU3^N (oJ U££(k-

G. Which City agency or department is requesting this EDS? 7P6PT. Of UOM^ei^ECONOMIC ^QSWI^T

If the Matter is a contract being handled by the City's Department of Procurement Services, please complete the following:

Specification #_and Contract #_

Ver. 09-01-10

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SECTION II - DISCLOSURE OF OWNERSHIP INTERESTS

A. NATURE OF THE DISCLOSING PARTY

1. Indicate the nature of the Disclosing Party:

☐ Person ☐ Limited liability company

☐ Publicly registered business corporation ☐ Limited liability partnership

☐ Privately held business corporation, ☐ Joint venture

☐ Sole proprietorship ☐ f/f Not-for-profit corporation

☐ General partnership (Is the not-for-profit corporation also a 501(c)(3))? ☐ Limited partnership [V] Yes [] No

☐ Trust ■ " - ☐ Other (please specify)

2. For legal entities, the state (or foreign country) of incorporation or organization, if applicable:

1LU^0)S_____ >

3. For legal entities not organized in the State of Illinois: Has the organization registered to do business in the State of Illinois as a foreign entity?

☐ Yes ☐ No MN/A

B. IF THE DISCLOSING PARTY IS A LEGAL ENTITY:

■

1. List below the full names and titles of all executive officers and all directors of the entity. NOTE: For not-for-profit corporations, also list below all members, if any, which are legal entities. If there are no such members, write "no members." For trusts, estates or other similar entities, list below the legal titleholder(s).

If the entity is a general partnership, limited partnership, limited liability company, limited liability partnership or joint venture, list below the name and title of each general partner, managing member, manager or any other person or entity that controls the day-to-day management of the Disclosing Party. NOTE: Each legal entity listed below must submit an EDS on its own behalf.

Name Title

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2. Please provide the following information concerning each person or entity having a direct or indirect beneficial interest (including ownership) in excess of 7.5% of the Disclosing Party. Examples of such an interest include shares in a corporation, partnership interest in a partnership or joint venture,

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interest of a member or manager in a limited liability company, or interest of a beneficiary of a trust, estate or other similar entity. If none, state "None." NOTE: Pursuant to Section 2-154-030 of the Municipal Code of Chicago ("Municipal Code"), the City may require any such additional information from any applicant which is reasonably intended to achieve full disclosure.

Name Business Address r Percentage Interest in thje

Disclosing Party

jAjt_:_ 1_

SECTION III - BUSINESS RELATIONSHIPS WITH CITY ELECTED OFFICIALS

Has the Disclosing Party had a "business relationship," as defined in Chapter 2-156 of the Municipal Code, with any City elected official in the 12 months before the date this EDS is signed?

☐ Yes f^No

If yes, please identify below the name(s) of such City elected official(s) and describe such relationship(s):

SECTION IV - DISCLOSURE OF SUBCONTRACTORS AND OTHER RETAINED PARTIES

The Disclosing Party must disclose the name and business address of each subcontractor, attorney, lobbyist, accountant, consultant and any other person or entity whom the Disclosing Party has retained or expects to retain in connection with the Matter, as well as the nature of the relationship, and the total amount of the fees paid or estimated to be paid. The Disclosing Party is not required to disclose employees who are paid solely through the Disclosing Party's regular payroll.

"Lobbyist" means any person or entity who undertakes to influence any legislative or administrative action on behalf of any person or entity other than: (1) a not-for-profit entity, on an unpaid basis, or (2) himself. "Lobbyist" also means any person or entity any part of whose duties as an employee of another includes undertaking to influence any legislative or administrative action.

If the Disclosing Party is uncertain whether a disclosure is required under this Section, the Disclosing Party must either ask the City whether disclosure is required or make the disclosure.

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Name (indicate whether Business Relationship to Disclosing Party Fees (indicate whether retained or anticipated Address (subcontractor, attorney, paid or estimated.) NOTE:

to be retained) lobbyist, etc.) "hourly rate" or "t.b.d." is

> not an acceptable response.

UfW^MMN!> AT TftiS TIME - F>foS ugiLu £>t Suf PfP-MFAIT?^__

(Add sheets if necessary)

[] Check here if the Disclosing Party has not retained, nor expects to retain, any such persons or entities. SECTION V - CERTIFICATIONS

A. COURT-ORDERED CHILD SUPPORT COMPLIANCE

Under Municipal Code Section 2-92-415, substantial owners of business entities that contract with the City must remain in compliance with their child support obligations throughout the contract's term.

Has any person who directly or indirectly owns 10% or more of the Disclosing Party been declared in arrearage on any child support obligations by any Illinois court of competent jurisdiction?

[t]fNo

[] Yes [] No [x] No person directly or indirectly owns 10% or more of the Disclosing Party.

If "Yes," has the person entered into a court-approved agreement for payment of all support owed and is the person in compliance with that agreement?

[J]Yes []No

B. FURTHER CERTIFICATIONS

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1. Pursuant to Municipal Code Chapter 1-23, Article I ("Article I")(which the Applicant should consult for defined terms (e.g., "doing business") and legal requirements), if the Disclosing Party submitting this EDS is the Applicant and is doing business with the City, then the Disclosing Party certifies as follows: (i) neither the Applicant nor any controlling person is currently indicted or charged with, or has admitted guilt of, or has ever been convicted of, or placed under supervision for, any criminal offense involving actual, attempted, or conspiracy to commit bribery, theft, fraud, forgery, perjury, dishonesty or deceit against an officer or employee of the City or any sister agency; and (ii) the Applicant understands and acknowledges that compliance with Article I is a continuing requirement for doing business with the City. NOTE: If Article I applies to the Applicant, the permanent compliance timeframe in Article I supersedes some five-year compliance timeframes in certifications 2 and 3 below.

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2. The Disclosing Party and, if the Disclosing Party is a legal entity, all of those persons or entities identified in Section II.B.I. of this EDS:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
- b. have not, within a five-year period preceding the date of this EDS, been convicted of a criminal offense, adjudged guilty, or had a civil judgment rendered against them in connection with: obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; a violation of federal or state antitrust statutes; fraud; embezzlement; theft; forgery; bribery; falsification or destruction of records; making false statements; or receiving stolen property;
- c. are not presently indicted for, or criminally or civilly charged by, a governmental entity (federal, state or local) with committing any of the offenses set forth in clause B.2.b. of this Section V;
- d. have not, within a five-year period preceding the date of this EDS, had one or more public transactions (federal, state or local) terminated for cause or default; and
- e. have not, within a five-year period preceding the date of this EDS, been convicted, adjudged guilty, or found liable in a civil proceeding, or in any criminal or civil action, including actions concerning environmental violations, instituted by the City or by the federal government, any state, or any other unit of local government.

3. The certifications in subparts 3, 4 and 5 concern:

- the Disclosing Party;
- any "Contractor" (meaning any contractor or subcontractor used by the Disclosing Party in connection with the Matter, including but not limited to all persons or legal entities disclosed under Section IV, "Disclosure of Subcontractors and Other Retained Parties"); >
- any "Affiliated Entity" (meaning a person or entity that, directly or indirectly: controls the Disclosing Party, is controlled by the Disclosing Party, or is, with the Disclosing Party, under common control of another person or entity. Indicia of control include, without limitation: interlocking management or ownership; identity of interests among family members, shared facilities and equipment; common use of employees; or organization of a business entity following the ineligibility of a business entity to do business with federal or state or local government, including' the City, using substantially the same management, ownership, or principals as the ineligible entity); with respect to Contractors, the term Affiliated Entity means a person or entity that directly or indirectly controls the Contractor, is controlled by it, or, with the Contractor, is under common control of another person or entity;
- any responsible official of the Disclosing Party, any Contractor or any Affiliated Entity or any other official, agent or employee of the Disclosing Party, any Contractor or any Affiliated Entity, acting pursuant to the direction or authorization of a responsible official of the Disclosing Party, any Contractor or any Affiliated Entity (collectively "Agents").

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Neither the Disclosing Party, nor any Contractor, nor any Affiliated Entity of either the Disclosing Party or any Contractor nor any Agents have, during the five years before the date this EDS is signed, or, with respect to a Contractor, an Affiliated Entity, or an Affiliated Entity of a Contractor during the five years before the date of such Contractor's or Affiliated Entity's contract or

engagement in connection with the Matter:

a. bribed¹ or attempted to bribe, or been convicted or adjudged guilty of bribery or attempting to bribe, a public officer or employee of the City, the State of Illinois, or any agency of the federal government or of any state or local government in the United States of America, in that officer's or employee's official capacity;

b. agreed or colluded with other bidders or prospective bidders, or been a party to any such agreement, or been convicted of adjudged guilty of agreement or collusion among bidders or

- prospective bidders, in restraint of freedom of competition by agreement to bid a fixed price or otherwise; or

c. made an admission of such conduct described in a. or b. above that is a matter of record, but have not been prosecuted for such conduct; or

d. violated the provisions of "T Municipal Code Section 2-92-610 (Living Wage Ordinance).

4. Neither the Disclosing Party, Affiliated Entity or Contractor, or any of their employees, officials, agents or partners, is barred from contracting with any unit of state or local government as a result of

^engaging in or being convicted of (1) bid-rigging in violation of 720 ILCS 5/33E-3; (2) bid-rotating in violation of 720 ILCS 5/33E-4; or (3) any similar offense of any state or of the United States of America that contains the same elements as the offense of bid-rigging or bid-rotating.

5. Neither the Disclosing Party nor any Affiliated Entity is listed on any of the following lists maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the Bureau of Industry and Security of the U.S. Department of Commerce or their successors: the Specially Designated Nationals List, the Denied Persons List, the Unverified List, the Entity List and the Debarred List.

6. The Disclosing Party understands and shall comply with the applicable requirements of Chapters 2-55 (Legislative Inspector General), 2-56 (Inspector General) and 2-1 56 (Governmental Ethics) of the Municipal Code.

7. If the Disclosing Party is unable to certify to any of the above statements in this Part B (Further Certifications), the Disclosing Party must explain below:

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If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusive presumed that the Disclosing Party certified to the above statements.

C. CERTIFICATION OF STATUS AS FINANCIAL INSTITUTION

1. The Disclosing Party certifies that the Disclosing Party (check one) ☐ is "M^ not a "financial institution" as defined in Section 2-32-455(b) of the Municipal Code.

2. If the Disclosing Party IS a financial institution, then the Disclosing Party pledges:

"We are not and will not become a predatory lender as defined in Chapter 2-32 of the Municipal Code. We further pledge that none of our affiliates is, and none of them will become, a predatory lender as defined in Chapter 2-32 of the Municipal Code. We understand that becoming a predatory lender or becoming an affiliate of a predatory lender may result in the loss of the privilege of doing business with the City."

If the Disclosing Party is unable to make this pledge because it or any of its affiliates (as defined in Section 2-32-455(b) of the Municipal Code) is a predatory lender within the meaning of Chapter 2-32 of the Municipal Code, explain here (attach additional pages if necessary):

If the letters "NA," the word "None," or no response appears on the lines above, it will be conclusively presumed that the Disclosing Party certified to the above statements.

D. CERTIFICATION REGARDING INTEREST IN CITY BUSINESS

Any words or terms that are defined in Chapter 2-156 of the Municipal Code have the same meanings when used in this Part D.

1. In accordance with Section 2-1 56-110 of the Municipal Code: Does any official or employee of the City have a financial interest in his or her own name or in the name of any other person or entity in the Matter?

☐ Yes ☐ No

NOTE: If you checked "Yes" to Item D. 1., proceed to Items D.2. and D.3. If you checked "No" to Item D.1., proceed to Part E.

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2. Unless sold pursuant to a process of competitive bidding, or otherwise permitted, no City elected official or employee shall have a financial interest in his or her own name or in the name of any other person or entity in the purchase of any property that (i) belongs to the City, or (ii) is sold for taxes or assessments, or (iii) is sold by virtue of legal process at the suit of the City (collectively, "City Property Sale"). Compensation for property taken pursuant to the City's eminent domain power does not constitute a financial interest within the meaning of this Part D.

Does the Matter involve a City Property Sale?

☐ Yes ☐ No

3. If you checked "Yes" to Item D.1., provide the names and business addresses of the City officials or employees having such interest and identify the nature of such interest:

Name	Business Address	Nature of Interest
------	------------------	--------------------

4. The Disclosing Party further certifies that no prohibited financial interest in the Matter will be acquired by any City official or employee.

E. CERTIFICATION REGARDING SLAVERY ERA BUSINESS

Please check either 1. or 2. below. If the Disclosing Party checks 2., the Disclosing Party must disclose below or in an attachment to this EDS all information required by paragraph 2. Failure to comply with these disclosure requirements may make any contract entered into with the City in connection with the Matter voidable by the City.

☐ The Disclosing Party verifies that the Disclosing Party has searched any and all records of the Disclosing Party and any and all predecessor entities regarding records of investments or profits from slavery or slaveholder insurance policies during the slavery era (including insurance policies issued to slaveholders that provided coverage for damage to or injury or death of their slaves), and the Disclosing Party has found no such records.

☐ 2. The Disclosing Party verifies that, as a result of conducting the search in step 1 above, the Disclosing Party has found records of investments or profits from slavery or slaveholder insurance policies. The Disclosing Party verifies that the following constitutes full disclosure of all such records, including the names of any and all slaves or slaveholders described in those records:

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SECTION VI - CERTIFICATIONS FOR FEDERALLY FUNDED MATTERS

NOTE: If the Matter is federally funded, complete this Section VI. If the Matter is not federally funded, proceed to Section VII. For purposes of this Section VI, tax credits allocated by the City and proceeds of debt obligations of the City are not federal funding.

A. CERTIFICATION REGARDING LOBBYING

1. List below the names of all persons or entities registered under the federal Lobbying Disclosure Act of 1995 who have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter: (Add sheets if necessary):

(If no explanation appears or begins on the lines above, or if the letters "NA" or if the word "None" appear, it will be conclusively presumed that the Disclosing Party means that NO persons or entities registered under the Lobbying Disclosure Act of 1995 have made lobbying contacts on behalf of the Disclosing Party with respect to the Matter.)

2. The Disclosing Party has not spent and will not expend any federally appropriated funds to pay any person or entity listed in Paragraph A.1. above for his or her lobbying activities or to pay any person or entity to influence or attempt to influence an officer or employee of any agency, as defined by applicable federal law, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, in connection with the award of any federally funded contract, making any federally funded grant or loan, entering into any cooperative agreement, or to extend, continue, renew, amend, or modify any federally funded contract, grant, loan, or cooperative agreement.

3. The Disclosing Party will submit an updated certification at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the statements and information set forth in paragraphs A.1. and A.2. above.

4. The Disclosing Party certifies that either: (i) it is not an organization described in section 501(c)(4) of the Internal Revenue Code of 1986; or (ii) it is an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 but has not engaged and will not engage in "Lobbying Activities".

5. If the Disclosing Party is the Applicant, the Disclosing Party must obtain certifications equal in form and substance to paragraphs A.1. through A.4. above from all subcontractors before it awards any subcontract and the Disclosing Party must maintain all such subcontractors' certifications for the duration of the Matter and must make such certifications promptly available to the City upon request.

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B. CERTIFICATION REGARDING EQUAL EMPLOYMENT OPPORTUNITY

If the Matter is federally funded, federal regulations require the Applicant and all proposed subcontractors to submit the following information with their bids or in writing at the outset of negotiations.

Is the Disclosing Party the Applicant? ☐

☐ Yes ☐ No If "Yes," answer the three questions below:

1. Have you developed and do you have on file affirmative action programs pursuant to applicable federal regulations? (See 41 CFR Part 60-2.)

☐ Yes ☐ No

2. Have you filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements?

☐ Yes ☐ No

3. Have you participated in any previous contracts or subcontracts subject to the equal opportunity clause?

☐ Yes ☐ No

If you checked "No" to question 1. or 2. above, please provide an explanation:

SECTION VII - ACKNOWLEDGMENTS, CONTRACT INCORPORATION, COMPLIANCE, PENALTIES, DISCLOSURE -

The Disclosing Party understands and agrees that:

A. The certifications, disclosures, and acknowledgments contained in this EDS will become part of any contract or other agreement between the Applicant and the City in connection with the Matter, whether procurement, City assistance, or other City action, and are material inducements to the City's execution of any contract or taking other action with respect to the Matter. The Disclosing Party understands that it must comply with all statutes, ordinances, and regulations on which this EDS is based.

B. The City's Governmental Ethics and Campaign Financing Ordinances, Chapters 2-156 and 2-164 of the Municipal Code, impose certain duties and obligations on persons or entities seeking City contracts, work, business, or transactions. The full text of these

ordinances and a training program is available on line at www.cityofchicago.org/Ethics <<http://www.cityofchicago.org/Ethics>>, and may also be obtained from the City's Board of Ethics, 740 N.

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Sedgwick St., Suite 500, Chicago, IL 60610, (312) 744-9660. The Disclosing Party must comply fully with the applicable ordinances. C. If the City determines that any information provided in this EDS is false, incomplete or inaccurate, any contract or other agreement in connection with which it is submitted may be rescinded or be void or voidable, and the City may pursue any remedies under the contract or agreement (if not rescinded or void), at law, or in equity, including terminating the Disclosing Party's participation in the Matter and/or declining to allow the Disclosing Party to participate in other transactions with the City. Remedies at law for a false statement of material fact may include incarceration and an award to the City of treble

„ damages.

D. It is the City's policy to make this document available to the public on its Internet site and/or upon request. Some or all of the information provided on this EDS and any attachments to this EDS may be made available to the public on the Internet, in response to a Freedom of Information Act request, or otherwise. By completing and signing this EDS, the Disclosing Party waives and releases any possible rights or claims which it may have against the City in connection with the public release of information contained in this EDS and also authorizes the City to verify the accuracy of any information submitted in this EDS.^y

E. The information provided in this EDS must be kept current. In the event of changes, the Disclosing Party must supplement this EDS up to the time the City takes action on the Matter. If the Matter is a contract being handled by the City's Department of Procurement Services, the Disclosing Party must update this EDS as the contract requires. NOTE: With respect to Matters subject to Article I of Chapter 1-23 of the Municipal Code (imposing PERMANENT INELIGIBILITY for certain specified offenses), the information provided herein regarding eligibility must be kept current for a longer period, as required by Chapter 1-23 and Section 2-154-020 of the Municipal Code.

The Disclosing Party represents and warrants that:

F. 1. The Disclosing Party is not delinquent in the payment of any tax administered by the Illinois Department of Revenue, nor are the Disclosing Party or its Affiliated Entities delinquent in paying any fine, fee, tax or other charge owed to the City. This includes, but is not limited to, all water charges,

sewer charges, license fees, parking tickets, property taxes or sales taxes.

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F.2 If the Disclosing Party is the Applicant, the Disclosing Party and its Affiliated Entities will not use, nor permit their subcontractors to use, any facility listed by the U.S. E.P.A. on the federal Excluded Parties List System ("EPLS") maintained by the U. S. General Services Administration.

F.3 If the Disclosing Party is the Applicant, the Disclosing Party will obtain from any contractors/subcontractors hired or to be hired in connection with the Matter certifications equal in form and substance to those in F. 1. and F.2. above and will not, without the prior written consent of the City, use any such contractor/subcontractor that does not provide such certifications or that the Disclosing Party has reason to believe has not provided or cannot provide truthful certifications.

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NOTE: If the Disclosing Party cannot certify as to any of the items in F. 1., F.2. or F.3. above, an explanatory statement must be attached to¹ this EDS.

CERTIFICATION

Under penalty of perjury, the person signing below: (1) warrants that he/she is authorized to execute this EDS and Appendix A (if applicable) on behalf of the Disclosing Party, and (2) warrants that all certifications and statements contained in this EDS and Appendix A (if applicable) are true, accurate and complete as of the date furnished to the City.

COS CMiLbUMS VJlt-LAbE S OjUaJQIS

(Print or type name of Disclosing Party)

j r 'Sign here) / (Print or type name of person signing)

e^p_

(Print or type title of person signing)

Signed and sworn to before me on (date) ~^^A/^~ 11 at rOQJC County, J^jhyfa^ (state).

Commission expires:

Notary Public.

OFFICIAL SEAL.

SAMANTKAFORO

! NOTARY PUBLIC. STATE OF LUNOI My Cowrnmi n &p>- tOWOtI

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CITY OF CHICAGO ECONOMIC DISCLOSURE STATEMENT AND AFFIDAVIT

APPENDIX A

FAMILIAL RELATIONSHIPS WITH ELECTED CITY OFFICIALS AND DEPARTMENT HEADS

This Appendix is to be completed only by (a) the Applicant, and (b) any legal entity which has a direct ownership interest in the Applicant exceeding 7.5 percent. It is not to be completed by any legal entity which has only an indirect ownership interest in the Applicant.

Under Municipal Code Section 2-154-015, the Disclosing Party must disclose whether such Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently has a "familial relationship" with any elected city official or department head. A "familial relationship" exists if, as of the date this EDS is signed, the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof is related to the mayor, any alderman, the city clerk, the city treasurer or any city department head as spouse or domestic partner or as any of the following, whether by blood or adoption: parent, child, brother or sister, aunt or uncle, niece or nephew, grandparent, grandchild, father-in-law, mother-in-law, son-in-law, daughter-in-law, stepfather or stepmother, stepson or stepdaughter, stepbrother or stepsister or half-brother or half-sister.

"Applicable Party" means (1) all executive officers of the Disclosing Party listed in Section II.B.1 .a., if the Disclosing Party is a corporation; all partners of the Disclosing Party, if the Disclosing Party is a general partnership; all general partners and limited partners of the Disclosing Party, if the Disclosing Party is a limited partnership; all managers, managing members and members of the Disclosing Party, if the Disclosing Party is a limited liability company; (2) all principal officers of the Disclosing Party; and (3) any person having more than a 7.5 percent ownership interest in the Disclosing Party. "Principal officers" means the president, chief operating officer, executive director, chief financial officer, treasurer or secretary of a legal entity or any person exercising similar authority.

Does the Disclosing Party or any "Applicable Party" or any Spouse or Domestic Partner thereof currently have a "familial relationship" with an elected city official or department head?

If yes, please identify below (1) the name and title of such person, (2) the name of the legal entity to which such person is connected; (3) the name and title of the elected city official or department head to whom such person has a familial relationship, and (4) the precise nature of such familial relationship.,

[]Yes

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SOS CHILDREN'S VILLAGES ILLINOIS BOARD OF DIRECTORS 2011

Name	Position	Professional Affiliations
Rosemarie Andolino	Board Member	Commissioner, Chicago Department of Aviation ;
Terry Athas	Board Treasurer	Senior Managing Director, Mesirow Financial
Lee Benish	Board Member	Principal, Benish Consulting & Facilitation
Rosie Burke	Board Member	Vice President, External Relations, NorthShore University Health System
Darren Collier	Board Member	Vice President, McGuire Woods Consulting
Steven Davis	Board Member	President, 4Access Communications
David L Hoffman	Board Member	Retired, Executive Vice President, Morse Diesel International
Laurie Holmes	Board Secretary	Attorney, Drinker Biddle & Reath
Anne Kaplan, Ph.D	Board Member	Northern Illinois University, Vice President for Administration and University Outreach
Lynn Kiley	Board Vice President	Civic Leader
Maureen McKeough, Ph.D	Board Member	Retired, Instructional Coordinator, School District 54
Kathleen Nelson	Board Member	Managing Director, Zeigler Capital Management, LLC.
Sheila O'Grady	Board President	President, Illinois Restaurant Association
Jeff Riemer	Board Member	Executive Vice Pres. Bovis Lend Lease
Paul Thompson	Board Member	Partner, Quest Development Group LLC
Ted Weldon	Board Member	WeeksWeldon Development Company, LLC, Principal
Jim Wolfe 7	Board Member	President and CEO, Knight Engineers & Architects

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